

Government Aid to Railways.—In order that the private railways of Canada might be constructed in advance of settlement, as colonization roads, or through thinly settled districts where little traffic was available, it was necessary for Dominion and Provincial Governments and even the municipalities to extend some form of assistance. The form of aid was generally a bonus of a fixed amount per mile of railway constructed and, in the early days, grants of land other than for right-of-way were also made. Tables 10 and 11 show the areas of the land granted as subsidies and for right-of-way, station grounds and townsite purposes to steam railway companies by the Dominion and Provincial Governments; the former gives the data by type of grant and the latter by railway companies to which the grants were made.

As the country developed, the objections to the land-grant method became more apparent, and aid was more frequently given in the form of a cash subsidy per mile of line, a loan, or a subscription to the shares of the railway, as shown analytically in Table 12. Guarantees of debenture issues were given in a later period and since the formation of the Canadian National Railways all debenture issues of that system, except those for rolling-stock, have been guaranteed by the Dominion Government.

10.—Areas of Land Granted to Steam Railways by the Dominion and Provincial Governments to Dec. 31, 1937, by Type of Grant.

Government.	Bonus Grants.	Grants for Right-of-Way, Station Grounds, and Townsite Purposes.	Total.
	acres.	acres.	acres.
Dominion.....	31,783,655	97,988	31,881,643
Nova Scotia.....	160,000	Nil	160,000
New Brunswick.....	1,788,392	"	1,788,392
Quebec.....	2,065,710	"	2,065,710
Ontario.....	3,241,207	329,502	3,470,709
Manitoba.....	Nil	2,572	2,572
Saskatchewan.....	"	4,928	4,928
Alberta.....	"	328	328
British Columbia.....	8,233,410	12,258	8,245,668 ¹
Totals.....	47,232,374	347,576	47,639,950

¹ Includes 4,065,076 acres repurchased from B.C. Southern and Columbia and Western Railways.

11.—Areas of Land Granted to Steam Railways by the Dominion and Provincial Governments to Dec. 31, 1937, by Railways.

Railways and Item.	Granted by—		Total.
	Dominion.	Provinces.	
	acres.	acres.	acres.
Canadian National Railways.....	5,763,741	1,841,061	7,604,802
Canadian Pacific and branch lines.....	19,861,357	6,824	19,868,181
Acquired lines.....	3,320,446	8,182,588	11,503,034
Leased lines—lease based on—			
Interest on bonds or dividends on stock.....	2,927,185	2,657,879	5,585,064
Gross earnings.....	55	Nil	55
Totals, Canadian Pacific System.....	26,102,043	10,847,891	36,969,934
Other railways.....	8,859	3,069,871	3,078,730
Totals, All Railways.....	31,681,643	15,758,223	47,639,866