

It must be remembered, too, that all the imperfections in the Agreements with these two companies are being perpetuated in the additional branch lines, and that the subsidy remains the same.

Though the Trust Deed between the Canadian Northern and the Government has not been recorded at this writing, it will doubtless be the same as the Pacific Great Eastern, as the terms of both Agreements are practically the same.

Subsidies from the Federal Government to B. C. Railways should come to the Province, and not at the behest of a Railway Corporation be made to itself.

The only way for the public to keep even with Railway Corporations is to refuse to have anything to do with them, for their satellites, having made a special study of out-generalling Legislatures, they are too astute and adroit for the people's representatives.

Contrast Our Method with the Australian Method of Building Railways

An official of the State of Victoria, answering enquiries, says in a letter dated 31st October, 1912: "The railway system of Victoria is controlled and owned by the Government. The approximate value of the system is \$215,000,000. This includes the cost of works, rolling stock and general equipments."

The mileage constructed exceeds 3500 miles, and nearly 90,000,000 passengers are carried per annum, and 5,000,000 tons of goods and live stock.

The system is a payable concern, and the Government grants many concessions for various classes of freight for the further development of the country. A very large development is also taking place, over 200 miles being in course of construction at the present time.

Under date of Melbourne, September 21, 1912, the Dominion Trade Commissioner writes:

The Commonwealth Transcontinental Railway

At Port Augusta, South Australia, on September 14, the interesting historic ceremony of breaking the first sod in the construction of the Transcontinental Railway was performed by the Governor-General (Lord Denham). A large number of legislators and others interested in the work were present. This new line, to connect the State Railway systems of South and Western Australia, will be 1,063 miles in length, and the gauge is the standard of 4 feet 8½ inches. The highest point on the line is an elevation of 1,354 feet and the steepest gradient 1 in 80. It is estimated that the work will be finished in from three to four years, at a cost to the Commonwealth of, approximately, £4,000,000, or \$19,180,000—equal to \$18,325 per mile.

The completion of the railway will open direct communication (independent of the existing steamer services from Adelaide, S. A., to Freemantle, W. A.) from the Eastern States with Western Australia, which is the largest State in the Federation, comprising an area of 975,920 square miles, with the present limited population of about 420,000.

Herewith are transcripts taken from Australian Railway Commissioners' Reports, which speak for themselves; also Official Copy of Dominion Act, giving cash subsidy.

It will be observed in the Transcript, giving a comparison of the railway accounts for six distinct Governments in Australia, that they show net earnings of from over 4 per cent. to over 5¼ per cent. on their cost.

The crux of the matter is, is it better for the Province to pledge themselves for 30 years for payment of \$35,000 principal and interest at 4 per cent. per mile and permit a sum of \$12,000 per mile, the Province's share of Federal subsidies, to be diverted to the building of 525 miles by a Railway Corporation, with a very doubtful chance of any reimbursement and no ownership; or is it better for the Province to use its own credit and cash subsidies to build the line and own it and the future unearned increment which will attach to it, and operate it for the benefit and development of the country, as the Australians have done? or as an alternative, surely some better plan can be devised than the one adopted.

This letter is not intended to be impertinent, though it may be thought to be so at first blush. When the reader considers the pains and time spent in its preparation, he will think differently. Neither does it matter whence it emanated; but what does matter is, is it sound and logical? Does it point out any errors or mistakes which should be amended or avoided? Does it contain anything for the advantage of British Columbia? All of which is most respectfully submitted by the Author.

VICTORIA, B. C., November 23rd, 1912.