

The subject is so vast that it is only possible in such an address to touch its outer fringe; but it is so important to us all that even a few rudimentary remarks may be interesting.

While railways are built to serve the traffic requirements of the country, the immediate object of the promoters and builders is to make a profit, either on the construction or operation. This is undoubtedly true when built by private parties. When built by a Government, it is with the end in view that the people may make money either directly through the operation of the railway, or indirectly by the reduction of rates. It is, therefore, of prime importance that the engineer, whether he be working for private parties or for a Government, locate and construct the most economic road. The most economic road is not necessarily either the cheapest or most expensive, neither is it necessarily the one which may be operated at the least cost—it is in reality the one which is the most effective commercially or the one which will enable its owners to transport the largest amount of traffic at the lowest cost.

In order to ascertain that a railroad is most effective commercially, the features which underlie its commercial effectiveness should be understood. These are:—Gross Earnings, Operating Expenses, and Fixed Charges; and are of importance in the order named. Gross Earnings, which depend on the amount of traffic handled, is undoubtedly first. It is never advisable to build a railway unless there is or will be sufficient traffic to pay the Operating Expenses and the Fixed Charges, no matter how cheaply or how well it can be built.

In new countries, such as most Canadian railways are built through, there is rarely sufficient traffic in sight to justify the construction of a road, so the promoters—whether they be a Government or private parties—must have faith in the project and must be able to justify to themselves, and to the investing public, the possibilities of paying dividends.

Engineers are sometimes, though rarely, consulted in the early stages of the project to report on the traffic possibilities of the route. The usual way is for the promoters to decide for themselves that a road between certain terminals is commercially desirable, and that there is or will be sufficient traffic on such a route to justify its construction. Engineers are then employed to survey and construct the road. The question should at once arise with the engineer—how the railway can be so located as to make it the most effective commercially, or how to get for the promoters the most profitable traffic. No matter how this problem is stated, it finally resolves itself into this:—if the promoters be private parties, how can the road be so located and built that the most interest can be earned on the money invested—or if a government, to transport the most traffic at the least cost? The answer in either case would be the same, for, if it is so located that it may handle the most traffic at the least cost, it will, if properly managed, make the most interest on the money invested.

The first problem the engineer has thus to face is how he can so locate the road between the given terminals as to get the most profitable traffic.