

interest, compounded in 25 years, but on the \$17,500 plan at $3\frac{1}{2}$ per cent. it costs \$23,849.56 per mile in interest. So on the one plan you will have paid out, interest compounded in 25 years for the 37 miles of road, \$1,540,898.67, and nothing to show for it, in the other case you have paid out only \$882,433.72 and a fully built and maintained railway free of all claim, to show for it. If the Victoria and Sidney railway problem were worked out on the same basis—then 5 per cent. bonds having sold at 90 or 95—it would be seen how much better off the city and province would have been at the end of 25 years had they found principal as well as interest. Those bonds netted about \$270,000, which money the city could have borrowed for 4 per cent., all charges paid, and the interest would have amounted to \$10,800 per annum, or \$4,200 less than is now being paid. At the end of 25 years, without compounding at all, this \$4,200 would amount to \$105,000, and compounded, it would come to more than the cost of the road. To return, however, to the Nakusp & Slocan road, for which, as shown, there would have to be raised \$31,746 per annum to pay interest and sinking fund—that this will be more than recouped is proved from the volume of trade. He wished to draw attention to the provision which it would be noticed had been inserted in the agreement. It had been stated the other day that one reason why earnings of the Shuswap & Okanagan Railway are small is because the C. P. R. had been restricted in their charges to an amount not in excess of the local rates on contiguous sections of the C. P. R. But in the agreement with the Nakusp & Slocan Railway there is, besides a provision that the rates shall not be higher without the consent of the government, the additional provision that neither shall the rates charged be less than those on the contiguous lines of the C. P. R. without the consent of the government, thus leaving it to be determined hereafter, whether in the interests of the miner, but at the expense of the province, a low rate shall be charged—or for the benefit of the province the rate shall be higher. As stated already, against the \$31,000 a year to be provided by the government there will be 40 per cent. of the gross earnings, and that these gross earnings will be considerable from the outset seems quite evident. The Nelson *Tribune*, for instance, in a recent issue said:

"From and after January 1 the output of the mines in Southern Kootenay will amount in value to \$15,000 a day, of which fully a half will be marketed without delay. By the time the Nakusp & Slocan is ready to take ore, the output of the mines in Slocan district will alone be of a value far exceeding the sum

above mentioned, and it is within reason to estimate the total output of the mines in Southern Kootenay for the year 1894, at \$10,000,000."

He (Mr. Davie) had read in a local paper recently that in one week of January there had been shipped 922 tons of silver lead ore from Kaslo to the smelters at Tacoma, Portland, San Francisco and other places, all going out over the newly opened Nelson and Fort Sheppard Railway, and from the fourteen Kaslo-Slocan mines then shipping ore, the monthly output till the close of the sleighing season, was expected to be between 900 and 1,000 tons. There are, however, about 27 locations at present under development, besides a great many other claims of perhaps equal value which will be developed with the advent of capital, besides the further important discoveries of minerals which will annually be made. Estimating, however, on an output of only 40 tons per day, the earnings from this source will be \$64,800 per annum; the earnings from merchandise, live stock, etc., according to a moderate estimate, will be \$31,000; and from passengers, mails and express \$24,000, making a total of \$119,800. The estimated earnings on ordinary traffic are placed much lower than those on the Columbia and Kootenay and the Shuswap and Okanagan Railways. Out of these estimated gross earnings of \$119,000 per annum the province would be entitled to \$48,000 as 40 per cent. of the gross revenue, according to the agreement with the C. P. R. This amount, it would be seen, is far in excess of interest and sinking fund.

He had heard all kinds of foolish rumors about the cost of the road and the class of work and material employed, that it was a cheaply constructed, ill conditioned affair, but these stories carried their own condemnation. In the first place the local government have an engineer superintending the work, though he supposed this would count for nothing with the hon. gentlemen opposite. Then the C. P. R. have to be satisfied, for they have to operate the road, and under clause 22 of the contract the work of construction is to be done to the satisfaction of their engineer. This supervision, it may be depended upon, would of itself be sufficient to insure that the contractors should not scamp the work. He had obtained from the government engineer, Mr. Mohun, the following memorandum as to the road:

"There is no curve as sharp and no grade as heavy as some on the main line of the C. P. R. The trestle work is fully up to the standard of that on the main line of the C. P. R., and much of it is heavier than is called for by the specifi-