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Train loads, to be on a basis of 15 miles per hour - trainmen and enginemen can thus make 5,000 miles per month, which gives, on the whole, the most efficient operating for freight service.

I assume an average earning of \$5.00 per train mile, loaded one way only, thus making a charge or earning for the Railway of \$10.00 per train mile against its load of coal.

I assume that the equipment will be equal to that in use on its Virginian Railway -hence, 5,000 tons of coal per trip. The weight of the train will be approximately 8,000 tons - the coal per train on this basis will be:-

To Winnipeg	975 miles	\$9,750.00	per ton	\$1.95
To Port Arthur	1413 "	\$14130.00	" "	2.83
To Cochrane	1751 "	\$17510.00	" "	3.50
To North Bay	2004 "	\$20040.00	" "	4.00
- To Toronto	2284 "	\$22840.00	" "	4.57

Provided adequate, quick unloading of cars into ships is provided at Port Arthur, and with similar equipment of Lake Ports, as before enumerated, the average cost per ton, should not exceed by water route an addition to Port Arthur, rate of \$1.65 per ton, thus making freightage cost rail and water rate to such ports of \$4.48. These water rates, once the business is under way as a reliable steady source will be materially reduced.

I understand the price of coal under the limited work now being done in Alberta, is at the mine head about \$3.00 per gross ton. No doubt under a large demand the cost and selling price would drop to \$2.00 per gross ton.

American Bituminous coal is now selling in car lots - retail at \$8.50 per short ton. Coke of excellent quality at \$10.50-Anthracite \$16.50 to \$19.00, and only in 1/2 tons or less deliveries.

If I am right in my calculations, and I can see no error in them, Alberta coal of the best quality can be sold at retail in Toronto, allowing \$1.50 to cover profit and delivery locally at \$9.00 per ton. \$2.00 per ton at the mines will reduce the selling price in Toronto to \$8.00, which can compete with Pennsylvania's coal as the markets now are.

I have the honor to be,

Yours faithfully,

(Sgd.) M. J. Butler,

Oakville, Ont.,
April 12th., 1923.