

the different furtrading companies. By degrees however the lumbermen, the great pioneers of settlement in Northern countries, from the River St. Maurice, on one side, and the Saguenay on the other, began to find their way into this country. Reports of the great fertility of the soil reached the older settlements, and farmers commenced to establish themselves on the shores of Lake St. John, a large sheet of water 100 miles from Quebec, from which the Saguenay flows, and, to a lesser extent, on the River St. Maurice and its tributaries. Notwithstanding the great distance from markets, and the difficulty of communication, the Lake St. John settlements flourished and increased, and the people of Quebec began to realize that their back country, so long unknown, was valuable.

In 1854 a company was formed in Quebec, under the name of the Quebec Northern Railway, called later the Quebec and Saguenay Railway, for the purpose of building a railroad—a thing then almost unknown in Canada—from Quebec to the River St. Anne, with the intention of extending it to Lake St. John. The project, however, after making some progress in the way of surveys, location, &c., fell through, and nothing further was done, with the exception of gaining information by means of Government explorations until 1868, when the question was again agitated by a number of prominent gentlemen, and in 1869 the Quebec and Gosford Railway Company was incorporated by the Legislature, for the purpose of building a line from Quebec, in the direction which a road must take to reach Lake St. John, to the township of Gosford, a distance of 26 miles.

The Company was organized under the presidency of Mr. H. G. Joly, M. P. P., and a board of direction composed of some of the best men in Quebec. The Provincial Government gave a subsidy of \$1,710 per mile, the City of Quebec subscribed \$10,000 of stock, and the subscriptions from private individuals—afterwards increased, from time to time, by several prominent merchants in the most generous manner—were liberal; but the means at the disposal of the Company were insufficient to build an ordinary iron road, so it was decided to lay wooden rails, and replace them with iron, when the traffic justified its being done.

The contract was given to Mr. J. B. Hulbert, a gentleman who had constructed a similar road in the United States,