

Railway Company, and an agreement entered into under the Act, the Government acquired the entire capital stock of the Canadian Northern Railway Company, except five shares issued in exchange for Canadian Northern Railway income charge convertible debenture stock. Having thus acquired control, the Government, in September, 1918, appointed a new board of directors of the Canadian Northern Railway Company. This board, under Order in Council of November 20, 1918, became also a board of management of the Canadian Government railways, with all the powers theretofore vested in the general manager of the Canadian Government railways. The use of the general term "Canadian National Railways" to describe both systems was authorized by Order in Council of December 20, 1918, the corporate entity of each system being, however, preserved. The Canadian Northern system, at the time of its acquisition by the Government, had a total mileage of 9,566.5 miles. In addition, the Quebec and Saguenay railway, with 62.3 miles of lines, when offered for sale, was purchased by the Government under statutory authority, and by Order in Council of September 24, 1918, placed under the jurisdiction of the board of directors of the Canadian Northern Railway Company. The Lotbinière and Megantic railway, again, about 30 miles in length, was acquired by the Dominion Government under authority of an Order in Council of December 1, 1919, and is to be operated as part of the Canadian Government railways system by the board of directors of the Canadian Northern railway. The Hudson Bay railway, with 334 miles completed at the end of 1919 out of its total of 424, has been declared to be comprised in the Canadian Government Railways, and is being operated to a limited extent by the board of directors of the Canadian Northern railway.

Government Aid to Railways.—The railways of Canada have been built largely under different forms of Government aid. Tables 12 to 15 show its nature and extent. The principal forms of aid granted have consisted in land grants, cash subsidies, loans, the issue of debentures and the guarantee of bonds or interest. Aid has been granted both by the Dominion and Provincial Governments and also by municipalities. Table 12 shows the areas of the land granted as subsidies to steam railway companies by the Dominion and Provincial Governments, with the names of the companies in the case of the Dominion Government. The total area so granted up to June 30, 1919, extends to 56,237,383 acres.

Aid to Railways by Dominion Government.—From 1851 up to June 30, 1919, as shown analytically in Table 14, the total value of public aid granted to steam railways in Canada, exclusive of the capital of two government railways (I.C.R. and P.E.I.R.), amounted to \$275,163,228. Of this sum \$219,077,163 represents aid granted by the Dominion Government, \$38,171,229 that granted by the Provincial Governments, and \$17,914,836 that granted by municipalities. During 1919 the total cash subsidies paid to railways amounted to \$720,404, paid wholly by the Dominion Government. Table 15