

as the southern portion of the province is concerned, when the promised extensions westward through the Boundary district are completed, that section will be by no means ill-served with railways.

But how have these railways been constructed and financed? "Heaven helps those who help themselves," and the colony has procured this railway system by taxing itself in the form of subsidies, guarantees of land grants, which have rendered the financing of the undertakings possible by eliminating the element of risk and thus permitting the bonds to be placed at a moderate rate of interest.

I presume no one will be bold enough to say that British Columbia can do without further railways, but what have been the recent steps taken by your Provincial Government in regard to railway extensions? They have stopped all subsidies, guarantees and land grants, and the result of that policy will infallibly be, from the prevailing economic conditions, that no further railways will be built unless the Government itself builds them.

If the colony could afford the initial outlay, this would no doubt in the end be the best solution; witness the great financial success, after the first few years' working, of the Cape and Australian Government railways; the former now pays in net revenue from 7 to 8 per cent. on their cost, and I believe the Australian Government lines to be almost equally successful; but the circumstances as regards wealth and population are dissimilar, and British Columbia has to consider which method of obtaining railways it can best afford, whether to take the entire risk and reap the whole ulterior profit, or to subscribe a portion of the cost and make the best arrangement it can for a share of profit after the payment of interest on the remaining cost.

To descend to particulars, I will ask if there is any line of railway in the province more needed than a northern trunk line from the Canadian Pacific Railway, at Ashcroft or its neighbourhood, to Quesnelle and Cariboo; thus opening up a huge extent of practically neglected agricultural and pastoral country and mining districts such as Cariboo, Horsefly and Omineca, now only waiting cheap and speedy transit to become great centres of industry. The withdrawal of the subsidies has killed all chance of the construction of this line, by those who had already obtained charters or by fresh aspirants.

Let us consider, as far as we can, some of the figures and circumstances involved in the construction of this line. The exact data as to population and probable traffic are impossible to obtain, but I will endeavour to make as near and fair an estimate as possible.

I have been informed that the yearly freights by wagon shipped from Ashcroft northwards are from 4,000 to 5,000 tons. To this may be added, say, 1,000 tons carried by pack trains and private conveyance, making in all, say, 6,000 tons. This tallies reasonably with the wants of a population of 10,000 partly supported by food staples grown in the upper country and of which the local shipments for short distances might total another 4,000 tons, making a total of one ton per head for the population, which I suppose, may be fairly put at about 10,000.

Were a railway built large quantities of machinery and other heavy goods, the freight on which is now prohibitory, would be shipped; and, with the existing population, the traffic might reach a yearly aggregate

of 20,000 tons, taking long and short freight into account, or say the equivalent of 15,000 tons of freight in point of receipts.

During the year—also with the existing population—the through passengers might be taken at 2,000, and the passengers for other distances as making up the equivalent in point of receipts of another 3,000 through passengers.

I take it that in view of making the railway an ultimate commercial success, the maximum rate for through freight which could be charged would be \$20 per ton, and for through passengers, averaging first and second class, \$20 each.

We should then have as total receipts:—

Freight—1,500 tons at \$20	\$300,000
Passengers—5,00 tons at \$20	100,000
Mail carriage and sundries, say	25,000
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	\$425,000
Deduct working expenses at 60 per cent.	255,000
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Net receipts	\$170,000

The cost of a standard gauge line about 300 miles long through an average line of country such as this, and allowing a fair contractors' profit, interest during construction, etc., cannot fairly be put at less than \$30,000 per mile, making a total of \$9,000,000. Interest on this at 4 per cent., the lowest rate on well secured bonds, would be \$360,000 per annum.

It will be seen that a large deficit exists between the net earnings and this sum. This deficit would without question be speedily reduced and ultimately wiped out by the great increase of population and traffic which a railway would cause; but what I want to point out is that no investor will accept this risk and delay unless counterbalanced by large subsidies, and that the country can only insure this great development of its resources, by taxing itself to provide these subsidies or build the line.

If the Government elected to do the work itself, it could borrow the money in England at about 3 1/3 per cent., thus reducing the yearly interest to say \$300,000; and to my mind this is by far better finance than the granting of subsidies. The Dominion Government should also give some aid to the undertaking;—if that Government contributed only \$3,000 per mile towards the cost, the loan to be raised by the British Columbian Government would be proportionately reduced and the yearly interest to be provided would be, say, \$270,000, or only \$100,000 in excess of the estimated net receipts from the first year's working. Surely, considering the certain yearly increase in the takings and the great probability of an ultimate profit, this would be but a trifling price to pay for such a vast boon to the country.

I hope sincerely that this subject may receive from the members of your Parliament and their constituents the consideration which it merits.

As I have said, I cannot lay claim to exactitude in the figures I have given; but I believe them to be roughly accurate, and the Government can readily obtain estimates of the cost of construction, and are in a better position than others to check the estimates of traffic.

It is useless for the colonist to sit still and grumble because capital does not flow into the country. He must bestir himself to make his country attractive to a capitalist; if he does this, he will surely attain his end, and I know that your magnificent province contains