

The net loss on the roads for the past fiscal year was \$642,170. The Eastern Extension and Windsor Branch yielded a profit, the loss being on the Intercolonial proper and the P.E.I. railways. The returns were as follows:—

Intercolonial—Earnings.....	\$2,928,080 92
“ Working expenses.....	3,481,472 97
E. Extension—Earnings.....	84,658 95
“ Working expenses.....	79,102 77
Windsor Br.—Earnings.....	30,162 46
“ Working expenses.....	18,982 82
P. E. Island—Earnings.....	160,971 78
“ Working expenses.....	266,485 85

The total expenditure on capital account up to June 20th last was \$46,908,233.81. This amount may be classified as follows: Road, \$39,926,849.44; rolling stock, \$6,981,384.37; total, \$46,908,233.81. With a view to the better protection of the travelling public and the employees, a system of heating by steam from the locomotive, and lighting by electricity, is being introduced into the passenger car stock, of which 102 cars are now fitted with appliances for steam heating and 81 for electric lighting. The air brake has been applied to 464 freight cars. The maintenance of these improvements adds materially to the operating expenses, the working of the electric light being very costly. Mr. Schreiber, however, is strongly in favor of the extension of these improvements to the entire car stock, and he accordingly proposes to ask the Minister of Railways and Canals to place a sum in the estimates for these purposes for submission to Parliament. The steam heating is said to work admirably, but the electric light has not proved to be altogether reliable, for, although it is an excellent light while burning, it is apt to get out of order on the journey, partly from the motion of the train, in which case the old system of lighting by lamps has to be resumed. It is hoped, however, that both this difficulty and the excessive cost may eventually be overcome. The air brakes on the freight cars have proved of great advantage, and Mr. Schreiber trusts the day is not far distant when they will be in general use upon the railways of Canada.

The heavy loss in the operation of the Intercolonial railway is due chiefly to the following causes: The opening of the “Short line” between St. John and Montreal, the heavy rail renewals and the expense attending the strengthening of the iron bridges.