

Financial position of Government railways.

560. The following statement shows the financial position of each road on the 30th June, 1889 :—

FINANCIAL POSITION OF GOVERNMENT RAILWAYS IN CANADA, 1888-1889.

RAILWAYS.	Capital Paid Up.	Earnings.	Expenses.	Profit.	Loss.	Percentage of Expenses to Earnings.
	\$	\$	\$	\$	\$	
Intercolonial	46,542,987	2,895,364	3,153,928	.....	258,564	108·9
Eastern Extension..	1,318,731	72,437	90,719	.....	18,282	125·2
Windsor Branch....	.....	28,372	20,856	7,516	.....	73·5
P. E. Island.....	3,741,781	171,370	247,559	.....	76,189	144·4
Total	51,603,499	3,167,543	3,513,062	7,516	353,035	110·9

Excess of expenditure.

561. Though the expenses still exceeded the receipts on Government railways, there was an improvement on the results as compared with 1888, the percentage of expenses to earnings being 110·9, as compared with 114·3 in 1888, and the total excess being \$345,519, as compared with \$454,823. The improvement was almost entirely due to the Intercolonial, the excess of expenditure on this road having been \$105,094 less than in 1888, due in a great measure to the favourable character of the winter of 1888-89.

Causes of excess of expenditure.

562. 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 depending largely upon through traffic, since it runs through districts sparsely settled, which will require considerable time for development, 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-