

and so on. Now the proposition is that the words

Anywhere in Canada or beyond Canada for the defence thereof,
be struck out.

Sir WILLIAM MULOCK. I would suggest that you put in the word 'so,'—'whenever so called out.'

Mr. FITZPATRICK. I took about a day to draw that clause and I would like to have as little emendation as possible.

Sir WILLIAM MULOCK (reading) :

Whenever the Governor in Council so places the militia, or any part thereof.

Mr. SPROULE. You will make it as bad as ever.

Sir WILLIAM MULOCK. It is intended to meet the preceding state of affairs.

Mr. SAM. HUGHES. Is the minister going to accept my suggestion.

Mr. FITZPATRICK. Let us get through with one suggestion at a time; they are coming in so fast now, that we will not have time to deal with them.

Mr. R. L. BORDEN. I do not think the word 'so' is necessary.

Sir WILLIAM MULOCK. Very well, probably it does not.

Mr. SAM. HUGHES. Is the minister going to accept the amendment to have the word 'thereof' changed to 'empire.'

Mr. FITZPATRICK. Do not start another row.

Bill as amended reported.

Amendments read the first and second times, and agreed to.

RAILWAY SUBSIDIES.

Bill (No. 157) respecting the payment of certain railway subsidies.—Mr. Emmerson—was read the second time and House went into committee thereon.

On section 1.

Mr. EMMERSON. I would like to amend section 1 by a slight verbal change. I would move to add the words 'difference between the' before the word 'amount' on the 25th line and to strike out words 'over and above' on the same line.

On section 2—'cost' defined—

Mr. SPROULE. This would put it in the power of the minister on the chief engineer's recommendation to increase the subsidy considerably.

Mr. EMMERSON. This gives power to fix the subsidy beforehand on data furnished by the chief engineer. This change is favoured by the Auditor General and by

Mr. DEPUTY SPEAKER.

the department, as it will avoid a great many difficulties, and it will be very much easier to reach a conclusion beforehand. In all cases this course need not necessarily be followed. It will only be when a company applies.

Mr. SPROULE. They will always apply.

Mr. EMMERSON. Some may not. I can well understand a company in certain circumstances not desiring to be limited to a certain amount, hoping to get the full \$6,400. The amount in this instance is dependent upon the chief engineer's report, which would naturally be on the safe side.

Mr. SPROULE. While it might be more convenient to the Auditor General and the department in some respects, because it would give them less trouble in going over the accounts, still it leaves in the hands of the Minister of Railways power to make the subsidy what he likes between \$3,200 and \$6,400 a mile, with the aid of the engineer, who is always available, and who can no doubt be got to make a certificate to suit the minister's purpose.

Mr. EMMERSON. The hon. gentleman does not know the engineer.

Mr. FITZPATRICK. The position is this. Under the law every subsidized railway is entitled to \$3,200 a mile. If the cost of construction exceeds \$15,000 a mile, it is entitled to an additional subsidy of one-half the cost exceeding \$15,000 a mile, but not to exceed in any case \$6,400 a mile. Assuming the road costs \$18,000 per mile, that would entitle the contractor to \$3,200 per mile and an additional \$1,500. When the government enter into a subsidy contract, as provided by this section, the company will not get the whole of the subsidy until the whole of the road is completed. They will get the ordinary subsidy of \$3,200 per mile and only 70 per cent of the extra subsidy, the 30 per cent being retained by the government. If the road costs the sum estimated by the chief engineer or an additional amount, the company then get the 30 per cent. Otherwise they forfeit the 30 per cent. The government make themselves absolutely sure, and I do not understand what benefit or advantage there is to the contractor in this measure.

Mr. SPROULE. There is this, that he has during his progress estimates so much more money from month to month.

Mr. CLANCY. Is there not also this advantage? Suppose the road cost \$14,000 a mile, under the present law the contractor would get \$3,200 and no more. But if the engineers' estimate was \$18,000 per mile, he would be in pocket 70 per cent on the extra \$1,500.

Mr. FITZPATRICK. There is that possibility. If the engineer estimated the cost,