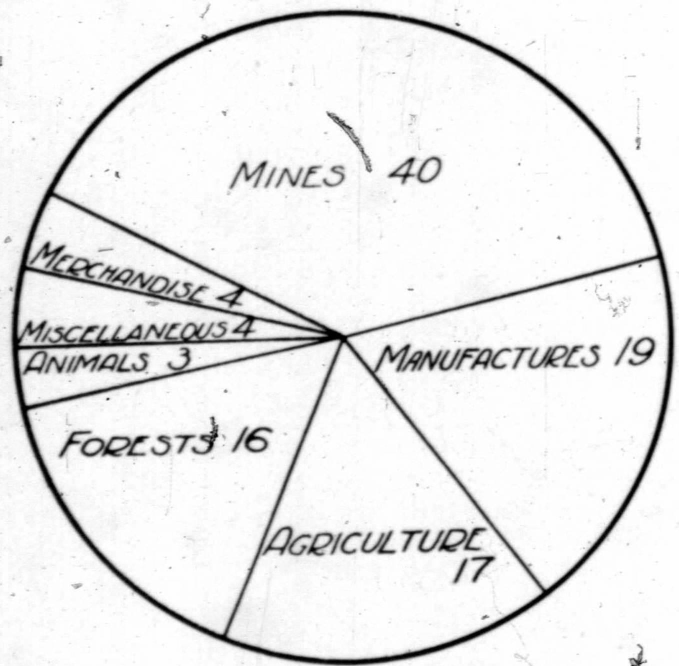
"Mr. J. P. Muller" (the government expert), said the statement, "allowed six per cent. on outstanding obligations as necessary to maintain the credit of the railway. Six per cent. on $1,178,229,094 amounts to $70,693,745, for which there is available only total net earnings as shown of $44,112,973, leaving a deficit of $26,580,772.

"Assuming interest on $200,000,000 capital invested in the National Transcontinental to be a direct charge and to be assumed by the government, this would leave a deficit of $14,580,772. An average earning of 4 per cent. on the amount of capital invested as above amounts to $47,139,160, or $3,026,187 more than total earnings by the roads. If Mr. Muller's standard of six per cent. is to be adopted, there should be added to the above deficit of $26,580,772 an additional $2,500,000, representing two per cent. of the outstanding obligations of the Canadian Northern Railway. In this estimate the outstanding stock



Sources of Freight Carried by Canada's Railroads.

of the Canadian Northern Railway Company has been omitted, the fixed charges on outstanding obligations only being taken into consideration.

"Even allowing for the growth of the country, not more than 300,000 people would come into Canada in a year. Adding ten per cent. for this number to Canadian traffic would simply mean reducing the deficit from twenty-six to twenty-two millions odd. With the wheat out of the country and a general drop in other traffic owing to business depression, what would the earnings of Canadian roads be in the next five months? Even if bonds were guaranteed by governments, they would not sell unless the road offering them could show a remunerative business."

This statement was described by counsel for the western provinces as "raising the hospital cross in one hand and the crossbones and black flag in the other." While there is considerable elasticity of meaning in the figures, they are good enough to remind us that workers must gird their loins for production and that governments having helped the railroads must encourage freight, the railroads helping too.

The increase in operating mileage in Canada in 1913 was 2,577 miles. This is accounted for by the bringing into the government report of 1,395 miles of the Grand Trunk Pacific. In addition, at the end of 1913, there was a total of 18,647 miles under construction, that is, either being surveyed, under contract, completed or in operation under construction account. The greater part of the new mileage is in the western provinces, more than 12,000 miles being in Alberta, Saskatchewan, Manitoba and British Columbia. The mileage in operation, under construction, is that still in the hands of the contractors, although permitted to handle traffic.

It is interesting to see how the provinces share the total mileage. Ontario has almost one-fourth. Saskatchewan comes next, which is a somewhat remarkable fact. That province has 4,650 miles, which is considerably more than any of the other Western provinces, and larger than any of the Eastern provinces, with the exception of Ontario. The following table gives the figures, which are still more clearly illustrated in the accompanying chart:—

Province.	Miles of railroad.
Nova Scotia	1,359.97
Prince Edward Island	279.23
New Brunswick	1,544.67
Quebec	3,986.03
Ontario	8,999.76
Manitoba	3,993.28
Saskatchewan	4,650.96
Alberta	2,212.22
British Columbia	1,950.92
Yukon	101.71
In United States	224.78
	29,303.53

The 224 miles of track in the United States relate to lines which cross United States territory in passing from one point in Canada to another, as for example, the Canadian Pacific and the Canadian Northern. Such lines are operated wholly for the purposes of Canadian traffic. There is a large additional mileage in the United States owned and operated by Canadian railways, of which no account is taken in the above statistics. The small mileage included constitutes a case in which actual, rather than geographical, conditions have governed. During 1913 70 per cent. of the increase in operating mileage was in provinces west of Ontario.

For the year ended June 30th, 1913, Canada's railways carried 46,230,765 passengers and 106,992,710 tons of freight, an increase as compared with 1912 of 5,000,000 passengers and 17,000,000 tons of freight. Thirty-nine years ago, our railroads carried 5,000,000 passengers and 5,000,000 tons of freight. That was one ton of freight to every passenger. To-day the railroads are carrying about two and a half tons of freight to every passenger, and in a few years they should be carrying five or ten tons to each passenger. The earnings from freight service last year were $177,000,000, and from passenger traffic, $45,000,000. Here are statistics regarding the freight of Canada's railroads in 1913:—

The 106,992,710 tons of freight hauled in 1913 represented an increase over 1912 of 19.3 per cent. The largest increase in any preceding year occurred in 1912, when it was 11.9 per cent. The number of tons hauled one mile was 23,032,951,596—a growth of 3,469,480,069 as compared with 1912. Density of freight traffic was shown in 785,820 tons hauled one mile per mile of line, which was a betterment of 54,044 over the previous year. The average freight revenue per ton per mile was .758 cent, as against .757 in 1912. Freight by itself yielded a revenue