

FINANCIAL POSITION OF GOVERNMENT RAILWAYS IN CANADA,
1887-88.

RAILWAYS.	Capital Paid Up.	Earnings.	Expenses.	Profit.	Loss.	Percentage of Expenses to Earnings.
	\$	\$	\$	\$	\$	
Intercolonial.....	45,145,424	2,912,784	3,276,441	.....	363,658	112·4
Eastern Extension	1,284,496	70,552	90,955	.....	20,402	128·9
Windsor Branch.....	.....	24,553	24,040	513	.....	97·9
P. E. Island.....	3,741,781	158,364	229,640	.....	71,276	145·0
Total.....	50,171,701	3,166,253	3,621,076	513	454,823	114·3

405. There was a very decided increase in excess of expenditure over earnings on Government railways during 1888, the percentage of expenses to earnings being 114·3, as compared with 110·9 in 1887, and the total excess being \$454,823, as compared with \$311,902. The excess was mainly attributable to a large amount spent on improvements on both the Intercolonial and Prince Edward Island Railways, which would ordinarily be placed to capital account. The total cost, direct and indirect, of snow clearance on the Intercolonial Railway was \$93,000, the direct cost having been \$67,000.

406. 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, unremuner-

Excess of expenditure.

Reasons for excess of expenditure.