

took place. Now, what was the result of all this financing? Ostensibly, the subsidies amounted to \$404,000, Dominion and Provincial, or \$5,950 a mile for sixty-eight miles; the bonds, allowing off 20 per cent. for the reserved interest and for the discount at which they were sold, should net \$400,000, or \$5,900 a mile; making a total of bonds and subsidies of \$804,000, equal to \$11,850 per mile; there was an alleged cash result from the paid-up stock, represented at \$751,887, being equal to \$11,050 per mile; making the pretended cost of \$22,900 per mile; or, if you take the bonds at their face value, \$23,200 per mile, which was the price set up in this English prospectus. The true value of the work, as I have stated, was probably, including contractor's profit, a good deal under \$8,000 a mile, instead of \$22,000 or \$23,000 a mile, and the facts I have given indicate that, subject to the question of the margin of profit. You will observe that it is stated here that the work was done under governmental supervision, which I do not understand to be correct. It is quite true the Government engineer has to report to the Government that the work is so far constructed as to entitle the subsidy to be paid; but that that is the sense in which this term is used here, it is not fair to suppose. It is unfortunate that the Government of Canada was brought into this prospectus. It is also said that the road is a link of the transcontinental highway, a statement which, of course, unless the port of Shippagan is to be made, in fact, an ocean terminus, cannot be in any sense correct. It is said that the road cost \$1,450,000. That is false. It is said that three-quarters of a million of stock was paid up. That is false. The road cost only a little over half a million; and nothing was paid on the stock. Then there are observations made with regard to the eminently favorable character of the location, and of the country through which the line runs, and then you have the report of President and Manager Burns as to the results. There you get the statement that it will require only £100 per mile of earnings to pay the interest on the bonds, which is correct; it would require, in truth, only about \$450 per mile, to put a fine point upon it, to pay the interest on the bonds of \$30,000 a year. It is stated by Mr. Burns that, according to this careful estimate, a most careful estimate, based upon the actual result of the traffic at that time, a revenue of £200 or \$1,000 per mile, or double the amount required to pay interest, may be expected. Net earnings of \$1,000 mean, of course, gross earnings of \$2,000, which is the amount according to the ordinary calculation for roads of this description, which means that you will net only about one-third of your gross returns, so that the net estimated earning of \$68,000 a year, which is alleged in this report to be justified by a careful estimate based upon the traffic existing at the time, would require a gross earning of \$204,000 a year. Now, if you turn to the railway statistics it will be found that in the earlier years, although this line was in part completed and in part running, no details were supplied; but details were supplied for the year 1888, and have been supplied and are in the hands of the Government for 1889, although we have not got them. The details for the earlier year indicate, I think, two engines which quantity, I believe, has been increased by as much as 50 per cent., because I

believe there are now three engines, one first class car, two second class and emigrant cars and fifteen platform cars, so that it would not be extremely difficult to tax to the full, or even to over-tax, the resources of a company so scantily equipped. The return of the operations of 1888 shows a total tonnage of 11,195 tons moved, namely:

	Tons
Flour.....	600
Grain.....	15
Live stock.....	25
Lumber.....	5,400
Firewood.....	1,280
And all other goods.....	425
Total.....	11,195

The return shows besides 3,500 passengers moved, and a total train mileage of passenger and freight trains of 23,500 miles, and it shows a cost reported to the Government of the enterprise of \$1,135,000. The gross return in money from the passenger traffic was \$2,432.75 and from freight \$9,190.10, making an aggregate gross return of \$11,631.91, while the expenses, I believe, were \$11,311, or a handsome net profit of \$320 on the year's running. There was, however, I admit, a very great and extraordinary development in one branch, that of railway casualties. The losses by collisions, or trains thrown from the track were such as would amply meet the emergencies of a much larger and more important enterprise. In that respect, if in no other respect, the hon. member for Gloucester was equal to the situation, because he produced a number of casualties which might fully satisfy the ambition of a much greater road, and of even a larger railway manager than himself. In that year of 1888, these railway statistics show that there was one passenger killed, and seven employees, or, in all, eight deaths, and there were besides five injured, making in all, thirteen casualties. I am afraid that one of those very substantial bridges must have gone down or some other dreadful accident must have happened to produce that loss of human life in this year, and, perhaps, to produce unhappy results, as to the running expenses of the road, in the following year. I believe, also, this road is closed up frequently, in fact for several months in each year, so that notwithstanding the very active industry of the district, and the great demand existing there for a railway, the inhabitants are obliged to suffer for the want of an open road for some months each year. For this year the Government have not brought down the railway statistics, but the Minister of Railways gave us the other day the general returns of the expenses and earnings. He gave us \$18,000 as the receipts and \$27,000 as the expenses; and this is the year in which the money was wanted to pay interest on the bonds, for up to this year the interest was provided, I presume, out of the amount realised from the bonds, and put into bank; and the calculations in the prospectus, therefore, have reference to this period. At this time the fund provided for payment of interest is exhausted, and the calculations of the prospectus declare that out of the revenue ample funds will be obtained to meet the interest for the remaining period. How are those calculations verified? In this year, \$18,000 are the gross receipts, and \$27,000 are the expenses, making a deficit of \$9,000. I cannot account for that at all, unless it be that it is utterly impossible to keep the railway open at all on such