

## CHAPTER VII.

## RAILWAYS AND CANALS.

## PART I.—RAILWAYS.

Government aid to Canadian railways.

530. In India and in all the principal British colonies, with the exception of Canada, the railways have been chiefly, and in some cases entirely, built by the Government with public money, and large portions of the public debts have been incurred for that purpose, but in this country the Government have only built or acquired such lines as were required by public policy, those being the Intercolonial and connections, and Prince Edward Island railways—the first being built in accordance with the wishes of the Imperial Government, and the second having been partly assumed and finally completed in accordance with the agreement made with Prince Edward Island, when that province entered Confederation. The Dominion Government, however, has always been active in encouraging private enterprise, and in that way has expended no less a sum than \$144,214,384 in the shape of subsidies and loans at different times to different railways, which sum represents a considerable portion of the public debt, and which, as previously mentioned, though directly productive to the country at large, brings in no immediate return to the Government. The Provincial Governments have also contributed aid to the extent of \$26,997,436, and various municipalities to the extent of \$13,981,248.

Land subsidies to railways.

531. In addition to the sums above mentioned as having been paid by the Dominion Government, subsidies of Dominion lands, principally to lines in Manitoba and the North-west Territories, have been granted at various times, amounting altogether to 47,377,422 acres. If these lands are valued at only \$2 per acre, they represent a sum amounting to \$94,754,844; but the probability is they will realize a much larger sum. The Provincial Government of Quebec also, in addition to money subsidies of \$15,438,567, has granted lands to the extent of 13,293,500 acres, part of which has been commuted at 70 cents per acre. Some of the other provinces have also made land grants, but not to the same extent. Details, however, are not available.

Railway development in Canada.

532. The first railway in Canada was opened on the 21st July, 1836, between Laprairie and St. John's, in the Province of Quebec, its length being 16 miles, but such little progress was made in railway development, that when the first sod of the Northern Railway was turned by Lady Elgin, in 1850, there were but 71 miles in operation in the whole