

system of paying on progress estimates. I see no such objection to it as has been referred to by the hon. member for Jacques Cartier (Mr. Monk), because I think the public interest can be safeguarded as well if you are paying from progress estimates as if you were paying according to the original plan. But there are drawbacks which are largely departmental, and which it would not be desirable for us to continue. It will be in the memory of hon. members that some years ago—I think in 1898—we adopted the plan of allowing payments to be made on progress estimates and not limiting the payments of subsidies to the completion of ten-mile sections. Very strong representations were made that it would be impossible in a work such as was contemplated—the construction of the Crow's Nest Pass Railway—that ten-mile sections could be completed. There was a great deal of heavy work on it. The company desired to prosecute the work with all dispatch, to go on with its grading over the entire length simultaneously, if possible, and it would not be possible to grade and do ballasting and station building on every ten miles with the expedition they had in mind. Therefore parliament consented that in respect of these two undertakings, the Crow's Nest Pass Railway and the Victoria bridge, upon the companies showing that they had expended a sufficient amount in the work to earn a payment on subsidy account of not less than \$60,000, the government might make payment to them of such an amount. Since then a clause has been inserted in this general Act, and we have paid in a few instances on progress estimates when the parties have been able to bring themselves within the limitations of the present law. I think that the law is attended with some disadvantages. We are often called upon to send engineers for the purpose of making an inspection of a road, and are called upon for payments with a great deal of frequency, which adds to the work of the department. And if this were to go on to a greater extent, it would exceed the capabilities of the department. The lower you reduce the amount, the more frequent have the surveys to be made and all the machinery put into operation in order that these payments may be made. It was chiefly for that reason that we made the limit as high as we did. I do not think that any great hardship is likely to be done in this case—at all events none that the companies ought not be expected to bear. Therefore I should be disposed to drop this portion of the conditions attaching to payments altogether from future subsidy Bills and confine payments to the ten-mile sections as was the law prior to that change. I would not offer any opposition to the present Bill because I think if it becomes law, it would not long continue in operation, as we should have to revert to the original conditions which existed before we made this change.

Motion agreed to, Bill read the second time, and House went into Committee thereon.

On section 1.

Mr. MONK. In view of the statement made by the hon. Minister of Railways and Canals that although offering no opposition to the Bill, he is in opinion that we should revert to the previous system of paying subsidies on the completion of ten-mile sections, it seems to me that it would be prudent for us, before proceeding still further in the direction upon which we entered in 1900, to have this Bill examined by the Railway Committee and have the report of the Committee before taking any action.

Mr. CHARLTON. I am sorry to meet with the opposition of my hon. friend from Jacques Cartier in this matter. If he understood all the circumstances, he would see that this does not involve any dangerous departure but is merely a provision to treat fairly and equitably projects already under way and nearly completed, and not place them at a disadvantage as compared with larger concerns. The denial of the provision asked for will work hardship in one or two cases, where roads with subsidies of less than \$60,000 are nearly completed and in much better condition to ask for progress estimates than many larger roads which have asked for these estimates and received the money. I have introduced this Bill with a full knowledge of the facts. I do not think that the opposition of my hon. friend was called for, and I trust that the application will not be opposed.

Mr. MONK. I do not deny that hardships may be caused in one or two instances but we have the foreshadowing of the granting of very considerable subsidies during the present session, and if the remarks which fell from the hon. Minister of Railways and Canals are to be entertained at all by the committee, it will be wiser for us to revert to the old rule and pay on the completion of each ten-mile section. That is the reason why on a question of this kind we should have the opinion of the Railway Committee.

Hon. Mr. HAGGART. We should have the policy of the government. This is an extension of an important principle in the old Bill and which the hon. Minister of Railways thinks is perhaps a bad principle. The government gives money to railways for what purposes? That they may be of use in the sections where they are built, and they can be of no use until they are completed. On what principle then should the government be asked to advance money on a road which may never be completed and never used. Nearly the whole of the subsidy may be paid and the road never be completed or operated. I do not know the particular case the hon. gentleman mentioned and which he seeks to meet by the Bill. But it seems to me it cannot be of