

REVENUE.

The falling off in the revenue has been noticeable specially in two branches thereof, viz., the graving docks and the telegraphs, the docks in 1892-93 having given the high income of \$43,007.30, while from the same source the department only received in 1895-96 the sum of \$23,011.85. The income from the telegraphs has gradually decreased from \$10,229.11 in 1892, to \$7,430.47 in 1896.

It may, however, be remarked that the smaller the revenue from dock charges, the better sign it is of a season free from accidents and casualties to the shipping industry of the country.

The competition from small docks has also contributed to materially reduce the income usually derived from that source, the charges for small vessels being in those works of less dimensions such as to compare most favourably with our schedule of rates, and those vessels finding it to their advantage to use the smaller docks in preference. The revenue at the Lévis dock was \$8,835.39; at Esquimalt, \$10,221.68, and at Kingston, \$3,954.78. At the latter place, as was referred to in my report of last year, the rates were reduced for the season of 1895 as an experiment in order to ascertain whether, as was claimed, the high rates were prohibitive and prevented the use of the dock by a larger number of vessels. The reduction in question had not, however, the expected result, but only brought about a serious decrease in the returns, the income for 1895 having only been \$2,450.33. The old rates were restored for the season of 1896, and, as can be seen, the revenue is greater than during the preceding year by \$1,504.45.

Concerning the revenue from the telegraph service, the gradual construction and extension of railways, and the concurrent establishment of telegraph lines, have had a tendency to reduce the volume of business on our lines, and consequently, the revenue derived therefrom. That was noticeably the case when railway facilities were extended in the North-west Territories from the main trunk line of the Canadian Pacific Railway towards Prince Albert in one direction and to south Edmonton in the other. The construction of the telegraph line, which went hand in hand with that of the railway, removed immediately a large volume of business which had heretofore been handled exclusively by our lines. Such was again the case when the Lake St. John Railway was completed to Chicoutimi, the wire then laid by the Great North-western Telegraph Company taking away from our Baie St. Paul and Chicoutimi line, mostly all its through business.

In the two cases above mentioned the reduction of revenue was at least 60 per cent.

The slides and booms revenue has, in the case of the Ottawa River works, retained about its ordinary normal level since the reduction of the rates in 1893—the income for the fiscal year under review being only \$2,700 less than the preceding year and having amounted to \$49,400.15, which sum was all collected at the end of the year, together with some arrears which bring the total collection for the year to \$50,123.33.

The dues received during the same period from the use of the St. Maurice River works have amounted to the sum of \$21,358.74, or \$7,052.21 more than in 1894-95.

Since the re-organization of this system in 1892, the revenue, which was very small, has followed a regular upward tendency, and after having shown for years an