

proved by the Governor in Council on the report of the Minister of Railways and Canals, and specified in each case in a contract between the company and the said minister, which contract the minister, with the approval of the Governor in Council, is hereby empowered to make. The location also of such subsidized lines shall be subject to the approval of the Governor in Council.

5. That the granting of such subsidies, and the receipt thereof by the respective companies, shall be subject to the condition that the Board of Railway Commissioners for Canada may at all times provide and secure to other companies such running powers, traffic arrangements and other rights as will afford to all railways connecting with the railways so subsidized reasonable and proper facilities in exercising such running powers, fair and reasonable traffic arrangements with connecting companies, and equal mileage rates between all such connecting railways; and the said board shall have absolute control at all times, over the rates and tolls to be levied and taken by any of the companies, or upon any of the railways so subsidized. Provided always that any decision of the said board made under this section may be at any time varied, changed, or rescinded by the Governor in Council as he deems just and proper.

6. That every company so receiving a subsidy, its successors and assigns, and any person or company controlling or operating the railway or portion of railway so subsidized, shall each year furnish to the government of Canada, transportation for men, supplies, materials and mails, over the portion of the lines in respect of which it has received such subsidy, and, whenever required, shall furnish mail cars properly equipped for such mail service; and such transportation and services shall be performed at such rates as are agreed upon between the minister of the department of the government for which such service is being performed, and the company performing it, and, in case of disagreement, then at such rates as are approved by the Board of Railway Commissioners for Canada; and in or towards payment for such charges the government of Canada shall be credited by the company with a sum equal to three per cent per annum on the amount of the subsidy so received by the company.

7. That as respects all railways for which subsidies are granted, the company at any time owning or operating any of the railways shall, when required, produce and exhibit to the Minister of Railways and Canals, or any person appointed by him, all books, accounts and vouchers, showing the cost of constructing the railway or bridge, the cost of operating it, and the earnings thereof.

8. That the Governor in Council may make it a condition of the grant of the subsidies herein provided that the company shall lay its road with new steel rails, made in Canada, if they are procurable in Canada of suitable quality, upon terms as favourable as other rails can be obtained, of which the Minister of Railways and Canals shall be the judge.

9. That whenever a contract has been duly entered into with a company for the construction of any line of railway so subsidized, the Minister of Railways and Canals, and at the request of the company, and upon the report of the chief engineer of the Department of Railways and Canals, and his certificate that he has made careful examination of the surveys, plans

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and profile of the whole line so contracted for, and has duly considered the physical characteristics of the country to be traversed and the means of transport available for construction, naming the reasonable and probable cost of construction, may, with the authorization of the Governor in Council, enter into a supplementary agreement, fixing definitely the maximum amount of the subsidy to be paid, based upon the said certificate of the chief engineer and providing that the company shall be entitled to be paid, as the minimum, the ordinary subsidy of \$3,200 per mile, together with sixty per cent of the difference between the amount so fixed and the said \$3,200 per mile, if any; and the balance, forty per cent, shall be paid only on completion of the whole work subsidized, and in so far as the actual cost, as finally determined by the Governor in Council upon the recommendation of the Minister of Railways and Canals and upon the report and certificate of the said chief engineer, entitles the company thereto; provided always:

(a) that the estimated cost, as certified, is not less on the average than \$18,000 per mile for the whole mileage subsidized;

(b) that no payment shall be made except upon a certificate of the chief engineer that the work done is up to the standard specified in the company's contract;

(c) that in no case shall the subsidy exceed the sum of \$6,400 per mile.

Mr. URIAH WILSON. I think before you leave the Chair it would be well for the Minister of Railways, in a general way, to give the reason why we should renew these votes that have already been passed in previous sessions, and which the railway companies have not earned. Some of the railways have not been built.

Mr. EMMERSON. The railways included in this resolution are simply revotes, and those which have been incorporated in the resolution are the ones which have been applied for. In almost every instance they have set forth the reason why there has been delay, and why they expect a renewal. I think there is scarcely an instance where some action has not been taken by the parties, though not always in actual construction, but the organizations have been kept alive and in most instances, I think, there have been difficulties in the way of expediting the construction.

Mr. URIAH WILSON. Would the minister say what railways have been completed, why there has been delay in respect to the others, and why a bonus is now granted?

Mr. EMMERSON. The bonus is granted because they are not built, or they are not in a position to receive the subsidy which they have earned. There are no new subsidies at all.

Mr. W. F. MACLEAN. Will the minister say whether there were any new applications for government assistance, and roughly, what was the total sum?