

Government rail-ways.

595. The railways owned by the Dominion Government are the Intercolonial, Windsor Branch, Eastern Extension and Prince Edward Island Railways, with a total mileage in operation of 1,217 miles, as follows:—

	Miles.
Intercolonial Railway.....	894
Eastern Extension Railway.....	80
Windsor Branch “	32
Prince Edward Island Railway.....	211
	1,217

Financial position of Government rail-ways.

596. The following statement shows the financial position of each road on the 30th June, 1890:—

FINANCIAL POSITION OF GOVERNMENT RAILWAYS IN CANADA,
1889-1890.

RAILWAYS.	Capital Paid Up.	Earnings.	Expenses.	Profits.	Loss.	Percent- age of Expenses to Earnings.
	\$	\$	\$	\$	\$	
Intercolonial.....	46,908,234	2,928,081	3,481,473	.....	553,392	118·9
Eastern Extension.....	1,318,731	84,659	79,103	5,556	.....	93·4
Windsor Branch.....	.....	30,162	18,982	11,180	.....	62·9
P. E. Island.....	3,741,781	160,972	266,486	.....	105,514	165·5
Total.....	51,968,746	3,203,874	3,846,044	16,736	658,906	120·0

Excess of expendi-
ture.

597. The expenses exceeded the receipts by \$642,170, being \$296,651 more than the excess of expenditure in 1889. This was brought about principally by the additional cost of operating the Intercolonial Railway, increases in the speed of trains and in the actual train service performed having been rendered necessary, owing to the competition of the alternative route offered by the new direct line of the Canadian Pacific Railway Company.

Causes of excess of expendi-
ture.

598. The excess of expenses over receipts on Government lines may be attributed principally to two causes, the first being