

modation of this particular traffic would be more distinctly apparent if the railway owned by the Government were the only outlet for the coal of this district.

If however with these considerations in view, it should be deemed expedient to provide the appliances necessary for carrying the traffic with such despatch as will meet the demands of the Pit owners, then undoubtedly the true policy will be to make a tariff which will offer every inducement, short of carrying at a loss, to use the road and stock.

The rate now charged for coal from Coal Mines station to the loading wharf, a distance of eleven miles, is 25 cents for the ton of 2,000 pounds, the owners of the coal loading and unloading it, and doing the greater part of the shunting for making up the trains at both ends. With the present imperfect arrangements and appliances this rate is as low as the traffic can be carried for. Indeed, it is doubtful if it has thus far been worked without loss. The engine heretofore used in the service is incapable of hauling more than half a train, and the wooding and watering is so badly arranged for, and occupies so much time that the work done is too little to be profitable. It is not surprising therefore that while the revenue of the road has been but little, if any, benefited, the Pit-owners are dissatisfied not only with the tariff but even more so with the delays they experience; their business operations are seriously embarrassed and it is inevitable that either the necessary facilities must be supplied by the department or that the Pit owners will find another outlet.

In considering the rates at which this traffic can be carried, we must bear in mind that if the trains are made up by the Pit owners at the Mines and at Pictou landing, and if no labour is required of the railway employees for the loading and unloading of the coal, the constant charges will be reduced to a minimum. It will still however be liable for its quota of station charges, for lighting, booking, accounting and signalling, but the most important of the constant charges to be brought against it will be for the interest on the cost of the equipment specially provided for it. The rolling stock necessary, for what may be designated as the "*Short Coal Traffic*" will cost as above stated, about \$80,000, but in order to bring into view the whole capital involved, we must add to this the greater portion of the cost of the permanent way and works over which the traffic will pass. This at \$20,000 per mile will come to \$220,000, making in all \$300,000. Now if 60 per cent of the gross earnings from this traffic should, as is probable, be absorbed in working expenses, the annual earnings necessary for paying 6 per cent on the capital, will be \$45,000, and to earn this sum with a tariff of 20 cents per ton, 225,000 tons of coal must be carried, or 725 tons per day for every working day of the year.

Looking at the question from another point of view, we find that the cost of working the road during the last year was for all services \$1.02 per train mile. These trains averaged $12\frac{4}{100}$ cars in each, including passenger cars run at high speed as well as ten ton freight cars run with the accommodation train at a speed which largely enhanced the cost. It is probable therefore that trains run at a slow speed, consisting of 30 cars each loaded with 5 tons of coal, may be run for one dollar per train mile, including the cost of maintenance of stock and way and works. This, it will be observed, takes no account of the interest on the cost of the special equipment, nor of the interest on the cost of the permanent way. The interest on the special equipment alone will be \$4,800 per annum, and will be distributed over the whole quantity of coal moved by it, and if that quantity should happen to be as in the previous hypothesis 225,000 tons, the charge on this account will be $2\frac{1}{3}$ cents per ton.

As there will not be any return freight, the trains will run two miles for every mile over which the freight is carried, and therefore with trains carrying 150 tons net load, one dollar per train mile comes to $1\frac{1}{3}$ cents per ton per mile on the coal, or for the eleven miles from Coal Mines station to the loading stage $14\frac{6}{100}$ cents per ton, adding to this the constant charges of $2\frac{1}{3}$ cents we have $16\frac{9}{100}$ cents, or say 17 cents per ton as the actual cost without reckoning anything for the interest on the cost of the way and works. If 20 cents per ton is charged we shall have 3 cents per ton or on 225,000 tons \$6,750 available to that purpose, which will be equivalent to 3 per cent.

But if it should happen that the traffic should be only one half the amount above estimated, the constant charge for the interest on the cost of the equipment will be $4\frac{2}{3}$ cents per ton, and instead of giving 3 cents per ton towards the interest on the cost of permanent way, 20 cents per ton will be insufficient for paying the interest on the cost of the special equipment.