

certain from my right hon. friend, if he is at liberty to disclose the views of the government on the subject, what is proposed to be done with the Intercolonial Railway? Immediately before the last general election we read many eulogies of the administration of the present Minister of Railways, and were told that a very great success was being made of the road, but no sooner were the elections over than it was ascertained that negotiations had been going on between the government and certain railway magnates of the Dominion for the sale of that great public work, and I have no doubt it was the intention of the government to sell or lease it, but owing to the protests which appeared in the press of the maritime provinces they have been obliged to recede from their purpose. Now why does not the government come down with a common sense scheme and place the Intercolonial Railway in commission? That has been urged in parliament session after session. Great railway corporations in this country have been endeavouring for some time past to acquire the Intercolonial Railway. It is well known that the Canadian Pacific Railway was willing to take it over, and that the Grand Trunk Railway was ready to acquire it if possible. It is also known that other large corporations are prepared to give a very substantial consideration for the Intercolonial Railway system. There is no doubt whatever that the proper way to manage the road is by a commission of experts, and thus give to the maritime provinces a more satisfactory service than they receive to-day. Very recently an examination was made into the character of that administration, and I would point out some of the information that has been ascertained. On the employees pay-roll we find 8,424 names. Of the number which I have mentioned, 1,500 had obtained and retained their positions because of political influence, and are unnecessary to the management. At \$2 per day these would represent a yearly pay-roll of about \$1,000,000. I may also state that the patronage system exists in all its viciousness on the Intercolonial Railway. From the revelations before the Cassels commission, it became apparent that under the patronage system of the departments, supplies cost the country from

Hon. Mr. LOUGHEED.

25 to 50 per cent more than the proper market values. It is an exaggerated view to take of the situation to say that at least \$500,000 could be saved in supplies on the Intercolonial Railway by the abolition of the present system of management and placing the road in commission? This together with the retrenchment which would take place through the dismissal of unnecessary employees, would represent at least one million five hundred thousand dollars per annum, not taking into consideration for a moment what additional sums might be obtained by increasing the freight rates to a standard basis. Leaving that controversial matter out of the question, it is apparent that the road would gain to the extent \$1,500,000 per annum if it were placed under commission and administered as any other railway enterprise would be.

There is another public service which illustrates the recklessness with which the government is expending the public money. I refer to the National Transcontinental Railway. It is conceded by my hon. friends opposite that the road will cost, when completed, somewhere within the vicinity of \$200,000,000. That is not denied. I would like to ask my hon. friends in what way can such an expenditure be reconciled with financial economy, in view of the fact that the cost of the road is exceeding the original estimate by at least \$125,000,000? The original estimate submitted to the parliament was in the vicinity of \$78,000,000. Can there be any justification or explanation why the estimates for a public enterprise of that nature could not have been determined with approximate accuracy? Why should they be doubled, nay almost trebled? Who is culpable for such an enormous mistake, for such reckless administration? Estimates were brought down to parliament concurrently with the Bill introduced by the government showing that the expenditure would be somewhere less than eighty million dollars. Now consider the estimates. I appeal to the House if such financial administration ever characterized any undertaking or commercial enterprise? If so would it not be bankrupted almost at its birth? In fact it would be impossible to do business