

The change in the Imperial letter rate from five cents to two went into effect in December, 1898, and the reduction in the Canadian rate from three cents to two cents went into effect on the 1st of January, 1899. These reductions account for the check in the fiscal balances shown in the table; but notwithstanding these reductions, and notwithstanding the enormously greater number of post offices and of letters carried and of mail routes managed, Sir William Mulock has in the last year shown an absolute surplus in the Post Office management, which under our predecessors showed a deficit of over three-quarters of a million dollars in a year.

In this calculation, the postal arrangements for the Yukon, which did not exist under our predecessors, are properly and fairly eliminated, to show a correct comparison.

Estimated number of letters posted in Canada during the years ended June 30th, 1891-1902 (Postmaster General's Report, Page XIX.)

Total for 1897-1902.....	992,750,000
Total for 1891-1897.....	637,853,000
Increase for 1897-1902	354,897,000
Average annual increase	59,149,000
Annual average 1897-1902	165,458,333
Annual average 1891-1897	106,308,833
1891	97,975,000
1896	116,028,000
1902	213,628,000

INTERCOLONIAL RAILWAY.

The Liberals may be well satisfied with the showing of the management of the Intercolonial Railway. Under the Honourable Mr. Blair, that railroad has been brought into the City of Montreal, the roadbed has been vastly improved, the equipment has been brought up-to-date, and today any Canadian may be proud of the trains which are run on our National railway. While before Mr. Blair took hold of the Department, the Intercolonial was a synonym for slow trains, poor equipment, and utter disregard of the time tables.

With this improvement it is gratifying to know that the financial success of the road has also been much greater. The following table shows that the earnings have more than kept pace with