

of road, showing a falling off in the traffic of no less than \$84,847.09. Now, it would be discouraging to encounter such a decrease in the traffic of the road if we were not able satisfactorily to account for it, and to show that it arose from the natural falling off in the business of the road, and from circumstances that were exceptional at the time. It was largely due to the depression in trade and business which existed all over the country, and which culminated about that period. This depression was shown to be general. Every way station on the road indicated a falling off in the traffic, that is to say, as a general rule, the through business was not materially affected; it was largely due to the reduction in the local business. The extremely low prices to which iron fell in Great Britain caused the competition to be so keen as to close the Londonderry Iron Mines, which furnished a large volume of traffic. The blast furnace was blown out, and this had furnished a large volume of traffic in carrying coal to the Londonderry Iron Mines, and of carrying the product of those mines over the line into the Upper Provinces, but all that now ceased.

MR. MACKENZIE: When did it blow out?

SIR CHARLES TUPPER: It was blown out a year ago; I do not remember the date at this moment.

MR. MACKENZIE: It was after you had your blow out.

SIR CHARLES TUPPER: After the change of Government, I suppose the hon. gentleman means. I should say that we were blown in, and the hon. gentleman was blown out. It is also well known that a large source of traffic on the Intercolonial Railway was the carriage of lumber and deals, but the low price to which deals fell in England, entirely stopped the traffic. That which was giving us a large return for the road was lost, owing to the depression in the lumber market in England. The price to which lumber had fallen, made it absolutely impossible to carry on the traffic with any success. Then the competition between the Great Western and the Grand Trunk Railways cut the freights to so low a figure as entirely to stop a large amount of the flour trade that came previously over the Intercolonial

Railway, and sent it by water from American ports, cutting off a large source of supply in that direction. This deprived the road of a considerable amount of traffic which we had relied upon. It was the local passenger and freight traffic that was mainly affected. So far as the other traffic was concerned, it was not so seriously influenced, with the exception of the items to which I have referred. I am glad to be able to say that, although this depression in business and falling off in the receipts was so great as to make the monthly returns less for several months after the Rivière du Loup line was obtained, the expenditure was actually less over the 840 miles than it had been in the corresponding months of the previous year over the 714 miles. I am glad to be able to say that a marked change has taken place in the trade and business of the country and in the revenue of the road. I do not suppose that it would be easy to find any better indication of the trade of the country than the Intercolonial Railway affords. You have, at every point along the road, by the traffic returns, the evidence as to what the condition of the trade and business of the day is. During the past eight months, we have the gratifying results of an increase in that period, from the commencement of the current fiscal year, of \$49,082.69, as compared with the receipts of the corresponding period of the previous year. It is quite true that there were but 714 miles in operation in 1878-79, and there are 840 miles in operation now. But as I have explained, we were receiving, up to a recent period, a smaller return over the 840 miles than we were receiving in the corresponding months of the previous year for 714 miles. We have now, I think, turned the corner, and we have a steady and gratifying increase in the traffic. The train mileage for this period was, in 1878-79, 1,763,408; and in 1879-80, 1,957,489 miles, or an increase of 194,087. The receipts per train mile, for these eight months, in 1878-79, were 50.04c.; in 1879-80, they were 48.45c. The volume of traffic has largely increased during the current year, and the cause, as I have stated, is the improvement in trade, and the alteration in the Tariff to meet the exigencies of the trade. Now I come to