

415. There was again a decrease in the proportion of working expenses to receipts, amounting altogether to 1 per cent.; in 1884 the proportion was 76 per cent., in 1885 74 per cent., in 1886 72 per cent., and in 1887 71 per cent., the decrease being gradual but steady. The proportion, however, is still higher than in most European countries, where it ranges from 50 to 55 per cent., higher than in the Australasian Colonies, where in 1884 it was 63 per cent., and higher than in India, where it was, in 1886, under 48 per cent. The decrease, it will be seen, was confined entirely to public lines, there having been an increase among Government lines in the excess of working expenses over receipts from 107 per cent. to 111 per cent. The Canada Southern and the Northern and North-Western were the two roads whose expenses bore the smallest proportion to receipts, and the South-Eastern system and the Central Ontario the largest. Since the commencement of the present year, the Northern and North-Western Railway has been taken over by and been made part of the Grand Trunk Railway system.

416. The excess of expenses over receipts on Government lines may be attributed principally to two causes, one being that both the Intercolonial and Prince Edward Island Railways were built from national considerations, and for the advancement of public convenience, the first road running through districts sparsely settled, and therefore requiring considerable time for the development of traffic, while it will probably be many years before the travel on the Prince Edward Island Railway will be sufficient to cover expenses; and the other being that while every effort is made to secure economy and profit, the public interests are first considered, and many things are done which, while advantageous to the public, are, to say the least, unremunerative to the Government; for instance, the coal

Proportion of working expenses to receipts.

Excess of expenses over receipts on Government lines.