

SELECT COMMITTEE ON QUEBEC BRIDGE

REPORT

HOUSE OF COMMONS,

WEDNESDAY, July 15, 1908.

The Select Committee of the House of Commons appointed for the purpose of investigating the conditions and guarantees under which the Government of Canada paid moneys to the Quebec Bridge and Railway Company, and endorsed or guaranteed the bonds of the said company, and what measures were adopted by the Government of Canada to ensure the preparation of suitable plans of construction and the proper execution of the same and what security the Government at present possesses for the sums already received by and guarantees given to the Company, beg leave to present the following Report, viz. :—

1. The Quebec Bridge Company was incorporated in 1887 for the purpose of constructing a bridge across the St. Lawrence River, at or near Quebec City. By subsequent legislative Acts the Company's charter was revised and amended, and by Chapter 177 of the Statutes of 1903, the name of the Company was changed to the Quebec Bridge and Railway Company.

2. In 1889, a subsidy of one million dollars was voted by the Parliament of Canada to the Quebec Bridge and Railway Company, towards the construction of the bridge. Of this subsidy, \$374,353 was eventually disbursed to the Company. The sum of \$250,000 was granted as a subsidy to aid the construction of the bridge, by the Government of the Province of Quebec, and \$300,000 by the City of Quebec for the same purpose.

3. In 1900 the Quebec Bridge and Railway Company entered into a contract with M. P. Davis, for the construction of the substructure, and in 1903, it entered into a contract with the Phoenix Bridge Company, of Pittsburg, U.S.A., for the construction of the superstructure.

The plans and specifications of both were approved by the Department of Railways and Canals of Canada, by C. S. Schreiber, its Chief Engineer.

4. On October 19, 1903, an agreement was entered into, between the Government of Canada, and the Quebec Bridge and Railway Company, which said agreement is fully set out as a schedule to Chapter 54 of the Statutes of Canada for 1903, which Act confirmed said agreement, whereby *inter alia*, the Company released any claim to the unpaid balance of the subsidy of one million dollars voted in 1899, and the Government of Canada, agreed to guarantee the payment of the principal and interest of the bonds, debentures or other securities of the Company, the amount not to exceed \$6,678,200, which amount was considered necessary to liquidate the liabilities of the Company as of that date and complete the construction of the bridge.

The Company was also obliged under the agreement, to procure a surrender of the stock of the Company held by subscribers, and which had not been fully paid, and to deliver in substitution therefor fully paid stock for the amount actually paid on such shares, and which amounted to \$65,585.70.

The Company by this agreement also undertook to procure subscribers for additional stock, to the amount of \$200,000, which was to be fully paid prior to the issue of any bonds bearing the Government guarantee.