

262. There was an increase in 1885 in the amount of earnings, with a small decrease in the number of tons of freight carried and in the number of passengers.

263. The Windsor Branch from Windsor to Halifax, a distance of 32 miles, is operated by the Windsor and Annapolis Railway Company, the Government taking one-third of the gross receipts and assuming all cost of maintenance, the Government share of earnings is generally found more than sufficient to cover the expenditure for maintenance.

264. The Eastern Extension Railway, formerly known as the Halifax and Cape Breton Railway, extends from New Glasgow to Port Mulgrave on the Strait of Canso, a distance of 80 miles. It was bought by the Dominion Government from the Provincial Government of Nova Scotia, in January, 1884, for the sum of \$1,200,000. The cost of the road and equipment amounted on 30th June, 1884, to \$1,284,311. There was no expenditure on capital account during the past year.

265. The Prince Edward Island Railway, which runs through the whole length of the Island, was opened for traffic in April, 1875, and the total cost of construction and equipment up to 30th June, 1885, was \$3,731,312. The length of the line, with extensions, is 211½ miles. The traffic on this road is very light, and the receipts are not nearly sufficient to meet the expenditure. In 1885 the expenditure exceeded the receipts by \$52,618, there was however a decrease in the loss on the working of the road as compared with 1884 of \$39,306, increased earnings and reduced working expenses, both contributed to bring about this result.

266. The extension to Cape Traverse, where the ice boats from the main land with mails and passengers land in the winter time, is 13 miles in length and was opened for traffic on the 22nd of January, 1885.

267. The following table gives the earnings and working expenses of the railways owned by the Government, for the year ended 30th June, 1885.

EARNINGS AND EXPENSES of Government Railways, 1884-85.

Railway.	Miles.	Capital	Earnings.	Expenses.	Profit.	Loss.
		\$	\$	\$	\$	\$
Intercolonial	861	43,627,594	2,368,153	2,441,477	.....	73,324
Eastern Extension	80	1,961,474	73,050	78,273	.....	5,223
Windsor Branch	32	.....	24,451*	18,752	5,699	.....
Prince Edward Island	212	3,731,312	158,588	211,207	.....	52,619
Total	1,185	49,260,380	2,624,242	2,749,709	5,699	131,166

* One-third.