

possession of facile water communication during at least seven months of the year, and also from the proximity of a portion of the district to the G.T.R. it would not be safe to take so high an estimate for the traffic returns. It will be more prudent to assume, say \$4.50 per head, for annual revenue.

This rate will give a total income of.....	\$90,000
Deduct for working expenses 60 per cent.....	54,000
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Leaving a net revenue of.....	\$36,000
To this should be added a government subsidy for carrying the mails, of say \$100 per mile.....	3,162
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Making the total net earnings.....	39,162
Or after meeting the interest on the bonds.....	35,000
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A balance of profit amounting to.....	\$ 4,162

If we now assume that the cost of the coast line has been reduced by local bonuses (of say \$34,286) to an equality with the central line, the following will be an exhibit of the company's financial position.

Total amount to be raised on bonds.....	\$458,125
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Yearly sum of interest at 7 per cent.....	32,069
Net amount of annual traffic and postal revenue as before.....	39,162
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Or an excess of profit, after meeting all charges on interest and traffic expenses of.....	\$7,093

These investigations serve to shew the solid basis which exists for the investment of money in the bonds of the company, with local traffic alone considered, and without taking into account a profit which will be derived from the through business of the road, when extended to Long Point; and also, the natural increase in traffic resulting from the construction of the road. It is a well understood axiom, that improved facilities, notably railways, with cheap and speedy transport, create traffic, and that traffic, when once brought into being, creates additional traffic.

Having dwelt thus far on the first section of the line terminating at Picton, as of the most immediate importance, we will