

in regard to receipts, expenses, etc., of the Canada Eastern section of the Intercolonial.

I send you herewith a statement that has been prepared by Mr. Shannon showing that the amount expended in the years 1905 and 1908 for the purchase of the Canada Eastern railway was \$819,000. In the year 1906 an amount of \$300,000 was paid in connection with the Fredericton and St. Mary's bridge, making a total of \$1,119,000. The amounts expended on capital account in the years 1904-05 to 1908-09, inclusive, amounted to \$312,014.81. The statement shows the works on which these expenditures were made; they were almost all for improvements. The items for the strengthening of bridges are partly for improvements, as the wooden bridges with cedar foundations were replaced by steel bridges with concrete and masonry foundations.

The Blackville branch of the Canada Eastern railway extending from Blackville to Indian town, and forming the connection between the Canada Eastern railway and the Indian town branch of the Intercolonial railway was repaired and improved at a cost of \$116,641.61 which was charged to capital account during the years 1906-07 to 1908-09, inclusive. The total expenditure on capital account has therefore been \$1,547,656.42.

I send you a statement from Mr. T. C. Burpee, showing that he estimates the amount required to put the Canada Eastern division into good condition at \$319,000. This statement shows the items on which the estimated expenditure is to be made. Some of these items seem high.

In regard to the receipts and expenses, I inclose a statement showing the approximate expenses charged to revenue by years, from October, 1904, to March 31, 1909, and the total amount is \$849,341.32.

A statement of the approximate gross earnings, by years, to March 31, 1909, is also inclosed. They amount to \$627,738.03.

I am, sir,

Your obedient servant,

Incl. D. POTTINGER.
L. K. Jones, Esq., I.S.O., Secretary,
Department Railways and Canals,
Ottawa, Ont.

There is a balance of nearly \$222,000 against the road as working; that the gross earnings are \$22,500, or thereabouts, less than the working expenses. Then it may be well to read some of Mr. Burton's statements. The first statement for 1905, shows that the price originally paid was \$1,119,000. The next portion of the statement shows the amount expended each year on capital account since the acquisition of the line from Fredericton to Chatham, from October 1, 1904, to March 31, 1909.

Year 1904-05.

Sidings..	\$ 9,575 05
Platforms..	355 00
Track material and labour..	26,498 10
	<u>\$ 36,428 15</u>

Hon. Mr. POWER.

Year 1905-06.

To increase water supply	\$ 19,243 04
Semaphores at stations..	1,607 01
Sidings..	10,929 62
	<u>31,779 67</u>

Year 1906-07.

To strengthen bridges...	\$ 12,455 83
To increase water supply	3,634 48
Siding, Fredericton.. . .	96 00
Fencing portion of line not heretofore fenced..	15,983 36
Air compressor at Gibson	1,780 91
Ice-house at Gibson.. . .	2,138 76
	<u>36,089 34</u>
	<u>\$104,297 16</u>

1907-08.

To strengthen bridges...	\$111,490 29
To increase water supply	11,559 88
Fencing portion of line not heretofore fenced..	11,979 24
Improving grades on line	3,950 49
New turntables..	3,348 08
Air compressors at Gibson..	361 54
Electric semaphores.. . .	512 26
Sidings..	2,382 28
To improve telegraph line..	2,498 23
Buildings..	2,695 78
	<u>150,778 07</u>

1908-09.

To strengthen bridges...	\$ 9,365 17
To increase water supply	20,268 28
Fencing portion of line not heretofore fenced..	14,999 94
Improvements, Loggieville..	389 42
New turntables..	1,035 09
Electric semaphores.. . .	417 43
Land purchased..	230 00
Sidings..	2,303 15
Buildings..	7,931 10
	<u>56,939 58</u>
	<u>\$312,014 81</u>

Then the cost of putting line between Indian town and Blackville into operation, chargeable to capital, to the 31st March, 1909, was:—

1906-07..	\$ 789 00
1907-08..	35,855 88
1908-09..	79,996 73
	<u>\$116,641 61</u>

Then the estimated cost of putting Canada Eastern division in good condition:—

Bridges..	\$204,000 00
To change 40 miles of track from 56 to 67 rails..	60,000 00
Ballasting..	50,000 00
Fencing..	5,000 00
	<u>\$319,000 00</u>

(Sgd.) T. C. BURPEE.

The approximate operating expenses of the Canada Eastern railway from October, 1904, to March 31, 1909:—

1904-05..	\$105,790 82
1905-06..	152,850 33
1906-07..	141,243 22
1907-08..	198,054 37
1908-09..	251,402 58
	<u>\$849,341 32</u>