

comparison on the basis of population may be held as disposing of the allegation of excessive length of railway in Ontario, whether as a matter of fact, or as an explanation of the failure of the Grand Trunk to yield dividends.

Over-construction being inadmissible, what, then, is the cause, what are the causes, of the unprofitableness of the great highway of Canada to its proprietors? The gross receipts set opposite Ontario, in the table next preceding, do not, it will be seen by recurring to the first table, include new and unfinished lines. The earnings of 700 miles are thus, it may be repeated, omitted. The income per mile is, therefore, not \$5,444 as set forth, but is in fact \$8,186. Taking the figures of the table, however, regardless of this correction, they are good for the conclusion, that when the railways of New Hampshire, with receipts of \$5,830 per mile, those of Maine, with receipts of \$4,988 per mile, those of Wisconsin, with receipts of \$4,224, those of Iowa, with receipts of \$3,280, and even those of Minnesota, with receipts of but \$2,113, all pay dividends on their stocks, the reason why Canadian railways do not, the reason why the Grand Trunk with receipts of \$6,563 per mile does not, must clearly be sought for elsewhere than in the activity of the people as measured by the volume of the traffic.

What of the severity of the Canadian climate? Does not that cause an extraordinary absorption of earnings in working expenses, and make thus the reasoning from the figures cited above illusive? As this suggestion has been addressed recently to popular misapprehension in England, it demands, in order to avert the injury which it is calculated to do the railway progress of the Dominion, an examination in fulness of evidence.

The selection of American States presented in the last table has not been made in contemplation of a foregone conclusion. It has proceeded with the single purpose of eliminating from the question under review, at this point, any disturbing considerations of climate. It includes, be it observed, all the States that border upon the Dominion, from Nova Scotia to Manitoba. It embraces in its averages several lines which traverse regions whose winters are much more severe than the average winter of those traversed by the railways of Canada. Maine, New Hampshire, and Vermont, are represented on the

one hand, and Michigan, Wisconsin, and Minnesota, are represented on the other hand, by items of the table which exclude from the comparison with those of Ontario, any special application of the question of climate against that Province, for the reason, *prima facie*, that the first group being mountainous, and the latter group being situated on plains of greater elevation, they embody averages of higher altitudes, while a glance at a map of North America will show that both groups embody averages including even higher latitudes. The popular misapprehension as to the exceptional effect of climate on railway-working here, may be hardly disposed of by the foregoing figures under the reading of this explanation; but the special force necessary in proof which is designed to "*reason down* what has not been *reasoned up*," demands, now that the consideration of the management of our great railway is being approached, that that misapprehension be met in direct issue on its merits in the special case of the Grand Trunk.

The earnings apportioned to the great Canadian highway in Ontario yield, according to the first table given in this paper, an average per mile of \$6,553. The working expenses of that line, although paid out of receipts higher than in the case of any of the averages given, stand, be it observed, in percentage of the gross earnings, at 80.4. Now, the value of climate in determining that percentage may be traced in general by a comparison with the corresponding facts in the country at each end of the line, and as far as may be, along its route, including even those lines which run from it 50 or 80 miles northerly into basins of greater elevation and higher latitude. A review of the question in that light presents it thus :

Working expenses of all lines in Michigan,	1904 miles ... 62.5 per ct.
Do. of the Great Western of Canada .....	444 miles ... 59.7 per ct.
Do. of five lines running northerly from the Grand Trunk in Ontario .....	420 miles ... 72.4 per ct.
Do. of all the roads in Maine, exclusive of the Atlantic and St. Lawrence .....	783 miles ... 72.2 per ct.
Do. of the Grand Trunk,	1377 miles ... 80.4 per ct.

The specifications of working expenses given here show that all the roads of Michi-