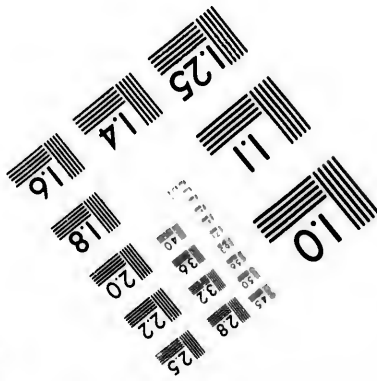
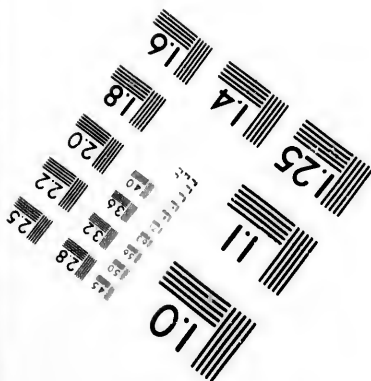
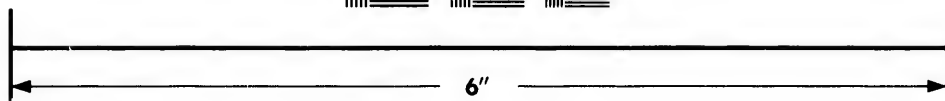
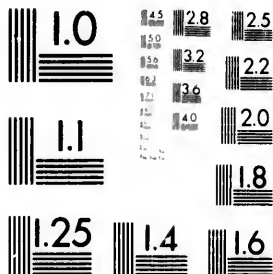


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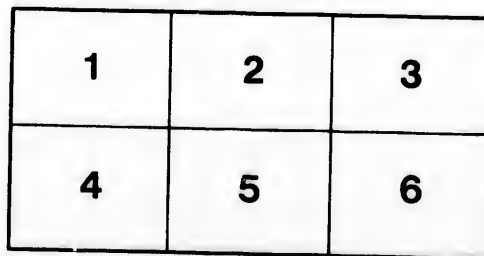
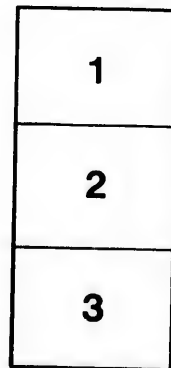
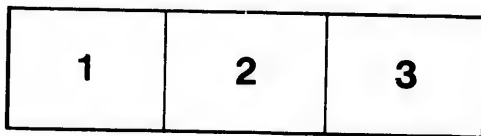
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Can. Railway interests of T.
Paris. the city of Montreal

RAILWAY INTERESTS

OF THE

CITY OF MONTREAL.

SUBMITTED FOR THE CONSIDERATION OF THE
MERCHANTS OF THIS CITY.

MONTREAL:

"GAZETTE" PRINTING HOUSE, NEARLY OPPOSITE POST OFFICE.

1872.

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THE RAILWAY INTERESTS
OF THE
CITY OF MONTREAL.

The proposal to subscribe a Million Dollars to the capital stock of the Northern Colonization Railway, and thus add, by the terms of the by-law, eighty thousand dollars a year to the local taxation, is one which should challenge the interest and excite the attention of the merchants of this city. It is proposed in this paper to submit some considerations which, in the opinion of the writer, justify the action of the Council in submitting the by-law, and will justify the people of Montreal in assenting to it.

1. Montreal is the only city on this continent of any pretensions to commercial importance, which is absolutely dependent upon one railway. Toronto has voted large sums of money in order to escape from a similar position; and to-day there are no less than five distinct railways centering in that city. Hamilton, in spite of its financial embarrassments, which compelled it a few years ago to compromise with its public creditors, has just incurred additional burdens for the purpose of making it a competing railway point. Kingston has voted, as an absolute free gift, a sum far in excess, when relative wealth and population are taken into account, of the subscription now asked from Montreal, with the object of obtaining access to the trade which will be tapped by the Northern Colonization and Canada Central Railways. Quebec has just voted a million

of dollars to obtain the advantages of railway competition. Montreal alone has as yet done nothing in this direction. No one will question that it is an advantage to obtain competition in carriage. The merchants of Montreal have abundant experience on this point, in the difference between summer rates, when there is the competition by water, and winter rates when that competition is cut off, and they are dependent upon the Grand Trunk Railway alone.

2. In view of the railway projects which are certain to be carried out in the West, the construction of an independent line to connect with them is of the greatest importance. There are two distinct projects, or more appropriately groups of projects, in which Montreal has a deep interest. Take first the Pacific Railway schemes. The Government of Canada have undertaken to secure the construction of a railway from Lake Nipissing to the Pacific Coast, Lake Nipissing being the point of junction with the Canadian railway system. The Railway will incline northward from that point, pass north of Lake Superior, through Fort Garry and across the Rocky Mountains to the Pacific slope. The action of the Government in obtaining an Imperial guarantee for a loan to be raised for the construction of this railway, and the success which has attended the exploratory surveys, prove that this railway will be constructed without delay. Then again there is another proposal, for which a Company has applied to Parliament for incorporation, to construct a line from Lake Nipissing to the Sault Ste. Marie, crossing by a railway bridge, and connecting by a line south of Lake Superior with the Northern Pacific Railway, now under construction, at Duluth. If the reader will take a map and draw a direct line from Duluth to Montreal, he will find that it will include the Canada Central and the Northern Colonization Railways, these constituting the most direct route for the traffic of the Northern Pacific as well as the Canada Pacific Railways. There is thus at Lake Nipissing the union of these two lines, securing for the Canada Central at that point the traffic of both lines. There is earnest competition to obtain this traffic. Toronto is bidding for it, and is pressing its railways on towards the Lake in order to obtain it. They have in this work the active co-operation of the Grand Trunk Railway Company, as if the direct line to Montreal could be defeated and the Pacific traffic brought down to Toronto, it would be compelled to

find its way to the seaboard over the Grand Trunk. It is manifestly, therefore, the interest of that Company to obstruct in every way in its power the construction of the direct line from Montreal. In offering opposition to the first and the essential link in that direct connection, the officers of the Company in Canada are simply doing their duty to their proprietors in England. The interests of the city, however, require an entirely different course of action. While in many respects they are identical with those of the great leading railway of the Dominion, in the matter of securing railway competition they are decidedly opposed; and a consideration of this fact ought to prevent the success of, as it readily accounts for, the opposition now offered to this Railway by the Grand Trunk officials.

The other railway project, of which the proposed Northern Colonization Railway forms an essential link is what is known as the Quebec and Ontario Railway. This road will run from Carlton Place, a point on the Canada Central Railway, to Toronto, passing through the Town of Peterborough. When built and with the Northern Colonization already completed, it will give a second Trunk line, running, as the Grand Trunk should have run, had it been properly located, through the interior of the country, and connecting Montreal and Toronto. This line will be about the same length as the Grand Trunk between those two points, the difference not exceeding four or five miles. During the present week the Company has been formally organized, stock books have been opened, and the stock subscribed by Sir Hugh Allan and others interested in the Northern Colonization and Canada Central railways. It thus becomes an essential part of those lines, and will, when completed, be run in connection with them. Of the importance of this line no Montreal merchant need to be told. The one fact that it will secure for this city, what is above all other things required for its success in competing for the trade of Western Canada, summer rates all the year round, is sufficient to establish its value. No question of mere local taxation deserves to be placed in comparison with this. At Toronto the road will commence with the Great Western of Canada, that Company being active promoters of the enterprise. This connection is becoming every year more valuable as branch lines, worked by the Great Western, are extending in every direction. Already those branch lines extend from Guelph through the fine Counties of Wellington and Bruce to Southampton

and Port Elgin, and through the Northern part of the County of Huron to Kincardine; from London to Port Stanley over the line just leased by the company; from Hamilton into the Counties of Haldimand, Norfolk, Elgin and Kent; in fact every part of the Western peninsula is being tapped by branches worked by the Great Western, so that direct and independent connection with that line, which this proposed railway will afford, will give access to all the leading towns of Ontario. Let any merchant take time to estimate the gain which will result to the spring trade of Montreal, by competing rates all the year round to all parts of western Canada, and it is doubtful after making the comparison whether he will consider his share of the proposed subscription to the Northern Colonization Railway as of the slightest consequence in the comparison.

3. In view of these facts, it is important to remember that although the By-law now before the citizens, and upon which they are to vote next week, is nominally for the construction of the Northern Colonization Railway, it is in reality more far-reaching in its influence. It secures to Montreal the advantages of the trade which the Pacific schemes, as well as the Ontario and Quebec project, are certain to confer. It is, in fact, simply a link in the large enterprises extending on the one side to the Pacific Ocean, and on the other to Western Canada and the Western States. It is intended to prevent the enormous traffic which will be certain to pass over these lines from being frittered away to other points by connection with the Grand Trunk Railway at Toronto, and other stations west of this city. It seeks to make this city the first point at which the traffic can touch navigation, and in this way to build up the trade of the harbor, as well as of the city of Montreal. Were the proposal to vote a million of dollars simply to secure better and more convenient access to the seat of Government, the opposition to the By-law would be easily understood, and would be perfectly justifiable. But the facts already stated show that it is a much more important enterprise than that. All that is asked is, that the merchants of Montreal should look at it in its broader and more important aspect. If they will do that, there is little doubt that their decision will be in favor of the project.

4. The objection, made in some quarters, that it will be time enough

to vote money for this Northern Colonization Railway when the projects of which it is intended to be the eastern section are further advanced, deserves a word in reply. The objector ignores altogether the efforts which are being made to tap the trade west of this city, and when that is stated, the answer is supplied. It is of the utmost importance that capitalists should become interested in bringing the traffic of these lines directly down upon Montreal. Toronto has already commenced its lines in the direction of Lake Nipissing, and is pressing them forward with all vigor. Montreal, if it would secure the trade must commence the same work. The Canada Central may be said now to be completed from Ottawa to Pembroke, for the arrangements for its extension to that point have all been made. It can find an outlet at Brockville or Prescott, if a better outlet is not secured at Montreal. The Kingston people, having obtained a liberal government subsidy, are pressing their enterprise forward with a view of bringing the traffic to that city. If Montreal alone were to remain indifferent, permitting contributions to be made, and trade to be diverted to its prejudice, it would have but itself to blame, if ultimately it should turn out that much of the trade was lost to it. By the construction of the Northern Colonization Railway, a large money interest will be at once enlisted in bringing over the line the largest possible traffic, and the trade from the first will find its way to this port. For this reason it is important that this Montreal link of these western lines should be commenced immediately, and completed within the shortest possible time.

5. But says same objector, all that has been said is admitted. But the advantage described can be obtained for less money. These are two grounds upon which this statement is made. One is that by the Coteau line to Ottawa, connection can be made with all their lines, and the trade secured ;—and the other that responsible persons, Messrs. Reekie and Ogilvy, have offered to build the Northern Colonization Railway for one half the city subscription. As to the first, it is answer sufficient to say that the line from Coteau to Ottawa, passing for thirty miles over the Grand Trunk Railway, would not be an independent line, and would not, therefore, meet the the conditions which are essential to the progress and prosperity of Montreal. It is a well recognised principle in railway management that the Company owning a line can practically control the traffic of

any other line using part of it. The result is that there is not on the Continent of America a single case, which has proved successful, of a railway consenting to use any portion of the line of another railway *when they are interested in competing for the same traffic.* In England there are one or two cases, which the enormous expence of railway building in that country, has forced upon the companies; but there the usual expedient for getting over this competition is the adoption of the one-purse system. No merchant in Montreal would consider it an advantage to have the one-purse system adopted by the two leading trunk lines which thro' or four years hence will be in operation between Montreal and Toronto. There is an illustration at this moment of how unwilling railway companies are to avail themselves of offers of running arrangements by others interested in the same traffic. The line of the Grand Trunk Railway, from Goderich to Fort Erie, skirts along the Lake Erie shore for nearly fifty miles from Canfield to Fort Erie. The Great Western Company are building a line from Glencoe on their main line to Fort Erie; and the Canada Southern are building one from Sandwich to the same point. And yet, although the law expressly provides that running arrangements be made with the Grand Trunk for using these forty miles of the line, neither Company will avail themselves of the provision; but each is building an independent line, at a cost of about a million of dollars to each of them. Why? Simply because they recognise that as they are competing for the same traffic, to use any portion of each other's line would be to give to the Company whose line was used an undue advantage. Nay, they are going even further than this: the Great Western is actually proposing to build a second bridge, rather than use that now being constructed by the Grand Trunk, or rather under its auspices. The same principle applies here. The fact that the line from Coteau must use the Grand Trunk track to get into Montreal would destroy its value as a competing line, and would render it not simply useless but worse than useless, because it would be an additional obstruction in the way of getting an independent line into the city. If any proof of this is wanting, it can be had by reference to one fact. The Grand Trunk Railway Company offers no opposition to the Coteau road. On the contrary it is actually promoting its construction, Mr. Brydges himself having taken in stock to amount of over a hundred thousand

dollars. He is altogether too shrewd a man, too honestly and earnestly devoted to the interests of his own Company, to promote the construction of lines designed to compete with it. He is far-seeing enough to understand that the surest way of drawing the teeth of the proposed new Trunk line from Montreal to Toronto, is to obtain control of the eastern end of it. That accomplished it would be a sufficiently harmless competition. The Montreal merchant surely does not require to be told that his interest in this respect differs somewhat from that of the Grand Trunk Railway!

Then as to the offer of Messrs. Reekie and Ogilvy, it is surely not necessary to point out at any length the proofs of the utter insincerity of that offer. As to Mr. Ogilvy, a reference to another project in which his name appeared as a Director, and which was put upon the market at a suspiciously convenient time to influence public opinion against the Northern Colonization, is due to the public. The Montreal and St. Jerome Colonization Railway Prospectus, published last winter, promised to build the railway to that point without any subscription from the City. Shortly after its issue the announcement was authoritatively made that the stock had been subscribed and that the offer, in fact, was far beyond the requirements of the Company. What has become of it since? In all the petitions presented to the Council against the million dollar By-law, not a single mention is made of this St. Jerome Company!

In the second letter of Messrs. Reekie and Ogilvy to the Finance Committee, when they were reminded that the St. Jerome branch was omitted from their first offer, they did not venture to say that that had already been provided for by the new Company. On the contrary, after offering to build the road without any subscription, after authorising the announcement that more than sufficient stock had been subscribed to do this, Mr. Ogilvy came down to the City Council, and coolly dropping the pretended Company, asked four thousand dollars a mile to build the line from St. Therese to St. Jerome! Having failed in its object of alienating the sympathies of the people of St. Therese and St. Jerome, and the eastern suburbs of Montreal from the Northern Colonization Railway, the scheme was quietly dropped out of sight, without even the pretence of an apology for the insincerity which prompted it. Viewed in the light of his conduct in connection with the Montreal and St. Jerome Colonization Rail-

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way, can Mr. Ogilvy claim that he should be deemed sincere simply because he has put his name to the offer to build a line whose prospects he had thus done so much to destroy? As to Mr. Reekie, there are these facts to be remembered in considering the value of his proposition. He was one of the original directors, named in the act incorporating the Northern Colonization Railway. He afterwards withdrew from the Company, and was regarded as opposed to the enterprise. He interested himself then in the Ottawa and Vaudreuil scheme, at a time when it was supposed the Grand Trunk Railway Company were favoring it. But on the transference of the sympathies of the latter to the Coteau road, he withdrew from the Vaudreuil enterprise, withdrew in a way, if report speaks truly, to considerably embarrass it, and went over to the Coteau scheme, and his name appears on the stock books of that Company together with that of Mr. Brydges for over a hundred thousand dollars. It will thus be seen that he has presumably been acting with the Grand Trunk Railway throughout, and the presentation of his offer to build the line, on the very day that the Council met to consider the By-law, although the scheme had been for eighteen months prominently before the citizens without even a suggestion from him of interest in it, may fairly raise a presumption that in his last as in his former movements he has simply been playing the card of the Grand Trunk. It is necessary at least to remember these facts about the gentlemen making this offer in order to determine the value of the offer itself.

And what was the offer made? An offer to the Council which had no power to give a contract, to build a Railway for a fixed sum, provided the Council would do what it had no power to do! But had Messrs. Reekie and Ogilvy really been sincere in making this offer, how came it that they took no notice of a proposal to them to allow them to build the Railway on the terms proposed? The Council had no power to make a contract, but the Company had. And the Company at once proposed to Messrs. Reekie and Ogilvy that if they were ready to build the road for the \$480,000 proposed by them, and were willing to enter into contracts at once, with securities, *the Company would award them the contract, and apply to the City Council to reduce the sum named in the By-law to the smaller sum which those gentlemen professed their willingness to accept.* Did they take the contract? Not a bit of it. They did not even reply to the

letter ; but when asked for particulars from the Council, amended their offer, asking some seventy per cent. more than they had at first asked, but avoiding all reference to the actual contract offered to them ! Surely, with the immense interest hinging upon this enterprise, which has been but briefly touched upon in this paper, the merchants of Montreal will not be driven from securing them by such shallow artifices as the St. Jerome Colonization Railway, and the proposal of Messrs. Reekie and Ogilvy. We have reached a point in the history of this Country, and especially in the interests of this city, when ordinary prudence and foresight will ensure for us a future of rich rewards. The question is,—have we in Montreal far-seeing intelligence enough to grasp the opportunity ? The game we are playing for is the bringing down upon our port the traffic of the Canada Pacific, the Northern Pacific, and the Great Western Railways, the ensuring of Railway competition, and the obtaining of summer freight rates all the year round. Are these objects worth obtaining ? Those who believe they are will go to the City Hall during the next few days and vote “YES” upon the By-law which has been submitted for our concurrence.

