

improvements now in progress are completed, I am prepared to accept the managing director's assurance that this will be reduced to \$1, and to take this figure as a basis for calculation.

SELLING PRICE.

Now one ton of coal screened gives the following result: $\frac{2}{3}$ round coal and $\frac{1}{3}$ screenings; a royalty of ten cents per ton is payable on the round coal, the screenings are free. The $\frac{1}{3}$ screenings consist of stove, nut and slack in about equal proportions. The prices obtainable for these three being, for stove, \$1.50 per ton; for nut and slack together, 75 cents. The average selling price for round coal is \$2.50 per ton.

Taking then nine tons and the cost of production of same, \$9, the selling value would be:

6 tons round coal at.....	\$ 2 50	\$ 15 00
1 " stove "	1 50	1 50
2 " nut and slack coal at.....	75	1 50
Total.....		<u>\$ 18 00</u>

or \$2 per ton, leaving a balance of \$1 profit.

DEMAND FOR AND SALE OF COAL.

At first there was little market for the small coal, but the demand is steadily growing for house purposes, smithies, sugar and cotton factories, rolling mills, gas works, &c., at Moncton, St. John and elsewhere. Under present rates at these prices, Spring Hill coal could be sold for as under, railway shipment:

	Round.	Stove.	Small Mixed.	Miles.	Railway rates, per ton.
Montreal.....	\$4 00	\$3 00	\$3 24	722	\$2 49
Quebec.....	4 19	3 19	2 44	564	1 69
Halifax.....	3 00	2 00	1 25	122	0 50
St. John.....	3 30	2 30	1 55	154	0 80