

AUTHORITY, ALLOWING PAYMENT OF DEDUCTION OF \$500,000 AS MADE BY ORDER IN COUNCIL No. 27,816, TO STAND OVER FOR A TIME.

For repayment of above, see subject No. 33.

MONTREAL, 17th May, 1882.

SIR,—On the 4th of January last I had the honor to make application for the payment of subsidy on account of 161½ miles of constructed line, being a portion of the central section of the Canadian Pacific Railway. The amount payable under the Company's charter was \$1,615,000, being at the rate of \$10,000 per mile. An Order in Council was subsequently passed authorizing a payment on account of 161 miles or \$1,610,000, a deduction therefrom being, however, made for the cost of the first hundred miles of the old line west of Winnipeg, and the estimated value of certain rolling stock, etc., transferred to the Company, amounting in all to \$1,042,519.29, leaving a balance of \$567,480.71 which was paid to the Company. It was understood that the items composing the said sum of \$1,042,519.29 were to be considered in abeyance pending an examination of the accounts. As the accounts still remains in that position, no opportunity as yet having presented itself for such examination, and in view of the fact that further delay will be unavoidable, before the matter can be dealt with, I am instructed by the Directors to ask whether under the circumstances the Government will not consent to the amount withheld, or a proportion thereof being now paid to the Company, such amount or whatever sum the Company may be ultimately found to be liable for, being spread over and repaid by the Company, in such proportions as may be arranged out of subsidy, to be carried on account of the central section of the Canadian Pacific Railway.

The Directors feel that they can reasonably ask this consideration at the hands of the Government, in view of the enormous expenditure which the Company have incurred since the close of operations last year, in making preparations for the very extensive works to be undertaken during the present season.

In urging the favorable consideration of the Government of this application, I beg also to point out that the assistance sought is rendered the more necessary in consequence of the recent floods in the Province of Manitoba, caused by the overflowing of the Assiniboine and Red River. These floods have interrupted the work of construction and seriously damaged, in several places the road's bed of the railway.

This damage will involve a considerable outlay by the Company not anticipated, and but for the delay thereby incurred, work would have been completed upon which a considerable amount of subsidy would ere this have been claimed.

I beg respectfully to ask that this application may receive every attention.

I have the honor to be, Sir, your obedient servant,

C. DRINKWATER, *Secretary.*

Hon. Sir CHARLES TUPPER, Minister Railways and Canals.

OTTAWA, 22nd May, 1882.

Memorandum.

The undersigned has the honor to report that when the sum of \$1,610,000 was paid under the contract with the Canadian Pacific Railway Company on 161 miles of completed road, \$1,042,519.29 was deducted on account of plant, etc., taken over under the contract.

That it is represented that, owing to floods the Company have been delayed in completing track as they had anticipated, and as their present outlay is very great, and it is of the highest importance to the progress of the work that no delay should occur, the undersigned recommends that \$500,000 (five hundred thousand dollars) of the amount charged in the account referred to, be allowed to stand over and be deducted from future payments as they may become due, and as directed by the Government, and that this sum of \$500,000 so deducted, be in the meantime returned to the Company.

Respectfully submitted,  
CHARLES TUPPER, *Minister Railways and Canals.*