

The Steel Company of Canada, which has for some years operated large iron works at Londonderry, in Nova Scotia, stopped its blast furnace during the year and it was not again started, I regret to say, until October of the current year.

The following is a comparative statement of a few of the chief articles of freight showing the quantity carried in this and in the previous year.

Articles.	1877-78.	1878-79.	Decrease.
Barrels of flour.....	637,778	630,329	7,449
Bushels of grain	331,170	302,921	28,249
Lumber, in feet.....	56,606,547	55,626,096	980,451
			Increase.
Head of live stock.....	46,498	47,584	1,086
			Decrease.
All other goods, in tons.....	375,025	366,657	8,368

The increase in head of live stock carried is due to the transport of cattle from the upper Provinces to Halifax during last winter, for shipment to England.

This traffic formerly went by the Grand Trunk Railway to Portland, and thence to England.

The weekly mail steamers from England landed the mails and passengers, and also such goods as they had for the upper Provinces, at Halifax, last winter, and it is gratifying to record that all this traffic was carried with regularity and despatch.

Expenditure.

A very large expenditure was made during the year for new works and improvements, all of which is included in the working expenses. A considerable portion of this expenditure was for rebuilding the masonry of bridges and culverts and providing iron bridges to take the place of decayed wooden ones.

In order to comply with the amendment made at last Session of Parliament in the law respecting road bridges and other structures extending over the railway track, it became necessary to raise all the snow sheds and most of the over-head bridges. This work was commenced as soon as spring opened, and continued until the close of the working season. A large part of the work has been done, and it is expected that it will be completed next season.

A large amount of ballasting was done during the year on the track between St. John and Halifax, and the safety and durability of the permanent way has thereby been much enhanced.

Iron fish-plates and scabbards have been removed from a considerable portion of the track, and steel fish-plates of the standard pattern have been substituted as fastenings.

The number of new sleepers put into the track during the year was.....	300,094
Against, in the previous year.....	156,742
	143,352
Being an increase of.....	143,352

A large extent of fencing was also built during the year.

The new sleepers and fences were chiefly of more durable wood than had been used formerly, and it is the intention to continue the use of this improved material, because in a few years it will reduce the cost of repairs.

About four miles of new sidings were laid at different places along the road for the convenience of the public.

Many of the station houses and freight houses were enlarged, and a number of new buildings of various kinds were erected.