

The engine houses at Truro, Moncton and Campbellton, having been found for some time too small to accommodate all the locomotives at these places, were enlarged at a heavy expense.

New iron turntables of an improved pattern were substituted at St. John and Rivière du Loup, for the wooden ones previously in use. These iron ones were found to work so well that four more of the same kind were ordered from a Canadian manufacturer, and they are now being placed in engine houses along the line.

Extensive and costly improvements were made in the water supply at Campbellton, Newcastle, Moncton and other places. A contract was made with the Moncton Gas-light and Water Company for the supply of water and gas at Moncton for ten years. The expense incurred by the railway in providing and laying pipes to convey this water to the different parts of the property, and in erecting hydrants for protection against fire, was about six thousand dollars. The cost of providing and fitting gas-pipes at Moncton was over eleven thousand dollars.

The following is a summary of the chief items referred to, the whole of the expenditure on account of which is included in the cost of working the road.

Ballasting	\$54,841
Additional sidings.....	29,949
Additional buildings.....	32,114
Rebuilding bridges, culverts, etc.....	60,695
Improved water supply.....	21,308
Gas-pipes and fittings, Moncton.....	11,504
New turn-tables and semaphores.....	4,497
Total.....	\$214,908

The account called "renewals suspense," to which was charged during the last few years the cost of relaying the track with steel rails, also the rebuilding of fences and of several large bridges, has been closed.

The balance at the debit of this account on 30th June, 1878, was.....	\$168,396 03
There was added during 1878-79.....	42,278 88
Total.....	\$210,674 91

The total amount, including the balance brought forward from the previous year, was charged to the working expenses of the year ending 30th June, 1879.

The locomotives, cars and the machinery generally have been kept in good repair, and are in a state of efficiency.

The cost of repairing locomotives was exceptionally heavy during the year, a large number having received extensive repairs. In order to maintain the stock, three new ones were built in the railway workshops at Moncton, the whole cost being charged to engine repairs. The large expenditure made in improving the water supply has also materially increased the cost of "locomotive power," as it was charged to that account.

In addition to the usual repairs to cars of all classes, considerable alterations were made in passenger, postal, baggage and express cars, the better to fit them for use, and twice as many cars were entirely rebuilt as in the previous year.

STORES ACCOUNT.

The stores account compares very favourably with last year.

The purchase of stores in 1877-78 were.....	\$435,049 69
In 1878-79 they were.....	415,985 87

Showing a decrease of..... 69,063 82