

the dividends of which will flow regularly out of the country. In other words, the *profits* of the industry will not remain with us, except the profits of promotion, which go into the pockets of a comparatively few. The people of this province will simply be paid for their produce and labour at the market price in competition with the world. If we depended less upon the outside world for assistance and more upon our own efforts and capital, the result would be that we would be richer and better off, and I think it has been pretty clearly demonstrated that this is possible by co-operation of labour, and of labour with capital—not by inflated capitalization—but by honest dollar for dollar paid-up stock, the face value of which represents an amount actually expended in labour or money. At present the profits of mining arise principally out of speculation, not from mining as an industry. This, like real estate and all other forms of speculation, gives rise to fluctuations and eras of boom, succeeded by corresponding depression, the effects of which are long and deeply felt. Few people, even those who for the time being make most money, are benefited by a boom, while they are more or less injuriously affected, and often permanently ruined. Mining in itself is a legitimate business and no more of a "gamble" than farming or manufacturing. The gambling which has always been more or less associated with it in the minds of the public, has been inspired by the manipulation of stocks and the hundred and one devices of the broker, the many evils connected with which may be anticipated from the coming mining boom. Co-operation, or the principle of self-help properly applied, is the antidote to inflation, and where it does not wholly check the evils of speculation, largely minimizes it. It has been an almost invariable experience that those industries, under ordinary conditions which have developed from small beginnings, are successful, while those promoted and started to life on a large scale too often go to the wall. Mining is not exceptional in this respect and depends for ultimate prosperity upon safe business methods.

There is, however, another form of co-operation in addition to those to which I have referred, concerning which a great deal could be said, and from a political point of view is most important, and that is between the Government and the mining industry.

One of the great needs of most mining communities is railway communication and transportation facilities, without which, in fact, all must fail. There is nothing which acts and re-acts upon development so materially and quickly as (1) the rate of freight to and from the mines, and (2) the rate at which goods and ore can be handled. The very life of most camps depends upon these two considerations. Owing, however, to the very special conditions attaching to mining districts in new countries—the sparseness of population, the rough and mountainous character of the exterior, remoteness from regular lines of communication, the cost of labour, etc., the building of railways—the finding of capital—is a very grave problem indeed, and one which presses on the attention of the province of British Columbia at the present time. Railway communication is part and parcel of mining devel-

opment, and in the southern part of British Columbia, is peculiarly so.

The policy of all governments in Canada has been to assist railway companies in some of the following ways: 1. By cash bonuses. 2. By land grants. 3. By guaranteeing bonds, or in all three ways at once. This has been considered good policy—a necessary policy, and, of course, it has resulted in a great many railways being built that would not otherwise have been built, but experience has shown that it is not the *best* policy.

Heretofore no government has retained any business interest in the railways thus assisted or any share of the valuations contained in the lands given as a bonus. This is a business mistake. Where governments do not build railways out and out for themselves, any assistance they give in cash or lands should go as subscription to the stocks of railway companies, figure as assets in their public accounts, and represent ownership and control to that extent. Governments, any more than private individuals, should not for public purposes give away an asset for which nothing is received in return. In other words, it is unsafe and unwise to depart from business methods. Philanthropy is not the business of a government. Assistance given should be on the basis of co-operation in profits as well as expenditure.

There is another principle that should govern in the building of local railways, and that is that the district specially served, opened up and benefitted, should be made to specially contribute—somewhat on the principle of local assessment—which is applied to paying for benefits in the ratio in which they are special.

For instance, Southern Kootenay desires and requires a railway to open up and develop its mines. To a large extent such a railway will benefit the whole of the province, but in a special sense it will be a local benefit as well. It means profit to present and prospective mine owners. It would run through a highly mineralized belt, the richness of which, in all probability, is more than sufficient to pay big profits and build several railways besides. Without a railway these would not be available or profitable, or if profitable, only so under great disadvantages.

Capitalists will not be found to build the railway as a purely railway proposition unaided. The Dominion of Canada and the province of British Columbia will be called upon for assistance—the former for its usual \$3,200 a mile and the latter for money and a land grant. Instead of giving money or guaranteeing bonds outright, the Government should subscribe for stock equivalent to the aid asked and be represented on the board of control. If a land grant be made in addition it should take to itself by legislation the power to levy a royalty on producing mines within a definite railway belt and to retain a proprietary interest in the valuations—timber, quarries, etc., etc.

The application of these two principles of joint stock control in railways and local assessment for benefits will tend to solve satisfactorily and upon a sound, economic basis a problem which has grave concern for this province.