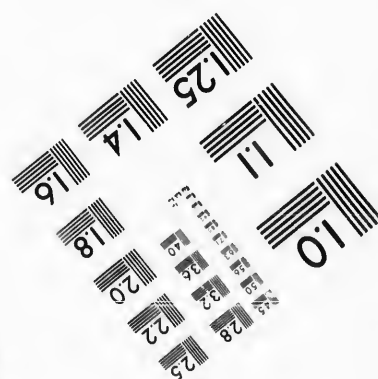
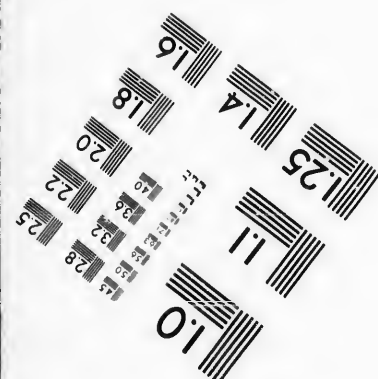
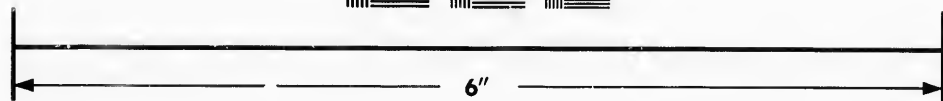
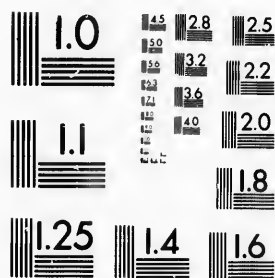


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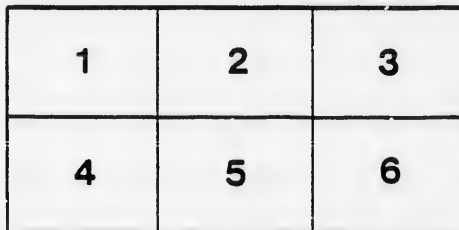
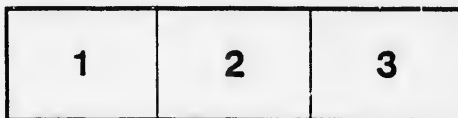
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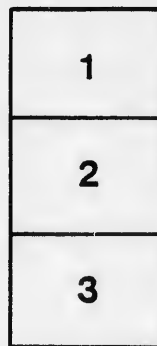
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THE

PROVINCIAL RAILWAY

OF

NEW BRUNSWICK:

Why Should it Not Pay?

FREDERICTON, N. B.:
CROPLEY'S BOOK AND JOB PRINTING ESTABLISHMENT,
Next door to the Telegraph Office, Queen Street.
1866.

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The Provincial Railway of New Brunswick :

WHY SHOULD IT NOT PAY?

This question is interesting to every inhabitant of the Province, because, whether voluntarily or otherwise, he is placed under bonds for the due and regular discharge of the interest, and eventually of the whole investment. Since the commencement of the work, a sum not far from one million four hundred thousand dollars has been levied upon the public, in the form of customs duties, and remitted out of the country, to make good the deficiency of the railway earnings to meet the interest.

This is a clear addition to the original cost. After upwards of five years' experience since the road was completely opened, the average annual deficiency is very nearly, if not quite, a quarter of a million of dollars, with but faint symptoms of any diminution of this progressive accumulation of outlay for the benefit of local and private interests alone. It involves also not only the so-far unproductive absorption of the public treasure, but of the means of adequately providing for works and improvements, strictly provincial in their character, and required by sound economy. The evil in question must continue, just in the degree that the net earnings of the railway fail to be sufficient to meet the interest on the cost. They have signally failed in this respect, during the five years that the work has been under experiment, and to all appearance will, if subject to existing regulations, continue largely to fail for many years to come. Hence the interest and import of the question to all concerned: Is this progressive and indefinite addition to the unproductive cost an inevitable necessity, under the peculiar circumstances of the provincial railway; or why should it not pay?

Though plausible reasons may be adduced why this work should not be expected to pay, such as the excessive cost, smallness of population and trade, and want of connection with other railways, or "isolation," yet it may be demonstrated that one and all of these reasons form no admissible excuse for its present or past financial position, or for its burthensome and inequitable pressure upon the mass of the provincial community who do not use it, and to whom it is of no appreciable benefit.

It is now proposed to submit a fair and unreserved exposition of the relationship of this work to the true interests of the whole provincial public; including those who derive all the benefit, and the large majority who bear the burthen without benefit.

Aided by materials furnished in the Annual Reports of the Commissioners of the Railway, and by other public documents, the following tabulated statement has been prepared, exhibiting certain data in a compendious form for convenient reference. The information under some of the heads, through absence of the requisite materials, is not so perfect as desirable, but the particular conclusion involved is not thereby affected. The chief imperfection alluded to, is that which arises from the necessity of calculating the interest upon

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the cost, including expenses of management in each year. The Commissioners of the Railway do not regard it as their duty to ascertain the excess of such interest actually paid over and above the earnings, and to add such excess to the cost, in order to exhibit the true financial position of the work, as it is believed is the usage of all private

TABLE OF DATA RELATING TO THE COST AND
NEW BRUNSWICK FOR THE FIVE

Number and Name.	1859.	1860.	1861.
1 Gross Revenue.....	\$59,191 01	*\$116,225 40	\$130,678
2 Working Expenses.....		\$74,240 00	\$91,245
3 Net Revenue towards int. on Cost,		\$41,985 40	\$36,432
4 Estimated Population of the whole Province.....	239,133	245,500	252,047
5 Estimated Population of St. John, Kings, Albert, & Westmorl'd cos.	101,210	104,015	106,896
6 Rate of Gross Revenue per head of whole Population.....		\$0 47 3-10	\$0
7 Rate of Gross Revenue per head of Population of 4 Counties.....		\$1 11 7-10	\$1
8 Net Revenue per head of whole Population.....		\$0 17 1-10	\$0
9 Net Revenue per head of Population of 4 counties.....		\$0 40 3-10	\$0
10 No. Tons of Freight carried 1 mile		†266,885	1,446,536
11 Revenue derived from Freight and other sources than Passengers..	\$35,974 08	\$61,114 90	\$61,120
12 Mean rate per ton per mile.....		cts. 3.9056	3.2975
13 No. of Passengers carried one mile	1,187,591	2,810,923	3,896,144
14 Revenue derived from Passengers,	\$23,216 93	\$55,110 50	\$69,558
	cts. 1,9549	cts. 1.9605	1.7850
15 Mean rate per Passenger per mile,			
16 Total interest on cost of Railway, (6 per ct. & 1 per ct. commission)		\$400,000	\$264,980
17 Deficiency of revenue to pay interest			\$228,548
18 Proportion of deficiency chargeable to freight, &c.....			\$106,895
19 Proportion of deficiency chargeable to passengers.....			\$121,652
20 Proportion of deficiency per ton per mile.....			cts. 7.389
21 Proportion of deficiency per passenger per mile.....			cts. 3.122
22 Deficiency in revenue per head of whole population.....			cts. 90.677
23 Deficiency in revenue per head of population of 4 counties.....			cts. 213.8
24 Total cost of railway (103 miles) exclusive of interest.....		\$4,372,620 20	\$4,672,119
25 Total cost of railway, including simple interest only.....		\$4,772,620 20	\$5,300,667
26 Rates of charge which ought to have been realised in order to derive a revenue equal to working expenses and interest, or to the actual cost of conveyance. For Freight per ton per mile.....			cts. 10.6865
For Passengers, per Passenger per mile.....			4.9070

* Only 3 months' through traffic in 1860. † After deducting cost of Rothsay to exist of interest from 1851 to 1859 inclusive. The interest

WORK
YEAR

15
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51 8-10

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cts. 7.389

cts. 3.122

cts. 90.677

cts. 213.8

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railway, and other joint-stock associations. Hence the actually increased cost in each year is not officially shown, and that which is given in the twenty-fifth line in the following table is, in the absence of a precise statement, approximately derived from calculation based on official data.

WORKING OF THE PROVINCIAL RAILWAY OF YEARS FROM 1860 TO 1865 INCLUSIVE.

1861.		1862.	1863.	1864.	1865.
\$130,673	15	\$107,640 28	\$120,272 52	\$145,057 80	\$133,408 07
\$94,245	52	\$87,634 73	\$88,534 29	\$103,630 12	\$94,906 96
\$36,432	63	\$20,005 55	\$40,738 23	†\$31,972 53	\$38,501 71
252,047		258,765	265,650	272,722	279,984
106,896		109,869	112,923	116,077	119,321
\$0	51 8-10	3-10	\$0 48 6-10	\$0 53 2-10	\$0 47 6-10
\$1	22 2-10	\$0 37 10	\$1 14 4-10	\$1 24 9-10	\$1 11 8-10
\$0	14 4-10	9 37 7-10	\$0 15 3-10	\$0 11 7-10	\$0 13 8-10
\$0	34	3 2	\$0 53	\$0 27 5-10	\$0 32 3-10
1,416,536			2,790,283		2,370,594
\$61,120	12	\$56,258 06	\$71,439 82	\$80,765 34	\$71,687 84
cts.		cts.	cts.	cts.	cts.
3,2975		3,4969	2,675	2,5803	2,7042
3,896,144		2,753,001	3,064,496	3,442,546	3,353,070
\$69,558	03	\$51,382 22	\$57,832 70	\$64,292 52	\$61,720 83
cts.		cts.	cts.	cts.	cts.
1,7850		1,8660	1,8870	1,8670	1,8407
\$264,980	78	\$283,130 41	\$284,802 29	\$285,092 39	\$285,509 32
\$228,548	15	\$203,124 86	\$244,064 06	\$253,119 86	\$247,007 61
\$106,895	28	\$137,521 91	\$134,877 02	\$140,932 04	\$132,730 82
\$121,652	87	\$125,602 95	\$109,187 04	\$112,187 82	\$114,276 79
cts.		cts.	cts.	cts.	cts.
7,389		10,279	5,876	5,05	5,49
cts.		cts.	cts.	cts.	cts.
3,122		4,562	3,563	3,259	3,408
cts.		cts.	cts.	cts.	cts.
90,877		101,68	91,874	93,179	81,078
cts.		cts.	cts.	cts.	cts.
213.8		239.5	216.2	218.06	207.01
\$4,672,119	08	\$4,609,707 86	\$4,704,494 96	\$4,711,374 97	\$4,747,713 12
\$5,300,667	23	\$5,591,380 87	\$5,840,232 03	\$6,100,231 00	\$6,383,577 66
cts.		cts.	cts.	cts.	cts.
10,6865		13,7759	8,5504	7,6303	8,1942
4.9070		16,4280	5,4500	5,12601	5,2487

cost of Rothsay
The interest

accident. † In 1860 for 3 months only. ‡ No official statement is supposed is subsequently calculated on cost as stated in line 24.

As the Railway was opened for through traffic only three months before the close of the financial year 1860, the Return for this could not fairly be compared with those of succeeding years, and the column of data for 1860 is therefore not completed. But on referring to line No. 12, it will be observed that the mean rate of freight received per ton per mile, is in no year so high as four cents, and in 1864 only slightly exceeds 2 1-2 cents. On referring to No. 15, it will be observed that the mean realized rate of fare per passenger per mile, is in no year equal to 2 cents.

In the Report of the Railway Commission for 1858, at page 18, is the following passage:—

"The Tariff has been a subject of much consideration to the Commissioners. In Nova Scotia, the fare for first class passengers has been fixed at 2d. currency per mile; in the United States it ranges from two to four cents, and in England is about 2d. sterling.

"It has been ascertained that the cost of carrying passengers in the United States is 2 7-12 cents per mile, and that the paying point is 3 cents per mile.

"The Commissioners have determined on a rate of 3 cents per mile, with the usual deductions for family and season tickets."

The determination of the Commissioners is far from a strikingly obvious or just consequence of the premises stated. If they inferred that the cost of 2 7-12 cents per mile of carrying passengers in the United States, should be the same in every case and under all circumstances, they assuredly committed a grave mistake; and if upon this mistake, they determined that the passenger fare should be 3 cents per mile, "with the usual deductions," it was incumbent upon them, as charged not merely with the local interest, but with the interest of the whole Province involved in the success of the Railway, that as soon as the revenue clearly revealed the consequence of the mistake, it should be corrected. Unfortunately the revenue of the Railway did shew that the passenger fare, whatever it was, which was really exacted, signally failed to yield a return equal to the interest and running expenses alone, without regard to either depreciation, or a provision for the extinction of the debt. But it is shewn by the Commissioners' Reports, from which line No. 15 in the foregoing table is derived, that the mean rate of fare actually realized during the first year from passengers, was not even 2 cents per mile, entailing an enormous impost upon the public at large for the cost of carrying them. The same result also shews, that if 3 cents per mile were actually charged in some cases, then that less than 1 cent must have been charged in others, or perhaps nothing at all. There was assuredly a reason for adequately increasing the rate of fare, and for awakening the Commissioners to a conviction of the great difference between the circumstances of this Province and those of the United States.

But this small realized rate of fare, so unusual, and so unjust towards the public at large, who have to pay the difference, has not yet had the effect of attracting special attention. The annual and prolonged Legislative debates and investigations, relative to the construction of the Railway, only to prove the impossibility of averting the unexpected avalanche of debt which had so stealthily fallen upon the resources of the Province, seem at length to have utterly wearied, though without satisfying the public, concerning the perplexing issues involved. To the unwieldy burden there was no alternative but submission; and now that its weight was supposed to have attained its limit, the mere details of the management of the work itself, failed to keep alive a

spirit of investigation, or of watchful scrutiny. Moreover, to that limited portion of the Provincial public in immediate contact with the Railway, to be carried cheap, very cheap, "with the usual deductions for family and season tickets," and with other devices to save the appearance of not being actually carried for nothing,—was very conciliating, and presented the whole concern under the most engaging aspect. Not to have been pleased with such a privilege would have been unnatural; not to have afforded some praise for the Railway and its management, would have been ungrateful; whilst to accept with unreserved readiness the comparatively costless benefit so freely offered, was to all appearance most excusable.

The Commissioners by thus straining the genial quality of cheapness almost to the negative division of the scale, having surrounded themselves with an atmosphere of smiles, were not likely voluntarily to raise a cloud or to provoke the murmurings of a storm by any rude, uncalled-for theorizing as to the correlative interest of that large preponderance of the Provincial public which is of necessity precluded from any share in this peculiar acquisition of cheap transportation. It was not under such circumstances to be expected of the Commissioners, that they would disturb their own quiet by any distracting inquiry as to how far that which was cheap to the few might be just to the many; or whether that which was accepted with entire satisfaction by the former, was not at the expense of something exceedingly like fraud upon the latter. Hence we do not find that any change is proposed, or even whispered, but on the contrary that the mean rate of passenger fare realized during the years 1861-2-3 and 4 is even less than that in either of the years 1859 or '60. The same with regard to freight. It will be seen at line No. 12, in the foregoing statement, that the mean rate per ton per mile realized in the year 1860, was less than 4 cents, but that notwithstanding the great deficiency of revenue, instead of an increase of rate to meet the evil, we find the mean rate realized in each succeeding year continually to decrease, until in 1864 it only slightly exceeds 2 1-2 cents per ton per mile, and this in the face of an annually increasing deficiency of revenue, as follows:—

Deficiency in 1860.....	5222,969.38
" 1861.....	228,548.15
" 1862.....	263,124.86
" 1863.....	244,064.06
" 1864.....	253,119.86

It is also to be observed that this growing deficiency anomalously occurs with a concurrent increase of population, as shewn by lines Nos. 4 and 5 of the statement, which have been estimated according to the rate of increase shewn by the Census of 1861.

If, with a view to a prudent course of management, a *maximum* rate of fare had in the first instance been experimentally adopted, without a favorable result, and thereupon a somewhat lower rate had been tried, with a result more favorable, then a good practical reason would have appeared for testing the effect of a rate still lower, until the desirable medium should be discovered, which was found to secure the largest revenue at the least cost to the public, who in this case are the proprietors.

This is believed to have been the usual course of judicious and successful Railway management everywhere. A departure from this course in the case under discussion, appears to have been as unfortunate as unnecessary. Had such a safeguard been demanded, the interference of the Legislature to prevent loss of revenue by all and

every means of direct competition with this work, would have been perfectly warrantable, as in the case of railways running parallel to the Erie Canal in the State of New York. But there was no competition to fear; no available traffic which a rival line could draw away; nothing to prevent the unhesitating adoption of a scale of fare and freight most likely to secure a revenue, honestly and fairly remunerative for so heavy a Provincial investment. But this, which should have been a primary motive, seems to have been overruled by an irrelevant appeal to cheapness, suggested by the results of experience elsewhere, under entirely different circumstances.

The Commissioners ascertain that the cost—average cost of course—of carrying passengers in the United States is 2 7-12 cents per mile, and that the “paying rate” of fare is 3 cents. They therefore determine upon 3 cents per mile for the provincial railway between St. John and Shediac, “*with the usual deductions for family and season tickets.*” Now, if the realisation of 3 cents per mile could safely have been assumed as likely, under the circumstances of this railway, to be a “paying rate,” it could not be so, if at all, much less if indefinitely, liable to “the usual deductions for family and season tickets.” If such deductions are proper, as no doubt they may be under certain circumstances, and according to some fixed and well understood rule, it could only be from a rate so high that the mean rate realised should not be less than a paying rate. If, for illustration, a realised rate of 3 cents were believed to be requisite as a “paying rate” for the Provincial railway, then ostensibly to adopt this as a maximum, subject to deductions more or less indefinite in amount, would be simply to deprive the public of their just revenue, to the extent of these reductions, for the benefit of private individuals. This has in fact been done,—for we find that in every year since the traffic of the railway commenced, the realised rate of fare per passenger per mile is greatly below even that which the Commissioners had ascertained to be the mere cost of carrying passengers in the United States, admitting such an improbability as that the cost would be the same under the wholly different circumstances of this Province.

Had this error been limited to the experience of the first year, and that as soon as the consequence were visible, a higher rate of fare, more calculated to meet the cost, had been adopted, such measure would have been justly entitled to the approval and support of the public at large, who are the proprietary; though it might have been less acceptable to those who use and enjoy all the benefit of the railway. But in the absence of any immediate public attention to this error, the Commissioners appear to have been unwilling to provoke dissatisfaction or complaint by interfering with the cheap privilege which passengers and freighters had now become accustomed to expect at the public expense. So that not only in the first year, but from year to year, this heavy sacrifice of revenue with clear knowledge of the fact, is continued. The mean realised rate extending over a period of six years is about 1 887-1000 cents per passenger per mile, or 37 per cent. below what the Commissioners had ascertained to be the bare cost of conveying passengers under the many times more favorable circumstances of the United States. But, most unfortunately, this is not the worst, nor is it the proper comparison of such realised rate: for, as shown at line No. 26 of the foregoing Table, taking the mean of the four years for 1861 to 1864 inclusive, the cost of convey-

ance on the Provincial Railway was nearly 5 1-2 cents per passenger per mile, or about 190 per cent. more than the mean rate actually charged. The mean rate of 5 1-2 cents was therefore the lowest that ought to have been realised in order barely to cover cost, consisting of working expenses and interest, without regard to depreciation or a sinking fund for the eventual liquidation of the debt. It is clear that from thus exacting a merely nominal rate of fare, instead of a paying rate, not far from a quarter of a million of dollars has been annually taken from the public revenues, strictly to pay the private travelling and freight expenses of those who have "patronised" the railway. No blame however attaches to those who have used a privilege which was offered to them at less than its just price. The responsibility is necessarily with those who fixed the rates of fare and freight. The latter refer for their justification to results "ascertained" in the United States, which, with regard to passengers, they state at 2 7-12 cents per mile for the cost of carrying, and that the paying point is 3 cents per mile. But unfortunately they proceed to fix rates of fare, which realise less than 3 cents per mile, and adhere to the same, after discovering that they are at least 190 per cent. too low.

It may be objected to a higher rate, that it would have the effect of so diminishing the number of passengers, as to be less productive than the low rate. The objection is valueless until tested by experiment. But in the event of such a result, then an obvious measure of justice to the province at large would be an equitable assessment of all property along the line, to an amount equal to the deficiency of revenue from passengers and freight. The increased value of such property is admitted, and, if fairly estimated, is perhaps equal to a very large portion of the cost of the railway. But such increased value is derived through legislation, which virtually imposes a liability for that cost and for the interest until paid, upon all other property in the province, though it may not directly or indirectly derive the smallest benefit from the railway, but the contrary; for it is simply a means of unequal and unfair competition with those inhabitants, farmers, lumberers, and others, who are obliged to depend upon common road transportation, and that in many places none of the best,—and yet are subjected to a tax to sustain that very medium of competition against themselves. Such revised legislation as would equitably transfer a burthen to where the benefit is exclusively enjoyed, should not therefore be regarded as hard or unreasonable, but as strictly fair.

In the meantime, it is not certain that the revenues which may be derived from the ordinary traffic of the Railway, at higher rates of fare and freight, will be insufficient to pay expenses and interest. Passengers are quite willing to pay, and do pay 5 or 6 cents per mile for travelling by stage coaches, and even by the least comfortable open wagons and sleighs, jolted night or day over common roads more or less rough, exposed to all vicissitudes of weather, at a speed varying from 4 to 6, or rarely 8 miles an hour. Now some persons have been exceedingly earnest and impatient in their cry for Railways, but if this was in order that they might travel by them at the public expense, and at a much less cost than by the most inferior means of conveyance, then both their patriotism and their public spirit may be justly questioned. Yet any passenger who pays on the Provincial Railway a

fare of less than 2, instead of about 6 cts. per mile, is in the predicament of enjoying his pleasantly cushioned seat, luxuriously protected from the heat and dust of summer, and from the cold and storms of winter, with a smoothness of progress, mechanically almost perfect, at the rate of from 15 to 25 miles an hour, by leaving as a tax upon the public about 70 per cent. of that which ought to be his own private charge.

The transition, after lapse of years, from a mean fare of less than 2 cents to one of 6 cents per mile, can of course be very agreeable to neither the Commissioners to impose, nor to those who enjoy the benefit of the Railway to accept; and it is unfortunate that the public mind has not, by an earnest discussion of the matter at an earlier period, been prepared readily to acquiesce in the strict equity and justice of the higher rate. It is now a matter of vain regret, that the Railway should have cost not far from \$44,000 per mile, exclusive of accumulated interest, instead of the originally proposed and quite sufficient rate of \$20,000 per mile. The latter sum would have provided a work, in solidity and working capacity, amply sufficient for the duty, which, as experience has shewn, is all that is likely to be imposed for many years to come. No other line of equal extent in the Province could be selected so favorable for construction at a low rate of cost. With the amount of traffic which has been realized on the existing line, an original cost of \$20,000 per mile would have been amply remunerated at a mean realised rate of fare of 3 1-2 cents per passenger per mile, and at a proportionate rate for freight.

There is, however, nothing extraordinary or unusually onerous, much less unjust, in a charge of 6 cents per passenger per mile. It would be unreasonable to expect that the same rate of fare which would be remunerative in the State of New York, with a population of not far from a mean of 100 to the square mile, or in Massachusetts, which has a population of upwards of 170 to the square mile, should be also remunerative in a country like New Brunswick, with a population hardly reaching 10 to the square mile. Or if we take the most favorable view, and restrict the estimate to the four counties through which the Provincial Railway passes, the density of the population would not exceed about 30 to the square mile. But by the same restriction of the estimate to the particular sections of country through which the lines of railway pass, either in the State of New York or Massachusetts, it would be necessary in many cases to treble or quadruple the mean rate, in order to shew the local rate of density of the population.

The great influence of the latter circumstance on traffic, may be aptly illustrated by cases similar to that of the Liverpool and Manchester line, the population tributary to which, if estimated for an area no part whereof should exceed a distance, say of five miles from the route and its termini, would probably be much more than one thousand to the square mile, though the mean density of the whole of the United Kingdom may not be equal to a fourth of that rate. There is, however, another perhaps still more prolific cause of traffic in the latter country, to be found in its almost infinitely multiplied and ever active labor-saving improvements and devices in every branch of art and manufacture, which contributes to the materials of commerce. As long ago as the year 1830, this was estimated to be equal in productive influence to the industry of four hundred millions of people, and at the present time it is supposed to be equal to that of eight

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hundred millions. A like condition no doubt proportionally obtains in other manufacturing portions of Europe. That a similar vitality exists in the neighboring Union, is fully shewn by recent events. It is easy to conceive that under such circumstances a proportionally large expenditure on railways, aiming at the greatest durability, combined with artistic elegance and the most advanced mechanical improvements, may yet be remunerative at a very small rate of fare. It is equally apparent that a similar rate is wholly inapplicable to the circumstances of a country like New Brunswick, unless the cost of the railway should be restricted proportionally to those circumstances. It would consequently be most unreasonable if those who have been most urgent, even in defiance of all the arguments of experience and economy, in their demand for a railway, having at length obtained what they rejoice to call "the best in America," should in the slightest degree demur to paying for the use of the same, a rate of fare which they readily pay for being jolted in an ordinary wagon on a common road. But the Commissioners have not yet made the experiment of requiring such a rate. It is in fact no experiment to impose it. The most ample precedents justify it. The provincial railway is only in the probationary stage of its existence. At the same stage, and under much less warrantable circumstances, the rate of fare charged on railways, even in the authoritative United States, was from 5 to 6 cents per mile.

In the year 1835 the rate per mile was

On the Petersburg Railway, for Passengers, 5 cents; for Goods, 10 cents per ton.			
" Winchester and Potomac,	" 6 "	" 7 "	" "
" Portsmouth and Roanoke,	" 6 "	" 8 "	" "
" Boston and Providence,	" 5 "	" 10 "	" "
" Boston and Lowell,	" 5 1-2 "	" 7 "	" "
" Mohawk and Hudson,	" 5 "	" 8 "	" "
" Washington Branch of the Baltimore and Ohio,	" 6 1-4 "	" 4 "	" "

The relative magnitude of these rates cannot, however, be truly estimated without reference to the exceedingly small cost of the railways upon which they were charged. Their original or opening cost was from \$15,000 per mile upwards, and not exceeding an average of \$20,000 per mile. That of the last-named railway was stated at only \$7531 per mile.

The fare on the Georgia railroad was, in the year 1841, from 5 to 6 1-4 cents per mile. On the South Carolina railroad, it was in the same year reduced from 7 1-2 to 6 cents, as an experiment, with the view to increase the revenue, but without having that effect. A similar experiment in the rate of freight was also unsuccessful.

The above are a few of the authentic facts which at this late date it is possible to ascertain relative to fares during the early existence of railways in the United States. But it may be shown that as late as the year 1847, the rate of through fare on many of the American railways was from 4 to 6 1-2 cents per mile.

With regard to English railways the enquiry is less difficult, as very ample and conclusive information is supplied by parliamentary documents.

For some time prior to the year 1845, the public, through the medium of the press and otherwise, had earnestly called for a reduction

of the rates of fare, which in that year was to some extent conceded. In most of the charters granted by parliament, the railway companies are authorised to charge a maximum rate of fare of from 2 cents, third class, to 8 cents, first class, per mile.

The charges prevailing prior to the reduction and immediately afterwards are particularised in the following

Abstract of that part of the Report of the Railway Department of the Board of Trade for the year 1845, in which is shown the Rate of Fare for Passengers on the 1st January, 1844, and the Rate in August, 1845, on 21 principal Railways in England, the sterling value being reduced to cents in New Brunswick currency at the equivalent of 1 ct. for 1 halfpenny.

NAME OF RAILWAY.	Length in Miles.	Rate of Fare per Passenger per Mile.							
		1st January, 1844.				18th August, 1845.			
		Express Trains.		Mixed Trains.		Express Trains.		Mixed Trains.	
		1st Class, 2d Class, Cents.	1st Class, 2d Class, Cents.	1st Class, 2d Class, Cents.	1st Class, 2d Class, Cents.	1st Class, 2d Class, Cents.	1st Class, 2d Class, Cents.	1st Class, 2d Class, Cents.	1st Class, 2d Class, Cents.
Birmingham & Gloucester	53		6.338	4.754			6.338	4.754	
Chester and Birkenhead	15			3.200		4.896	4.000	3.200	
Grand Junction	98	6.612	6.000	4.408			4.162	3.428	
Great North of England	45		6.932	4.800		6.932	4.800	4.266	
land	118 1-4		6.080	4.260		5.060	3.540	3.200	
Great Western	31		3.270	3.096			3.270	3.096	
Hull and Selby	20		6.600	4.200			6.600	4.200	
Lancaster and Preston	6		8.000	6.000			5.333	4.000	
Leeds and Selby	112 1-4		6.414	4.276		5.772	4.916	3.634	
London and Birmingham	50 1-2	6.948	5.702	3.800		5.940	4.752	3.564	
London and Croydon	10 1-2		5.143	4.000			2.857	2.255	
London and South-western	94		6.000			5.740	4.960	3.820	
Manchester and Birmingham	85	7.058	6.548	4.800		4.940	4.234	3.246	
Manchester	51		7.458	4.470			5.176	4.000	
Manchester & Leeds, Midland	123		6.438	4.390			6.438	4.390	
Newcastle and Darlington Junction	60		6.460	4.922		6.460	6.152	4.306	
Newcastle & Carlisle	60		6.400	4.800			4.800	3.600	
North Union	22		6.000	4.362			4.908	3.272	
Preston and Wyre	19		5.652	3.788		2.900	5.052	3.788	
South Eastern	88		5.040	3.250			4.080	2.720	
York and North Midland	24		7.000	5.000			6.900	4.500	
	1185 1-2	6.877	6.022	4.330		5.404	4.420	5.018	3.679

to 16 cents per ton per mile for the class of articles usually affording the heaviest amount of tonnage. The rates actually charged on many of the railways, even so late as 1845, when reductions had been more or less conceded, was from 2 to 14 cents, varying according to the quantity of tonnage offered. It is shown by the foregoing statement (page 3) that a mean realised rate of less than 11 cents per ton per mile for freight, in conjunction with a realized passenger fare of less than 6 cents per mile, would, during the years 1861 to 1864 inclusive, have been sufficient to pay the working expenses and interest of the provincial railway. Whereas the actually realised rate of freight is less than one-third, and in the years 1863 and '4 it is less than one-fourth. Is this just to the public who bear the burthen of the difference? If the amount of tonnage seeking conveyance by the railway were about three and a half times greater than it has yet proved to be, then the rates charged might be justifiable; but in the absence of such justifying cause, why should the freighter who avails himself of the superior speed, regularity, and convenience of the railway, expect to receive this privilege, at one-fourth of the cost of common road conveyance? Why this reversal in his favor of the ordinary rule of trade and commerce everywhere? With what regard would the proprietors of the Cunard line, or of any other line of first-class steamers, receive the proposition that they should charge, not even the same, but one-third or one-fourth of the rates of freight usually paid to ordinary sailing craft?

A New Brunswick farmer, say at a distance of 15 miles from a market, carries there for sale a ton of oats, or about 60 bushels, and makes one journey with his wagon and pair of horses, serve the further purpose of conveying back such goods as he may require for his family and his farm. The return journey will be equal to a day's work, a fair charge for which would be four dollars. In order to put the case in the fairest possible view, say that only one-half of this is chargeable as freight upon his load of oats. This would be equal to 13 1-3 cents per ton per mile as the cost of conveying his own produce to market. In the cost of the wares he may purchase, say equal in amount to the proceeds of his oats at 40 cents per bushel, or \$24, he finds included a duty of 15 per cent., about one-third of which, or \$1.20, is applied by the government to supplement the cost of carrying to market the oats of those farmers or merchants who for this purpose are permitted to use the provincial railway at the nominal rate of about 2 1-2 cents per ton per mile, or less than one-fourth of the actual cost to the public. The difference, say of about 8 cents, is exacted, as a tax upon the industry of the farmer and others, who do not and can not use the railway, or derive from it any conceivable benefit. Is this "encouragement to agriculture?" Can this possibly promote "provincial industry and enterprise?" Can it either "attract emigration," or "induce our young men to stay at home," and refrain from going to where it is not a sort of state policy to tax the commonwealth with the private travelling and freight expenses of those who "patronise" the railways?

As the result of such an experiment in New Brunswick, the public have, since the opening of the provincial railway to the close of the year 1864, been subjected to this kind of impost, to the extent of about \$1,400,000, and which at the same rate of accumulation cannot at the present time be less than \$1,700,000. This is a clear addition to the

original cost of the railway, and to the proprietary right of the public as stockholders. The proportion of this right assignable to each county, estimated according to its population in 1861, would be as follows:—

Albert.....	\$63,700
Carleton.....	110,417
Charlotte.....	159,634
Gloucester.....	101,670
Kent.....	106,516
Kings.....	157,130
Northumberland.....	126,792
Queens.....	90,089
Restigouche.....	32,869
St. John.....	329,920
Sunbury.....	40,846
Victoria.....	51,936
Westmorland.....	170,263
York.....	157,758
Total.....	\$1,700,000

This large amount of provincial treasure cannot be regarded as something to be lost sight of, unaccounted for and forgotten, as something which, under the peculiar circumstances of its application, should not be expected to produce any return, like corn thrown to the flames, or wine poured on the ground. According to all sound economic and commercial usage, it is a just debt, held against the railway by the whole province, and in which the relative interest of each county is as above stated, — each individual tax-payer being in fact a stockholder to the extent of not far from one-third of his whole contribution to the public revenue.

What, then, ought to be the just expectation of those who stand in this relationship to the railway? Certainly nothing short of a system of management framed with a regard to the interest of those whose funds have been thus applied to its cost, not less than to the interest of those who use and enjoy all the benefit of the work.

It has been shown that during the years 1861 to 1864 inclusive, the mean annual traffic charged at a mean rate of less than 6 cents per passenger per mile, and at a mean rate of freight less than 11 cents per ton per mile, would have paid, besides the working expenses, the full interest of the *original cost*. It has been further shown that such rates are neither extraordinary nor onerous, but have been charged by many railways, some of them of leading importance, during the experimental stage of their existence, and that they do not exceed the cost of much inferior transportation by common vehicles on common roads; but taking time, regularity, and security into consideration, are much below the latter.

But the *original cost* of the railway has become in the meantime greatly enhanced by the excess of interest over and above the earnings which has been allowed to accumulate.

At the close of the financial year 1864, the original cost stood at.....	\$4,711,375
At the present time (1865) the accumulated excess of interest may be stated at.....	1,700,000
And the total cost of the railway at.....	\$6,411,375

The mean cost per mile is about equal to that of the Grand Trunk

of Canada, including the Victoria Bridge, at the time of the opening of the whole line in 1860, or not far from \$60,000 per mile. The cost of the Grand Trunk, however, according to a statement apparently derived from authority, included up to that period only about 16 1-2 per cent. accumulated interest; whereas the same item at the present time included in the cost of the provincial railway of New Brunswick is equal to about 26 1-2 per cent. The mean cost per mile of the latter very far exceeds that of the aggregate of the railways in any division of the neighboring Union.

The American Railroad Journal of the 1st January, 1859, gives the length of the Railroads in operation at that date in the United States, at 27,857 miles, and the cost at \$961,047,364, which is equal to a mean of \$34,463 per mile. The Railways of Massachusetts are probably in the aggregate the best and most remunerative in the Union, the net profit averaging 6.38 per cent. upon the cost. According to the returns of the several railroad corporations of that State, as required by law, the number of miles of which the actual cost is given for the year 1860, reduced to single track, is 1838, and the total cost for road and equipment is \$63,272,802, or at the mean rate of \$34,414 per mile.

These rates of cost, however, are well understood to be in a certain degree nominal, and should be reduced from 10 to 30 per cent., in order to represent the real cost; payment for construction and equipment having been largely made in bonds and shares, which could be realised only at a discount varying within that range, and perhaps more frequently inclining to the greater than to the lesser extreme. It is also instructive to remark how the scale of cost of these roads, constructed at private risk as commercial investments, has been adjusted to the existing circumstances of population, industry, and commerce, and correlative amount of traffic relied upon as the source of revenue. Where these are the most advanced, as in the northeastern and middle States, the cost is greatest; and where the conditions of the enterprise so required, as in the southern and Gulf States, the resources of the engineer have been directed to attain the advantages of railway transportation at the least cost. The judicious and successful adjustment of immediate outlay to the scale of probable revenue is in fact the true test of competence in the execution of these works. For it is not mere geometrical excellence of line, style, or solidity of construction; the proportions, magnitude, or otherwise imposing qualities of the architectural or mechanical features of the design, that give value to a railway. These attributes may all be unexceptionable, and satisfy the severest criticism, and yet the work, as a pecuniary investment, may not only be worthless, but a positive dead-weight and dragging incumbrance; a withering blight upon the very resources which it was intended to animate into fruitful life. For as justly maintained by an able professional authority in discussing this matter, "*Railways are strictly commercial enterprises, and it is the annual per centage of profit alone on the capital, as in any other undertaking, that determines their value.*" The smaller, therefore, this capital is, the more likely the line is to pay; and hence every effort should be made, in the construction of the line, to keep the cost down."

If, however, as in the case under discussion, the cost may have exceeded the limit strictly warranted by circumstances, it does not follow that the excess should be regarded and dealt with as so much

wasted and lost. It should ^{rather} either supply a motive to recover the disadvantage by every fair and prudent resource of good management. The worshippers of the "iron horse" in their impatience of "isolation" and unrestrainable ardor to enter upon the "race of progress," and not to be "behind the age," having stimulated the commissioners, by undue precipitancy of expenditure, to run up the cost of the railway to not far from \$60,000 per mile, have no right to object to the just demand of the interest of the Province, that corresponding rates of fare and freight should be established. The commissioners having in this way drawn almost at discretion upon the provincial credit, with which they were entrusted in order to do what was prudent, safe, and right; and having in the exercise of this trust thought fit to construct, at unsparring cost, what they boast of and advertise to the world as a "first-class railway,"—"the best and most perfectly constructed in America,"—should not be the willing instruments of depriving, or rather defrauding the Province of a just, fair, and practicable return for an investment, the unrivalled excellence of which they take so much pains to proclaim.

It would be gratifying to be able to acknowledge some evidence of an earnest and positive effort to secure to the provincial public the indemnity for which, by every honorable means, they have a right to look. But what unfortunately are we constrained to witness? a realised passenger fare of a cent and a fraction per mile, or considerably less than the lowest parliamentary rate required by the charters of the English railway companies for the special accommodation of the humblest class of passengers. And this not for one year only by way of experiment, scarcely allowable as that would be, but continued from year to year with the certain knowledge that such a rate was entailing upon the Province an annual impost of not far from a quarter of a million of dollars. Were it not for the gravity of the interest involved it would be ludicrous to discuss such a rate of fare, as the average of that derived from first and second-class passengers under the peculiar circumstances of this line. For with a nominal first-class fare of 3 cents, such an average could proceed, as before observed, only from many of the passengers being carried for less than 1 cent, and would permit of others being carried even for nothing.

The rate of wages of both common and mechanical labor here is largely in excess of that which prevails in Britain, incumbered as the latter is with much heavier fiscal burthens. Yet in that brave and loyal land of low-priced labor, dear food, heavy taxes, and honest faith, the smallest rate of fare which the railway companies are by law required to charge, is 2 cents per mile. Through the great density of local population, the most reliable source of revenue, some of the British companies can afford to charge, and do charge much less than this; and when the population along the line of the Provincial railway of New Brunswick attains a density of about 300 to the square mile, there may be wisdom in a similar reduction. Unfortunately it did not appear that that time had arrived in 1861; it did not seem any nearer in 1862, or since, and the warning seems to have been ample, and to have been purchased at no small price, that the time is yet distant when in this Province a railway built at a maximum rate of cost can be made to pay at a minimum rate of fare.

There is no arbitrary or inevitable rate of fare to which a railway is under all circumstances restricted, because it is a railway, any more

than there is a certain and invariable price associated with a common article of trade because it is such. As a commercial work, and it is no other, the provincial railway ought to be dealt with according to the fair and honest rules of mercantile prudence, under the circumstances of its own situation, and not sustained as an apology for the perversion and waste of the provincial revenues, and the imposition of inequitable and unnecessary taxation, so contrary to its proper use and original design. The question to be solved though apparently of some magnitude, is in principle less difficult than many which may occur in the conduct of ordinary mercantile affairs. The practical results of the working of the railway for about six years afford the necessary data on which to determine the rates of fare and freight which may be expected to produce a revenue equal to the working expenses and interest on the investment.

Let the total cost of the railway, exclusive of accumulated interest, at the close of the year 1864, be stated at \$1,712,000. The interest of this sum including management would be \$285,547. The working expenses according to experience may be approximately stated at \$95,000, which sum added to the interest would make a total of \$380,547 as representing the required revenue. The mean gross revenue, however, during the years 1861, '2, '3, and 4, but slightly exceeds one-third of this sum. The mean rates of fare and freight ought therefore to have been about three times greater than those actually realised. Three times the mean realised rate of passenger fare would slightly exceed 5 1-2 cents per mile, and the mean realised rate of freight similarly multiplied would be about 9 cents per ton per mile.

But since the commencement of the work, the provincial public, who are the proprietors, have been required, as already stated, to pay interest to the accumulated amount of about \$1,700,000, making this addition to the investment. The bare interest of this large additional sum at 6 per cent. greatly exceeds the gross annual appropriation of recent years to sustain the great roads and bridges of the whole province. There can be no justice in requiring or expecting the sacrifice of this daily augmenting contribution to the cost of the railway. It is as rightfully and fairly entitled to interest as any other portion of the cost however secured. To the amount of \$380,547 as the required revenue before stated, we have therefore to add \$102,000 as the interest of the augmented cost, making a total required gross revenue equal to \$482,547. In order to produce this, the mean rates of fare and fare heretofore realised should be multiplied by 3.712. This would make the former equal to 6 871-1000 cents per passenger per mile, and the latter 11 18-100 cents per ton per mile.

These would be the mean rates of fare and freight from which should be derived a gross revenue sufficient to pay working expenses and interest at 6 per cent. upon the whole augmented cost, provided the number and mileage of passengers and of tons of freight should respectively be equal to the average of the years 1861, '2, '3, and 4. Should the gross revenue fall short of the required amount, then, as before affirmed, the fairest and most obvious resource, in order to supply the deficiency, would be an equitable assessment according to value, of all real property within a certain limit of contiguity to the line of railway.

For such property alone absorbs whatever "indirect benefit" may have flowed from this much desired "introduction of capital," and it

is notorious that the "indirect benefit" to property was the cry to stifle all prudential scruples about incurring the cost of a "first-class railway," because, as alleged, it would be "the cheapest in the end."

It does not follow, however, that the rates of fare and freight last stated should be uniform through the whole distance. The improvidence and injustice of such a scale are manifest under the circumstances of the New Brunswick provincial railway, or of any line traversing a district of small population grouped in remote centres, with long intervals comparatively uninhabited. If a car provided to accommodate 60 passengers start from St. John with a full complement, unless as many passengers should enter as leave at every way-station, there must be a certain proportionate loss by every vacation of a seat, because the cost of movement will be nearly the same whether the car be full or empty. But a plenary condition of the cars for more than a short distance is well known to be a rare occurrence. It is shown by the official returns that the number of through is scarcely one in twenty of the way passengers, and that the average distance travelled by the latter is only about 20 miles.

A small average distance travelled is, however, an ordinary result on all railways; and where the population is of such uniform density that the opposite currents of way-passengers entering and leaving the cars are nearly balanced, no loss can arise from a rate of fare nearly uniform. But where seats once deserted remain empty for the remaining distance, there is nevertheless the same cost of rolling the cumbrous but vacant accommodation from one end of the line to the other. Hence the economic propriety, under the circumstances of the provincial railway, of a scale so graduated to distance as not only to produce the largest revenue, but to impose it according to the plain suggestions of equity. Owing to the variable character of the data, such a scale must be deduced by experience rather than by any rule of calculation.

The idea has no claim to novelty. Its practical influence is recognised in many ordinary transactions with habitual and almost unconscious acquiescence. A passenger engages a coach to convey him one mile, and he as readily pays 20 or 25 cents for that mile as he would 5 cents per mile for a long distance. The equity of the principle is recognised in the rates of cartage of goods as regulated by municipal authority and in analagous cases. Newspaper proprietors find it to their interest to observe a rapid graduation of charge in the disposal of their advertising space. We see the same thing familiarly exemplified in the rates of fare charged by the International Line of steamers between St. John, Eastport, Portland, and Boston. If we reduce the charge from St. John to each of the other ports to a rate per statute mile, we shall find that to Eastport it is 2 727-1000, to Portland 1 538-1000, and to Boston 1 351-1000 cents per mile; the rate for the first 55 miles being more than double that for the whole distance of about 370 miles. It is at the same time worthy of notice, that the rate thus charged between St. John and Eastport, for a mode of conveyance manifold less costly than by railway, is 45 per cent. greater than the mean realised rate of fare charged on the provincial railway for any and all distances. Whatever the means of conveyance, however, the charge ought to be regulated by the joint consideration of cost as one element, and command of traffic as another, and be as flexible as these are variable. There are many railways in the neighboring Union on which the charge is graduated from a maximum

rate of way-fare of about 5 cents per mile, to a through-fare varying from 2 to 4 cents per mile. There are others on which the maximum rate of way-fare has exceeded 5 cents per mile, of which the following lines are instances:—

NAME OF RAILWAY.	Length in Miles.	Rate of maximum Way Fare per mile in cents.	Rate of Through Fare per mile in cents.	Date of Tariff.
Boston and Maine.....	111	7 1-2	2 1-3	1856.
New Haven and New London.....	50	7 1-2	3 1-10	"
New Hampshire Central	33	10	3 636-1000	1857.
Vermont and Massachusetts.....	69	7 1-2	3 188-1000	"
Fitchburg and Worcester	26	10	3 27-100	"
Shelbyville and Rushville	36	6 1-4	3	"
Richmond and Petersburg.....	22	12 1-2	5 680-1000	"
Orange and Alexandria	88	6 1-4	4	"
South Carolina.....	137	25	3 65-100	"
Mobile and Gerard.....	38	8 1-3	5 1-4	"
Nagautuck (Connecticut).....	62	10	3	1864.
Connecticut and Passumpsie River R. W.	105	7	2 516-1000	"
Manchester and Northweare, N. H.....	19	15	4 210-1000	"
N. Orleans, Opelousas, and Gt. Western, (Brashear to Algiers)	80	10	5	"
N. Orleans, Opelousas, and Gt. Western, (Brashear to Algiers)	80	12 1-2	4 375-1000	1857.
Virginia Central	195	6 2-3	4 533-1000	1864.

As there are no second class fares on the above lines, the rates given may each be regarded as a mean, which, if the two classes were established, would be increased for the first, and diminished for the second.

Now it is undeniable that however guided in this important matter, the commissioners of the provincial railway of New Brunswick have ventured to recognise the principle of a graduation of the tariff, but they have done so with extreme tenderness towards those who use, and with corresponding obliviousness of those who own, the railway. The mean maximum way fare, according to the tariff of 1864, is 3 cents per mile, and the through fare rather less than 2 cents per mile, subject to indefinite deductions for "family and season tickets." It must be confessed that the great importance of rendering so heavy a provincial investment remunerative, and not unnecessarily wasteful, required the adoption of such a scale of charges as was consistent with, and perfectly warranted by, the circumstances, even if examples of such a course were nowhere else to be found. The rates of charge last named are merely nominal, and the truth, however unpalatable, is strikingly manifest, that funds, which ought to have been derived from the private travelling fare and freight of those who have used the provincial railway since its commencement, have been indirectly drawn, under color of law, from the public revenues to the accumulated amount of about \$1,700,000.

That it may not be open to misunderstanding as to the tariff proposed to be substituted for that now in use, the following in detail is submitted, as one demanded by the just rights and interests of the whole tax-paying community, and which it is practicable to adopt at any time:—

STATION																					
0	St. John	St. John.		Moose Path.		Torryburn.		Rothsay.		Quispamsis.		Nauwigewauk.		Ossekeng.		Passekeng.		Norton.		Apoheent.	
3	Moose Path	60	40	30	20	30	20	30	20	30	20	30	20	25	15	40	30	35	25	30	20
6	Torryburn	80	55	60	40	60	40	60	40	60	40	60	40	55	40	55	40	55	40	55	40
9	Rothsay	100	70	80	60	80	60	80	60	80	60	80	60	65	45	65	45	65	45	65	45
12	Quispamsis	120	80	100	80	100	80	100	80	100	80	100	80	70	50	70	50	70	50	70	50
17	Nauwigewauk	150	100	140	95	110	75	110	75	110	75	110	75	65	45	65	45	65	45	65	45
22	Ossekeng	180	120	180	120	160	110	130	90	100	70	50	35	25	15	40	30	35	25	30	20
26	Passekeng	190	130	190	130	170	115	140	95	110	75	65	45	55	40	55	40	55	40	55	40
33	Norton	210	140	210	140	195	130	165	110	135	90	90	60	65	45	65	45	65	45	65	45
39	Apolniqui	230	155	230	155	210	140	180	120	155	105	115	80	75	50	65	45	65	45	65	45
44	Sussex	245	165	245	165	220	150	195	130	170	115	130	90	95	65	85	60	65	40	65	40
47	Plumwesceep	255	170	255	170	230	155	205	140	180	120	140	95	110	75	95	65	70	50	45	30
51	Penobsquis	265	180	265	180	245	165	220	150	195	130	155	105	125	85	110	75	85	60	60	40
56	Portage	280	190	280	190	255	170	235	160	210	140	175	120	145	95	130	90	105	70	80	55
61	Anagance	295	200	295	200	270	180	250	170	225	150	190	130	160	110	150	100	125	85	100	70
66	Petitcodiac	305	205	305	205	285	190	265	180	245	165	210	140	180	120	170	115	145	100	120	80
72	North River	325	220	325	220	300	200	280	190	265	180	230	155	205	140	195	130	170	115	145	100
73	Salisbury	335	225	335	225	315	210	295	200	275	185	245	165	220	150	210	140	185	125	165	110
79	Boundary Creek	345	230	345	230	320	215	305	205	285	190	255	170	230	155	220	150	195	130	175	120
89	Moncton	370	250	370	250	350	235	335	225	320	215	295	200	270	180	260	175	235	160	220	150
91	Humphrey's Mill	375	250	375	250	355	240	340	230	325	220	300	200	280	190	265	180	245	165	225	150
95	Cook's Brook	390	260	390	260	370	250	350	235	340	230	310	210	295	200	285	190	260	175	245	165
102	Dorchester Road	410	275	410	275	390	260	375	250	365	245	340	230	325	220	310	210	290	195	275	185
106	Shediac	420	280	420	280	410	275	385	260	375	250	355	240	335	225	325	220	305	205	290	195
108	Point du Chene	420	280	420	280	420	275	385	260	375	250	355	240	335	225	325	220	305	205	290	195
Miles	Class.	1st	2d	1st	2d	1st	2d	1st	2d	1st	2d	1st	2d	1st	2d	1st	2d	1st	2d	1st	2d

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That it may not be open to misunderstanding as to the tariff proposed to be substituted for that now in use, the following in detail is submitted, as one demanded by the just rights and interests of the whole tax-paying community, and which it is practicable to adopt at any time:—

By this it will be seen that whilst it is proposed to secure no more than an honest and fair return for the public investment, no undue strain is sought to be imposed upon the patriotism and honorable public spirit of those who use the railway, and who would disdain to appropriate to themselves a costly and luxurious privilege at the expense of those of their fellow provincialists of all classes who cannot equally share it, and to the great majority of whom it is not of the smallest benefit whatever.

It will be noticed upon inspection that the mean through fare, though materially exceeding that now demanded, still does not exceed 3 1-2 cents per mile, and that over a great portion of the distance the mean local way-fare is about the same, or less. The enhancement of the scale, by which is sought an adequate increase of revenue, is designed with regard to a fair adjudication between those who chiefly use, and those who, subject to all its responsibilities, entirely own the railway.

The tariff of freight of all classes requires to be dealt with in the same manner, though with such difference of arrangement as may be suggested by past experience. On this point it is unnecessary further to encumber these remarks with matters of detail. The end to be kept in view, is the realisation of a mean rate of not less than 11 18-100 cts. per ton per mile, as that probably necessary to yield a remunerative revenue. Let not this be supposed to be disproportioned to the just demands of the provincial railway, the rates on which should know no other rule than that dictated by good management on all railways, according to their several circumstances. Though with due regard to this rule, the circumstances of the provincial railway unfortunately demand a high rate, so also have other railways under their own peculiar circumstances. In the year 1845 the charge for coal on the Canterbury and Whitstable Railway in England, was 12 cents per ton per mile; in the year 1848 on the West Cornwall Railway, it was 11 64-100 cents per ton per mile. In the same year the charge for provisions, was on the London and Brighton Railway 11 38-100 cents per ton per mile; on the Great North of England, 11 1-10 cents; and on the Whitby and Pickering, 10 cents. Approximations to these rates were charged on other lines. On the Camden and Amboy Railway between New York and Philadelphia, distance 90 miles, the charge in, and prior to, the year 1842, was 17 to 22 cents per ton per mile on merchandise generally.

The charges heretofore made upon the provincial railway have been clearly without regard to that which ought to be a governing consideration in the regulation of the tariffs of fare and freight—the cost of the work. How long are the only and obvious means of reparation to be deferred? To what further extent of accumulation is the burthen of deficient revenue to proceed? Is the arrest of this evil to be postponed under the delusion that the present rates of charge shall be found, through some miraculous train of events, to be one day remunerative both for the past and the future? Can such a day, within human probability, occur before the present superstructure and its equipment shall to a great extent become unservicable, and the additional burthen of their renewal require to be imposed? Every sound motive of reason, of economy, of public justice and honor, is against the waste of the present structure on the faith of a mere day-dream. Its life, while it lasts, should honestly be made available for its own support,

and not recklessly perverted to the indefinite augmentation of an unproductive debt.

The deficiency of earnings in the year 1863 to meet interest on the cost, was equal to 33 3-4 per cent. of the whole ordinary revenue of the Province. In the year 1864, when such revenue was unprecedently large, the amount taken from it to meet the like deficiency, was equal to 27 1-3 per cent., and in the past year, 1865, the draft for the same purpose was equal to 34 16-100 per cent. This heavy deportation abroad of the public treasure of the country, when divested of all disguise, is simply a disbursement of that which ought to be the private fare and freight of those who use the railway. Let such private fare and freight, and if need be an equitable supplementary contribution from the property benefited, be imposed and collected, and the necessity of a 15 per cent. duty on imports ceases. Not only is a reduction of such duty to 10 per cent. rendered practicable, but even this would not be required in order to meet the usual demand for the public service.

Included in the proposed earnings of the railway, is the interest on the accumulated domestic debt of \$1,700,000, which at 6 per cent. would be equal to \$102,000, or about double the average annual appropriation to the great road and bridge service for several years past.

It may be claimed with reference to the augmented debt, that since the Legislature has offered a bonus of \$10,000 per mile in aid of certain railways, the chief of which are "extensions" of that under consideration, that the same allowance without interest should be afforded to this also. The Legislature may, however, on review of the character and tendency of such a measure, hesitate to sanction it as a precedent. For whether under any circumstances, the appropriation of the public revenues and credit in aid of private speculations, without assurance of repayment in some form, may be defensible, is a question deserving of the gravest deliberation. Perhaps eventually there may be more than one ready to confess entire coincidence of feeling with a gentleman interested in this form of aid, who was recently reported to have declared in public "that he did not dream of getting more than a loan secured by mortgage on the road; when the Legislature offered a positive out-and-out grant of \$10,000 (per mile), he was amazed."

Though it will be necessary to keep faith with those private parties who may comply with the somewhat vague conditions of this "amazing" generosity with the public funds, yet it does not follow that the Government should thereby abandon the right and duty of levying taxes for necessary revenue in such a manner as may be least burthen-some to the several interests of the country, and from nothing could a return be more fairly expected than from private property, which may have already been gratuitously enhanced in value, by so large an absorption of the public treasure.

If the Legislature may have inadvertently committed a wrong, it has nevertheless power to redress that wrong, without violation of the public faith. The Government may hold no lien whatever upon the property of any railway built by aid of the "out-and-out" grant, but such railway is not thereby placed beyond the reach of an equitable law, as an object of taxation for necessary revenue. The proprietors are not in this, as they are in most similar cases, restricted to any specified proportion of profits which they shall receive, or (for the conveyance of troops and materials of war excepted); as to the

rates of fare and freight which they may exact; and they can so regulate the latter as to meet any impost to which they may be subjected for necessary public revenue.

A like course is strictly fair and just in the direction of the provincial railway, so that those, and those only, who derive the sole use and benefit, should exclusively bear the attendant expenses.

Whatever merchandise may be transported by the railway, will of course include in its cost to the consumer the charge of such transportation. But it is plainly unfair to transfer—by force of law though it may be—part of that charge to merchandise which does not go near the railway, and is not indebted to it in any way. The same is equally true of the fare of passengers. A remunerative rate of fare, whatever this may be, for the much desired convenience, not to say luxury, of travelling by a “first-class railway,” is properly an item of the ordinary private expenses of those who avail themselves of that convenience whether for business or pleasure. It is simply unjust to impose, indirectly or otherwise, any part of such fare—by force of law though it may be—on those who do not and can not avail themselves of the same convenience, and who in no shape whatever, directly or indirectly, receive the smallest conceivable equivalent for such an impost.

