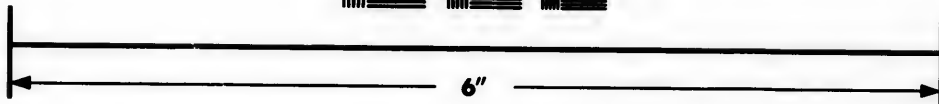
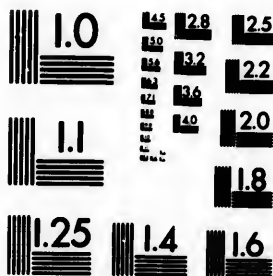


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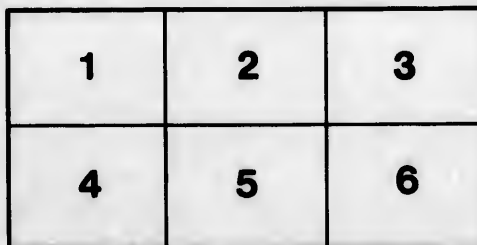
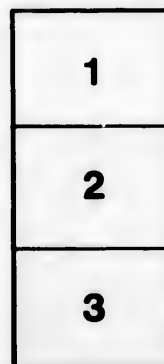
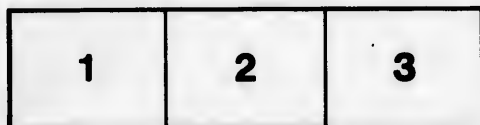
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MONTREAL AND KINGSTON RAILROAD COMPANY.

MONTREAL, 11th October, 1852.

SIR ALLAN N. MACNAB,
Chairman, Committee on Railroads.

SIR,—On behalf of the Montreal and Kingston Railroad Company, we beg to lay before the Committee on Railroads a statement of the position in which we stand in relation to the Bill now under the consideration of the Committee for the granting of a Charter for the construction of the Grand Trunk Railway, from Toronto to Kingston, with a right to extend the same to Montreal. And we do so in the full assurance that we shall obtain from the Committee that full and equal justice to which we are entitled, in common with every inhabitant of this Province, while we shall ask nothing more than a free opportunity of having our claims weighed against those of the applicants for the Bill, not desiring, unless so compelled, to assert that the intended Bill is a most flagrant violation of vested rights, attempted without our having had the opportunity in any way of shewing our ability or otherwise to carry out the great public object of securing a Railway Communication between Montreal and the Great Lakes.

We therefore now appear before your Committee and the Honorable House, not as claiming protection in rights legally acquired, and of which no misuse is chargeable, but simply and solely on the ground that as Canadians we are entitled to a fair investigation of our ability to carry out the Charter we hold, that our means of doing so are such as will in fact be the most advantageous to the Province, and that, if there be any question of doubt, we are entitled to the preference as having been the promoters of the undertaking—as having invested our means and incurred expenditure thereon,—as having subscribed the Stock after the public had had ample time and access to the books, and lastly, as having since that subscription, proceeded without the slightest delay to place the Company in a sound position by the deposit of a large sum of money, by its complete organization, and by our declared readiness to proceed with the work immediately on being so authorized by the Railroad Commission.

Our connection with the Montreal and Kingston Railroad dates from the very initiative of this enterprize, and in connection with our present memorial, it becomes necessary to recapitulate some facts that are already before you.

The project of a Railroad from Montreal to Prescott was originated in Montreal, shortly after the opening of the Ogdensburgh Road. At a public meeting held at that time, a Committee was appointed to report on the subject, and funds raised to a considerable amount; the views of that Committee, on investigating the whole subject, led them to the conclusion that the project should not be limited to Prescott, but extended to Kingston, as a branch of a scheme which was then for the first time brought before the public, for a Trunk Railroad through the Province. Preliminary surveys were made, and the Committee reported fully to another public meeting, at which another Committee were appointed to apply for a Charter to Kingston, and to obtain a detailed survey on which tenders for construction could be made—this was done; and the Charter under which the Company now exists was obtained, and received the Royal Assent on 31st August 1851.

Simultaneously with the passing of the above Charter, the Legislature passed a Bill for the construction of the Trunk Railroad, based upon the expectation then entertained, that the credit of the Imperial Government would be obtained, in connection with the Quebec and Halifax Railroad. By this Bill, the powers given under our Charter were suspended, until, by Proclamation, the Governor in Council, should give them existence, and in consequence, the friends of the project were entirely debarred from acting, notwithstanding their anxiety to meet the general wish of the Country, by proceeding to get the stock subscribed, and the work in progress. At that time, there were passed pledges by every Municipality, but one, on the entire line to subscribe stock. The City of Montreal was willing to lend its aid, and the strongest conviction existed, that no delay need occur in proceeding with this most necessary work. The project of the Railroad from Quebec to Halifax then intervened, and we feel quite justified in saying, that it was found expedient by the Government to diminish the apparent heavy pressure of that work on Canada, by connecting with its construction, the Western Road also. To secure the assent of the public to the Eastern Line, the fate of the Western Road was linked with it, and the local support that could have been then applied, was suspended, and to a certain degree paralysed by the hope held out of the whole being done by the Imperial aid, as a Provincial Work.

We wish hereby to impress on the Committee the full assurance of the fact, that the Montreal and Kingston Railroad Company were no parties to the suspension of their Charter, and have never admitted any inability on their part to fulfil the objects for which they were organized. We desire distinctly to place before your Honorable Committee and the Country, the statement that the promoters of the Grand Trunk Railway were prepared to have at once proceeded under their Charter, and that the delay of one year, which has already taken place, is in no respect attributable to their negligence, their financial incapacity, or their want of due diligence in the enterprize.

The Charter passed on the 31st August 1851—the failure of the project for Imperial aid was made known in Canada in the month of May last; and, on the 7th August, 1852, by Proclamation, the Charter of the Montreal and Kingston Railway came into force. On the 9th August, the parties named to put this Act in effect advertised the opening of Stock Books, and on the 16th August, these Books were opened at Montreal, Kingston, and Brockville. On the 23rd August, the entire Stock was subscribed; on the same day the Engineer Department was organized and ordered to report on the detail of the line; on the expiration of 15 days, as required by law—the preliminary Committee was appointed and, on the day following, official application was made to the Government for the location of the line. On the 2nd September, the final organization and appointment of Directors took place according to law. On the 6th instant, a Call of ten per cent. on the Stock was made. On the 11th instant, the whole amount of said Call, £60,000, was deposited; and we now appear before the Committee prepared to submit Tenders for the construction of the Road, such as we know our ability to carry out, and which will secure the most rapid and satisfactory completion of the Railroad on the least costly terms for the Province.

On the other hand, we have to complain, that, so far from receiving that support and encouragement which we claim as a right from our own Government and Legislature, we have been met from the very outset with every difficulty that could embarrass a young Company. On the very day it became known that our Company were in a position to act, we were called on to forego all our rights for the purpose not of effecting our objects by the Government (which we should never have opposed) not even for the assurance that these objects would be carried out by others, deemed more competent, but solely and avowedly to induce a Company of Contractors to make a Tender for the Road!! We can conceive nothing more at variance with common justice than the manner in which our Company has been urged to withdraw in favor of parties who in connexion with this question are Foreigners. We must protest most energetically against every step that has been taken in this matter. Our credit, as a Company, has been sought to be damaged—our very existence has been ignored—and we are now brought before your Committee to resist an attempt to give to others that which they might have had once, had they chosen to take the stock in our Company, when it was publicly offered, but of which they never subscribed one shilling—to resist an attempt to deprive us, at one blow, of that Provincial aid on the solemn pledge of which our stockholders have relied, and to give it to our rivals; and, not satisfied with this, to incorporate a parallel line avowedly to be made over to strangers, and which is to be nursed into existence through Provincial credit, while Provincial enterprize is to be blighted and destroyed.

We trust Your Honorable Committee will forgive the plainness with which we place our case before you. We feel strongly on the subject, not merely from our direct interest, but because, as Colonists, we desire to see the public men of this country promoting Provincial enterprize—we desire to see the standard of self-reliance raised—we deny the inferiority of our resources—we assert that a permanent injury is done by repressing every effort to act for ourselves—and we repudiate most solemnly the necessity for calling in foreign aid—to do that which we are amply able to do for ourselves.

We must once more pray your Committee to consider how we stand before you and the Government—our plans for the construction of the Road in question have never been inquired into—our resources have never been tested—it is attempted to put our Company aside without even an inquiry to prove our inability to proceed. Why is this done? Why are we to be condemned unheard? Why are our rights acquired under the solemn sanction of the Provincial Parliament to be withdrawn? Is the fact of our being residents in Canada, sufficient to condemn us before our own Legislature and Government? And shall the mortifying fact be made known by the sanction of another Act of Parliament, that Canada has so notoriously not one man who is competent to construct its public works—that its Legislature will not even condescend to inquire into the possibility of their competency?

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So far as the Montreal Railroad Company have yet been treated, the answers to these questions reflect most strongly on the Country; but we feel that this cannot be the intention of the Legislature, we yet rely on frank and fair support at the hands of your Committee and the Government, and if we feel that the past would justify all and more than we have said, we know that the future will redeem it, and that when the investigation be closed, the decision arrived at will bear the scrutiny of the public both here and in England.

As we have already stated, the Montreal and Kingston Railroad Company do not, at present stand before you on legal grounds, we have consented at the request of the Government to waive this position on the express condition that we shall have a fair opportunity of meeting those who are seeking to deprive us of our rights, and after hearing their case, of placing our own views before you. We therefore pray at the hands of your Committee, first, that the plans and resources of the proposed Company be fully investigated, that the character and cost of the Road be declared and defined, subject to such examinations as may be suggested at our instance—and secondly, that we be then permitted to place similar statements and evidence on our behalf before you.

Thus much we have the pledge of the Executive Government, but without any such pledge we feel we are claiming no more than what we have a right to ask, and which is never withheld from even rival claimants, if we are reduced to such a position.

Before closing we would desire expressly to state to your Committee, that we confine our opposition to that of the right of extension from Kingston to Montreal. If that right be withdrawn from the Bill, we shall leave the responsibility of the measure where it may fairly rest, but while it forms part thereof we cannot avoid regarding the whole details of the Bill as affecting us, and open to our remark. As we expect therefore to have the opportunity of discussing the several clauses as they proceed, we only now wish to place one or two points prominently before your Committee.

The applicants have power to raise £3,500,000 sterling by Stock, or about £12,500 currency per mile, and it appears by the Bill that Provincial Debentures are to be exchanged for the Company's bonds for per mile (stated to be £3000 stg.) in addition. Taking the Road as 350 miles, the whole capital under the Act authorized to be expended is no less than £4,550,000 stg., or upwards of £16000 currency per mile.

We are now prepared to show that a Road built and equipped in every respect on the scale of the Ogdensburg Road, can be had within £3,500 currency per mile, and that we are in a position to build it without so large an issue of Provincial bonds as £3000 sterling per mile.

The applicants have one year from the passing of the Act allowed them before they are required to commence. We are ready to break ground at once. They ask till the 1st January, 1857, to complete the line. We are prepared to show it can be done by December, 1855.

The applicants are not the parties by whom the Road is really sought to be built, the Stock will notoriously never be held by them, the design is to sell the whole to persons now utterly ignorant of the entire affair, the real actors and contractors do not appear, and it must be sufficiently manifest, that, if any difficulty occur in selling the Stock in England, the Contractors having the control of the Company, can annul the contract or suspend the work without any tangible recourse against the present applicants, whereby it must be evident that, if from any cause the parties are unable to dispose of £3,500,000 of Railroad Stock in England, the Road will be abandoned—a contingency not the less likely to arise when the fact is known there, as it inevitably will be, through the public press, that the cash cost of the work does not exceed £6,500 per mile. On the other hand we stand before the Committee and the Country, ready now to proceed with contracts that we are abundantly able to carry out, and offering an absolute certainty of the Railroad being built, independent of any such contingency as a sale of Railroad Stock for double the value of the work.

We by no means desire to be understood as in any way objecting to the introduction of foreign capital; we equally with our opponents contemplate the disposal of our securities in other countries, but we earnestly entreat the Committee not to be misled by the promise of enormous sums of money to be obtained through foreign agency, and to slight the more modest pretensions of those whose position requires that they must stand or fall by their

reputation and success here. We know the fate of the English subscriptions to the Montreal and Portland Road—we now know that it has been carried out—entirely by Provincial men and means. We also know the fate of the English aid to the Great Western Railroad—a case almost precisely similar to the present—the great rejoicing when English capitalists undertook it—the miserable failure when the shares no longer bore a premium—and the honorable fact, that it has been carried through by our own business men. We pray the Committee to believe that the interests of the Province are at least as safe with persons amenable to public opinion here as in the hands of strangers. We pray them to give at least equal credence to our statements, by which we must be judged here in our own country—as to those who only appear on our shores for their own selfish objects.

In conclusion, we state that we can construct the Railroad *in less time*, for about *one-half* the declared Capital, and with a *smaller amount of Provincial aid* than the parties applying for the Charter in question. We seek no power to issue excessive amounts of Stock—deluding strangers into the belief that works are costly which are really cheap. Our course, be it successful or not, can never prejudice Canadian honor or Canadian credit before the world—our enterprise, if it fail, will not be burdened with the complaints of the confiding and ruined Shareholders in England. We shall not have to meet the reproach of having sought to give a fictitious character to our work, and of having enriched ourselves by impoverishing others. If we succeed we shall still be connected with the work, we shall always stand open to the criticism and rebuke of the public, our acts we shall never be able, if we desired, to shrink from, and our profits will be those derived fairly and honestly from a correct appreciation by us of a vast public work, and by an economical and judicious application of the resources at our command in constructing it.

We have the honor to be,

Sir,

Your most obedient humble servants,

L. H. HOLTON,

President, M. & K. R. R. Company.

A. T. GALT,

Vice President.

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