

Railway subsidies formerly in Tory days were a complete gift, but the present Government makes them conditional upon the railway companies rendering service to the Government in the shape of carrying the mails to the extent of a fair annual interest for the amount of the subsidy in each case.

Bounties on Iron and Steel, account for \$2,199,342.

Under the head of *Dominion Lands*, \$1,659,040 was spent entirely for surveys of new Districts.

The *Militia* accounts for \$2,402,171, which was expended for the following purposes :—Equipment of the force with the Lee-Enfield Rifle ; Batteries of Field Artillery, Siege Guns and Ammunition.

An allowance of \$267,029 was granted to Manitoba on account of School Lands.

Consolidated Fund, Transfers and Discount, and Expenses of Loan of 1897 amount to \$1,847,908, but these are in the nature of cross entries, and are, therefore, not important considerations.

Intercolonial Railway and Prince Edward Island Railway.

On these Government owned railways there was a capital expenditure for the seven years amounting to \$16,974,203. The principal items of this total are as follows :

Rolling Stock.....	\$5,437,451
Steel Rails and Fastenings.....	1,188,330
Increased accommodation at important places like Halifax, St. John, Moncton, Levis, Pictou and Sydney.....	2,205,456
Strengthening Bridges and building new ones,.....	795,140
Enlargement of Old and Construction of New En- gine Houses.....	267,471
Elevators, St. John and Halifax.....	283,015
Improved Ferry Service, Straits of Canso.....	627,450
Construction, Branches and Extensions.....	228,074
Purchase Drummond County Railway.....	1,464,000
Award of Arbitrators re Eastern Extension Railway	957,711
Prince Edward Island Railway, including Murray River Branch.....	1,678,674