

Paid for Steam Service between Charlottetown and Halifax	30 00
P. E. I. Navigation Co. for Board of Mail Clerks	232 00
	<u>\$15,232 00</u>

Total Cost for Winter and Summer \$72,391 00

COST OF OPERATING THE PRINCE EDWARD ISLAND RAILWAY.

DEFICITS.

For the year ending	
June 30th, 1876..	\$101,869 00
1877..	97,931 00
1878..	85,700 00
1879..	97,457 00
1880..	50,789 00
1881..	71,992 00
1882..	90,993 00
1883..	106,638 00
1884..	91,924 00
1885..	52,619 00
1886..	61,160 00

Total deficit for 11 years \$909,072 00
 or equal to per year the sum of..... \$82,643 00

P. E. I. RAILWAY CAPITAL ACCOUNT.

This account stood on
 June 30th, 1875.. \$3,114,735 00
 do., do., 1884.. 3,654,356 00

Making a deficit of \$539,621.60 in 9 years, during which the mileage was not increased, of the sum per annum of 59,958 00
\$142,601 00

Add to this the expenses of the Summer and Winter Communication as per page annexed ... 72,391 00

Total Cost of Winter and Summer Communication with P. E. I. and cost of operating the Railway \$214,992 00

It will be seen from this statement that the total expense of the summer and winter service, and cost of operating the railway amounts to \$214,992, or in round numbers, \$215,000 per annum. Now if for \$200,000 a year we could settle this vexed question between Prince Edward Island and the Dominion, what loss would there be to Canada?

HON. MR. READ—Hear, hear!

HON. MR. HOWLAN—My hon.

friend laughs, but I ask him how that would make a loss, when the Dominion Treasury would pay \$15,000 per annum less than it now does?

HON. MR. READ—How would that save the loss in operating the railway?

HON. MR. HOWLAN—This Company offer to take over the railway and work it on a tariff to be approved by the Government, without assistance from the public treasury. There are the facts and the figures as taken from the Public Accounts, showing the amount which the Government of Canada has paid annually for the purpose of carrying out this particular item of the terms of Confederation. If the Government of Canada can satisfy themselves by reports from competent engineers that the scheme is feasible, and that the railway will be taken off the hands of the Government, I would like to know how there would be any additional expense to the country involved in it?

HON. MR. READ—I do not suppose we may expect a loss for all time to come in operating the railway. It is not the general experience of railways.

HON. MR. HOWLAN—This English company propose to take that railway off the hands of the Government, and for a subsidy of \$200,000 a year for fifty years will construct this subway. If the subway was never built it is not possible to reduce the expenditure on the railway to less than \$116,000, basing our estimate on the traffic within the open water season when the railway pays. But it is well known that as soon as the Straits are frozen up the railway is run at a loss. If the Company took it over from the Government it would only require \$200,000 a year to be taken out of the revenue of Canada instead of \$215,000 as at present, and it would insure a settlement of this vexed question of winter communication. This is a burning question with the people of Prince Edward Island, and while I admit that the Government may have been doing what they consider the best they could to carry out the terms of Union, the terms have not been carried