

STATEMENT OF RECEIPTS AND EXPENDITURE.

40,000 tons coal delivered at Victoria for local consumption, at \$1.00 per ton.....	\$40,000
60,000 tons coal, delivered at Victoria, or Esquimalt, to be shipped foreign, at the special rate on the Intercolonial between New Glasgow and Londonderry iron mines, at 65 cents per ton.....	39,000
50,000 tons coal, delivered to shipping at Nanaimo for exportation at 50 cents per ton.....	25,000
5,000 tons produce and merchandise at \$2 per ton.....	10,000
10,000 passengers at \$2.....	20,000
Royalty on 100,000 tons coal raised within the Railway coal fields, at 20 cents per ton.....	20,000
Saving on carrying mails between Victoria and Nanaimo, per annum.....	4,000
Sales of land, timber, &c.....	10,000
Total gross estimated receipts....	\$168,000
Total annual expenditure for E. and N. Railway.....	\$100,000
Interest on Gold Reserve. 15,000	\$115,000
Total Estimated Net Receipts...	\$33,000

I believe, Sir, that, in the near future, after this road shall have been put fairly in operation, my estimate of receipts and net profits will be verified; and that when the continental portion of the Railway shall have been extended to English Bay, Burrard Inlet, with a ferry to connect

with Nanaimo, that the passenger and freight business that will be done by the Island Section of the Pacific Railway, will exceed any other short section on the whole transcontinental line. I have only now to direct attention to the Railway Land Belt on Vancouver Island that will pass to the Dominion Government as soon as it is prepared to commence the construction of this section. There will be a very considerable area of land, chiefly timber land, in the belt, that will prove valuable. But it is the coal fields along the line of Railway that will be most valuable. I estimated that between Esquimalt and Nanaimo, within the Railway Belt, that there are 200 square miles of good coal fields. Now, the very least it will be worth to the Government, on the average, is \$50,000 per mile. At that rate the 200 square miles would be worth ultimately \$10,000,000—a sum equal to four times the estimated cost of the line between Esquimalt and Nanaimo. This shows, in connection with my estimates of the net receipts that the building and operating of this section would prove a profitable undertaking. I trust the Government, during Recess, will give this subject their best attention, and at the next Session of Parliament will submit a measure for its construction.