

francs per kilometre, about £4,000 per mile. In 1903 the gross receipts per kilometre was 3,700 francs (£154), and the net receipts about 700 francs (£30). The schedule for maximum rates for the companies must have the approval of the Minister for Public Works of the Interior and of Finance. A considerable number of these lines are more or less dependent on larger companies which make a speciality of constructing and working railways. The earlier concessions guaranteed companies against deficits in operation and 5 per cent. on the construction capital. At present there is no guarantee against deficits in operation. The guarantee on the capital is 4 per cent.

In Belgium the construction of light railways is secured to the National Society of Vicinal Railways created by the laws of 1884 and 1885. It is a public organization in which are represented the State, the province, and the communes interested. The company is privileged; no one can obtain a concession unless the society refuses to accept it. It has thus the preference for all concessions. The concession is granted by Royal decree. Private persons can hold shares, but in general the State subscribes the larger part, often one-half, and the province and the communes almost the whole of the balance. The State, the province, and the communes are allowed, instead of paying in capital in the form of shares, to make annual payments for ninety years, which guarantee the shares issued by the society. The administration is intrusted to a council of five members, three appointed by the King, one of whom is chairman, the shareholders appointing the other two. There is also a supervising council of nine members elected by the shareholders, one for each province of the Kingdom. The society constructs the lines and then leases them, sometimes by public bids, and sometimes by private agreement. This organization has produced excellent results. In 1903 the society had obtained concessions for 1,922 miles, 1,452 of which were in operation. The normal gauge is 1 metre. The gross receipts were 5,000 francs per kilometre (£330 per mile), and the net receipts 1,900 francs (£126).

In Germany the federal legislation of the Empire only interferes as far as supervision is concerned, and has nothing to do with the question of subsidies. It distinguishes main lines, branch lines, and narrow-gauge lines. Narrow-gauge lines and a portion of the branch lines are light railways, and the legislation of the different States of the Empire has dealt with these in various ways. For example, the Bavarian State railway system of 1,600 kilometres (994 miles) of light railways, which are called local, are of normal gauge. For these the persons interested were required to furnish some portion of the capital. In other cases, on the contrary, concessionary companies of small lines were subsidised. Only in Prussia, "small railways," as they are there called, have acquired considerable importance under a law of a special organization. The small railways of Prussia are under the law of 1892. They are divided into town tramways and secondary railways. The latter have extended to about 4,000 miles. Their construction must be sanctioned by the President of the States. The concessions for them are given sometimes to companies, sometimes to districts, and sometimes to communes. At first it was intended to leave the task of subsidising them to the Parliaments, the districts, or the communes, but the Government has been compelled to subsidise also. On general principles its help equals that of the provinces or districts—sometimes more. The subsidy is furnished as capital, but the State participates in the profits of operation, either as a shareholder or as a bondholder. Concessions were formerly given to companies, but the present tendency is to give them to districts, which frequently build themselves. The bulk of the lines are leased to companies, who operate them for a consideration, retaining a certain portion of the net receipts. The average cost of construction was as high as 65,000 francs per kilometre (about £4,336 per mile). The gross receipts were 4,800 francs (£320 per mile); the net, 1,400 francs (£93 per mile).

In Great Britain the rapid development of main lines prevented the construction of secondary lines until the passing of the Light Railways Act of 1896. This Act reduced very considerably the formalities which made the construction of light railways so difficult. Permission to construct can now be granted by the Administration instead of by Parliament. The procedure is simplified especially as far as condemnation and proceedings are concerned. The law authorises County Councils, districts, and cities to borrow money to subsidise light railways; it authorises the Treasury to make advances to them; finally, in certain cases, to give subsidies up to one-half of the construction capital. Under this plan some real light railways have been constructed for agricultural districts. Many projects have been considered, but all have not been carried out; the necessary capital being difficult to obtain, especially because of their high cost, which is estimated to be on the average 91,000 francs per kilometre (about £6,100 per mile).

In the United States it may be said that no light railways exist.

In Turkey there are light railways, and a minimum amount of gross receipts is guaranteed.

In the Argentine Republic free land only is granted.

In Austria in some cases the companies take the concessions, build, and operate the railways. The State subsidies assume various forms. In some cases a profit is guaranteed, or shares are taken, unlike other countries, where the Governments take bonds. Usually the lines are taken over for State operation at a very favourable price to the small lines. Sometimes also the State builds for the account of local railways, employing the most economical methods possible. When the State guarantees the net profit of a light railway, it usually builds and works the road itself. When a district guarantees, the line is built by that district and operated by the State. But the districts of Lower Austria not only build but operate the railways.

In Bohemia 697 miles have been built at a capital outlay of 137,215,468 francs (£5,717,311). The district has contributed in the form of loans and preferred stock, 73 per cent.; the State in the form of subscription to capital stock, 7 per cent.; and other interests, 20 per cent. In Hungary the financial assistance from the authorities usually consists in subscribing up to 15 per cent. of the common stock; 65 per cent. must be contributed by the company as preferred stock. As a rule the lines are operated by the management of the State railways.