

be taken this year towards standardizing the gauge of the railway, but he could not say when the main work would be started. Ditching machines would be provided and the whole of the lines on the island would be ditched. The branch line from Emerald to Borden, which now carries the bulk of the traffic, would be practically rebuilt. The shortage of ties and rails would delay the widening of the gauge. (Oct., 1917, pg. 394.)

St. John & Quebec Ry.—The Lieutenant Governor in his speech at the opening of the New Brunswick Legislature, Mar. 7, said:—"The construction of the St. John & Quebec Ry. between Gagetown and Westfield has proceeded during the year as rapidly as labor conditions and scarcity of material would permit. On account of the extraordinary demand for steel rails for use overseas, as well as in this country, the Canadian Government Railways were unable to carry out their undertaking to provide the rails necessary for the completion of this section, but arrangements have recently been made preliminary to the taking up of the steel rails upon the Northern New Brunswick & Seaboard Ry., authority for which was given at the last session of the legislature. Construction of the road is at such a stage that with the assurance of steel for the track-laying, the company is able to look forward to completion of the railway, ready for transportation for the next fall and winter."

A press report Mar. 8, stated that arrangements have been made with the Dominion Government, under which 130 miles of the heavy steel rails on this line between Gagetown are to be taken up and handed over for use as relaying rails on the Intercolonial Ry., and that the rails taken up from that line will be laid on the St. J. & Q. Ry. (Jan., pg. 12.)

Timiskaming & Northern Ontario Ry. A deputation from the Gowganda district waited on the Ontario Government, Mar. 1, and asked for a grant of about \$7,000 a mile, towards the building of a 50 mile railway from Elk Lake to the Gowganda mining area. The deputation said if the government would not build a branch of the T. & N.O. Ry., it might be possible with such a grant to finance the undertaking privately. It was reported that possibly a grant of \$100,000 could be arranged. The legislature, however, was prorogued without any provision being made.

British Columbia's Railway Liabilities. British Columbia's financial statement for 1917, shows its railway liabilities financing under two heads, the first consisting of amounts paid for interest and on loan account, and the second showing the authorized and issued securities for which the province is liable both for principal and interest. The first section shows a total of \$267,056.93, of which are termed "deferred assets," made up as follows:—Nakusp & Slocan Ry., paid for interest, \$296,374.80; Pacific Great Eastern Ry., paid for interest, \$1,053,826.27; P.G.E. Ry., loan account, \$1,319,366.86. The second section comprises the following:—Canadian Northern Pacific Ry., securities due April 2, 1950, authorized \$47,975,000, issued \$40,157,524; Pacific Great Eastern Ry., due July 15, 1942, authorized and issued, \$20,160,000; Nakusp & Slocan Ry., due July 1, 1918, authorized and issued, \$647,072.

The annual tours of circuses round the country will not take place this year, the United States railways having issued notices that they will not handle circus trains.

Increases in Freight and Passenger Rates Approved by Dominion Government.

The following order in council, P.C. 632, was passed at Ottawa, Mar. 14:—The Governor General in council, pursuant to the provisions of sec. 56 of the Railway Act, chap. 37, Revised Statutes of Canada, 1906, has had under consideration the petitions referred to in the order in council P.C. 229, of Jan. 30, 1918, and other petitions appealing from the Board of Railway Commissioners order, dated Dec. 26, 1917, providing for a general advance in freight and passenger rates, and has heard counsel for the petitioners and others, and has heard a further argument advanced at the adjourned hearing of such appeal on Mar. 1, 1918, and has considered all cases filed and all replies and rejoinders, and is pleased to order that the said order of the Board of Railway Commissioners be amended, by providing that it shall cease to operate one year after the declaration of peace following the present war.

The Governor General in council is further pleased to order that the going into effect of the said order as herein amended be not further postponed. Whereof the Board of Railway Commissioners and all other persons whom it may concern are to take notice and govern themselves accordingly. Certified copies hereof shall forthwith be transmitted to the Board of Railway Commissioners to counsel for the petitioners and other interested parties.

Freight Rates on Clay, Sand, Gravel and Crushed Stone.

The Chief Railway Commissioner's judgment in the so-called 15% rate case, published in Canadian Railway and Marine World for February, on pg. 51, contained the following paragraph:—"Common clay and sand, gravel and crushed stone are commodities which cannot, in my view, stand a 15% increase. I would, however, permit the companies to increase their rates on these commodities both in eastern and western territories, by adding to existing rates not more than 5c a ton."

A circular issued by the board's secretary says:—"The reference to common clay and sand, gravel and crushed stone . . . was intended to be understood in the collective and not the particular sense; that is to say, the specific increase of not more than 5c a ton is to be understood to apply to all the commodities which have hitherto been carried under the special mileage scale, or under specific commodity items of the tariffs, at the same rates as those particularized in the judgment. Any tariffs in conflict with this announcement which have already been filed to take effect on Mar. 15, 1918, or which, bearing an earlier effective rate, were postponed in compliance with the order in council, must be amended in accordance herewith."

Special Taxation of Canadian Pacific Railway.

The following order in council, P.C. 661, was passed at Ottawa, Mar. 14:—The Governor General in council, on the recommendation of the Prime Minister, is pleased, under the authority of the War Measures Act 1914, to order as follows:

The Canadian Pacific Ry. Co. shall pay to the Government of Canada, the following special taxes:—

One-half of its net earnings from railway operation, in excess of 7% on its common stock (after paying fixed charges, appropriation for pension fund, and dividends on preferred stock).

Income tax on its special income (inclusive of all its income, except earnings from railway operations), under the provisions of the Income War Tax Act, 1917, or any amendment thereof, hereafter enacted.

Provided, that the total amount to be paid each year by the company shall not be less than its net earnings in such year from railway operations, and from special income as defined above, in excess of 10% on its common stock (after paying fixed charges, appropriation for pension fund and dividends on preferred stock) up to \$7,000,000, or the amount by which its net earnings from railway operations exceed the net earnings from railway operations for the fiscal year ended Dec. 31, 1917, due to the increase in freight and passenger rates granted by the Board of Railway Commissioners order, dated Dec. 26, 1917.

The Governor General in council may make such regulations to provide for the full and effective carrying out of the provisions of these orders and for the collection, periodically, of the taxes herein imposed as to the Governor General in council may seem fit.

Payment in full of special taxes under this order shall in respect of earnings from and after Jan. 1, 1918, relieve the company of liability under the Business Profits War Tax Act, 1916, and any other Dominion act of like nature hereafter enacted, and (save as hereinbefore provided), under the Income War Tax Act, 1917.

This order shall be deemed to have come into force and effect on Jan. 1, 1918, and to continue in force and effect during the present war, and until further ordered.

Railway Finance, Meetings, Etc.

Greater Winnipeg Water District Ry. Following is a report of operations for 1917:—Earnings for carrying freight, etc., \$396,402; cost of operation of railway, \$231,235; interest charges on capital invested in railway construction, \$90,855, and railway equipment, \$11,876, a total of \$102,731. Net credit on operating for the year, \$62,437. The debit balance on Dec. 31, 1916, was \$14,584, and the credit balance at the end of 1917, after paying all costs of operation, maintenance and interest on cost of railway equipment, \$47,851. For the period to Mar. 9, 1918, receipts from freight and passenger traffic are reported to have been \$11,845, and operating expenses \$5,715. There were 878 passengers carried east, and 842 west.

Lacombe & Blindman Valley Electric Ry.—The Premier of Alberta is reported to have informed a delegation Mar. 12, that this light railway from Lacombe towards Rimbey was paying operating expenses, and that as soon as it was completed to Rimbey, a profit might be expected.

Timiskaming & Northern Ontario Ry. Revenue from passenger traffic for January, \$44,130.48; from freight traffic, \$116,511.24; total revenue, \$160,641.72, against \$44,958.79 passenger, \$101,717.52 freight, and \$146,676.31 total revenue for Jan., 1917.

There was a further rearrangement and reduction of passenger trains on the principal lines Mar. 3 and 10, under the direction of the Canadian Railway Association for National Defence.