

extraordinary concession that 40 per cent of the gross earnings—not the net earnings—will be appropriated to meet the interest on their bonds.

Hon. Mr. LOUGHEED—Yes. I understand it will require that. It is not an unusual practice for the railway company to incorporate a subsidiary company for the building of expensive bridges. There are numerous cases of that character, where a bridge involves more than ordinary expenditure, a subsidiary company is always included now for the purpose of building such bridges. They are financed entirely separately from the railway company, and they enjoy certain tolls from the railway company for their use, and they are financed in that way and maintained. I think the large railways in Canada are now resorting to that method of construction of expensive bridges.

Rt. Hon. Sir RICHARD CARTWRIGHT—Does the hon. gentleman think that is a good plan as between governments. This is virtually between two governments, the local and federal.

Hon. Mr. LOUGHEED—Oh, no. True it is an arrangement of that character, but the road is being built by a private company, and the bridges are being built by a private company. Those companies have made representations that they have financed their enterprise in England, and they have received a very substantial subscription for stock and so on, and it will involve very substantial sums being put into the enterprise, in addition to the assistance which is being given by the government. So that, under the circumstances, I think it is not an unusual transaction, but follows the naturally accepted practice.

The motion was agreed to.

#### TARIFF COMMISSION BILL.

##### AMENDMENT REJECTED BY COMMONS.

A message was received from the House of Commons acquainting the Senate that the Commons agree to the 1st, 2nd and 4th amendments to Bill (88) An Act to provide for the appointment of a Tariff

Commission, and that they disagree to the 3rd amendment for the following reasons:

Because the special inquiry called for by the amendment of the Senate relevant to the purposes of the Bill, except in so far as it is already provided for by the other provisions of the said Bill and is unnecessary.

Rt. Hon. Sir RICHARD CARTWRIGHT—They do not quote the amendment in this message.

#### PRINCE EDWARD ISLAND SUBSIDY BILL.

##### THIRD READING.

Hon. Mr. LOUGHEED moved the third reading of Bill (178) An Act to provide for an additional annual grant to the province of Prince Edward Island.

Hon. Mr. DANDURAND—It was agreed yesterday at the second reading of this Bill that the principle of the measure could be discussed at the third reading. I stated at a previous stage that I felt considerable hesitation in voting on the Bill, and in accepting its principle in its present form. If hon. gentlemen have looked at the Bill they will find that it contains practically but one clause, which is as follows:

2. There shall be paid to the province of Prince Edward Island, in addition to the sums now authorized by law, an annual grant of one hundred thousand dollars, one half of which shall become payable on the first day of July and one half on the first day of January in every year, beginning with the first day of July, one thousand nine hundred and twelve.

The amount to which Prince Edward Island was entitled was fixed by an agreement which was embodied in an imperial Act, and when Prince Edward Island accepted the terms offered by the parliament of Canada it became bound to the federal compact as clearly and as tightly as the four provinces which accepted the British North America Act in 1867. As far as my memory carries me, I have heard complaints throughout eastern Canada as to the principle underlying the settlement which was then made and the insufficient payment from the federal exchequer to the provinces at 80 cents per head, based on the census of 1861. An agitation has constantly recurred for a revision of those