

mencement, the cost of maintenance has been greater than is represented by the money drawn for maintenance account.

On the other hand if the value of the stores is increased the actual cost of maintenance has been less than the money drawn would indicate. It is futile therefore to expect that the money drawn on account of maintenance will on any occasion exactly, or even very nearly agree with the working expenses during any specific period.

The same reasoning does not apply to works of construction performed under contract, as in that case the contractor finds the working capital, but if such works were performed by the department without the intervention of contractors an accumulation of stock would take place, and the same difference in the accounts would arise.

In our preliminary report we expressed the opinion that the telegraph wires owned by the department from Halifax to Pictou, should be placed upon the posts owned by the Telegraph Company, so as to avoid a continuance of the expenses incurred for the maintenance of the posts upon which it is now suspended. If the present telegraph arrangements (See Appendix K.\*) which we think are very disadvantageous to the department, are to be continued, the course we then suggested would undoubtedly be the proper one; but inasmuch as we understand that the Government has it in contemplation to construct a telegraph line from the capital to St. John and Halifax, in connection with the Intercolonial Railway, and as this may involve entirely new telegraphic arrangements, it will probably be advisable to maintain the line as it now exists until that question has been decided.

In connection with the general management we have to direct attention to the inconvenience which the public experience, and to the loss occasioned to the railway by the insufficient terminal accommodation at Richmond.

The accommodation for the reception and delivery of goods is altogether inadequate to the requirements of the road. The business has therefore been done at great additional cost, and rolling stock which ought to be in movement, is largely occupied for storage. The freight has also been subjected to heavy charges for cartage between the city and Richmond, a distance of from two to three miles. The cost of this cartage on heavy freight is a serious item, and as regards the coal traffic it is prohibitory. Shippers encounter the risks and delays of sending coal by water rather than pay the costly item of cartage. We believe that similar considerations have great weight in determining the route of other heavy freight, which but for this would pass over the railway.

The project of extending the track into the centre of the city has, we are informed, engaged the attention of the department, and surveys have been ordered with a view to determining what the cost is likely to be. The obstacles which intervene will make the completion of such a project very costly, and we have therefore considered whether an equally satisfactory result can be obtained at less cost.

The harbor of Halifax is usually open throughout the entire year, and as the whole city frontage is accessible by water, it appears to us that it would be possible to construct a "*Steam Bridge*" of moderate cost, which could convey to or from a central depot, or to the premises of any merchant who may choose to make his wharf suitable as a landing stage, such cars as may be laden for city delivery and collect such as are laden for despatch over the railway. In effect the main track would thus be laid *on the water*, and every wharf could be served with what would be equivalent to a switch. Coal and other heavy freight could then be delivered at any required place on the city front, for a very small advance on the cost for which it is now brought to Richmond, and we are convinced that the "*Steam Bridge*" could be worked at a cost infinitely less than that of working the proposed extension, the construction of which would in effect remove the city terminus some eight miles (by the proposed track) from the present machine shops &c., thereby either destroying their value, or occasioning a great increase of mileage for the stock.

With the complete success of the Great Western Steam bridge between Windsor and Detroit before us, we can see no reason for doubting the success of the very similar expedient which we have proposed for working the heavy traffic at Halifax, which we believe may in this way be provided for at an outlay including the capitalized cost of working the bridge, of about one tenth of what it would cost to construct the proposed extension.

The proposition above advanced does not contemplate the carrying of the passengers into the city, but the Street Railway has already been extended from the Richmond station through all the principal streets, and this objection to our plan thus becomes of very little

\*Not printed.