

Earnings
and ex-
penses.

435. The earnings for 1887, calendar year, amounted to \$11,606,413 and the working expenses to \$8,102,295, the proportion of expenses to earnings being 69·81 per cent. The receipts showed an increase of \$1,524,609 over those of 1886, the figures for the last 3 years having been \$8,368,493, \$10,081,804 and \$11,606,412 respectively.

Equip-
ment,
Canadian
Pacific
Railway.

436. The equipment of the road on 31st December, 1887, consisted of:

Locomotives.....	374
Passenger and baggage cars.....	330
Sleeping and dining cars.....	48
Parlour and official cars.....	23
Freight and cattle cars.....	9,296
Conductor's vans.....	185
Boarding, tool and auxiliary cars.....	86

Steam-
ship ser-
vice be-
tween
Vancouver
and
Hong
Kong.

437. The temporary steamship service between Vancouver and Yokohama and Hong Kong freely justified the expectations of the company as to the value and importance of the trade to be developed in that direction. The negotiations with the Imperial Government for the establishment of a permanent line of first-class steamships, suitable for service as armed cruisers in case of need, resulted in an official notification that Her Majesty's Government had decided to grant a subsidy of \$300,000 (£60,000) per annum for a monthly service between Vancouver and Hong Kong *via* Yokohama. In December last the details of a formal contract were practically settled, but owing to negotiations still pending between the Imperial and Dominion Governments, with reference to an improved Atlantic service, the contract has not yet been signed.*

Canadian
route to
China the
shortest.

438. The distance between Liverpool, Yokohama and Shanghai is less *via* Quebec, Montreal and the Canadian

* Annual Report, C.P.R., May, 1888.