

REVENUE.

The general depression in trade throughout the country has continued and has been specially severely felt in the Province of New Brunswick. This, combined with the shutting down of the blast furnace at the Londonderry Iron Works, and the fact of the Acadia Coal Company of Pictou having during the last season transported their summer shipment of coal over the Nova Scotia Coal Company Railway to the Pictou Harbour, instead of as formerly, over the Intercolonial Railway, has had a very depressing influence on the traffic, and caused the revenue to decline.

The gross receipts were..... \$1,294,099 69
Against the previous year..... 1,378,946 78

Showing a decrease of..... 84,847 09

The passenger receipts as compared with last year shew a decrease of \$23,363.52, with an increase of 21,144 in the number carried, as follows:—

Total carried in 1877-78..... 618,957
“ “ 1878-79..... 640,101

Shewing an increase of..... 21,144

The freight traffic compared with last year shews a decrease of \$48,214.04, with a decrease of tonnage of 11,849 tons carried, as follows:—

Total carried in 1877-78..... 522,710
“ “ 1878-79..... 510,861

Shewing a decrease of..... 11,849

The following is a comparative statement of the chief articles of freight carried:—

	1877-78.	1878-79.	Increase.	Decrease.
Barrels of flour, No.....	637,778	630,329	7,449
Bushels of grain, No.....	331,170	302,921	28,249
Live stock, No	46,498	47,584	1,086
Lumber, feet.....	56,626,547	55,626,096	980,458
All other goods, tons.....	375,025	366,657	8,368

The volume of traffic to and from the west has been fairly maintained.

The cattle traffic from the west for shipment at Halifax shews an increase. The business was conducted with great care and regularity, the shippers expressing themselves well pleased with the arrangements.

The traffic from the ocean *via* Halifax during last winter, compared favourably with that of the previous year, and was despatched promptly to destination.

The local traffic was the most prejudicially affected by the general depression, and showed a very heavy falling off.

The Londonderry Iron Works, I am glad to be able to report, are again in full blast, and trade generally throughout the country gives evidence of a revival. It is therefore confidently believed that an improvement will shortly be visible in the traffic.

WORKING EXPENSES.

The cost of working the railway the past year has been heavy, due to the following causes, among others:—In order to comply with the amendment, made last Session of Parliament, in the law respecting road bridges and other structures spanning the railway track, it became necessary to incur considerable expense to raise all the snow sheds, and most of the overhead bridges. The sleeper renewals during the year were nearly double those of the previous year, there having been inserted in the track during the year 300,094, against, in the previous year, 156,742, being an increase of 143,352.