

4,639,000 acres of first-class land, 2,020,000 acres of second-class, and 11,230,000 acres of waste, the latter including much land that will eventually be classed first, second and mineral. This acreage embraces only such land as falls within a distance of 25 miles on each side of the road. Branch lines, inland steamboat and other railway connections may be counted upon to increase the subsidiary acreage by at least a quarter.

4. Under Western conditions it is usual to estimate probable revenue after the third year at about 60 cents per acre on first-class land and 25 cents on second-class. On this basis the earning power of the Railroad would be \$4,110.00 per mile from products of the soil alone. Other valuable sources of revenue, such as merchandise and agricultural implements inbound, timber, mining, coal, passenger traffic, mails, telegraph and express, will yield \$1,500 additional per mile in the fourth year, and of course will increase rapidly as the land is settled and the various new towns on the route are populated. The gross earnings then in the fourth year should be about \$5,610.00 per mile. The fixed charges, including operating expenses and interest on the Bonds, will amount to \$5,166.00, leaving a net profit of \$444.00 per mile, and it is usual to estimate that where the country traversed is good, as in our case, this net profit will be subject to annual increase of about 30 per cent.

In considering the advantages of any Western Railroad it is well to remember that the opening of the Panama Canal will, as far as passage rates are concerned, bring Pacific Coast ports almost on a parity with New York, Montreal and Halifax. The difference in cost to settlers, according to the best advices available, will not exceed \$10, and since the West is unquestionably the land of opportunity at present, the Western sections of all Canadian Railroads should derive great benefit from the opening of this Canal.

I shall conclude by introducing the gentlemen whose reports are here presented, and by stating that I think nothing has been left undone that could have added weight to, or made more certain, the facts that are here presented, and this report should therefore afford a sound basis for future operations.

Mr. K... has had a large and varied experience as locating and construction engineer in the United States, Alaska and Canada, and is probably without an equal in this capacity in North America.

Mr. Cartwright is the chairman of the Vancouver branch of the Canadian Society of Civil Engineers, member of American Railway and Maintenance