

sit and in store, valued altogether at \$1,042,519.29, be charged against the subsidy now earned by the Company.

That this recommendation, being acted upon, the Company would be entitled to a cash subsidy of \$1,610,000; less deduction as above, viz.: \$1,042,519.29; leaving a balance of \$567,480.71, and a land grant of 1,610,000 acres; and he recommends that authority be given for the proper steps to be taken for the immediate transfer of such subsidy in land and money to the Canadian Pacific Railway Company.

Respectfully submitted,

CHARLES TUPPER, *Minister of Railways and Canals.*

Copy of a Report of a Committee of the Honorable the Privy Council, approved by His Excellency the Administrator of the Government in Council on the 9th January, 1882.

On a Report, dated 5th January, 1882, from the Minister of Railways and Canals, submitting an application from the Secretary of the Canadian Pacific Railway Company, under date of the 2nd December, 1881, and 4th January, 1882, for payment of subsidies on 108 miles and 53½ miles respectively, making a total of 161½ miles of the Canadian Pacific Railway, extending from Winnipeg to a point about 31 miles west of Brandon.

The Minister states that the Chief Engineer of the Canadian Pacific Railway attached to the Department reports that the said section of road is so far completed as to admit of the running of regular trains thereon, and has such equipment as the traffic requires; that the Company are entitled, under the terms of their contract, to the subsidies applicable to this section of 161½ miles of the road, namely:—

Cash subsidy, \$1,610,000; land grant, 2,012,500 acres, less 1-5th to be retained as security—1,610,000 acres.

The Chief Engineer reports, however, that there are charges against the Company for work west of Red River, etc., representing in cash about \$1,323,255.38 part of this sum (about \$280,736.09 being for rails and fastenings conveyed to the Company under the 10th clause of their contract, and being chargeable with interest until paid.)

The Minister further states that the Company have requested that they may not be required to make immediate payment of the whole of this sum of \$1,323,255.38, but that they may be allowed to pay the same by instalments, intimating that they have now in transit to the North-West 40,000 tons of steel rails, costing \$1,700,000.

The Minister recommends, in accordance with the suggestion of the Chief Engineer, that the Company be allowed to pay the interest-bearing sum of \$280,736.09 aforesaid by instalments, but that the balance of the account against the Company for work done west of Red River, rolling stock, plant, freight in transit and in store, valued altogether at \$1,042,519.29, be a charge against the subsidy now earned by the Company.

The Minister observes that this recommendation being acted upon, the Company would be entitled to a cash subsidy of \$1,610,000, less deduction as above, viz.: \$1,042,519.29, leaving a balance of \$567,480.71 (five hundred and sixty-seven thousand four hundred and eighty dollars and seventy-one cents), and a land grant of one million six hundred and ten thousand (1,610,000) acres, and he recommends that authority be given for the proper steps to be taken for the immediate transfer of such subsidy in land and money to the Canadian Pacific Railway Company.

The Committee submit the foregoing recommendations for Your Excellency's approval.

Certified, J. O. COTÉ, C. P. C.