

# QUEBEC AND LAKE ST JOHN RAILWAY.

CNR- G. R. Stevens

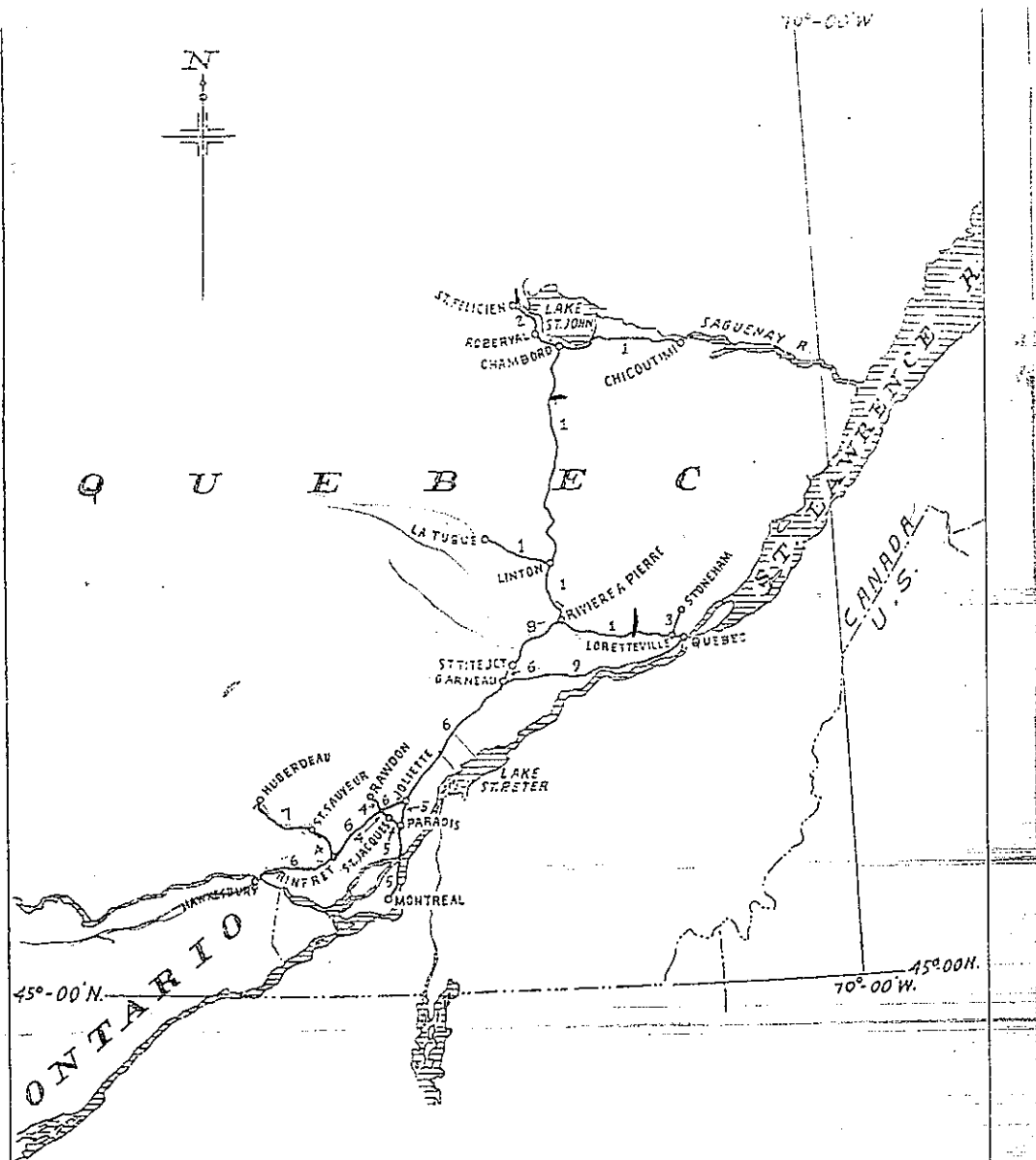
QUEBEC SESSIONAL  
PAPERS

9

G. R. STEVENS

CANADIAN  
NATIONAL  
RAILWAYS

1960



### CANADIAN NORTHERN PROPERTIES IN QUEBEC

- 1 Quebec and Lake St. John Railway. 2 James Bay and Eastern Railway. 3 St. Charles and Huron River Railway.
- 4 Canadian Northern Quebec Railway. 5 Chateaugay and Northern Railway. 6 Great Northern Railway of Canada.
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TABLE XIV  
Operating Statistics of the Canadian Northern Quebec Railway  
(Great Northern Railway of Canada before 1907)

Year	Mileage operated	Gross earnings	Operating costs	Net earnings	Net corporate profit or loss
		(\$)	(\$)	(\$)	(\$)
1901	140	139,954.49	193,275.66	36,678.83	
1902	175	524,763.51	316,800.69	207,962.82	
1903	208	369,327.92	377,649.74	-8,321.82	
1904	208	338,376.63	335,984.84	2,291.69	
1905	208	421,495.78	410,193.13	11,302.65	
1906	251	483,074.34	426,911.83	56,162.51	
1907	275	658,533.09	585,267.64	73,265.45	-225,484.22
1908	294	680,201.03	709,411.11	-29,210.08	-280,453.70
1909	294	739,603.34	678,327.22	61,276.12	-309,222.48
1910	458	940,646.63	887,289.52	53,357.11	-317,404.19
1911	483	1,080,929.61	975,615.19	105,314.42	-268,962.60
1912	485	1,327,534.83	1,088,243.53	239,291.30	-124,336.63
1913	472	1,599,546.82	1,385,347.14	214,199.68	-189,136.28
1914	417	1,671,723.27	1,482,180.48	189,542.79	-453,578.32

Source: PAC, R.G. 46. These returns include operations on the Lower Laurentian Railway, the Montfort and Gatineau Colonization Railway, and the Chateauguay and Northern Railway, all of which were operated by the Canadian Northern Quebec Railway.

short-term considerations, that Mackenzie and Mann secured an interest in, and ultimately control of, another Quebec railway, the Quebec and Lake St. John Railway.

The Quebec and Lake St. John Railway was promoted as the first section of the proposed Trans-Canada Railway, and also provided the Quebec City connection for the Great Northern Railway. A suitable running-rights arrangement was easily negotiated when Mackenzie and Mann became involved with the Great Northern, but the Quebec City promoter-politicians were unwilling to surrender their control of the Quebec and Lake St. John Railway entirely. The railway had opened up farming and industrial developments at Lake St. John and was operated for several years on a profitable basis. The collapse of the Trans-Canada scheme nevertheless led to serious financial difficulties. In 1904 the Quebec and Lake St. John Railway had £1,596,800

outstanding in bonds, a \$125,000 mortgage with the Quebec government, and substantial construction debts. It found itself unable to pay its contractors, Hanson Brothers, and persuaded them to accept capital stock instead of cash in payment for their services.<sup>60</sup> Even this expedient did not save the company from a receivership.

Hanson Brothers had very close relations with the Quebec interests, but they also had the confidence of and on occasion received financing from Mackenzie, Mann and Co. Ltd. Mackenzie and Mann were interested in the Quebec and Lake St. John Railway for several reasons. It was, first of all, the mileage over which they entered Quebec City. Its terminals and facilities in that city were excellent. As a colonization road it had good traffic potential and would serve as a good feeder or branch line for their transcontinental system; and it offered an important strategic advantage. The National Transcontinental was encountering considerable political and engineering difficulties in obtaining access into Quebec City, and early construction contracts on that railway called only for construction from La Tuque westward. If the Quebec and Lake St. John Railway, with its established terminal facilities in Quebec City, built a spur from its line to La Tuque, it could, for a time at least, serve as the eastern section of the National Transcontinental. It could expect to carry much of the construction materials required on the government road and it would gain some control over the traffic on the government-built but Grand Trunk Pacific-operated system. With the new forty-mile spur line, the railway would, at least temporarily, become profitable and at the same time provide a considerable competitive advantage.

There were, however, several political problems to overcome. The original owners and promoters of the Quebec and Lake St. John Railway were unwilling to entrust the Quebec colonization schemes to Mackenzie and Mann, Clifford Sifton's associates, who had done much to bring in foreign immigrants and thus had destroyed the balance between English and French settlers on the prairies. For a time there was a complete deadlock between the original and politically prominent promoters of the Quebec and Lake St. John Railway and Mackenzie and Mann, who were eager to acquire control of the line. Much

<sup>60</sup> *Synoptical Histories*, 681.

of this dispute focused on the disposition of the railway's land grant. That matter was settled on 20 December 1906 when the original promoters, acting through the Quebec and St. Maurice Industrial Company, obtained control of the remaining acres of the railway's land grant.<sup>61</sup>

With the land grant sold, Hanson Brothers agreed to sell their capital stock in the Quebec and Lake St. John Railway to Mackenzie, Mann and Co. Ltd. They held \$2,307,300 of the \$4,524,000 (par value) capital stock issued by the railway, and agreed to sell their interest for \$500,000. Mackenzie, Mann and Co. Ltd. agreed to pay this amount in seven instalments and deposited unsold Canadian Northern bonds as collateral for such payments.<sup>62</sup>

The transaction between Hanson Brothers and Mackenzie, Mann and Co. Ltd. aroused great hostility in the Quebec promoters. Mackenzie and Mann had obtained control of the majority of the capital stock issued, but the Quebec interests had a majority on the railway's board of directors and they immediately made preparations to issue sufficient additional capital stock to regain control. The authorized capitalization of the company was \$6,000,000; of which only \$4,524,000 had been issued, and of that amount Mackenzie, Mann and Co. Ltd. had acquired \$2,307,300.<sup>63</sup> Lash was convinced that legal obstacles could be placed in the path of the Quebec interests to delay the issuing of new capital stock until the next annual meeting, at which time their majority on the board of directors would presumably be lost. He nevertheless felt that an amicable arrangement was preferable.

William Hanson of Hanson Brothers was instructed to negotiate with the Quebec promoters, and in November 1907 he arranged the purchase of the bulk of the Quebec holdings for \$15 per share. When purchasing this railway, Mackenzie and Mann agreed to retain J. G. Scott, the long-time general manager of the Quebec and Lake St. John

61 PAC. CNR Records, XCCXXXII, Deed of Sale, the Quebec and Lake St. John Railway selling its land grant to the St. Maurice Industrial Company, 20 Dec. 1906; *ibid.*, NMMCXII, Quebec and Lake St. John Railway Company, Miscellaneous files, Agreement between the Quebec and Lake St. John Railway Company, the

Quebec Bank, Mackenzie, Mann and Company Limited, Joseph Paquet, and the Quebec and St. Maurice Industrial Company, 9 May 1907.

62 *Ibid.*, XCCXXXII, Agreement dated 12 Feb. 1907.

63 *Ibid.*, Confidential memorandum for the Canadian Bank of Commerce by Lash, 9 April 1907.

Railway and promoter of the Trans-Canada scheme, as vice-president of the Canadian Northern Quebec Railway, and to entrust him with matters relating to the Quebec and Lake St. John Railway and other roads in the eastern part of Quebec. Mackenzie and Mann also agreed to facilitate the issuance of titles to the land grant and their transfer to the St. Maurice Industrial Company. Those lands had been sold to the Industrial Company late in 1906, but they had also been pledged earlier as collateral for bank loans to the railway and the contractor. Mackenzie and Mann agreed to provide funds to repay the bank and release the lands.<sup>64</sup>

Mackenzie and Mann thus gained control of the Quebec and Lake St. John Railway in 1907. The major stockholders of that railway, with the exception of the city of Quebec itself, agreed to sell their stock at \$15 per share. Construction of the forty-mile section between La Tuque and Linton Junction was undertaken the same year. For a time this line was operated as anticipated, but the National Transcontinental built its own line to Quebec City somewhat sooner than expected. As a result, the railway again found itself in financial difficulties and a further reorganization became necessary.

This reorganization came in 1912 with the issuing of new consolidated bonds valued at \$7,300,000. These new bonds were to replace the entire bonded indebtedness of the Quebec and Lake St. John Railway. Like those of the Canadian Northern Railway, they carried a guarantee by the Canadian Northern Railway. The outstanding bonds of the railway were then exchanged at 70 per cent of par value while a special issue of income bonds issued by the railway and totalling \$3,000,000 was exchanged at only 13 per cent of par value.<sup>65</sup> In 1914 the Quebec and Lake St. John Railway, together with Mackenzie and Mann's other railway interests, formally became a part of the Canadian Northern Railway System.

The Canadian Northern systems in Quebec and Ontario were never as strong as the prairie system. There was simply too much unproductive mileage in the east, and attempts to develop major branch and

<sup>64</sup> *Ibid.*, Agreement between the Quebec and Lake St. John Railway Company, Mackenzie, Mann and Company Limited and the Quebec and

St. Maurice Industrial Company re La Tuque land grant.

<sup>65</sup> *Synoptical Histories*, 677-83.

*First Thoughts on Railways*

In 1850 Quebec City had a merchant community as compact and integrated as its Citadel. Its old families, both French and English, maintained a tight circle of interests; the support of one usually meant the support of all. For these traders the times were out of joint. Lumber exports were dwindling, the shipping and shipbuilding trades were losing out to Montreal, and the days of the free-spending British garrison were numbered. Elsewhere in Canada railways were accepted as the jinn of the bottle, the wands which transformed the countryside and towns at a touch. Manifestly, said the Quebec merchants as they sat over their port and ptisans, these devices were worth looking into.

The catch for such cautious folk was initial cost. A great outlay earned little for years to come. The immediate ambitions of the Quebec City promoters therefore centred on what were known as "colonization railways"—something a little better and not a great deal more expensive than a dirt road, and which could be improved and developed if in due season the traffic warranted it.

The first of such ventures was a firewood railway designed to fetch in the 100,000 cords of fuel which the city burned annually. It would have no fixed route; it would be built into a suitable part of the forest, and when this was cut out it would be moved elsewhere. It was incorporated in 1854 as the Quebec and Saguenay Railway, and only citizens who burned ten cords or more of wood in the year were eligible to buy shares. With each share the holder would receive a bonus of firewood. It failed to attract investors; in 1868 the secretary of the Company wrote sadly, "After firmly endeavouring for many years, during which period I paid out all the subscriptions that I received for the incidental expenses of the Company, I am obliged to resign as it is impossible to get the directors to act together."

Almost at the moment of demise a more ambitious project replaced it. In the summer of 1869 J. L. Hulbert visited Quebec City. He had built a number of timber railways in New York State, using a rail of seasoned maple fourteen feet in length, seven inches high and four inches wide. It was designed to be cradled in notches cut in the sleepers, where it would be held fast by wooden wedges. It could be used on steep gradients, it had a high tractive index, and its cost was one quarter that of an iron rail. This question of cost turned the trick. The Quebec merchants had a vision of colonizers bursting into the matchless forests of the hinterland, building their railways out of the slash



earings, and mile by mile extending the domain of the ice community. Piety and profit would be handmaid-ventures.

April 5th 1869 a Railway Subsidy bill became law. aid to the extent of 60% of the costs of railway construction up to a maximum of \$5,000 a mile. This subsidy would wild lands returnable to the provincial government at 10 cents an acre. On the same day the Quebec and Gosford Company was incorporated to build under Hulbert's plan from the provincial capital to Gosford, a forest hamlet to the north. Like its predecessor it was planned as a piety project, but on a less exclusive basis; canvassers went door to door, offering shares at \$10.00 each; each entitled the purchaser to a cord of hardwood from the mills to cut the rails and sleepers. Prominent citizens—H. G. Robitnière, John Ross, F. W. Blaiklock, Charles Boivin, E. Simard and E. L. Montizambert—headed the list of subscribers. In all, 1,241 citizens put down their names for shares. After the fashion of the times, paid the first instalment on the first call; because it was a pious as well as an enterprise project, defaulters were haled into court and sued for instalments.

Construction began in September 1869 and continued through the winter. Tangent track raised few problems, but the best wood tended to crack and split on the curves. On March 28th 1870 the *Quebec Chronicle* exulted:

The problem of wooden railways for colonization purposes may be said to be solved. As a proof it is only necessary to state that we passed over the road yesterday at a rate of 20/30 in an hour, a speed seldom surpassed by any of the iron roads of the province. . . . Sufficient evidence was given that the line when completed will be as easy and smooth for travelling purposes as the old established iron and steel rails.

The official opening on November 26th of that year was celebrated with champagne and oratory and with a round trip excursion for guests and shareholders. The total cost of the line had been \$140,058, of which half was found by the subsidy; the provincial subsidy of \$43,700 suggests that the road was built for about \$3,000 a mile. Hulbert was voted one share of the Company's stock in return for his services.

The rolling stock consisted of three locomotives, 25 flatcars, four passenger coaches and one box freight car.

## CANADIAN NATIONAL RAILWAYS

Locomotives, built in Rhode Island with special wheels for wooden rails, cost \$8,396.47 each. The platform cars were \$310.00 each; for an extra \$200.00 they could be converted into box cars, and for an extra \$500.00 into passenger coaches.

No attempt was made to operate the line during the winter, but during its first regular season (September-November 1871) its trains logged 16,740 miles, carrying 826 carloads of freight and 1,344 passengers. In 1872 the line was operated for seven months, increasing its freights eight-fold. A number of small timber mills had been established along its route, and a few adventurous families had settled in contiguous woodlots; the colonization programme therefore was under way. After a thousand round trips an inspection revealed no perceptible deterioration in the wooden rails, although both rolling stock and freight loads had been heavier than Hulbert's estimates. The venture was deemed to have succeeded and in 1873, as evidence of further ambitions, it was renamed the Quebec and Lake St. John Railway.

Unfortunately the third season of operation proved fatal to the wooden rails. The summer rains made them too slippery for safety; winter frosts caused them to warp and split; the morticed joints failed to hold; the wedges worked loose in the recesses of the sleepers. Almost the entire season was spent in repairs, and in the spring of 1874 the line was found to be unfit for operation. The Canadian climate had been the villain of the piece; neither low costs of construction nor satisfactory traffic could compensate for the damage wrought by the stark cold of winter and the intense heat of midsummer.

The wooden railroad therefore died in infancy, but on its grave the Quebec railway boom was born. "Colonization railways" became a magic phrase which unloosed the public purse-strings and hypnotized the voters on polling days. Cabinet ministers were not inclined to scrutinize the *bonafides* of railway promoters too closely and as a consequence the old families of Quebec were obliged to accept the acquaintanceship of certain gentlemen whose livelihood lay in effecting introductions and in pulling strings. When these intermediaries had squirmed their way into the confidence of officials, the standards of political behaviour deteriorated, but many honest souls comforted themselves with the reflection that the end justified the means. If through the instrumentality of a railway, lands now empty might

Bank admitted bankruptcy. Although it had put \$4,500,000 into the Atlantic, Quebec and Western Railway, that property was not shown in its list of assets; nor did the insolvency affect the railway the bank had sponsored; a strong British-Canadian board headed by the Earl of Ranfurly pressed on with the construction, and on July 17th 1912 the line was opened to the Baie de Gaspé. The cost is unknown; the federal government had contributed \$890,000, the province of Quebec 400,000 acres of land to the project.

The Gaspé railway therefore belonged to two British companies, with the Quebec Oriental in the driver's seat by virtue of its possession of the outlet at Matapédia. In the ensuing sixteen years of operation this company never failed to do well, showing a surplus each year. The Atlantic-Quebec and Western Railway, although it carried half as much traffic again as its associate, only reported surpluses on two occasions. Towards the end of the nineteen-twenties both companies entered into negotiations with Canadian National Railways, and on May 30th 1929 they sold their combined trackage (202 miles of main line) to that system for \$3,500,000.

#### THE QUEBEC AND LAKE ST. JOHN RAILWAY

#### THE ST. CHARLES AND HURON RAILWAY

#### THE JAMES BAY AND EASTERN RAILWAY

In one promotion Charles Newhouse Armstrong lost out not at the end but at the beginning.

To the north of Quebec City lay a great wilderness shot with the glint of rivers, jewelled with the blue of lakes, ribbed with rocky, wrinkled ridges and clad everywhere in the pied patchwork of the Canadian forest. After two hundred miles the landscape took on softer contours, and around the great pool of Lake St. John it smoothed out into pleasant terrain with groves and glades and vistas.

On July 16th 1647 Jean de Quen, missionary, explorer and scholar, had come on this fair scene. During the next twenty years the district had been mapped in detail. Thereafter it was more or less forgotten until 1820, when a member of the Quebec Legislative Assembly sang its praises on the floor of the House. Through his paeans rang the name of William Price, who had come to Canada in 1810 to buy masts and spars for the Admiralty and who had remained to establish sawmills on the upper Saguenay.

The long and arduous river passage, however, retarded settlement, and in 1895 the Lake St. John district held only three thousand inhabitants between the head of navigation at Chicoutimi and the fertile farmlands of Normandin and Albanel to the northwest of the lake. Half of this population dwelt in the market town of Roberval and clamoured unceasingly for a railway. Many doubted if it could or should be built; a derisive pamphleteer enquired: "Why not build to the moon? What is to be found in this two hundred miles of wilderness except bears and blueberries?" When general agreement to proceed had been reached, a controversy broke out over where and how the line should be constructed. One group wished a colonization railway on the Gosford model, meandering from district to district in search of arable land; others considered it should traverse the best stands of timber.

#### *Under Way*

This argument might have continued indefinitely had not Armstrong provided the prick of stimulus which rallied all to a common purpose. In 1883 he had incorporated the Great Northern Railway Company, to build from Ottawa to Lake St. John. This project, while senseless economically, might have obtained the commendation of the church as a "colonization railway"; but to the old families of Quebec, it constituted an invasion of a cherished preserve. Led by the redoubtable Ross clan they rallied against it. They revived the moribund successor of the first wooden railway and undertook to complete a line into the north-land by a given date. They carried too much artillery for Armstrong, and both the Church and the Legislative Assembly declared the Quebec and Lake St. John Railway to be their chosen instrument.

Provincial surveyors had roughed out two possible routes—one more or less direct, and the other in a loop by way of the St. Maurice valley. When it became evident that a certain amount of branch line construction would be necessary in the Lake St. John district, the roundabout approach was rejected and the route chosen ran northwest from Quebec City until it picked up the Batiscan River, which it followed into the north—thereafter past Lac Edouard to Roberval.

There were funds in abundance for this enterprise. The Dominion Government contributed its statutory grant of \$3,200 a mile, the province \$5,000 a mile and a land grant which

eventually mounted to 1,871,950 acres. Special provincial bonuses also were forthcoming for certain sections and fixed installations. Quebec City invested \$125,000 in the common stock of the Company and a substantial parcel was also placed in New York. British bankers underwrote the bonds of the railway.

H. J. Beemer, a well-known engineer with influential local connections, was awarded the construction contract. By November 1884 the line was in working order as far as St. Raymond, 34 miles from Quebec City. In 1885 the provincial subsidy was paid on a further 20 miles completed, and on 10 miles still under construction; the railway was being operated (after a fashion) for 82 miles. The contractor struck heavy going in crossing the height of land to the north of Lac Edouard; in November 1885 a *Montreal Star* correspondent reported:

The last but one ten-mile section completed has been built in the face of the greatest engineering difficulties ever met in the province in railway construction, the cost exceeding \$25,000 a mile. The work included thousands of yards of rock cutting through gneiss or metamorphic rock, much of which is equal in quality to granite. At times the train runs through solid walls of gneiss higher than the stack of the locomotive, then it runs over an embankment ninety feet deep, or hugs the side of a mountain that towers hundreds of feet above it in almost perpendicular ascent, while scores of feet below on the outer edges are seen the summits of lofty birch and spruce trees.

On December 5th 1888 every halt was *en fête*, when one of the first trains bore Premier Honoré Mercier and his official party to Roberval. Construction of the eastern extension to Chicoutimi (51 miles) was held up by labour troubles, and although this section of the line was under operation in the autumn of 1892, it was not officially opened until July 17th of the following year.

#### *Hopes Realized*

From its opening day the Quebec and Lake St. John Railway justified itself. By 1890 two thousand settlers had taken up land in the hitherto empty wilderness between Quebec City and Chambord Junction. Each year the Company carried free of charge the effects of more and more home-seekers. In 1899 a large contingent of Doukhobors offered to settle in the Lake St. John districts; it was found impossible to find winter housing for them. A group of Finns also offered to take up land there. The

area also lured sportsmen, for the lakes along its route were teeming with fish and the forests with game. Hotels and hunting lodges soon appeared, and the establishment in 1895 of the Laurentian National Park, comprising a reserve of 4,000 square miles, drew an increasing number of tourists. Americans who came to play elected to stay, taking up options on forest lands and exploiting the "white coal" of the rivers.

#### *Financial Difficulties*

The early traffic returns were satisfactory. In the first eight years of operation (1892-1900) revenues rose from \$144,934 to \$339,286; freight traffic trebled and passenger traffic doubled, with a consequent recession of the operational index from 99% to 80%. Nevertheless, earnings steadily fell behind requirements. In 1889 First Mortgage Bonds had been sold in London to the value of £780,000, with interest guaranteed for ten years by the province. A number of unforeseen capital expenditures, including the acquisition of a valuable riverside terminal site in Quebec City, affected the credit of the Company, and when in 1900 the provincial government refused to renew its guarantee on the service of the existing bonds, a friendly receivership and fresh British loans—£170,000 in Equipment Bonds and £500,000 in Income Bonds—were negotiated. It seemed impossible, however, to reduce the floating debt to a manageable figure and the backers turned to the federal administration for succour.

From 1896 onward Sir Wilfrid Laurier's desk was never clear of Quebec and Lake St. John petitions. If it was not intervention with his Minister of the Interior to secure increased aid for colonization, it was a plea for his good offices with his Minister of Trade and Commerce to furnish assistance for industrial projects, or with his Minister of Finance for reduction in taxation, or with the Postmaster-General for higher mail subsidies. Never was there a more assiduous pleader than General Manager J. G. Scott, who was more than company spokesman; he was public relations advocate for all of northern Quebec. His unceasing appeals netted his railway perhaps more than it deserved but certainly less than it needed.

#### *Enter Mackenzie and Mann*

The Quebec and Lake St. John proprietors held on grimly, confident that better days would come. They lost out by a few years and perhaps only because they overlooked an opportunity

that others discerned. In 1904 the Dominion Government embarked on the construction of the National Transcontinental Railway along the upper St. Maurice valley, about 40 miles west of the Quebec and Lake St. John main line. As the Quebec City-La Tuque section of this new railway promised to be slow and difficult to build, it seemed likely that a temporary supply route would be sought to sections under construction further west in the highlands. Such a route could best be provided by the Quebec and Lake St. John Railway by means of a branch westward. In 1906 those shrewd operators, William Mackenzie and Donald Mann, instructed a Montreal financial house to buy Quebec and Lake St. John stock whenever it was on offer. They soon obtained control; whereupon they began to build a line 40 miles in length from Linton Junction, 78 miles north of Quebec City, to La Tuque. It was opened for traffic on November 23rd 1907.

For a time this branch paid handsomely, but it had been built hurriedly and with heavy gradients. Moreover, the Quebec City-La Tuque section of the National Transcontinental was opened earlier than had been anticipated. After an initial surge of traffic the route fell into disuse. Today it exists only in track-age leased to game clubs.

Mackenzie and Mann were somewhat less than their sharp selves in their disposition of the valuable Quebec and Lake St. John land grants. They sold large acreages of magnificent timberlands for a tithe of their value, apparently regarding the Company as a property to be gutted rather than developed. This foolish policy perhaps arose out of the failure of the new proprietors and the original stockholders to pull together. The old families of Quebec looked down their noses at the newcomers, who in turn disliked being called to account at annual meetings. In 1911 this mutual hostility led to a financial reorganization in which the prior securities were retired at a discount of about 40% and replaced by Canadian Northern debenture stock.

#### *Branch Lines*

Two Quebec and Lake St. John branch lines deserve passing notice. The St. Charles and Huron Railway Company was incorporated on March 14th 1912 to build from Loretteville near Quebec City to Stoneham, a distance of 10 miles. This branch was intended to serve timber camps in the Lake St. Charles area. It was opened for traffic on November 1st 1917 and,

although it was of no further value when the district was cut out, it remained in operation until 1938. The line was dismantled three years later.

On May 4th 1910 the James Bay and Eastern Railway Company obtained authority to build a railway about 500 miles in length from Roberval westward to a point of junction with the National Transcontinental Railway near Lake Abitibi; and also eastward from Chicoutimi to Tadoussac, at the mouth of the Saguenay River. This hare-brained project died a-borning, but the charter was used to build an extension from Roberval, 18 miles along the western shore of Lake St. John to St. Felicien. This branch was opened for traffic on November 21st 1917.

In 1914 the Quebec and Lake St. John Railway was included in the compulsory consolidation of Canadian Northern properties.

#### THE GREAT NORTHERN RAILWAY COMPANY THE GREAT NORTHERN RAILWAY OF CANADA

When Charles Newhouse Armstrong was frustrated in his bid to build to Lake St. John, he turned his attention to the beautiful and historic St. Maurice valley, once a main highway of the fur trade and now of growing importance because of its wealth of timber and of water power. The charter of the Great Northern Railway Company, as granted by the Quebec legislature on March 30th 1883, provided authority to build from St. Andrews East on the Ottawa River to Grandes Piles, the foot of navigation on the upper St. Maurice River.

On the map this project looked like another "nowhere to nowhere" railway; in point of fact, connections were taking shape at both ends of the proposed line. To the west a number of projects were in train in the Ottawa valley; to the east the St. Lawrence, Lower Laurentian and Saguenay Railway Company had received a handsome land grant for a railway from Trois Rivières to Lac Edouard. The Great Northern therefore would occupy a central position on a route which promised to be of consequence.

#### *Piecemeal Finance*

In this promotion Armstrong hit upon an ingenious method of financing—the fragmentation of the project with appeals for limited aid for specific sections. He reasoned that if one small town had a railway its neighbours would not be happy until



persuade a bank or a creditor to accept them. It often was necessary to offer such paper at as much as 40% discount, but even then it sometimes was refused contemptuously.

#### *Stop-And-Go Construction*

Construction was as piecemeal as the financing. After unsuccessful negotiations with an English contractor Armstrong decided to build the first section himself. With the federal statutory subsidy and a provincial land grant, he made a start on 8 miles of tracks between St. Jerome and New Glasgow. On completion of this bit of line he transferred it to his company for \$6,000 in cash and \$14,000 in First Mortgage Bonds per mile. Nothing else happened for four years, and the Great Northern might have gone no further had not certain New York and Boston investment houses received favourable reports on natural resources in the St. Maurice valley. These tidings brought principals—Colonel James McNaught of New York and H. H. Melville of Boston—to the scene. Armstrong consented to resign as president, and was replaced by an American; as solatium he was awarded a contract of 7 miles from St. Andrews East to Lachute. The new proprietors raised \$270,000 by means of a bond issue and a contract was placed with John McEncroe of Schenectady for 20 miles of tracks between New Glasgow and Montcalm.

Thereafter, the progress of the Great Northern conformed to developments at either end of its route. To the west the Central Counties Railway had been opened in January 1892 to Hawkesbury, 15 miles west of St. Andrews East. This line provided access to the Canada Atlantic Railway and so to systems to the east, west and south. To the east the Lower Laurentian Railway had been opened in the previous year between Rivière à Pierre on the Quebec and Lake St. John Railway and Proulx Junction, only a few miles from Grandes Piles. With comparatively short extensions on either end the Great Northern therefore could become an element in a through line which would bypass Montreal. This aspect of the project commended it to the gentry of Quebec City who had received Armstrong's earlier approaches icily; they hastened to establish contact with the Americans, who offered them a share in the venture. In 1892 Frank Ross became President of the railway with the indefatigable J. G. Scott as General Manager. The capital of the Company was doubled, and in November 1894 an agreement was reached for the eventual absorption of the Lower Laurentian Railway. There

remained two gaps to be closed—about 65 miles between Montcalm and Proulx Junction and 35 miles between St. Jerome and Hawkesbury.

It was estimated that in addition to available subsidies \$600,000 would be required to build these sections. In March 1898 McNaught and Melville invited their Quebec City associates to invest a quarter of this amount. When subscriptions of only \$50,000 were forthcoming the Americans made up the balance. Three contracts, for the link-up sections at either extremity of the line and for the bridge at Hawkesbury, were awarded to efficient American contractors, and a four-mile spur into Shawinigan Falls was added to the eastern trackage. On October 24th 1900 the first train from Quebec City crossed at Hawkesbury onto Central Counties tracks and continued to Parry Sound.

The total cost of the Great Northern has been given in Poor's Manual as \$4,487,000 but even that meticulous publication does not attempt to disentangle the snarled finances of this venture. It seems probable that public aid represented about a quarter of the total outlay and that Canadian private participation was negligible. Armstrong, however, emerged from the transaction with a railway of his own. As the extension to Hawkesbury took off from Lachute and not from St. Andrews East, he was given the seven miles of dead-ended tracks between these villages; in return he relinquished all claims against the Great Northern Railway. As has already been recorded he sold this remnant to the Atlantic and Lake Superior Railway for a good deal more than it was worth.

#### *The Take-Over*

The proprietors of the Great Northern Railway of Canada (as it had become on August 11th 1899) had reason to be satisfied. Their line now had connections which promised to provide a growing volume of traffic, for the St. Maurice valley was beginning to come into its own. It only remained to await developments.

Such rosy prospects, however, swiftly took wing. At the end of 1902 negotiations opened between the Dominion Government and the Grand Trunk for the construction of a second transcontinental railway. As soon as it became certain that Quebec City would be served by this line, McNaught and Melville decided that their local alliances would not stand up against the pull of such a system. As Americans, they regarded a

government in business as monstrous, and any attempt to compete with it as folly. When they sought escape they easily found a way out, for Mackenzie and Mann, with transcontinental ambitions, were shopping for properties. Early in March 1903 McNaught announced that "an important transaction" was in the offing. Four weeks later Donald Mann broke the news; the Canadian Northern had acquired more than half of the capital stock of the Great Northern Railway of Canada.

Such stock had a par value of about \$5,000,000. Mackenzie and Mann secured control for \$100,000 but they also assumed responsibility for Great Northern bonds to a par value of \$5,462,000. Many of these securities were in default and could be picked up at bargain prices; when speculators established an inflated market for them, there was some bickering over the figure at which they would be retired. In November 1904 they were redeemed at 75% of their face value by payment in Canadian Northern debentures.

On May 2nd 1903 the Canadian Northern assumed operational control. On July 19th 1906 the Great Northern of Canada and its absorbed properties (the Lower Laurentian Railway, the Chateauguay and Northern Railway, the Montfort and Gatineau Colonization Railway and the Quebec and James Bay Railway) lost their identities in a consolidation which bore the description of Canadian Northern Quebec Railway.

#### THE LOWER LAURENTIAN RAILWAY

Of satellites, the most noteworthy was the Lower Laurentian Railway which had first seen the light on March 9th 1878 as the St. Lawrence, Lower Laurentian and Saguenay Railway Company, with authority to build from near Trois Rivières to the Lake St. John area. The incorporators were purposely vague as to terminals: they did not wish to commit themselves to the cost of bridging the St. Maurice at its mouth and they did not know whether to head for the Normandin-Albanel districts or for Chicoutimi. This indecision did not greatly matter, for there were no immediate subscriptions of any consequence. Even after the project was endowed with a provincial land grant of 480,000 acres and became eligible for the federal statutory subsidy, dust continued to gather on its charter.

The opening of the Quebec and Lake St. John Railway probably would have proved the final nail in its coffin had not Colonel McNaught and H. H. Melville, before turning their

attention to the Great Northern, bought the charter and assigned a new route to it. On July 12th 1888 it had become the Lower Laurentian Railway, with an endowment of \$180,000 in cash to build from Rivière à Pierre on the Quebec and Lake St. John line to Proulx Junction, on the North Shore Railway a few miles east of Grandes Piles.

These 39 miles of tracks were built in leisurely fashion, being opened for traffic on November 9th 1891. They cost about \$700,000 of which \$284,000 represented public aid; of the land grant 310,000 acres had been returned to the province for the cash allowance. In its first five years of operation this railway barely earned its keep, but this did not greatly matter, as its destiny had been foreshadowed by the transfer of the remainder of its land grant and of a bridge subsidy of \$100,000 to the Great Northern Railway. In 1895 it was leased to the Quebec and Lake St. John Railway at an annual rental of \$6,000 a year. Although in 1897 a federal enactment cited the Lower Laurentian as an element of the Great Northern Railway, the official date of absorption would appear to have been November 28th 1900. The consideration was \$52,000 in cash and the assumption of \$780,000 in bonded indebtedness.

#### THE CHATEAUGUAY AND NORTHERN RAILWAY

Greatly to the distaste of the Quebec City stalwarts their American associates decided that the Great Northern must enter Montreal. On January 12th 1895 the Chateaugay and Northern Railway was incorporated for this purpose, but it was not until October 1900 that a route from Joliette southward to Bout de l'Île, at the foot of Montreal Island, was announced. The Canadian Pacific and local tramway interests vigorously opposed this entry and the Great Northern was obliged to form an alliance with J. P. Mallarkey, a wealthy and influential Montrealer who became President of the Chateaugay and Northern and thereafter fought its battles. In June 1891 he placed contracts with American firms for the construction of 35 miles of tracks and for the building of the Bout de l'Île bridge, which consisted of two substantial structures totalling more than 2,500 feet in length.

There followed the customary manoeuvres to obtain public aid, and Sir Wilfrid Laurier, as was his wont in Quebec matters, handled the correspondence personally. He took an instant dislike to Mallarkey, whom he undoubtedly considered to be well-named. In 1902 he grudgingly increased the bridge subsidy to

\$150,000, but under the proviso that it should include roadways on either side of the tracks. Mallarkey countered with the proposal that it be converted into a toll bridge. On June 2nd 1903, while arguments and counter-arguments were in progress, Mackenzie and Mann announced that they had leased the Chateauguay and Northern Railway for 999 years.

The Prime Minister was deeply affronted. He believed Mallarkey to have been a stalking horse for the westerners, who at that time were not on Sir Wilfrid's calling list. On receiving a request for further aid he inquired caustically as to whose petition was being presented. An additional \$50,000 was forthcoming, but again the Prime Minister added a stipulation; a promised Chateauguay and Northern branch to St. Jacques must be built without recourse to public funds.

On December 10th 1903, although the bridge was far from complete, the first Chateauguay and Northern train steamed into Moreau Street Station, in the east end of Montreal. When William Mackenzie again sought public assistance he was reminded tersely of an outstanding commitment. "There is already a subsidy of \$50,000 as to which a second contract should be entered into immediately. To be earned you should attend to this matter without delay." The St. Jacques spur thereafter was placed in work, its seven miles of tracks being opened on September 7th 1905. Laurier followed up his growl with a lump of sugar in the form of a final \$30,000 for the completion of the Bout de l'Île bridge.

#### THE MONTFORT AND GATINEAU COLONIZATION RAILWAY

This company was incorporated as the Montfort Colonization Railway on April 2nd 1890 for the purpose of opening up the Laurentian highlands to the north of Lachute. The first plan called for a narrow gauge line over a trial section, which would be extended when the traffic warranted it. To obtain the requisite aid the proposed line was altered to standard gauge, and in 1893 construction began from Old Montfort Junction, on the Montreal and Western Railway, towards Sixteen Island Lake. This section of 21 miles was opened for traffic on March 8th 1895 and a further 10 miles to Huberdeau on December 7th 1897. The cost of construction was given as \$320,366, of which the federal and provincial governments had contributed \$177,096.

In March 1898 the name of the Company was changed to that of the Montfort and Gatineau Colonization Railway,

## CANADIAN NATIONAL RAILWAYS

presumably as an indication of intention to extend to the west. Traffic was scanty and operations never yielded a surplus. The line was of no interest to the Great Northern, but Mackenzie and Mann saw in it trackage which might fit into their trans-continental railway. On February 10th 1903 McNaught bought it on their behalf, paying \$100,000 in common stock and \$200,000 in debenture stock of the Great Northern of Canada.

### THE QUEBEC AND JAMES BAY RAILWAY COMPANY

In the eighteen-eighties everyone who was anyone in Quebec City sought a seat on a railway board, and there were not enough directorates to accommodate them all. This would have been as good reason as any for the incorporation on May 25th 1883 of the Quebec and James Bay Railway Company to build from the northern terminal of the Quebec and Lake St. John Railway to James Bay, with a branch line from Lake St. John along the Saguenay to Tadoussac. This venture involved approximately 600 miles of construction across bleak and barren regions, and it was backed by a panel of sponsors whose names read like a page of the guest book at Government House. They included Sir Narcisse Belleau, Sir Adolphe Caron, a gaggle of Honourables and representatives of most of the old families—the Rosses, the Babys, the Lemoines, the Thibaudeaus and the Langeliers. Capital of \$1,000,000 was authorized. There is no evidence that any of it was paid up.

Year by year, as the difficulties and costs of construction became more manifest, enthusiasm for the project waned and the plan shrank to the construction of a certain number of branch lines in the Lake St. John area. Only exploratory surveys were undertaken, and it was probably to keep the charter out of other hands that on April 28th 1897 J. G. Scott, Secretary of the Quebec and James Bay Railway, transferred to J. G. Scott, Secretary of the Great Northern Railway, "all the rights, privileges and franchises" of the former property, receiving in return what was discreetly described as "valuable considerations."

### THE QUEBEC, MONTMORENCY AND CHARLEVOIX RAILWAY COMPANY THE QUEBEC RAILWAY, LIGHT AND POWER COMPANY

Having pioneered with some success into the north and west, the Quebec City promoters, their ardour unquenched, looked to the east. On June 30th 1881 the Quebec, Montmorency

#### TOWARDS THE INEVITABLE

and Charlevoix Railway Company was chartered to build along the north shore of the St. Lawrence to Montmorency Falls (beloved of British soldier-artists since the days of Wolfe), and beyond to Beaupré, where in 1650 sailors saved from the sea had honoured their vow to build a chapel to Ste. Anne; thence along the rugged banks to the old English-speaking settlement at La Malbaie, and thereafter to a terminal on the lower Saguenay. The route covered a hundred miles of scenic splendours with virtually no traffic at all.

In 1888 the first section was placed in work, and in August of the following year the line was opened for 20 miles from the outskirts of Quebec City to Ste. Anne de Beaupré. Except for a spur into the city there was no further construction until 1894 when an extension of 10 miles to St. Joachim was completed.

That was the end of the line. On a capital of \$1,500,000 only \$10,000 had been paid up. The railway had cost \$683,863 to build and equip; the public aid totalled \$402,946. During construction a floating debt of \$344,321 had accumulated. Traffic was negligible; in the first recorded year (1890) the gross earnings only came to \$20,444—scarcely more than the annual interest charges.

The project was saved by a merger abetted by miracles. A Quebec City tramway company and a Montmorency power company came on the market; the Quebec, Montmorency and Charlevoix borrowed to buy into these companies, and on July 20th 1899 they were merged as the Quebec Railway, Light and Power Company. At about the same time divine manifestations were reported from the church at Ste. Anne de Beaupré, and its modest distinctions were elevated into those of one of the famous shrines of the world. A great influx of pilgrims followed; in 1901 the railway carried more than 500,000 passengers. In 1905, in view of the importance of this short-haul traffic, it relinquished to the Quebec and Saguenay Railway its rights of extension beyond St. Joachim.

In 1919, on the federal purchase of this latter line, Canadian Government Railways obtained running rights over Quebec, Montmorency and Charlevoix tracks into Quebec City. This arrangement continued for thirty-two years. The railway had a thin time of it during the nineteen-thirties, but did relatively well during the Second World War. In 1951 Canadian National Railways purchased its 25 miles of tracks for \$250,000.

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subsidy of 100,000 acres for the ten mile section extending from Chicoutimi to Ha! Ha! Bay.

On the 1st of January, 1889, the company took over the working of their road, from the contractors and from that time have maintained a daily service between Quebec and Roberval, in conjunction, during the season of navigation, with the steamer Peribonka which runs on Lake St. John and the rivers discharging into it.

The attention of the Federal Government having been called to the necessity of establishing a system of buoys and light-houses, and the building of wharves on the lake, so as to render navigation more easy and secure, they voted a credit for those purposes.

The Monarch Palace Car Company of New-York maintained an effective service of palace and sleeping cars over the whole line. During the period between the 1st January, 1889, and the 22nd May, 1890, the Quebec and Lake St. John Railway carried 79,725 passengers and 103,725 tons of freight, being a constant increase both in the number of passengers and freight carried over the line; and appearances for the future are most encouraging. New steam saw mills have been built during the year at St. Raymond and at lake Beau-chette, others are in course of erection and finally the building of several others is proposed.

The logs cut along the line during the past winter, will produce about forty millions of feet of lumber, which will be shipped in the course of the year to England, to Brazil and other places.

Without doubt the most important work done by the Quebec and Lake St. John Railway Company this year, was the erection of the bridge over the St. Charles river, by their contractor, Mr. Beemer, and the bringing to a happy conclusion of this important work, in spite of the numberless difficulties and delays with which they had to contend. Arrangements have been concluded between the two companies interested for the use of this bridge in common between them, from the junction of the two roads at the station at Hedleyville to the terminus at the "Palais" in this city. The two companies interested having given you notice, as president of the railway committee of the Executive Council, that they would shortly open the bridge over the river St. Charles to regular traffic for the transportation of passengers and freight, by order of the committee, you

instructed Mr. Vallée, your engineer, to inspect the bridge and to report upon the advisability of opening it to general traffic.

In his report of the 24th September last, this engineer stated that the metal superstructure of the bridge is divided into three spans, of which one, the fixed span, is 156 feet in length, and the other two comprise a swing bridge of which the two ends are of the same length that is 95.9 feet from the centre of the pivot to the further extremity of each. This gives a total length of 347.5 feet; the height of the superstructure is 27.10 feet, leaving an open space of 22.6 between the rails and the under side of the lower pieces of the upper portion of the superstructure at the entrance to the bridge at each span.

This superstructure rests upon two abutments and two piers constructed of first class masonry to a height of 20.6 feet above low water.

After a careful examination of all the parts of the bridge, the engineer, by running heavy loads over it, tested the strength and flexibility of the metal superstructure under the strain produced by the passage of loaded trains.

After two successive tests, the engineer established that the deflection was not more in one case than 0.03 and 0.02 for the moveable spans, and 0.01 of a foot for the fixed span.

Upon this favorable report of your engineer, the railway committee passed a resolution adopting it, as well as the plan of construction, the masonry and the metal superstructure of the bridge, and an order in council was passed on the 30th September last, adopting the resolution and authorizing the immediate opening of the bridge to regular traffic for the transportation of passengers and freight.

The board of directors of the Quebec, Montmorency and Charlevoix Railway have given notice that at the next session of the Provincial Legislature, they will apply for powers to sell the road to the company called the North Canadian Atlantic R. R. Co., which is the road proposed to be built to Labrador. It is also said that the Canadian Pacific Co. will buy this road and continue it as far as Malbaie.

sengers has been built to run between the end of the track at Metabetchouan River and Roberval village where a wharf has been built, and also to connect with other places on the lake; the boat is of light draught to enable it to enter the mouths of all the rivers which flow into the lake, which will greatly favour the settlement of this region; a large hotel in connection with the railway has been built at Roberval to receive 150 persons; also a great many saw mills have been built which the engineer mentioned in his last report and which are working regularly; that work has been completed, ballasting done and rails laid on another section of the railway for a length of 4 87-100 miles from Chambord Junction towards the East to the Metabetchouan River and finally that the four last miles of the 170 on which the ballasting was not quite completed as stated in the engineer's previous report, have since been finished in the same satisfactory manner as on the completed portion of the railway and the track at the 138th mile from St. Raymond which, on the second of February last ran around the gravel pit has been replaced in its proper position;

That, in a supplementary report, dated the 27th August instant, Mr. Light states that since his previous report, he has again inspected the section of the railway between Chambord Junction and Roberval, and is in a position to affirm that the laying of the rails, the ballasting and other work of construction are finished on the section as far as the River Ouatichouan, a distance of 7 16-100 miles to station 9480 and that beyond that point the stone required for the bridge over that river has been cut and three steel girders, each 60 feet in length, are now ready in the workshops of the Dominion Bridge Company at Montreal and the whole superstructure will shortly be finished; that, while the necessary materials for the construction of a permanent bridge over the river were being prepared, a very solid trestle bridge was built to allow trains to run across the river; that the grading and other work in the direction of Roberval are well advanced and will shortly be completed; a great quantity of rails and other materials has also been laid down on the spot for the main-line and sidings;

That the company has, under section 14, converted into money the land subsidy granted it by the Railway Subsidies Act above cited and the said conversion has been ratified and confirmed by the Lieutenant-Governor in Council;

In view of the above statements of the engineer and the recommendations contained in his aforesaid reports, and taking into consideration the fact above established that the company has completed another section of its line between Chambord Junction and the Metabetchouan River and has done work to a considerable amount, the Honorable Commissioner recommends that there be paid to the company or its representatives, out of the Consolidated Railway fund, a sum of thirty five thousand dollars (\$35,000) being the total of the land grant, converted into money, due and payable to the company at the rate of ten thousand acres per mile at 35 cents per acre for the aforesaid completed sections of

2.84-100 miles to Chambord, and 7.16-100 miles from that point to beyond the bridge on the River Ouiatchouan in the direction of Roberval, making a distance of ten miles, in virtue of the above-cited act, paragraphs *a.* and *b.* less the sum of three hundred and twenty dollars (\$320.00) due Mr. Light, the engineer for his fees and travelling expenses in connection with the above inspection and report, so that the company shall have to receive from the Treasury only the sum of thirty four thousand six hundred and eighty dollars (\$34,680.)

Certified,

GUSTAVE GRENIER,

*Clerk, Executive Council.*

COPY of the Report of a Committee of the Honorable the Executive Council, dated the 29th August, 1888, approved by the Lieutenant-Governor on the 3rd September 1888.

# RESPECTING THE DRUMMOND COUNTY RAILWAY COMPANY.

No. 535.

The Honorable Commissioner of Public Works, in a report dated the 29th August instant (1888) sets forth that at the request of the Drummond County Railway Company and in obedience to instructions, Mr. L. A. Vallée, one of the Government engineers, again inspected the section of the railway from its point of junction with the South-Eastern Railway at Drummondville to the South-west branch of the Nicolet River in the township of Wendover, in order to ascertain the extent and value of the additional work done and completed on this section of 12.48-100 miles, since the date of his previous inspection and that, in his report of the 23rd August instant, the said engineer states that a large proportion of the work which he had found incomplete when he made his last report on the 19th May last had since been finished; that, nevertheless, there still remains considerable work to be completed on this section (to the amount of about \$6,000) consisting in ballasting, finishing fences, ditches, culverts and a tank; that the company has also completed a siding 2,800 feet in length to the South-west branch of the Nicolet River the approximate cost whereof is \$4,000; that it has also commenced the construction of a bridge over this same branch of the Nicolet River and about 65 yards of cut stone are delivered on the spot, representing an amount of \$600 00.

Whereas by order-in-council No. 482 of the 2nd August instant, an amount of \$28,125 was deducted as representing the approximate value of the works and

missioner of Public Works, vouchers for the payments to be effected by them to the amount of the said balance of \$12,500.

Certified.

GUSTAVE GRENIER,  
*Clerk, Executive Council.*

COPY of the Report of a Committee of the Honorable the Executive Council dated the 29th August 1888, approved by the Lieutenant-Governor on the 3rd September 1888;

RESPECTING THE QUEBEC AND LAKE ST. JOHN RAILWAY.

No. 534.

The Honorable Commissioner of Public Works, in a report dated the 28th August instant (1888), sets forth that at the request of the Quebec and Lake St. John Railway Company, Mr. A. L. Light inspected the section of the railway, extending from the end of the 170 miles already completed to Chambord Junction at station 9,103, a distance of 2 84-100 miles and from the said junction towards the West, to station 9,224 in the direction of Roberval, a distance of 2 29-100 miles, making a total length of 5 13-100 miles completed since the date of the previous inspection made by the said engineer who, in his report of the 6th August instant, states that the ballasting on these 5 13-100 miles is complete and the works and constructions well made and with the best of materials; that extensive sidings, signals and curves have been made and completed at Chambord Junction and are now used for traffic at that place; that the station yard at the junction is ballasted and the passenger and freight stations are likewise finished; also a tank of a capacity of 21,000 gallons with a steam pump, boiler and well, the whole in perfect working order; that the track on the section is used for traffic; all the farm and road crossings, stone culverts, fences and telegraph lines are finished in a most satisfactory manner on the length of 2 84-100 miles to Chambord; that the track and ballasting have been laid and done for some distance beyond Chambord Junction in the direction of Roberval; the rock excavation and other heavy works are finished and the stone required for the masonry and the ties are on the spot; the whole section is to be completed as far as Roberval in September next; the engineer adds that apart from all these works and constructions, a steamboat of sufficient dimensions to carry 300 pas-

## THE LOWER LAURENTIAN RAILWAY.

Last Winter the company was reorganized and new blood infused into the board of management, by placing upon it capitalists from New-York and St. Paul, Minnesota, (Messrs. G. R. Howell, William A. Williams and James McNaught) and Messrs. Jules Tessier, M. P. P., William Cook, advocate, of Quebec, Robert Kiernan and Henry E. Hart, of Three Rivers. It is therefore now in a position to furnish all the proofs necessary to establish that it was so re-organized as to be able to raise all the capital required to carry out the enterprise it has undertaken.

On the production of these proofs, an order in Council, No. 240, was passed on the 9th June, 1890, recognizing the fact that the company had furnished the government with satisfactory evidence, in conformity with the clause b, of sec. 5 of the Act 53 Vict. cap. 101, of its reorganization and its ability to procure the necessary capital for the speedy carrying out of its undertaking, and that, consequently, it would be entitled to the subsidy of 480,000 acres of land which had been granted to it by this 5th section for its line between Les Grandes Piles, on the St. Maurice and a point of junction with the Quebec and Lake St. John Railway, at or near the Rivière-à-Pierre, in the county of Portneuf, provided always that the actual subsidy be not increased.

Strengthened by this order in Council, the company, having already secured the services of Mr. C. A. Scott, the ex-general superintendent of the western section of the Q., M., O. and O. Railway, and since that time in the employ of the company as manager and contractor, took immediate steps to complete the work commenced last autumn, and, under the able direction of Mr. Cadman, civil engineer, they pushed on the locating of the line and the raising of its level so as to prolong it to a point at or near the end of the 22 miles already built by the old company between the terminus of the Piles Branch at the St. Tite junction, as far as a point at or near the station at La Rivière-à-Pierre, at which point this line will connect with that of the Quebec and Lake St. John. From the plans, profiles and specifications which the company has deposited in this office, it appears that the new line, in course of construction, starts from the end of the 17th mile of the 22 already completed, starting from St. Tite (thus leaving aside, as deviating from its new line, a section of 5 miles of the 22 already built), and will be continued by a shorter line in a south easterly

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present, been fulfilled at least to the extent of \$100,000.00 out of the \$103,272.14 actually spent by the trustees, of which amount they now claim the repayment out of the total subsidy granted to the company ;

Whereas in a letter of the 8th August instant, the said trustees have, amongst other things, represented that the Railway Subsidies Act passed last session does not oblige them to produce beforehand the vouchers for the expenditure of the subsidy granted to the railway for the purposes set forth in the statute ; that they are entitled to receive at once the total amount of such subsidy subject to the obligation of establishing later on that the moneys have been expended in accordance with the provisions of the statute, which they have already done for an amount of nearly \$103,000 and they therefore consider that they are entitled to ask that the whole amount of the subsidy be now placed in their hands, as otherwise they would be under the necessity of paying a heavy discount to the banks to obtain the money required to effect the other payments which they have to make in order to expend the whole of the subsidy voted for that purpose ; and inasmuch as such interest would reduce by so much the amount available for paying the just claims of the company, because the said trustees have already been obliged to pay nearly \$5,000, as discount, to enable them to pay various debts to an amount of over \$103,000 ; wherefore the said trustees ask that the government, in view of the confidence reposed in them by it in the past and which they have justified by accounting for so large an amount, do place in their hands the balance of \$12,500 remaining on the total subsidy so voted, which balance they would employ according to the spirit of the law, inasmuch as two of the said trustees, Messrs. Préfontaine & Choquet by a resolution passed by the three trustees at a meeting held on the second of April instant, have been authorized to transfer such balance of the subsidy to *La Banque du Peuple* as security that the payments to be effected by them shall continue to be so effected according to law ;

The Honorable Commissioner therefore recommends that, for the reasons above set forth, there be paid out of the Consolidated Railway Fund, to the said company represented by the said trustees or by their duly authorized representatives the sum of one hundred and twelve thousand five hundred dollars (\$112,500) being the total amount of the subsidy granted to the company by section 6 par. c of the Subsidies Act of 1888, such payment being made for the purpose : 1. of repaying into the hands of the trustees on the total amount of money hitherto disbursed by them on behalf of the company in accordance with the conditions laid down in the said statute, the sum of \$100,000, and 2. of enabling the trustees to employ the \$12,500, still payable by them out of the total amount of the subsidy, in meeting other claims filed against and not yet settled by the company and for the purposes set forth in the subsidies Act above cited, on the condition that the said trustees shall, on demand, deliver to the Honorable Com-

The locating of the line as well as the grading were exceedingly difficult, owing to the uneven nature of the mountainous region traversed by the road. It was necessary to do a considerable amount of excavation in the solid rock, as well as to throw trestle bridges and culverts over the numberless deep gullies and cuttings which were met with on the line of road. Thanks to the activity displayed by Mr. McDonald and other sub-contractors to whom Mr. Beemer, the president of the company, had confided the building of the road, work has been sufficiently advanced during the last eight months, under the able direction of Mr. G. H. Garden, the engineer in charge, to permit Mr. Vallée the engineer attached to your department, under your instructions and at the request of the company to visit the locality and inspect these first 30 miles. As a result of his inspection, Mr. Vallée has submitted his report, in which he states, among other things, that all the materials used in the various works which have been done on the first 10 miles are of good quality and that all the work done is generally very satisfactory, steel rails of 56 pounds to the lineal yard being laid over the whole of this distance, quantities of red spruce and hemlock, to the number of 2,640 to the mile.

According to the engineer's report to complete these ten miles of road, work to the value of about \$8,000.00 remained to be done, in ballasting, in completing the slopes in some places and in repairing the approaches to the trestles bridges. With regard to the section between the 10th and 20th miles, the engineer reports that a large amount of work has been done, in cuttings, embankments (both in earth and stone), fences, culverts, trestle bridges, and the masonry for the abutment of the bridge over the east branch of the North river: these works represent a value of about \$55,000.00.

In conclusion, the engineer stated, that, although the first section of 10 miles was not entirely finished, he had no hesitation in recommending the full payment of the subsidy granted to the company for these 10 miles, inasmuch as work, to the amount of \$47,000.00 more than the cost of finishing the first section, had been done on the second section and also in consideration of the important and expensive work which the company had been obliged to do on the first section itself.

I have reason to believe that you will adopt Mr. Vallée's report, to allow the company to receive from the treasury the subsidy of \$5,000.00 a mile to which it is entitled for these first ten miles, almost completed, in virtue of the act 49-50 Vict., cap. 77, sec. 4, and 51-52 Vict., cap. 91, sec. 5.



## STATEMENT No 2.

SUBSIDIES NOT LAPSED : in money and in land, — converted into money, at 35 cents per acre, — on the 1st of October 1894, and indicating the railways on which work is being done or remains to be completed, as well as claims in abeyance.

### LOWER-LAURENTIAN

(*Vide* : 54 Vict., chap. 88, section 1, par. k., and 56 Vict., chap. 3, sections 2 and 3.)

By these acts the Legislature of Quebec granted to that Company a subsidy in money of \$165,000 and a subsidy in land, — converted into money, at 35 cents per acre, — of \$57,750, making a total of \$222,750 for building 23 miles and a bridge over the St-Maurice river.

According to the act 56 Vict., chap. 3, section 2, this line was to be continued from its present terminus at Grand'Piles, starting from the junction, at St-Tite, with the Canadian Pacific Railway Company, at the western end of the 39 miles, or thereabout, already completed from "Rivière-a-Pierre" station on the Quebec and Lake St-John Railway, and running across the St-Maurice river by means of a bridge to be erected at or below the Grand'Piles, and thence to extend in a westerly direction for a distance of 23 miles towards a point of junction with the Great-Northern R'y, on this side or beyond the town of Joliette, at the present terminus near Ste-Julienne.

The Great-Northern R'y Company, — to which the Lower-Laurentian R'y Company had transferred the above mentioned subsidies, — was prepared, in the month of August 1893, to commence its work and enter into a contract with the Government according to the act 56 Vict., chap. 4, sections 2 and 3. It proposed to set to work as soon as the Government would have approved of this transfer of subsidies and authorized the change which it proposed to make in its line in order to have a more direct and less expensive transit line to effect the proposed connection between the Lower-Laurentian and the Great-Northern Railways, as provided in section 3 of the same Statute.

According to the plans, profiles and estimates deposited by the Great-Northern Company with this Department in August 1893, the modified line of the continuation of the Lower-Laurentian Railway was to start four miles east of the junction at St-Tite, and thence run in a south-westerly direction to cross the river St-Maurice by means of a bridge to be erected about three quarters of a mile below Grand'

*Mère Falls*, and thence, in a westerley direction, passing by "St-Boniface de Shawenegan" and to the north of St-Barnabé, in order to connect, on this side of or beyond the town of Joliette, with the Great-Northern Railway, whose terminus is at a point near Ste-Julienne.—(*Vide* the Great-Northern Railway here below in this Statement.)

But these plans were not according to law, and the Government would not agree to the proposals of the Great-Northern R'y Company before having obtained full information as to the greater or lessor facility of continuing this railway on the line hereinabove firstly indicated,—as determined by the act 56 Vict., chap. 3, section 2, nor before the Great-Northern R'y Company had proved, to the satisfaction of the Lieutenant-Governor in Council, that it had the necessary means for building a first-class railway to connect the Lower Laurentian line with that of the Great-Northern, to run the same in a satisfactory manner and maintain an efficient service, etc., as prescribed in the said statute.

With a view of obtaining positive *data* on the subject, special instructions were given, in March 1894, to Mr L. A. Vallée, the Government Engineer, by the Honorable Commissioner of Public Works, *ad interim*, to proceed to inspect the various lines proposed for the continuation of the Lower-Laurentian Railway, two of which were to cross the St-Maurice near the *Grand' Mère Falls*, and the two others at the *Grand'-Piles*, thence to continue in a westerley direction, in order to verify the accuracy of the plans, profiles and estimates which the Great-Northern R'y Co'y had furnished to this Department, and of those which Mr J. Emile Vannier, civil engineer, had also filed for the construction of a line to cross the river St-Maurice to the north of the *Grand' Piles Falls*. The Government Engineer was, at the same time, ordered to make a circumstantial report in which he was to study which of the proposed lines and sites for the erection of a bridge over the river St-Maurice would be preferable as regards engineering cost and the working of the proposed railway; taking into account the fact it was to be a first-class one, and to form part of a direct transit line for carrying passengers and freight, so as to have a regular and permanent service between the Lower-Laurentian and Great-Northern lines and that of the Canada-Atlantic, or any other line starting from "Parry Sound," on Georgian Bay of Lake Huron, in the Province of Ontario.

In accordance with these instructions the Government Engineer made the inspection ordered, and, on the 6th of April 1894, he submitted to the Honorable Acting-Commissioner of Public Works a very elaborate report on the result of his inspection of the whole region through which the proposed railway was to pass.

In this report the Government Engineer, after a comparative study of the four lines which he had examined, including that traced by Mr Vannier, came to the conclusion that the lines marked 2 and 4,—the first of which was to cross the St-Maurice near the *Grand' Mère Falls*, and the second—(that of Mr Vannier)—at the *Grand'-Piles*,—had to be rejected on account of the great number of curves and steep grades, and the additional expenses which would be caused by building and running a rail-

way on either of these lines, and that there remained to be considered attentively, with reference to their respective length and the obtaining of a straight line or lines, only the line Number 1,—(hereinabove designated, as the line proposed by the Great-Northern R'y Company, and passing near the *Grand'Mère* Falls,)—and line Number 3,—(to cross the St-Maurice at the Grand Piles Falls);—but that of these two last lines the said engineer did not hesitate in giving the preference to line Number 1, as it is shorter by 1.21 mile than lines Numbers 3 and 4, and because the height of land to be crossed is 100 feet lower than in line Number 1; which would greatly reduce the distance and the cost of constructing and running the road by that line. Mr Vallée added that line Number 1 was in every way more advantageous for a transit line, as it was easier and more direct, and had less curves and grades than the other lines, and the cost of running and working it would amount to \$132,526 less than line Number 3,—(\$97,000 of which for the road, and \$35,526 for the cost of working.)

The Government Engineer has illustrated all these facts by a comparative statement annexed to his report of the 6th of April last, in which he points out the differences between the length of each line to be built, and the approximate cost of the work to be done on each of the proposed lines, as well as for the erection of the proposed bridge over the St-Maurice river, passing by one or the other of these lines.

Mr Vallée has also shown the advantages and facility there will be for the Great-Northern R'y Company, in the event of line Number 1 being selected, to make arrangements with the Canadian Pacific R'y Co'y for running powers over its line, to run trains from the junction at St-Tite to the terminus of the Piles branch on the St-Maurice river, at Grand Piles.

This company might also put a steam-boat on the river to run as far as "La Tuque," on a distance of 70 miles; which would give communication with all the places to the north of the Grand Piles, on each side of the river, and would open up a vast field for colonization in that region.

The Government accepted the views of the engineer, Mr Vallée, in favor of adopting line Number 1—selected by the Great-Northern R'y Company,—in preference to the three other lines, to effect the proposed connection between the Lower-Laurentian and the Great-Northern Railways.

You, consequently, recommended the passing of an Order in Council, under No 428, on the 17th of August last, declaring that these plans are the most advantageous and that they will be approved, in accordance with the act 56 Vict., chap. 4, section 2, as soon as the Company interested shall obtain from the Legislature, at its next session, an amendment to the existing legislation, so that the extension of the Lower-Laurentian Railway will start 4 miles to the east of its present terminus at St-Tite Junction, and that the bridge,—which, under the present statute, has to cross the St-Maurice at Grand Piles,—will be built at the *Grand'Mère* Falls.

Since the passing of this Order in Council, and even before that date, Mr J. G. Scott, the secretary of the Great-Northern R'y Company, approached you several

times, in the name of the promoters of this great project of a short and direct line between Quebec and Parry Sound, to get the Government not to delay approving, by Order in Council, according to section 3 of the act 56 Vict., chap. 3, the transfer made to the Great-Northern R'y Co'y by the Lower-Laurentian R'y Co'y of the subsidies above mentioned as having been granted to the latter Company, in as much as the Great-Northern R'y Co'y considered that it had placed in your hands sufficient proof to establish, to the satisfaction of the Lieutenant-Governor in Council, that it had the means to build a first-class railway to connect the Lower-Laurentian R'y with the Great-Northern Ry, especially as the Great-Northern R'y Company had concluded arrangements with the Canada-Atlantic, the Ottawa, Arnprior, and Parry Sound and the Northern Pacific Railway Companies, by which the Presidents of these Companies, after resolutions adopted to that effect by their Board of Directors, were respectively authorized to amalgamate these railways and establish a direct transit line for carrying freight, without transshipment, from Duluth,—by water,—to Parry Sound, on Lake Huron, and thence,—by rail,—on their respective lines, passing by Ottawa, in an easterly direction, to connect with the Great-Northern, the Lower-Laurentian and the Quebec and Lake St-John Railways, to the port of Quebec, whence fast ocean steamers would take, without interruption, to Liverpool and to other markets all the produce brought from the West in a straight line.

Your attention was also called to the fact that the Great-Northern R'y Company had recently acquired all the rights of the Maskinonge and Lake Nipissing Railway Company in and to the subsidy which the Parliament of Canada had granted to the latter Company to aid in building its line. Mr Scott added that the Federal Parliament had, during the session of 1894, voted new subsidies to the Great-Northern R'y Company to a total amount of \$166,400.00 to be applied to the construction of the 52 miles not yet subsidized by the Federal Government on the sections to be built between the junction at St-Tite and the present terminus at Ste-Julienne, on a total length of 75 miles, to carry out the proposed connection between the Great-Northern and Lower-Laurentian Railways. These brought up the total of the Federal subsidies on this distance of 75 miles to \$240,000.00, apart from the Quebec subsidies to an amount of \$275,250.00 already affected to the construction of a length of 48 miles (including the bridge over the St-Maurice)—out of the 75 miles so to be completed between the two termini:—making a total of subsidies of \$515,250,—besides the debentures to be issued by the Great-Northern R'y Company on that length of 75 miles, at the rate of \$20,000 per mile,—equal to \$1,500,000,—and subscriptions to the capital-stock of the Company, being taken by the directors and share-holders, and by a great many wealthy and influential citizens of Quebec, by the city of Quebec itself and by New-York capitalists, who are all greatly interested in this undertaking.

Mr Scott and the promoters of this project also told you of the urgency of having the transfer of subsidies of the Lower-Laurentian R'y Company to the Great-Northern R'y Company approved by Order in Council, as the latter Company was about to make financial arrangements and sign a contract for commencing at once the

work for the construction of the extension of the Lower-Laurentian Railway and the proposed bridge over the St-Maurice river, below the *Grand'Mère* Falls, taking advantage of favorable season to prepare in advance the materials which had to enter into this double construction.

To all these representations of Mr Scott and of the promoters of this undertaking you replied by expressing your regret that you could not change the law, and that you could not now recommend the approval asked for the transfer of the subsidies in question on the proof laid before you of the resources of the two companies interested for the construction of the railway between the terminus of the Lower-Laurentian and the Great-Northern lines, as the available resources of the latter Company, and the proof which is required by the statute,—(section 3,)—was below the estimate made by the Government Engineer, which states that it requires \$15,000 per mile to build the whole of the line between the two termini, while the proof given by the Great-Northern R'y Company of all its resources for effecting the proposed connection between the two railways, showed it had available only the amount of the subsidies granted to these two companies by the Ottawa and Quebec Governments, which left a difference of \$682,446 to be covered by the two companies interested to show, in a satisfactory manner, that the Great-Northern R'y Company had all the necessary resources, as required by the statute, for effecting the proposed connection and establishing a regular service. Finally, you informed Mr Scott that, as soon as His Honor the Lieutenant-Governor in Council would have the proof required that the Great-Northern Railway Co'y have sufficient means for effecting the proposed connection between the two lines, the transfer of all the subsidies granted to the Lower-Laurentian R'y Company would be effected in favor of the Great-Northern R'y Company, and that this was the only question to be settled; adding that, if the latter Company obtained aid from the City of Quebec, you would, in that case, be disposed to make a favorable report on the transfer applied for, and propose the adopting of an Order in Council to help the Company in convincing its bankers that it really represented the Lower-Laurentian Railway Company in its rights to all these subsidies, and that, if such transfer had not yet been regularly effected, it was due to the letter of the law which required a proof of resources which you did not find satisfactory on the part of the Company interested.—(Vide here below in this Statement my remarks respecting the Great-Northern R'y Company.)—

#### "BAIE DES CHALEURS."

(Vide: 45 Vict., chap. 23, section 1, par. b; 51-52 Vict., chap. 91, section 12, 54 Vict., chap. 88, section 1, par. j, and 56 Vict., chap. 3, section 1).

On the two sections between the 60th and 80th miles built by Mr. M. J. Hogan, the contractor, there will shortly become due to him by the Treasury a sum of \$70,000 declared payable to him as the subsidy in land,—converted into money, at



on a total length of 33 miles, 18 miles of which have for some time been in running order between St-Jérôme and Ste-Julienne; and only 37 miles will remain to be built to reach the Lower-Laurentian Railway.

Several complaints having been made to this Department, in the winter of 1893-94, by some of the rate-payers of the parishes of Ste-Sophie and New-Glasgow, in connection with the irregular running, and even the stopping of regular trains on the portion of the railway opened for regular traffic between St-Jérôme, Ste-Sophie and New-Glasgow, to the great inconvenience of the travelling public and shippers of freight on this railway, you at once notified Mr J. G. Scott, the secretary and manager of the Great-Northern R'y Company, to take steps to have trains run regularly on this railway so as to give full satisfaction to all parties, especially as the parishes so neglected by the Company had generously subscribed in favor of the undertaking so as to enable its promoters to keep the line in regular running order. Your attempts to induce, and even to compel the Company to re-open that portion of this line to regular traffic had a favorable result. Mr Scott informed you, in February last, that the stoppage of the trains was due to the snow-plough having been damaged after heavy snow storms, but that the Company had made arrangements to have regular service about the 1st of March then next.

In fact, if the trains have not run with desirable regularity, it is not for want of the Company being called upon to comply with the provisions of law in that respect, in order to satisfy all those who had to complain and who have a right to expect from the undertaking all the advantages it is intended to realize.

I think, moreover, that the Company has every interest in maintaining an efficient and permanent service on that portion of its line between St-Jérôme and Ste-Julienne, and before long beyond the latter point, and that it will neglect nothing to give every satisfaction to the localities scattered along the line.

On the other hand, some claims were made against the contractors, Messrs Paquet and Powers, in connection with the default to pay workmen's wages and the price of provisions, materials, etc., in connection with the construction of the 10 miles to be completed from Ste-Julienne station. You notified the Company that the contractors were to take steps to satisfy these claims, provided they were founded. Messrs Paquet and Powers at once assured you that they would settle without delay all the debts for which they were legally responsible.—(Vide Statement No 1 above.)

#### GREAT-EASTERN.

By the act 57 Vict., chap. 5, section 4, the sum of \$73,300.75, forming the balance available on the subsidy of \$4,000 per mile given by the act 49-50 Vict. chap. 77, sect. 5, for the construction of its railway, was declared lapsed, subject to the rights which might be granted to Mrs widow Duchesnay, who claims from the Government, as representing the rights of her late father, Mr Orlco Tolu.

1894

the sum of \$16,566.66, in capital and interest calculated up to recently, in payment of the balance of \$11,666.66, in capital with interest, on the \$26,666.66 of advances which the Bank of Montreal had made to the Company on notes signed or endorsed by Messrs James Cooper, C. Tétu and Cléophas Beausoleil, with the object of assisting the completion of this railway between St-Grégoire and Nicolet, on a distance of  $6\frac{1}{2}$  miles, and for the security of which advances the Company had, at the time, made a regular transfer,—which was then served upon the Treasury Department,—of the \$25,000 of subsidy which was to become due to that Company, or its representatives, on the same section when it would have completed the same,—which has since happened;—the Bank of Montreal having received from the Treasury only \$15,078.68 on account of the said \$25,000 so transferred, and the balance of the latter sum having been employed by the Honorable Mr Mercier's Government in paying privileged claims outstanding on that section.

The law officers of the Crown,—to whom all the papers respecting this claim have been referred,—are studying the question, and their decision is awaited as to whether Mrs Duchesnay's rights and claims are well founded. If the decision is favorable to the claimant, provision will have to be made in the next estimates of the Province to pay Mrs Duchesnay the amount, in capital and interest, which may be adjudged her. The same will have to be done with respect to the \$32,000 claimed from the Treasury by the Union Bank of Canada, at Quebec, in order that the Treasury Department may meet the obligation contracted towards that Bank,—which advanced that sum to the Company,—by the "ex-Premier," the Honorable Mr Mercier, according to a letter which he wrote to that Bank, in which he stated that a proportion of that subsidy had, at the time, been earned by the Company on the then uncompleted section between Nicolet and "St-Thomas de Pierreville."

If this balance of subsidy,—formerly granted to this railway,—has been declared lapsed, it is due to the fact that the Company did not continue, without interruption or in proper time, the building of its line on the section remaining to be completed between Nicolet and "St-Thomas de Pierreville,"—or the river St-Francis, on a distance of about  $15\frac{1}{2}$  miles, and between St-Grégoire,—where it joins the Grand-Trunk Railway,—and Bécancour and Gentilly, on a distance of about 4 miles.

The sections already built on this railway, which have received from the Treasury the proportion of subsidy due them, extend from the village of Yamaska to St-Francis river, on a distance of a little over 6 miles, and between the town of Nicolet and St-Grégoire, on a distance of about 7 miles; but, as these two sections have not yet been worked, and, on the contrary, as the rails have been taken up from a portion of the road, there is no reason to expect that the Company will replace its line in good running order, unless the South Shore Railway Company,—which is about to acquire,—if it has not already done so,—the rights of the Great-Eastern R'y Company in that railway and in the subsidies which may still accrue to it, does not avail itself of the advantages conferred upon the former Company by the act 57 Vict., chap. 5, section 3, by permitting it to complete the arrangements which it proposed to make

As I mentioned in Statement No 1 the Company is rapidly pushing on the construction of the last sections of its subsidized line, which it hopes to be able to complete and open to traffic, as well as the first 19 miles already completed, at the end of December next, and if not, in June 1895.

(Vide: Statement No 1 above.)

### THE GREAT-NORTHERN.

The sections which this Company is building cover —

1o A length of 10 miles from a point at its present terminus, near Ste-Julienne to the eastern end of the 28th mile from St-Jérôme, passing a mile and a-half to the south of Montcalm, and a mile to the north of St-Liguori; and—

2o A distance of 5 miles from the eastern extremity of said 28th mile to that of the 33th mile from St-Jérôme, and thence, in an easterly direction, to a point north of the town of Joliette, to join the branch between Joliette and "St-Félix de Valois"—operated by the Canadian Pacific R'y Company.

On these two sections of 10 and 5 miles the Company will be entitled to receive from the Treasury, when they are completed to the satisfaction of the Government Engineer, in virtue of the contract and specifications made and signed between the Government on the 30th March, 1894, in accordance with the act 56 Vict., chap. 4, sections 2 and 3, and in conformity with the plans, profiles and estimates which it had deposited with this Department according to law, and the approval of which had been given by Order in Council passed, under No 75, on the 9th of February, 1894, out of the subsidy in land—(1st 35 cents)—granted for the continuation of this railway by the acts 49-50 Vict., chap. 77, section 8, par. 1, 51-52 Vict., chap. 91, section 6, par. c., and 54 Vict., chap. 88, section 1, par. g., that is to say :—

1.—On the 10 miles section :—

A proportion of subsidy—(1st 35 cts)—amounting to.....\$ 36,656.96

2.—On the five miles section :—

A proportion of subsidy—(1st 35 cts).—amounting to..... 15,843.04

Total..... \$52,500.00

The Company has entered into a contract with Messrs Paquet and Powers, the contractors so well-known as railway builders, for the completion of these first 10 miles about the beginning of November next—(1894), in consequence of the activity displayed in the performance of the work done on this section.

As to the other five miles, they will, without doubt, be completed on or about the 1st June 1895, which is the date specified in the contract for the completion of these 15 miles.

When these two additional sections are completed, St-Alexis, Montcalm, St-Liguori and the adjoining localities shall be connected with St-Jérôme by railway



vicinity of Lake St. John is reached passes through a mountainous and rocky country offering little chance of agricultural development except in isolated and limited areas. Apart, therefore, from the product of the timber limits and mills the main source of local traffic in this region is the conveyance of sportmen, tourists and their supplies. So far as could be observed the various features of the lumbering industry are declining rather than otherwise, and the prospects for local traffic are not promising.

The Lake St. John region has become excellently well settled in the last few years and evidence of a thriving agriculture are abundant. Up to the present the railway is being regularly operated to Roberval but the line is being extended westward. The country in this direction will absorb a large settlement and will richly repay future development. Although much has been done, it is quite evident that the possible development of the Lake St. John littoral is rather in its beginning than otherwise. Apart from the still large and fertile agricultural area yet to be occupied, this region will be the source of supply for an indefinite expansion of the lumber and pulp industry extending far up the tributaries of Lake St. John, such as the Peribonka, Mistassini and Ashapmouchouan. All of this will yet afford great traffic possibilities to the Quebec & Lake St. John Railway, for which, however, there is likely to be some competition, as noted in a further report.

Another branch line leads from Chambord Junction to Chicoutimi. This passes through much good agricultural country, with several thriving towns and villages. With the great industrial and commercial development proceeding at Chicoutimi, Jonquieres, Kenogami and Ouatouchouan, this portion of the railway should be profitable in operation, but a portion of the traffic is competed for by water carriage, and may yet be further diverted by rail. The line of the Quebec & Lake St. John Railway, traversing a difficult country in general, has heavy grades and sharp curves, not to such an extent as to make operation dangerous, but the cost must necessarily be greater.

The rolling stock of the railway appears to be well adapted to its permanent way and traffic, and in neat and serviceable condition. The stations and other buildings are generally sufficient for all purposes, but are in instances in need of paint and lacking in appearance. The Commission issued several directions respecting platforms and the like,

RESPECTING THE QUEBEC AND LAKE ST. JOHN RAILWAY  
COMPANY.

No. 800.

The Honorable Commissioner of Public Works, in a report dated the 14th December instant (1888), sets forth that, at the request of Mr. J. G. Scott, the secretary and manager of the said Company, on the 14th November last, an inspection was made by the Government Engineer of the sections hereinafter

That in his report of the 9th inst., Mr. A. L. Light, one of the engineers attached to his department, stated that, in obedience to the instructions received by him, he had inspected the following sections, viz:

From the end of the 170th mile to Chambord Junction in the parish of La Pointe-aux-Trembles.....	2.84 miles
From the said Junction to Metabetchouan.....	4.87 "
From the same Junction to Roberval.....	13.57 "
Total.....	21.28 miles

That in his report of the 6th August last he stated that he had already inspected the two first of the above three sections; a wharf and freight shed had been built on the bank of the Metabetchouan river and the sidings, &c., required for traffic had also been since built on the said branch; that all the works and constructions were completed in a very satisfactory manner on the three afore-said sections, including:

1. Ballasting with the same excellent quality of gravel on the Roberval section on which the track has been protected wherever necessary;
2. The bridge on the Ouiatchouan River, built of limestone taken from the quarry at Pointe-aux-Trembles, and comprising three spans of 60 feet, with steel pointed beams, resting on two piers and two abutments of first class masonry, the whole being a first class construction which does honor to all concerned;
3. A passenger station, nearly finished, at Roberval, and a large freight shed which was full of freight at the date of the inspection; also a water tank with a capacity of 21,200 gallons, a steam pump and boiler and all necessary appliances in the centre of the village;
4. Extra tracks and sidings in sufficient number for the present requirements of the traffic, ample space having been left in the yard for several other tracks when required; that the line beyond Roberval has been pushed on in a north-easterly direction to the shore of the lake, to effect a connection with navigation, so that the passengers, settlers and freight destined for the parishes around the lake and the rivers which fall into it may be transported in the "Peribonca" built by the Company; that this steamer is intended to run in connection with the trains, from Roberval to St. Prime, St. Felicien, St. Methode and also Normandin, Peribonca and other more distant places, so that it will be of great advantage to the settlement of this region;

That, in a supplementary report submitted by Mr. A. L. Light on the 12th of this month, the said engineer states that he has again had occasion to inspect the work done by the Company on the branch between Chambord Junction and Roberval, and that this has enabled him to ascertain the exact distance between the said junction and the terminus of the branch to reach deep water on the

shore of Lake St. John at Roberval, and that the distance is 13.67 miles instead of 13.57 miles, as stated in his previous report, between the junction and Roberval station; that to the said distance of 13.67 miles must be added the 1,000 additional feet of track which the Company has laid on a length of 19-100 of a mile, as appears by the sketch annexed to such supplementary report, which length the said engineer considers as forming part of the Roberval branch, as being on the main line between Roberval and Chicoutimi, and that the work on such branch, with the exception of a few unimportant works which were not completed when the engineer made his previous report, but which have since been, if not entirely, at least in great measure, completed by the Company for a distance of 14 miles, except a small fraction of a mile between the junction and the terminus at deep water at Roberval, including the north side and the base of the triangle made by the line at Chambord Junction;

That by the Act 51-52 Viet., chap. 91, section 1, sub-sections *a* and *b*, there was granted to the Company a subsidy of 10,000 acres per mile, for a distance of 14 miles for that part of its road between Pointe-aux-Trembles (in which parish Chambord Junction is situated) and Roberval, and after that section has been completed, a subsidy of \$5,000 and 5,000 acres per mile for the branch from Pointe-aux-Trembles, or Chambord Junction, to Metabetchouan, a distance not exceeding fourteen miles;

That the Company has, under the order in council, passed on the 3rd September last, No. 533, converted into money its land subsidy granted to it by the aforesaid statute under the authority of section 14 of the same statute;

That, by an order in council, passed on the 3rd September last, No. 534, there was paid by the Treasury to the Company a sum of \$35,000, stated to be the total amount of the land subsidy, converted into money payable to it for 10,000 acres per mile, at the rate of 35 cents per acre:

1. For the same completed section of 2.84 miles from the end of the 170th mile to Chambord Junction;

2. For a section of 7.16 miles completed from Chambord Junction to beyond the bridge on the River Ouïatchouan in the direction of Roberval, a distance of 10 miles;

That in a letter written subsequently to the last order in council and dated the 20th September last, the Secretary of the Company stated that, with reference to the \$35,000 subsidy so paid it under the order in council lastly mentioned, the Company has ascertained that since the subsidy of 10,000 acres per mile granted by the said sub-section *a*, shall not apply to the 2.84 miles completed from the extremity of the 170th mile to Chambord Junction, because, amongst other reasons, the said section of 2.84 miles should form part of the 14 mile branch mentioned in sub-section *b*, between Pointe-aux-Trembles or Chambord Junction and Metabetchouan, to which latter section there was granted by sub-

section *b* a subsidy of \$5,000 and 5,000 acres per mile ; while by placing these 2.84 miles between Chambord Junction and Roberval under sub-section *a*, the Company would be entitled (as in fact it has been paid) under the last mentioned order in council, only to 10,000 acres per mile, which makes a reduction on the amount which it should have received under the same order in council for the said 2.84 miles as forming part of the branch between Chambord Junction and Metabetchouan at the rate of \$5,000 and 5,000 acres per mile (at 35 cents per acre) of \$9,230 which the Company claims to be lawfully due to it and asks payment thereof ;

That, according to the above statements of the Government Engineer in his aforesaid two reports, the Company had completed its works and constructions (less a small fraction and some important works, since completed) on the aforesaid three sections, which are stated to be in good working order and already open for traffic ;

Considering, moreover, that in the aforesaid letter of Mr. Scott, dated the 20th September last, it is established that owing to the fact that the divergent points of the Roberval and Metabetchouan branches at the end of the 170th mile are in the parish of Pointe-aux-Trembles, and owing to the point of junction of the railway being further east on Lake St. John than it was originally intended to have been, the length of the section between the junction and Roberval has been increased, while that of the section between the junction and Metabetchouan has been decreased, reducing the latter to a length of 7.71 miles instead of 14 miles which it was to have been under the terms of the aforesaid sub-section *b* of the statute ;

Therefore, the Honorable Commissioner recommends that, out of the Consolidated Railway Fund, there be paid by the Treasury, to the company or its representatives :

1. A sum of thirty-eight thousand five hundred and fifty dollars (\$38,550) representing the total money subsidy of \$5,000 per mile granted by the said sub-section *b* for the distances so completed of 2.84 miles and 4.87 miles, in all 7.71 miles of the branch between Chambord and Metabetchouan ;

2. The sum of thirteen thousand four hundred and ninety-two dollars and fifty cents (13,492.50) representing the total land subsidy of 5,000 acres per mile, converted into money at 35 cents per acre, which is due and payable to the said Company under the said sub-section *b* for the same completed distance of 7.71 miles between Chambord Junction and Metabetchouan ;

3. The sum of forty-nine thousand dollars (\$49,000) representing the total subsidy of 10,000 per mile, converted into money at 35 cents per acre, which is due and payable to the said Company under the aforesaid sub-section *a* for the 14 completed miles less a small fraction, viz., 14-100 of a mile on the section from Chambord Junction to Roberval, the three sums together forming a total

of one hundred and one thousand and forty-two dollars and fifty cents (\$101,042.50) to which the Company is entitled, less:

1. The sum of four hundred and ninety dollars (\$490.00) representing, at \$3,500 per mile, at 35 cents per acre, the land subsidy converted into money for the 14 100 of a mile not completed on the 14 mile section from the junction to the terminus at Roberval;

2. The sum of thirty-five thousand dollars (\$35,000) already received by it from the Treasury under the said order in council, No. 534, dated the 3rd September last;

3. The sum of four hundred and twenty-five dollars (\$425.00) which is claimed by Mr. Light, the Government Engineer, for his fees and expenses in connection with his last inspection and report on the railway;

Leaving a balance payable to the Company, or its representatives, of sixty-five thousand one hundred and twenty-seven dollars and fifty cents (\$65,127.50);

So that the Company is, by the said reduction of \$35,000 and the payment of the said balance, repaid the difference of \$9,230 claimed by it as aforesaid.

Certified,

GUSTAVE GRENIER,

*Clerk Executive Council.*

Copy of the Report of a Committee of the Honorable the Executive Council dated the 24th December, 1888, approved by the Lieutenant-Governor on the 5th January, 1889,

# RESPECTING THE ST. LAWRENCE AND NORTH-WESTERN RAILWAY COMPANY.

No. 2.

The Honorable Commissioner of Public Works, in a report dated the 24th December instant (1888), sets forth:

That a letter dated the 25th July, 1887, was sent by the Honorable Premier to Mr. J. N. Bureau, the President of the Three Rivers and North-Western Railway Company (now the St. Lawrence and North-Western), stating the Government intended to submit a measure at the following session for the purpose of granting to the said Company a subsidy of 10,000 acres of land per mile for a distance of 66 miles, and moreover to advance it \$75 per mile for each of such 66 miles for costs of exploration, as soon as the Legislature should have voted such subsidy, and the Company should have declared its option in favor

## APPENDIX " D "

### Report of Railway Inspection upon the Quebec and Lake St. John Railway Company by Commission.

The Commission spent three days in making an inspection of this line and its branches. The main line from Quebec to La Tuque Junction and the line from there to La Tuque was inspected July 17th. The general condition of the permanent way was fairly satisfactory, but it was evident that a large number of sleepers needed replacing and the condition of various culverts and smaller bridges required attention. The defects were noted in detail and a copy of the report made by the Commission sent to the Company. The recommendations and requirements of the Commission have been complied with and the work required to be done has been carried out. The iron from Quebec to near La Tuque Junction is seventy pounds in weight and in good order; the balance of the roadway is laid with fifty-six pound rails also in good order. The branch line from La Tuque Junction to La Tuque is of better construction than the main line, the bridges being generally of steel resting on stone abutments. This line passes through a wild, rough country, most of it cut over and lightly timbered. The local traffic in freight is mostly made up of pulp and fuel timber, neither in any great quantity, also the requirements of sportsmen and campers visiting the various fishing and shooting grounds. Of settlement or the chances of settlement there is little or none. The main traffic of the railway comes from the lumbering and other industrial activities at La Tuque and its vicinity. This town, with a population of three or four thousand persons, will have direct and shorter railway connection with Quebec by means of the main line of the Transcontinental, when that railway goes into operation. This new and direct line of first class construction and with its thorough service is certain to be a most formidable competitor for the traffic offering to and from La Tuque and vicinity.

The main line of the railway after leaving Allen's Mills until the