

to the character of the rolling stock necessary for the traffic and the probability of obtaining loads in either direction in favor of or against the gradients.

Keeping these principles in view, and having determined from the vast fund of information now extant, the value of the constant charges in each class of freight and the actual cost of haulage per ton per mile, we have data sufficient for the computation of a tariff which will meet every case likely to arise in the ordinary traffic of a railway. It is only when some exceptionally large amount of traffic is offered at some particular locality, constant in its volume and likely to employ a determined amount of stock over long periods, that it will become necessary to vary the rates so computed. Such a disturbing cause may arise in the coal traffic between the Mines and Pictou landing and it may be found expedient to encourage the development of the same description of traffic to Halifax when the requisite appliances have been brought into existence.

The classification of freight which accompanies the tariff now in force, sufficiently meets existing conditions, but it is desirable that one classification should obtain on all the railways worked by the department. We submit therefore that the classification now in use in Nova Scotia and New Brunswick should be revised with that object, and made to accord with each other.

It is not our purpose to do more than state the general principles which should govern the construction of the tariff. We leave the computation of the details to those charged with the management, but we must add to what has already been said, that the present tariff does not fulfill the conditions which we have submitted, and we recommend its revision with a view to bringing it into accord with the principles we have laid down.

Although we only state the general principles which should govern the construction of the tariff, the verbal instructions with which you honored us impose on us the duty of entering more fully upon the consideration of the coal tariff, it being, as we understood you, your wish to aid as far as is consistent with the public interests, in the development of that trade.

The proprietors of the Acadia Mines have stated to us that they expect to send from their pit from 800 to 1000 tons of coal per day, which will pass over the railway from the Junction at Coal Mines station to Pictou landing, a distance of 11 miles, providing the department will supply the requisite facilities for moving it. At the rate now charged this quantity of traffic would yield a revenue of from \$60,000 to \$70,000, and if it can be secured will be an important accession to the revenue of the road. Every concession, therefore, which is compatible with the profitable use of the road and stock for this purpose should be made to obtain it; there are however limits to these concessions, beyond which it would not be prudent to go.

To carry the traffic above specified it will be necessary to employ stock of a special description worth from \$75,000 to \$80,000, none of which could be advantageously used for other purposes. Of this stock only a small portion is now on the road. Unless, therefore, it can be shown that the traffic is likely to continue, and that it cannot be diverted from the road with profit to the Pit owners, it would be unwise to incur the expenditure necessary for accommodating it, or to meet the views of the Pit owners by a reduction in the tariff rates now charged. Risk must of course be accepted as to the duration of the promised volume of traffic, and although it is reasonable to believe that these vast magazines of coal must find their way to market, it must at the same time be borne in mind that the Acadia Mining Company does not monopolize the whole coal field and that a neighboring company holding a part of it has constructed an independent line of railway which the Acadia Company may use. Arrangements may therefore at any time be made between these two companies which would render the stock and appliances provided, or to be provided by the department for the accommodation of this traffic, entirely unproductive, the only guarantee against such a result being the more advantageous position of the Acadia Company's loading stages, the capital already expended in their construction and the fact that they can only be approached by the railway owned by the Government. These are important considerations it is true, but there is yet another:—the continuation of this traffic will depend on the commercial success of a single company.

So far as we are able to judge from the preparations made, the amount of capital already invested, and the systematic and business like manner in which the works appear to be carried on, there is every reason to believe that this success is reasonably well assured. Nevertheless, the advisability of making the investment requisite for the accom-