

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.

10.—Areas of Land Granted to Steam Railways by the Dominion and Provincial Governments to Dec. 31, 1938, 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..... | 2,085,710 | " | 2,085,710 |
| Ontario..... | 3,241,207 | 229,502 | 3,470,709 |
| Manitoba..... | Nil | 2,572 | 2,572 |
| Saskatchewan..... | " | 4,931 | 4,931 |
| Alberta..... | " | 330 | 330 |
| British Columbia..... | 8,233,410 | 12,275 | 8,245,685 ¹ |
| Totals..... | 47,292,374 | 347,598 | 47,639,972 |

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, 1938, by Railways.

| Railway and Item. | Granted by— | | Total. |
|--|-------------------|-------------------|-------------------|
| | Dominion. | Provinces. | |
| | acres. | acres. | acres. |
| Canadian National Railways..... | 5,763,741 | 1,841,077 | 7,604,818 |
| Canadian Pacific and branch lines..... | 19,861,357 | 6,845 | 19,868,202 |
| 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 | 2,657,881 | 5,585,066 |
| Gross earnings..... | 55 | Nil | 55 |
| Totals, Canadian Pacific System..... | 26,109,043 | 10,847,314 | 36,956,357 |
| Other railways..... | 8,859 | 3,069,938 | 3,078,797 |
| Totals, All Railways..... | 31,881,643 | 15,758,329 | 47,639,972 |

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. 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.