

on the 11th day of July, 1900 (See Hansard of that date), for the eleven months ending May 31st, 1900 was \$269,369.21 at Sydney, and \$41,446.20 at North Sydney, or together \$340,000 for the year, an excess of \$20,000 over the receipts in the whole 170 miles of the Montreal Extension, the city of Montreal included. In the year 1897, the receipts at the two Sydney stations were only \$82,078.28.

CAUSES OF INCREASED TRAFFIC.

The causes of the enormous increase of traffic in Cape Breton and Nova Scotia generally are:

1st.—The erection of the steel works at Sydney upon which nearly eight millions of dollars are being expended.

2nd.—The establishment of Mr. Reid's line of steamships between North Sydney and Newfoundland.

3rd.—The expansion of the steel industry in Pictou county.

4th.—The large increase in the coal output.

5th.—The increase of the lumber traffic.

6th.—The increase of trade generally.

The receipts of the I. C. R. have also been increased by the transportation of the Canadian contingents, the Strathcona Horse, and the Militia garrison for Halifax with their equipments and supplies, and the transportation of supplies for the British army in South Africa, which have swelled the receipts of the I. C. R., according to the statements of the Minister of Railways and Canals and the Minister of Agriculture, over \$70,000. In addition, large increases of earnings have accrued in the Provinces of Quebec and New Brunswick from the increase of the lumber business and trade generally.

It is idle of Mr. Blair to claim credit for any of these increases. What the country will give him credit for is a large surplus of earnings over expenditure if he has any to show. He should have one with this immensely increased traffic. Has he?

THE MONTREAL EXTENSION. DOES IT PAY?

The revenue of the Montreal Extension can be approximately placed, as has been shown, at \$320,000. What are the expenses in connection with this portion of the system? The roadbed and the stations of the Joint Section are maintained at the joint expense of the I. C. R. and the Grand Trunk Railway—the roadbed and stations of the Drummond County Railway solely at the expense of the Intercolonial Railway. The I. C. R. pays of course for the maintenance of its rolling stock and the running of its trains over the whole extension of 170 miles. On track and

stations on the I. C. R., exclusive of the Section, the expenditure in 1899 was \$1,303, (See Report of Railways and Canals, 1899, page 66.) The Drummond County proportion for its 133 miles would, on the basis of mileage, be more than one-tenth of this amount, or, in round numbers, \$130,000. In addition to this, the I. C. R. paid to the Grand Trunk Railway, as its share of the maintenance of the stations and track on the Joint Section \$69,899. (See Auditor-General's Report, 1899, pages R. 170-171.) The total cost of maintenance of engines and cars and running trains on the whole I. C. R. (for 1,315 miles) for 1898-99 was \$1,841,456. (See Report Railways and Canals, 1899, page 66.) The Montreal Extension of 170 miles is slightly more than one-eighth of the mileage of the total system, and its share therefore should be, in round numbers, \$230,000. The rental paid by the I. C. R. to the G. T. R. and the Drummond County Railway for 1899 was \$210,000, while the increased cost of the management of the railway system for 1899 was \$48,492.

EARNINGS AND EXPENDITURES, MONTREAL EXTENSION.

The earnings and expenditure of the Montreal Extension for 1899 therefore stand as follows:

Expenditure on stations and roadbed of Drummond County Railway.....	\$130,000
Expenditure on stations and roadbed of Joint Section.....	69,899
Expenditure on cars, engines, maintenance and trainmen for whole extension.	230,000
Expenditure for rental	210,000
Expenditure for cost of management....	48,492
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Earnings for the year.....	\$320,000

Loss for year.....\$368,391

This should be increased by the amount of interest upon capital expenditure charged to the permanent debt of the Dominion which Mr. Blair has made as a result of the extension to Montreal.

So much for Mr. Blair's boasted gain!

SURPLUS CLAIMED FOR THE INTER-COLONIAL—A MYTH.

Mr. Blair made some comparisons between his own and Mr. Haggart's management of the I. C. R., with the view of showing how successful he had been. This comparison was arbitrary and partial. The proper method of comparison is to take the records in this matter and compare all the years of Mr. Haggart's management with all the years of Mr. Blair's. The following facts are taken from Mr. Blair's own report for 1899:

UNDER MR. HAGGART'S MANAGEMENT.

	Earnings.	Working Expenses.	Surplus	Deficit.
1892-93	\$3,065,449 09	\$3,045,317 50	\$20,181 59
1893-94	2,987,510 27	2,981,671 98	5,838 29
1894-95	2,940,717 95	2,930,902 74	3,815 21
1895-96	2,957,640 10	3,012,827 62	\$55,187 52

Mr. Haggart's net deficit.....\$25,352 43
Average yearly deficit.....\$ 6,338 10