

is worked at a cost excessive to an extent varying from 8.0 to 20.7 per cent. The excess has been shown to hold in the case of a road in Maine having an average latitude equal to that of Montreal, in the ratio of 25.4 per cent. ; and in the case of a road in New Brunswick conducted with the extravagance fairly supposable in the transaction of such a business by a Government, has been shown to hold, in a latitude corresponding with that of the branch connecting Montreal with Quebec, in the ratio of 12.6 per cent. And the returns of a railway in the terrible climate of the Peninsula lying between Lake Michigan and Lake Superior have confirmed those proofs of the insufficiency, if not of even the irrelevance, of the plea of climate in explanation of the working expenses of the Grand Trunk, by declaring their consumption of the gross earnings to be excessive to the extent of even 24.2 per cent.

Overdone construction of railways does not apply in Ontario as a matter of fact ; and is therefore not admissible as the explanation of the failure of our great line to reward its owners. Insufficiency in the volume of traffic does not hold in the case ; and must consequently be set aside as the cause of the misfortunes of that enterprise. What then is the true cause, what the true explanation, seeing that those offered by the Directors cannot be accepted ? Earnings that, on the evidence of the results in all other cases, might be supposed available to a large amount of profits for the proprietors, are absorbed in the working ; and as this exceptional absorption has been shown not to be referrible, as the Chairman of the Company says it is, to incidents of climate, it must be referred under a strong presumption to the only other cause remaining for its explanation—the management.*

A review of the government of our chief railway in relation to the failure of that undertaking to yield profits must begin here at the question of working expenses. The Atlantic and St. Lawrence Railway is worked under lease by the Grand Trunk. Its owners keep an account of its transactions ; and supply thus an illustration of the lessee's adaptation to railway service on this con-

tinent. The following table exhibits the results in that case under contrast with corresponding results of ordinary management in the case of every other railway of the State of Maine :

RAILWAY-WORKING IN MAINE.

The Railways in Maine for which the Net and the Gross earnings are given in Poor's Manual of 1873-4.	Length in Miles.	Gross Receipts in Dollars.	Working Expenses in per-centages of gross receipts.
Bangor and Piscataquis.....	48.20	114,000	73.7
Knox and Lincoln.....	49.00	88,000	59.1
Maine Central.....	310.00	1,928,000	68.9
Portland and Ogdensburg..	60.00	115,000	65.2
Portland & Oxford Central	27.50	20,000	70.0
Portland and Rochester..	52.50	132,000	71.2
Portland, Saco, and Portsmouth.....	51.30	659,000	73.0
St Croix and Penobscot....	1.00	81,000	68.0
Atlantic and St. Lawrence (worked by Grand Trunk.)	149.50	1,146,157	95.6

The table just given sets forth the fact that the Grand Trunk Company works the Atlantic and St. Lawrence Railway at an excess above even the high average of its whole line, to the extent of 15.2 per cent. of the income. In showing this, and in showing further that its transaction of the business of that road of the State of Maine costs more of the gross earnings than any of the lines on either side of it by so great an excess as 21.9 per cent., it leaves, after all that has been said above in proof of the inadmissibility of other explanations, no escape from the conclusion that the absorption of so exceptional a proportion of the receipts of the Grand Trunk in the cost of its business is chargeable to the directing body.

The working expenses reflect pointedly on the management. They suggest a general review of its doings from the outset, beginning with the most striking evidence of its want of adaptation to the circumstances in which it has acted—the Victoria Bridge. Those who have had experience on lines in the United States may have seen as they entered that structure on their passage of the St. Lawrence, a foreshadow of the monetary results of railways in Canada. The millions

* The word "management" is used throughout this review in the sense of a legal entity holding perpetual succession. To put any other interpretation upon it would be not only painful to the writer, but unjust to individual directors.