

would like to ask the government whether there is to be any re-enactment by order in council or otherwise of any land grant to railways which have lapsed.

Mr. EMMERSON. There is not, so far as I know, any in contemplation.

Mr. W. F. MACLEAN. Are there applications ?

Mr. EMMERSON. I have not received any. If there were any, they would be to the Department of Railways and Canals.

Mr. SPROULE. Can the government, re-enact by order in council a land grant that has lapsed ?

Mr. EMMERSON. I do not think so.

Mr. W. F. MACLEAN. In what position is the land grant for the construction of the road in the Northwest to Hudson bay ?

Mr. EMMERSON. There is a question of law as to whether that land grant has lapsed or not. I am not in a position to make any definite statement, but I think I can say that if lapsed, no order in council would revive it.

Mr. HAGGART. It is according to the way in which the land grant has been granted. If it has been granted to a line from Winnipeg to James bay, if the time for commencing and completing the road has expired, that time may be renewed, and it may be made a condition of the statute that there shall be an order in council renewing the land grant.

On section 2,

That unless the context otherwise requires the expression 'cost' means the actual, necessary and reasonable cost, and shall include the amount expended upon any bridge up to and not exceeding \$25,000, forming part of the line of railway subsidized not otherwise receiving any bonus, but shall not include the cost of equipping the railway, nor the cost of terminals, nor the cost of right of way of the railway in any city or incorporated town; and such actual, necessary and reasonable cost shall be determined by the Governor in Council, upon the recommendation of the Minister of Railways and Canals, and upon the report of the chief engineer of the Department of Railways and Canals, certifying that he has made or caused to be made an inspection of the line of railway for which payment of subsidy is asked, and careful inquiry into the cost thereof, and that in his opinion the amount upon which the subsidy is claimed is reasonable, and does not exceed the true, actual and proper cost of the construction of such railway.

Mr. HAGGART. Is there any change in that ?

Mr. EMMERSON. A question arose as to whether the equipment of a road should be included in the cost. It was never intended it should, and in this resolution I

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have removed all doubts by saying it shall not include the cost of equipment.

On section 3,

That the subsidies to be authorized towards the construction of any railway shall be payable out of the Consolidated Revenue Fund of Canada, and may, unless otherwise expressly provided herein, at the option of the Governor in Council, on the report of the Minister of Railways and Canals, be paid as follows :

(a) upon the completion of the work subsidized ; or

(b) by instalments, on the completion of each ten-mile section of the railway, in the proportion which the cost of such completed section bears to that of the whole work undertaken ; or

(c) upon the progress estimates on the certificate of the chief engineer of the Department of Railways and Canals, that, in his opinion, having regard to the whole work undertaken and the aid granted, the progress made justifies the payment of a sum not less than thirty thousand dollars ; or

(d) with respect to (b) and (c), part one way, part the other.

Mr. HAGGART. Is that the same as before ? The difficulty there is you may pay out \$30,000 upon a progress estimate and the road may not be completed afterwards. Under the old plan, you compelled ten miles at least to be completed.

On section 6,

6. That every company so receiving a subsidy, its successors and assigns, and any person or company controlling or operating the railway or portion of railway so subsidized, shall each year furnish to the government of Canada, transportation for men, supplies, materials and mails, over the portion of the lines in respect of which it has received such subsidy, and, whenever required, shall furnish mail cars properly equipped for such mail service ; and such transportation and service shall be performed at such rates as are agreed upon between the minister of the department of the government for which such service is being performed and the company performing it, and, in case of disagreement, then at such rates as are approved by the Board of Railway Commissioners for Canada ; and in or towards payment for such charges the government of Canada shall be credited by the company with a sum equal to three per cent per annum on the amount of the subsidy so received by the company.

Mr. HAGGART. Are you receiving any payments of this kind from any of the railways that have been subsidized ?

Mr. EMMERSON. I have already been asked that question. I shall have the information here on the third reading of the Bill.

On section 8,

That the Governor in Council may make it a condition of the grant of the subsidies herein provided, that the company shall lay its road with new steel rails, made in Canada, if they are procurable in Canada of suitable