

Management of Intercolonial Railway

AND

ITS EXTENSION TO MONTREAL.

From 1892 to 1896, the I. C. R. consisted of 1,142 miles of railway. Three miles were added in 1896-97. In 1898 the Government leased from the Drummond County Railway Company its railway consisting of the main line from Chaudiere Junction to Ste. Rosalie and the branch to Nicolet, in all about 133 miles and also leased from the Grand Trunk Railway a common interest in their line from Ste. Rosalie to Montreal including terminal facilities at the latter city. These leased lines (170 miles) are known as the Montreal Extension, the first railway being commonly known as the Drummond Railway; and the portion of the Grand Trunk held in common being commonly known as the Joint Section.

For a few months of the year ending 30th June, 1898, and ever since the Government has operated the Montreal Extension. The Government now, however, owns the Drummond Railway, having purchased it for \$1,600,000.

Mr. Blair, the Minister of Railways and Canals, and the Government press throughout the country, the claim that the Montreal Extension and Mr. Blair's management have—

First—Greatly increased the traffic and revenues of the I. C. R.;

Second—Added to the I. C. R. a very profitable piece of railway;

Third—Enabled the I. C. R. to have surpluses instead of deficits;

Fourth—Greatly improved the I. C. R. both as to road bed and plant.

It is proposed to examine these claims in this pamphlet.

AS TO THE INCREASE OF REVENUE.

For the year 1898-99, the first full year of the operation of the Montreal Extension and the last year for which we have published reports, the earnings of the whole Intercolonial Railway show an increase of \$872,303 over the earnings of 1897, the last full year's operation before the extension was taken over. (See Report, Railways and Canals, 1899, Page 23.) And, according to the statement made by Mr. Blair in the House of Commons on the 25th June, 1900, the earnings during the year 1899-1900 were \$794,669 in excess of the earnings of 1898-99. To put the matter in tabular form:

	Earnings.
1897.....	\$2,866,023 02
1898.....	3,738,331 44
Excess for 1898.....	\$872,303 42

1897.....	\$2,866,023 02
1898.....	3,660,627 02

Excess for 1899..... \$794,669 00

The addition of 170 miles to a railway system of 1,142 miles, or an increase of about one-seventh of its mileage, must necessarily increase its revenue considerably, and the acquisition of the Montreal Extension did, it is admitted, substantially increase the revenues of the I. C. R. This increase, presuming that the Montreal Extension was equal in earning power to the average of the I. C. R. should have been in 1899 one-eighth of the total revenue of 1898, or \$467,281. What have been the actual earnings of the Montreal Extension during that year?

THE AUDITOR-GENERAL'S REPORT.

The Government refused to give any information on this subject, claiming that it is impossible to do so. By referring to the Auditor-General's Report for 1899, R. pp. 308 and 309, the receipts at every station of the I. C. R., however, can be obtained. These receipts are a fair index of the earnings of the road, and from them the earnings of the Montreal Extension can be approximately placed at \$320,000, of which \$50,000, in round numbers, represent the earnings of the Drummond Railway, and \$270,000 the earnings of the "Joint Section" from St. Rosalie to Montreal. The balance (\$552,000) of the increase of revenue in 1899 is, on the basis of station receipts, made up as follows:

From the I. C. R. in Quebec from Chaudiere Junction to the N. B. line.....	\$170,000
From the I. C. R. in New Brunswick....	15,000
From the I. C. R. in Nova Scotia....	367,000

The increased revenue for the year (1899) ending June 30th, 1900, Mr. Blair places at \$794,669. The Auditor-General's Report for that year has not yet been published, and the same opportunity is not afforded for making up the earnings of the Montreal Extension for that year. The earnings of that portion of the I. C. R. doubtless increased owing to the general increase of trade in the Dominion, but the large increase is almost entirely due to the increased earnings of the Nova Scotia portion of the railway, especially in the Island of Cape Breton, where the increase has been enormous. As an illustration of this increase the Sydney stations may be taken. The receipts at these stations, according to an answer given by the Minister of Railways to Mr. Gillies, M.P.,