

# VALLEY RAILWAY BILL BROUGHT DOWN IN HOUSE

## With Facts and Figures Hon. Mr. Murray Shows Why West Side Route Should Be Adopted

(Continued from page 1)

In the year 1907 a bill was brought into the legislature to provide aid towards construction of such a road as in view of all the criticism now being offered against a line along the western side of the river it was interesting to observe what the then government had in mind. The line that Hon. Mr. Pugsley, for it was he who brought in that bill, referred to was to be built from either Woodstock or Centreville to the city of Fredericton and thence on to the city of St. John or to a point at or near Westfield on the C. P. R. When that legislation was brought down it was not thought that the interests of St. John would suffer as it appears to be thought today when a similar proposal was being made. That road was to be constructed for the benefit of Messrs. Mackenzie and Mann which was the company that Mr. Pugsley hoped to be able to get to operate it and because that was what they desired. Later when this government proposed to cross the river and take the railway into St. John by the east side it was because the Transcontinental wanted it to run that way. That project, however, was interrupted because nobody realized that the crossing of the St. John river meant as gigantic a proposition as it proved to be and now that the Transcontinental is not being operated by the Grand Trunk Pacific the government desired to offer the same facilities to the Canadian government railway which controlled that traffic under present conditions. He next came to the question of cost of the railway as built up to the end of February last including completed sections from Gagetown to Centreville. The statement of distribution of cost showed that the section from Gagetown to Fredericton had cost \$1,148,310.45, the section from Fredericton to Woodstock \$2,408,988.88, from Woodstock to Centreville \$914,218.01. The total expenditure on completed lines from Gagetown to Centreville was thus \$4,469,517.34. This section was 129.2-1/2 miles in length, which made the average cost \$37,153.18 per mile. There had also been expenditures on uncompleted line south of Gagetown amounting to \$45,485.82 and north of Centreville of \$67,735.03, which brought gross expenditure up to \$4,582,738.16.

In this connection, at this time, when it was being alleged that money was being squandered on the St. John Valley Railway project, and that much of the money out of the project was not going into the road at all, it was interesting to refer to the case of the N. T. R., but before doing so in detail he would like to point out to the House and to the country, that of all the independent auditors who had been engaged in going over books of the Valley Railway, not one has been able to find one dollar which has not properly gone into cost of the railway. At the same time, in consistent cost, that a railway could be built there at a lower cost than via the Valley route. He wished to quote from the report of commission which investigated the cost of the N. T. R. Under head

ing "Design of railway" this report stated that the "Railway was designed in 1897. Its standard was decided on without any knowledge whether it was suitable for the country and on assumption as to business expected, which were unwarranted."

Then under preliminary estimates of cost this report stated, "when the bill for construction of the railway was being discussed in the House of Commons the Hon. Mr. Fielding, then minister of finance, stated that he had been advised by experienced railway men that the cost of such a railway from Quebec to Winnipeg, 1,344 miles, would be \$35,000 per mile, or \$47,040,000, and from Moncton to Quebec, 460 miles, at \$31,350 per mile, or \$14,420,000. Total \$61,460,000."

The cost of 235 miles of road in New Brunswick had been \$18,865,960, or \$71,770 per mile. There had been 20 criticism by the press who were now knowing about the Valley Railway over the state of affairs which was shown to exist in connection with the National Transcontinental Railway, instead there was nothing but commendation tendered the builders and the government responsible was applauded as doing something which was highly in the public interest."

Every item of construction of the Valley Railway had cost less than the Transcontinental, and in this connection it would be well to remember that specifications for the Valley Railway from Fredericton to St. John were the same as on the Transcontinental, and north of Fredericton were the same as the Transcontinental on the matter of grade and curvature, the valley road having a maximum of one per cent. grade and Transcontinental four-tenths of one per cent. running east and six-tenths of one per cent. running west, a total of one per cent. grade. The investigating commission further reported as follows:

"Method of inviting tenders. Rules adopted by commission in advertising for tenders, unlimited security required to be furnished by contractors and proposal to let work for most part in unreasonably large sections, resulted in only five contractors tendering for the work of railway and eleven contracting firms secured all work sub-contracting. It is upwards of 100 sub-contractors who, had the work been divided into reasonably large sections and security required in other governmental contracts only been exacted, would have in all probability completed in bidding. As an indication of handsome profits derived by these contractors it appears that they were paid \$8,800,000 in profits for that part of their work which they sublet to contractors."

"Method of awarding contracts. Contracts for sections No. 8, 150 miles; No. 18, 75 miles; and No. 21, 245 miles; which are estimated to cost \$8,351,000; No. 18, \$2,100,000, and No. 21, \$10,000,000 were not let and to lowest tenderers, and we believe that in at least two or three cases advance information as to established quantities were made use of by successful tenderers. Contracts Nos. 16 and 17, M. P. and J. T. Davis were, improperly allowed to sell at a profit to themselves of \$740,000."

"Classification. Classification prescribed in contracts was ignored and contractors were overpaid \$3,300,000."

on improper classification.

"Solid Rock. A new sub-classification of solid rock, called 'assembled rock' which is described as follows: 'Tramways of rock cemented together by interstitial material,' was improperly introduced after contracts were signed, and though \$1,355,351 was paid for 'assembled rock' there is no material on the line which can possibly be marshalled under the head, and that material which was described as 'assembled rock' should have been classified as 'loose rock' or as common excavation."

"Ploughable clay; about 1,317,940 yards of ploughable clay on contracts 14, 15 and 16 in New Ontario which should have been classified as common excavation were classified as loose rock resulting in a loss of \$7,500,000."

"Overbreak. Overbreak, that is to say, rock taken out beyond sections of intended excavation. On this line it exceeded forty per cent. Engineers first certified that all overbreak, amounting to 694,878, should be paid for by contractors reduced their returns by \$500. We find that the reduction should have been \$677,866.59 more than it was."

"Grades; had momentum grades been adopted as is the usual practice in high class modern railway construction, they would have in no way impaired the usefulness of the railway, or increased its cost of operation, or reduced its hauling capacity and \$6,200,000 might and should have been saved."

"Chipman Grade; on the New Brunswick section there are at least 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100, 101, 102, 103, 104, 105, 106, 107, 108, 109, 110, 111, 112, 113, 114, 115, 116, 117, 118, 119, 120, 121, 122, 123, 124, 125, 126, 127, 128, 129, 130, 131, 132, 133, 134, 135, 136, 137, 138, 139, 140, 141, 142, 143, 144, 145, 146, 147, 148, 149, 150, 151, 152, 153, 154, 155, 156, 157, 158, 159, 160, 161, 162, 163, 164, 165, 166, 167, 168, 169, 170, 171, 172, 173, 174, 175, 176, 177, 178, 179, 180, 181, 182, 183, 184, 185, 186, 187, 188, 189, 190, 191, 192, 193, 194, 195, 196, 197, 198, 199, 200, 201, 202, 203, 204, 205, 206, 207, 208, 209, 210, 211, 212, 213, 214, 215, 216, 217, 218, 219, 220, 221, 222, 223, 224, 225, 226, 227, 228, 229, 230, 231, 232, 233, 234, 235, 236, 237, 238, 239, 240, 241, 242, 243, 244, 245, 246, 247, 248, 249, 250, 251, 252, 253, 254, 255, 256, 257, 258, 259, 260, 261, 262, 263, 264, 265, 266, 267, 268, 269, 270, 271, 272, 273, 274, 275, 276, 277, 278, 279, 280, 281, 282, 283, 284, 285, 286, 287, 288, 289, 290, 291, 292, 293, 294, 295, 296, 297, 298, 299, 300, 301, 302, 303, 304, 305, 306, 307, 308, 309, 310, 311, 312, 313, 314, 315, 316, 317, 318, 319, 320, 321, 322, 323, 324, 325, 326, 327, 328, 329, 330, 331, 332, 333, 334, 335, 336, 337, 338, 339, 340, 341, 342, 343, 344, 345, 346, 347, 348, 349, 350, 351, 352, 353, 354, 355, 356, 357, 358, 359, 360, 361, 362, 363, 364, 365, 366, 367, 368, 369, 370, 371, 372, 373, 374, 375, 376, 377, 378, 379, 380, 381, 382, 383, 384, 385, 386, 387, 388, 389, 390, 391, 392, 393, 394, 395, 396, 397, 398, 399, 400, 401, 402, 403, 404, 405, 406, 407, 408, 409, 410, 411, 412, 413, 414, 415, 416, 417, 418, 419, 420, 421, 422, 423, 424, 425, 426, 427, 428, 429, 430, 431, 432, 433, 434, 435, 436, 437, 438, 439, 440, 441, 442, 443, 444, 445, 446, 447, 448, 449, 450, 451, 452, 453, 454, 455, 456, 457, 458, 459, 460, 461, 462, 463, 464, 465, 466, 467, 468, 469, 470, 471, 472, 473, 474, 475, 476, 477, 478, 479, 480, 481, 482, 483, 484, 485, 486, 487, 488, 489, 490, 491, 492, 493, 494, 495, 496, 497, 498, 499, 500, 501, 502, 503, 504, 505, 506, 507, 508, 509, 510, 511, 512, 513, 514, 515, 516, 517, 518, 519, 520, 521, 522, 523, 524, 525, 526, 527, 528, 529, 530, 531, 532, 533, 534, 535, 536, 537, 538, 539, 540, 541, 542, 543, 544, 545, 546, 547, 548, 549, 550, 551, 552, 553, 554, 555, 556, 557, 558, 559, 560, 561, 562, 563, 564, 565, 566, 567, 568, 569, 570, 571, 572, 573, 574, 575, 576, 577, 578, 579, 580, 581, 582, 583, 584, 585, 586, 587, 588, 589, 590, 591, 592, 593, 594, 595, 596, 597, 598, 599, 600, 601, 602, 603, 604, 605, 606, 607, 608, 609, 610, 611, 612, 613, 614, 615, 616, 617, 618, 619, 620, 621, 622, 623, 624, 625, 626, 627, 628, 629, 630, 631, 632, 633, 634, 635, 636, 637, 638, 639, 640, 641, 642, 643, 644, 645, 646, 647, 648, 649, 650, 651, 652, 653, 654, 655, 656, 657, 658, 659, 660, 661, 662, 663, 664, 665, 666, 667, 668, 669, 670, 671, 672, 673, 674, 675, 676, 677, 678, 679, 680, 681, 682, 683, 684, 685, 686, 687, 688, 689, 690, 691, 692, 693, 694, 695, 696, 697, 698, 699, 700, 701, 702, 703, 704, 705, 706, 707, 708, 709, 710, 711, 712, 713, 714, 715, 716, 717, 718, 719, 720, 721, 722, 723, 724, 725, 726, 727, 728, 729, 730, 731, 732, 733, 734, 735, 736, 737, 738, 739, 740, 741, 742, 743, 744, 745, 746, 747, 748, 749, 750, 751, 752, 753, 754, 755, 756, 757, 758, 759, 760, 761, 762, 763, 764, 765, 766, 767, 768, 769, 770, 771, 772, 773, 774, 775, 776, 777, 778, 779, 780, 781, 782, 783, 784, 785, 786, 787, 788, 789, 790, 791, 792, 793, 794, 795, 796, 797, 798, 799, 800, 801, 802, 803, 804, 805, 806, 807, 808, 809, 810, 811, 812, 813, 814, 815, 816, 817, 818, 819, 820, 821, 822, 823, 824, 825, 826, 827, 828, 829, 830, 831, 832, 833, 834, 835, 836, 837, 838, 839, 840, 841, 842, 843, 844, 845, 846, 847, 848, 849, 850, 851, 852, 853, 854, 855, 856, 857, 858, 859, 860, 861, 862, 863, 864, 865, 866, 867, 868, 869, 870, 871, 872, 873, 874, 875, 876, 877, 878, 879, 880, 881, 882, 883, 884, 885, 886, 887, 888, 889, 890, 891, 892, 893, 894, 895, 896, 897, 898, 899, 900, 901, 902, 903, 904, 905, 906, 907, 908, 909, 910, 911, 912, 913, 914, 915, 916, 917, 918, 919, 920, 921, 922, 923, 924, 925, 926, 927, 928, 929, 930, 931, 932, 933, 934, 935, 936, 937, 938, 939, 940, 941, 942, 943, 944, 945, 946, 947, 948, 949, 950, 951, 952, 953, 954, 955, 956, 957, 958, 959, 960, 961, 962, 963, 964, 965, 966, 967, 968, 969, 970, 971, 972, 973, 974, 975, 976, 977, 978, 979, 980, 981, 982, 983, 984, 985, 986, 987, 988, 989, 990, 991, 992, 993, 994, 995, 996, 997, 998, 999, 1000.

ent to push construction of a connection with St. John at the earliest moment, in order to get through traffic between the Transcontinental Railway and that port, thus increase the gross earnings and reduce liabilities of the province for bond interest on the line broadly built. The management of the C. P. R. having to pay operating expenses are, of course, vitally interested and for their own information obtained reports on governing features of the alternative routes through their own engineering department and from Mr. C. N. Montserrat which confirms information previously obtained from the St. John Railway Company. Mr. C. B. Brown, chief engineer of government railways, has supplied the following figures:

Gagetown to Westfield, 41.54 miles, costing \$2,837,000, not including cost of St. John river bridge.

Gagetown to Westfield, 37.50 miles, costing \$1,580,000.

Distance in favor of Westfield route, \$707,000.

Comparing the two routes to St. John, Mr. Brown makes mileage, Gagetown to Union Depot, St. John, via Westfield, 52.20 miles, via Rothesay, 52.20 miles further. "In comparing the two routes it will be noted that the mileage is practically the same as well as the rise and fall and nature, so that there will be very little difference in cost of operation of these two routes, except for heavy maintenance and operating charges of bridges on bridge route."

Mr. Montserrat reports an increase of \$1,150,000 and time required to build it at least two years.

He mentions the sum of \$12,000 as annual cost of maintenance and operation of this bridge and concludes by saying: "I would have no hesitation in recommending adoption of Westfield route."

By Westfield route there would be about 4.00 miles less railway to build and about \$700,000 less burden for the province to assume, in capital expenditure on which annual charge in interest alone would be \$35,000. Besides these advantages, the fact that St. John can be obtained probably twelve months sooner than by the Rothesay or bridge route.

St. John's Problem.

The problem before the City of St. John is, therefore, not grade, curves and distances on the Valley Railway but to increase and modernize their shipping facilities, to endeavor to secure access to and benefit of these facilities for all railways running there, and to abolish any local charges that add to expense of handling traffic.

The routing of the Valley Railway down the west side of the St. John river to St. John will help in accomplishing these aims. It will permit the Intercolonial railway to have access to docks at West St. John, provide additional bridge accommodation across the St. John river at St. John and abolish toll charges (50 cents per ton now in effect over present railway bridge).

Ideal development of railway traffic between Westfield and St. John which would greatly facilitate movement of traffic for both C. P. R. and government railways would be construction of the second track which would be better grades eastbound to be used for all westbound business which would be equivalent to double track for both railways.

In connection with the Canadian Government Railway scheme of development an important feature is a proposed extension from a point on the Valley Railway between Fredericton and Centreville to a point on the Maine border. This extension has been referred to in correspondence from Mr. Guellet to the Minister of Railways at Ottawa and it is believed that this will have an important bearing on the future, not only of the Intercolonial Railway, but of the Valley Railway as well. For the Intercolonial will form a part of their main line connection with New England states, giving them means of carrying their product of coal and iron ore to the markets of the eastern states. It will increase the traffic over the St. John and Quebec Railway, particularly that portion running from the city of St. John to a point on the line of railway between Fredericton and Centreville, where a diversion is made and in some measure at least increase the traffic over other portions of the road.

The construction and operation of this proposed extension is not included in the present agreement. That it is not is by mutual consent on the part of the two governments.

It is deemed to be most expedient for our efforts at present to be directed to completion of the railway to the port of St. John, providing for the transcontinental traffic bound for that port to be coast-borne to the markets of the world.

Having this in mind the agreement calls for the section of railway from Gagetown to St. John to be completed for safe operation by the first of January, 1917, and to be finally completed in August, 1917.

In the meantime the extension to the Maine border is deferred awaiting

more favorable financial conditions when it will be built under an arrangement to be entered into by the federal and provincial governments—an arrangement, I desire to say, that will not be a detriment to the province but will be not only in the interests of the province but at the same time have regard for the interests of the Canadian Government Railway system with which the prosperity of the people of the country is so intimately connected. The construction of this piece of road together with increased facilities at the port of St. John, including an entrance to both east and west side increased terminal and improved passenger accommodation will at its consummation prove the care and consideration with which this scheme has been carried along and will redound not only to the credit of the governments having the matter in hand, but will tend to promote the growth and prosperity of the port of St. John and of the province whose interests are so inseparably connected with that port.

This connection is an important one for the Intercolonial Railway and for the Saint John and Quebec Railway.

1. It will greatly increase business over portions of the St. John and Quebec Railway, now dependent only on local traffic which is short of providing sufficient return to the province to cover the guarantee for bond interest.

2. Provides a competitive route for all traffic to and from United States markets, and consequently lowers rates. (An adjustment of rates dividing between I. C. R. and C. P. R. might be satisfactory to the railways but does not benefit the public as a competitive route will and such an agreement can be cancelled at any time.)

3. By having this independent connection with American railways the Intercolonial would be in a position to meet the same or better freight rates as the other railways. At the present time these rates pay about two cents per hundred pounds more than shippers on the C. P. R. from adjoining ports.

4. By forming a part of the Intercolonial main line connection with New England States it will facilitate movement of forest products of Canada and Northern New Brunswick, it is estimated that not less than 100,000 tons of freight per year will be added over to the connecting road between the Maine border and St. John.

Another Good Reason for Change in Route.

The second reason for change of route, Hon. Mr. Murray said, was that the government was not assured of the practicability of the St. John river bridge construction nor the permanency of the structure if it is built after completion.

Referring to cost of bridges he said that in November, 1915, Mr. Montserrat was engaged by the provincial government to make a report as to cost of the most feasible crossing of the St. John River at The Mistake and his report is confined to "The feasibility and relative merits and cost of alternative crossings over the St. John River on the line of the St. John and Quebec Railway at or near The Mistake." He was not asked to recommend one route over another nor to express an opinion as to whether crossing of St. John river at that point was practicable or otherwise under the existing circumstances. This in a measure was unfortunate as it has caused a misunderstanding of the report he made in February, 1914. Since that time Mr. Montserrat has studied relative merits of different routes proposed and has emphatically condemned what is known as the "Bridge of Rothesay" route, stating that expensive and objectionable features of the St. John river crossing would be Continued on page 5.

ing "Design of railway" this report stated that the "Railway was designed in 1897. Its standard was decided on without any knowledge whether it was suitable for the country and on assumption as to business expected, which were unwarranted."

Then under preliminary estimates of cost this report stated, "when the bill for construction of the railway was being discussed in the House of Commons the Hon. Mr. Fielding, then minister of finance, stated that he had been advised by experienced railway men that the cost of such a railway from Quebec to Winnipeg, 1,344 miles, would be \$35,000 per mile, or \$47,040,000, and from Moncton to Quebec, 460 miles, at \$31,350 per mile, or \$14,420,000. Total \$61,460,000."

The cost of 235 miles of road in New Brunswick had been \$18,865,960, or \$71,770 per mile. There had been 20 criticism by the press who were now knowing about the Valley Railway over the state of affairs which was shown to exist in connection with the National Transcontinental Railway, instead there was nothing but commendation tendered the builders and the government responsible was applauded as doing something which was highly in the public interest."

Every item of construction of the Valley Railway had cost less than the Transcontinental, and in this connection it would be well to remember that specifications for the Valley Railway from Fredericton to St. John were the same as on the Transcontinental, and north of Fredericton were the same as the Transcontinental on the matter of grade and curvature, the valley road having a maximum of one per cent. grade and Transcontinental four-tenths of one per cent. running east and six-tenths of one per cent. running west, a total of one per cent. grade. The investigating commission further reported as follows:

"Method of inviting tenders. Rules adopted by commission in advertising for tenders, unlimited security required to be furnished by contractors and proposal to let work for most part in unreasonably large sections, resulted in only five contractors tendering for the work of railway and eleven contracting firms secured all work sub-contracting. It is upwards of 100 sub-contractors who, had the work been divided into reasonably large sections and security required in other governmental contracts only been exacted, would have in all probability completed in bidding. As an indication of handsome profits derived by these contractors it appears that they were paid \$8,800,000 in profits for that part of their work which they sublet to contractors."

"Method of awarding contracts. Contracts for sections No. 8, 150 miles; No. 18, 75 miles; and No. 21, 245 miles; which are estimated to cost \$8,351,000; No. 18, \$2,100,000, and No. 21, \$10,000,000 were not let and to lowest tenderers, and we believe that in at least two or three cases advance information as to established quantities were made use of by successful tenderers. Contracts Nos. 16 and 17, M. P. and J. T. Davis were, improperly allowed to sell at a profit to themselves of \$740,000."

"Classification. Classification prescribed in contracts was ignored and contractors were overpaid \$3,300,000."

ent to push construction of a connection with St. John at the earliest moment, in order to get through traffic between the Transcontinental Railway and that port, thus increase the gross earnings and reduce liabilities of the province for bond interest on the line broadly built. The management of the C. P. R. having to pay operating expenses are, of course, vitally interested and for their own information obtained reports on governing features of the alternative routes through their own engineering department and from Mr. C. N. Montserrat which confirms information previously obtained from the St. John Railway Company. Mr. C. B. Brown, chief engineer of government railways, has supplied the following figures:

Gagetown to Westfield, 41.54 miles, costing \$2,837,000, not including cost of St. John river bridge.

Gagetown to Westfield, 37.50 miles, costing \$1,580,000.

Distance in favor of Westfield route, \$707,000.

Comparing the two routes to St. John, Mr. Brown makes mileage, Gagetown to Union Depot, St. John, via Westfield, 52.20 miles, via Rothesay, 52.20 miles further. "In comparing the two routes it will be noted that the mileage is practically the same as well as the rise and fall and nature, so that there will be very little difference in cost of operation of these two routes, except for heavy maintenance and operating charges of bridges on bridge route."

Mr. Montserrat reports an increase of \$1,150,000 and time required to build it at least two years.

He mentions the sum of \$12,000 as annual cost of maintenance and operation of this bridge and concludes by saying: "I would have no hesitation in recommending adoption of Westfield route."

By Westfield route there would be about 4.00 miles less railway to build and about \$700,000 less burden for the province to assume, in capital expenditure on which annual charge in interest alone would be \$35,000. Besides these advantages, the fact that St. John can be obtained probably twelve months sooner than by the Rothesay or bridge route.

St. John's Problem.

The problem before the City of St. John is, therefore, not grade, curves and distances on the Valley Railway but to increase and modernize their shipping facilities, to endeavor to secure access to and benefit of these facilities for all railways running there, and to abolish any local charges that add to expense of handling traffic.

The routing of the Valley Railway down the west side of the St. John river to St. John will help in accomplishing these aims. It will permit the Intercolonial railway to have access to docks at West St. John, provide additional bridge accommodation across the St. John river at St. John and abolish toll charges (50 cents per ton now in effect over present railway bridge).

Ideal development of railway traffic between Westfield and St. John which would greatly facilitate movement of traffic for both C. P. R. and government railways would be construction of the second track which would be better grades eastbound to be used for all westbound business which would be equivalent to double track for both railways.

In connection with the Canadian Government Railway scheme of development an important feature is a proposed extension from a point on the Valley Railway between Fredericton and Centreville to a point on the Maine border. This extension has been referred to in correspondence from Mr. Guellet to the Minister of Railways at Ottawa and it is believed that this will have an important bearing on the future, not only of the Intercolonial Railway, but of the Valley Railway as well. For the Intercolonial will form a part of their main line connection with New England states, giving them means of carrying their product of coal and iron ore to the markets of the eastern states. It will increase the traffic over the St. John and Quebec Railway, particularly that portion running from the city of St. John to a point on the line of railway between Fredericton and Centreville, where a diversion is made and in some measure at least increase the traffic over other portions of the road.

The construction and operation of this proposed extension is not included in the present agreement. That it is not is by mutual consent on the part of the two governments.

It is deemed to be most expedient for our efforts at present to be directed to completion of the railway to the port of St. John, providing for the transcontinental traffic bound for that port to be coast-borne to the markets of the world.

Having this in mind the agreement calls for the section of railway from Gagetown to St. John to be completed for safe operation by the first of January, 1917, and to be finally completed in August, 1917.

In the meantime the extension to the Maine border is deferred awaiting

more favorable financial conditions when it will be built under an arrangement to be entered into by the federal and provincial governments—an arrangement, I desire to say, that will not be a detriment to the province but will be not only in the interests of the province but at the same time have regard for the interests of the Canadian Government Railway system with which the prosperity of the people of the country is so intimately connected. The construction of this piece of road together with increased facilities at the port of St. John, including an entrance to both east and west side increased terminal and improved passenger accommodation will at its consummation prove the care and consideration with which this scheme has been carried along and will redound not only to the credit of the governments having the matter in hand, but will tend to promote the growth and prosperity of the port of St. John and of the province whose interests are so inseparably connected with that port.

This connection is an important one for the Intercolonial Railway and for the Saint John and Quebec Railway.

1. It will greatly increase business over portions of the St. John and Quebec Railway, now dependent only on local traffic which is short of providing sufficient return to the province to cover the guarantee for bond interest.

2. Provides a competitive route for all traffic to and from United States markets, and consequently lowers rates. (An adjustment of rates dividing between I. C. R. and C. P. R. might be satisfactory to the railways but does not benefit the public as a competitive route will and such an agreement can be cancelled at any time.)

3. By having this independent connection with American railways the Intercolonial would be in a position to meet the same or better freight rates as the other railways. At the present time these rates pay about two cents per hundred pounds more than shippers on the C. P. R. from adjoining ports.

4. By forming a part of the Intercolonial main line connection with New England States it will facilitate movement of forest products of Canada and Northern New Brunswick, it is estimated that not less than 100,000 tons of freight per year will be added over to the connecting road between the Maine border and St. John.

Another Good Reason for Change in Route.

The second reason for change of route, Hon. Mr. Murray said, was that the government was not assured of the practicability of the St. John river bridge construction nor the permanency of the structure if it is built after completion.

Referring to cost of bridges he said that in November, 1915, Mr. Montserrat was engaged by the provincial government to make a report as to cost of the most feasible crossing of the St. John River at The Mistake and his report is confined to "The feasibility and relative merits and cost of alternative crossings over the St. John River on the line of the St. John and Quebec Railway at or near The Mistake." He was not asked to recommend one route over another nor to express an opinion as to whether crossing of St. John river at that point was practicable or otherwise under the existing circumstances. This in a measure was unfortunate as it has caused a misunderstanding of the report he made in February, 1914. Since that time Mr. Montserrat has studied relative merits of different routes proposed and has emphatically condemned what is known as the "Bridge of Rothesay" route, stating that expensive and objectionable features of the St. John river crossing would be Continued on page 5.

ing "Design of railway" this report stated that the "Railway was designed in 1897. Its standard was decided on without any knowledge whether it was suitable for the country and on assumption as to business expected, which were unwarranted."

Then under preliminary estimates of cost this report stated, "when the bill for construction of the railway was being discussed in the House of Commons the Hon. Mr. Fielding, then minister of finance, stated that he had been advised by experienced railway men that the cost of such a railway from Quebec to Winnipeg, 1,344 miles, would be \$35,000 per mile, or \$47,040,000, and from Moncton to Quebec, 460 miles, at \$31,350 per mile, or \$14,420,000. Total \$61,460,000."

The cost of 235 miles of road in New Brunswick had been \$18,865,960, or \$71,770 per mile. There had been 20 criticism by the press who were now knowing about the Valley Railway over the state of affairs which was shown to exist in connection with the National Transcontinental Railway, instead there was nothing but commendation tendered the builders and the government responsible was applauded as doing something which was highly in the public interest."

Every item of construction of the Valley Railway had cost less than the Transcontinental, and in this connection it would be well to remember that specifications for the Valley Railway from Fredericton to St. John were the same as on the Transcontinental, and north of Fredericton were the same as the Transcontinental on the matter of grade and curvature, the valley road having a maximum of one per cent. grade and Transcontinental four-tenths of one per cent. running east and six-tenths of one per cent. running west, a total of one per cent. grade. The investigating commission further reported as follows:

"Method of inviting tenders. Rules adopted by commission in advertising for tenders, unlimited security required to be furnished by contractors and proposal to let work for most part in unreasonably large sections, resulted in only five contractors tendering for the work of railway and eleven contracting firms secured all work sub-contracting. It is upwards of 100