

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 for 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. No new land grants or cash subsidies were advanced by either the Dominion or Provincial Governments to the railways during 1940.

9.—Land Granted to Steam Railways by the Dominion and Provincial Governments to Dec. 31, 1940, 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	2,578	2,578
Saskatchewan.....	"	4,932	4,932
Alberta.....	"	339	339
British Columbia.....	8,233,410 ¹	12,297	8,245,707 ¹
Totals.....	47,292,374¹	347,636	47,640,010¹

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

10.—Land Granted to Steam Railways by the Dominion and Provincial Governments to Dec. 31, 1940, by Railways

Railway	Granted by—		Total
	Dominion	Provinces	
	acres	acres	acres
Canadian National Railways.....	5,763,741	1,841,095	7,604,836
Canadian Pacific and branch lines.....	19,861,357	6,848	19,868,205
Acquired lines.....	3,320,446	8,182,604	11,503,050
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	10,847,333	36,956,376
Other railways.....	8,858	3,069,939	3,078,797
Totals, All Railways.....	31,881,642	15,758,367	47,640,009

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.