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to the present contract, and and in such case

only and so long during the term of twenty years from the date of said acceptance by the Governor in Council, as the said ship railway is kept in thorough repair and satisfactorily performs the services aforesaid to the satisfaction of the Government, a subsidy at the rate of \$170,602 per annum shall be payable to the Company at the end of each half year in instalments of \$85,301; it being expressly understood and agreed, however, that such subsidy shall not be payable for any period during the said twenty years during which the conditions above mentioned have not been complied with.

"(2.) The Company shall only call upon the Government of Canada for the payment of such portion of the subsidy, payable as aforesaid (which shall not in any case exceed the amount then due or payable), as may be required to make up the net earnings of the undertaking to seven per cent. per annum on the authorised share and bond capital of the Company (\$5,500,000).

"(3.) In case the earnings of the undertaking should exceed seven per cent. per annum upon the aforesaid capital, the Company agrees to pay over to Her Majesty's Government of Canada, one half of the surplus profit beyond the said seven per cent., until the whole of the subsidy which may then have been paid to the Company shall have been repaid to the Government by the Company."

Copy of a Report of a Committee of the Honorable the Privy Council, approved by His Excellency the Governor General in Council on the 9th July, 1892.

On a Report dated 7th July, 1892, from the Minister of Railways and Canals, stating that the Chignecto Marine Transport Railway Company has made application to him with a view to obtaining one year's extension of the time now limited for the completion of the works to be constructed by the Company under the Contract entered into with the Department of Railways and Canals on the 4th March, 1886. That the Company, in support of such application, has represented that about 75 per cent. in value of the works undertaken have been constructed at an expenditure by the Company of between \$3,000,000 and \$4,000,000; that it will require over a million dollars further expenditure to complete the works; that the operations on the works were suspended in the latter part of last year, and have not been recommenced; that this suspension was owing to the Company's contractors being unable in the depressed state of the money market to raise money on the Company's securities; that in order to raise the further necessary capital to recommence and complete the works the Company applied for, and has obtained, authority from Parliament at its present Session to issue First Preference Mortgage Bonds to the extent of £350,000 sterling; that the Directors feel satisfied they can upon these Bonds obtain the requisite capital to complete the works provided they can feel reasonably certain that the time for the completion of the work will be extended by Parliament for at least one year from the time now limited, which is 1st July, 1893; that this extension is requisite owing to the time which has already been lost since the stoppage of the works, as well as to that which must necessarily elapse before they can now be recommenced, but that unless the Company can show that they have the assurance of the Government of Canada that a Bill will be introduced and promoted by the Government at the next Session of Parliament extending the time for completion of the works as above mentioned, it will be useless for the Directors to endeavour to raise the money necessary on the new Bond issue.

The Minister under these circumstances, and in view of the large amount of private capital which appears to have been already invested in the works, of the further fact that the works appear to be so nearly completed, that the suspension of the works was owing to unforeseen circumstances, and that it would appear necessary in order to obtain the further capital and to complete the works to have the additional time asked for, recommends:—

That provided that the works necessary to complete the Railway and appurtenances are actually in progress, and the Company establishes to the satisfaction of the Governor in Council that it has secured all the capital necessary fully to finish and equip the railway, docks and other works of the Company in all respects according to the requirements of the Contract