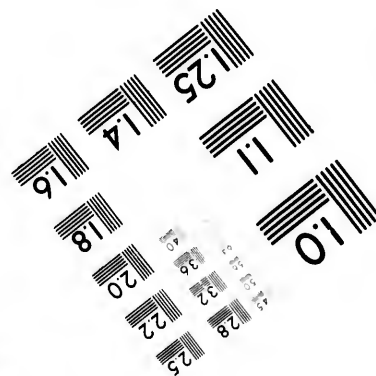
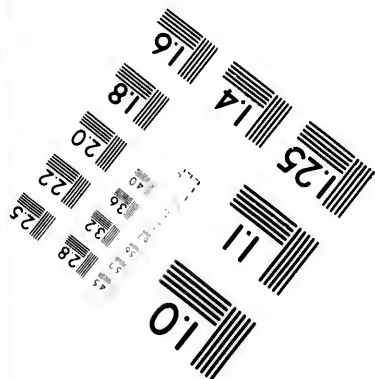
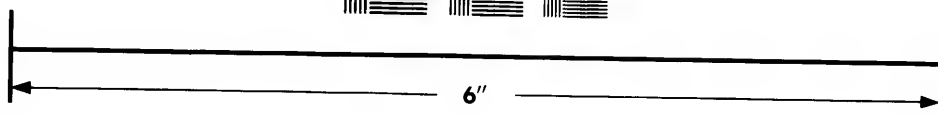
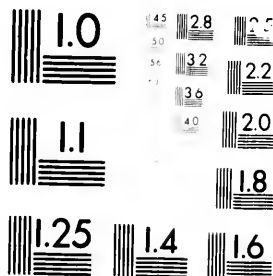


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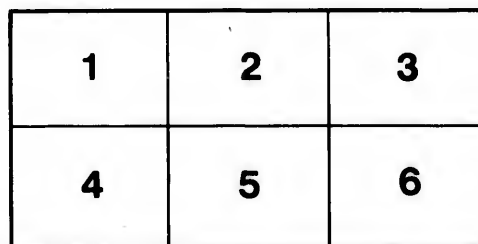
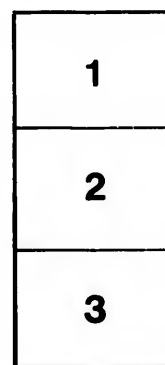
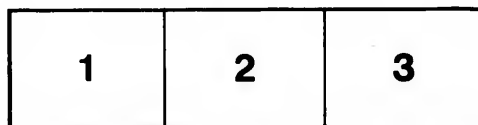
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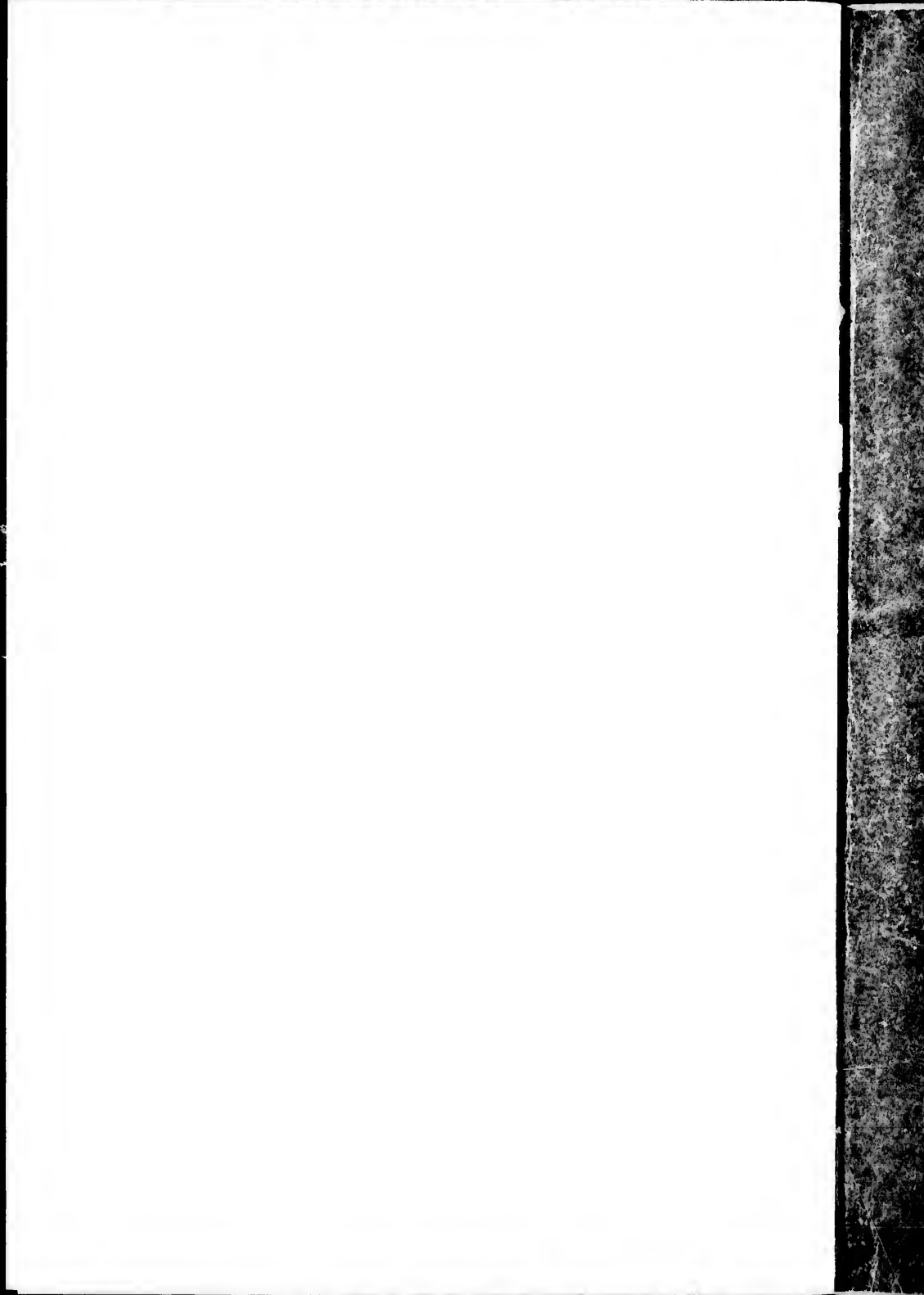
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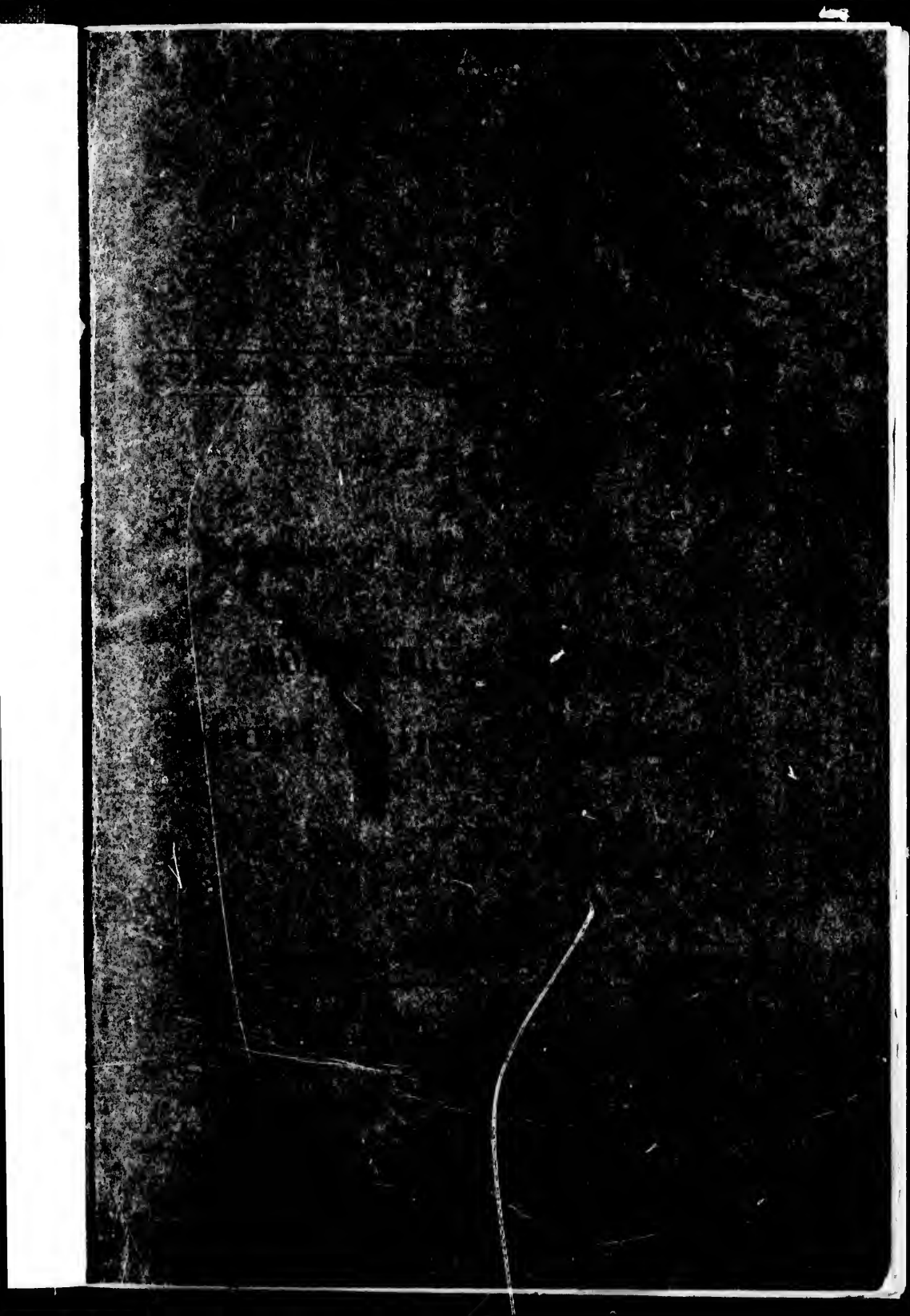
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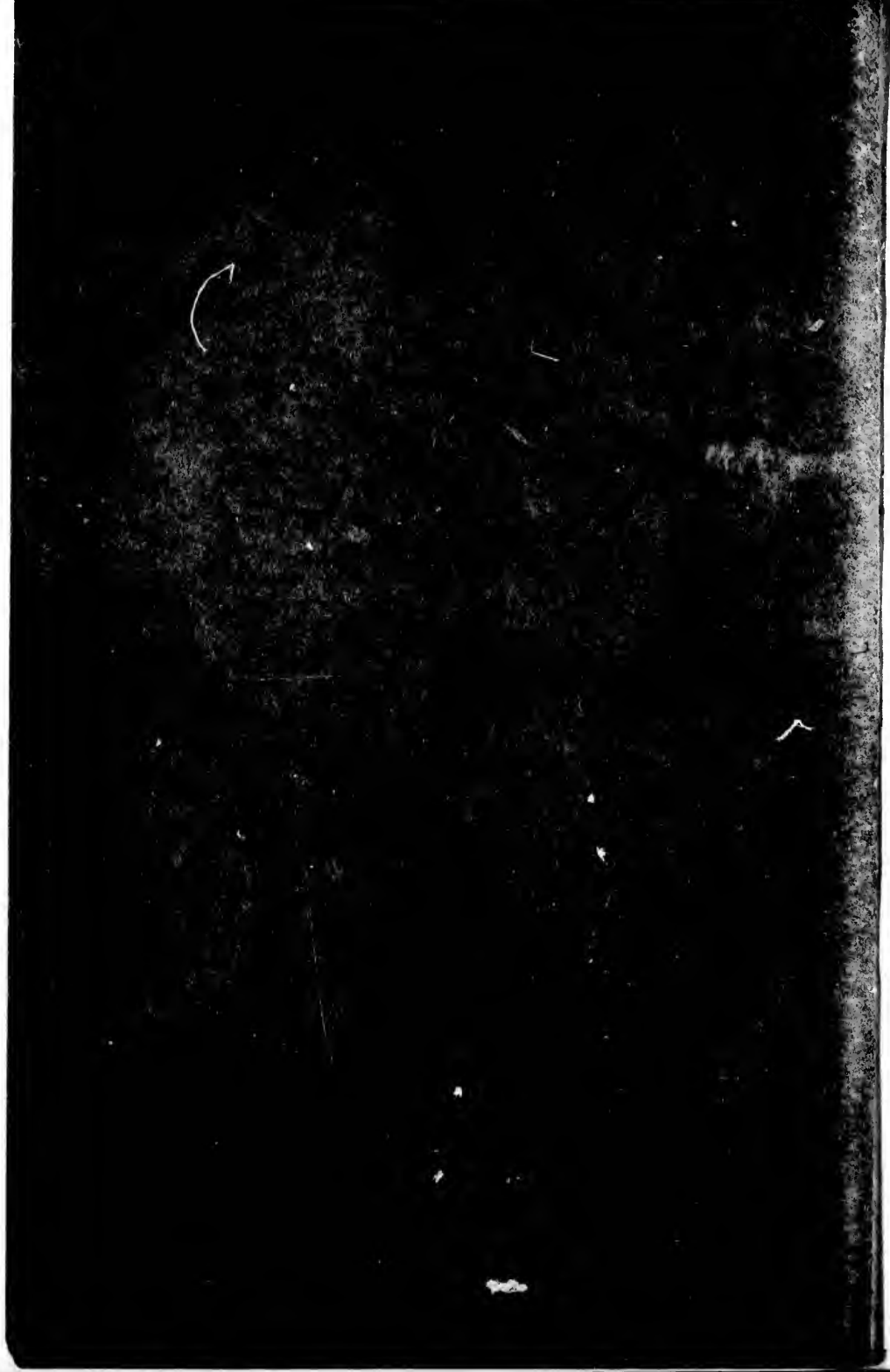
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MEMORANDA

ON THE

SHORT LINE RAILWAY QUESTION.

The undersigned deem it to be their duty to call special attention once more to the Short Line Railway question, with the object not only of placing on record the views held by a large majority of the Halifax Chamber of Commerce, the City Council and the citizens of Halifax generally, but in the hope that some means may be devised whereby steps may be taken without further loss of time, to have the surveys completed on the "shortest and best practicable route" for the proposed line of railway, connecting the principal ports of the Maritime Provinces with the Canadian Pacific Railway, at or near Montreal, having in view the ultimate adoption of this route by the government, as none other will prove satisfactory to this section of the Dominion.

Our contention is—

1. That the project of constructing a short line railway to the West, originated with the people of Halifax,—better means of communication with the interior having been felt to be an urgent necessity in the interests of trade and commerce.

2. That the surveys were undertaken professedly in the interests of Halifax, as the nearest continental port to Europe, St. John, and in the general interests of the Maritime Provinces.

3. That we were promised by the Dominion Government the "shortest and best" practicable line that could be obtained after careful, thorough and complete surveys had been made to establish where this line could be found.

4. That the surveys so far undertaken have in some instances been barometrical explorations only, that others were hurried through and that none of them were either thorough or complete.

5. That the line which has been classed as "taking the first place" and known as No. 6 or "the International route," running from Montreal to Halifax via Lachine, Sherbrook, Megantic and Mattawamkeag is most objectionable from almost every point of view and that it is unfit to be used as a main trunk short line from the seaboard to the interior.

6. That the "International route" will be of little practical service to the port of Halifax, the Province of Nova, or the Maritime Provinces, as it is not likely to afford any better accommodation than the existing Intercolonial Railway, and that it is not the "shortest" nor the "best," nor is it even a good line.

7. That the official reports of the Government Engineers engaged in surveying the "International route" (which reports were submitted to Parliament) show clearly and conclusively that it is an unfavorable line, involving many long and excessively heavy gradients and sharp curves, passing over high summits and for long distances through barren country, besides being in close proximity to existing American lines of railway terminating at rival American ports.

8. That the official reports, laid before Parliament, of other Government Engineers engaged in surveying other routes for the Short Line Railway, indicate that a vastly superior line, much shorter in distance, easier to construct, with low summits, easy gradients and curves and passing through superior lands, can be obtained via the North Shore Railway, Quebec, Lake Chesuncook and Canterbury.

9. That this line known as "The Combination Line" has been surveyed by order of the Government, with the exception of a short gap of about 35 or 40 miles from Lake Chesuncook, westwardly, which gap has been stated by Mr. A. L. Light, C. E., and Mr. Vernon Smith, C. E., (Government Engineers), to be "a low lying valley" presenting no engineering difficulties of any kind.

10. That in the interests of the Maritime Provinces, but particularly of the port of Halifax, the merits of "The Combination Line" should be investigated before any contract is entered into with any company for the construction of the contemplated line of railway.

COMPARISON BETWEEN "THE INTERNATIONAL ROUTE" AND
"THE COMBINATION LINE,"

from the latest and most reliable data that can be obtained.

	INTERNAT'N'L ROUTE.	COMBINAT'N LINE.
Built and owned by the C. P. R. Co.....	11 miles.	172 miles.
Built and owned by the Dominion Government.	201 "	201 "
Existing Railways to be acquired.....	170 "	None.
To be built.....	358 "	351 "
Total distance Montreal to Halifax.....	740 "	724* "
Maximum gradients—feet per mile.....	74	35 to 40
Minimum curves—degree radius.....	10°	4°

*By Mr. Light's computation, the total length of the "Combination Line," from Montreal to Halifax, is 710 miles,—showing a saving of 30 miles.

The undersigned are of opinion that it is still open to the Government to recind the Railway Resolutions passed at the last session of Parliament in favor of the International route, upon its being shown to them that a superior, shorter and more favorable line exists in another direction, and the adoption of which will not prejudice or sacrifice a single Canadian interest.

We assert that no contract has yet been entered into between the Government and the International Railway Company or any other company for the construction of the proposed Short Line Railway, and we have it on high authority that the Canadian Pacific Railway Company as a corporation have not yet come to any determination as to which route they would feel disposed to adopt in the event of their entering upon the undertaking.

It is true that it has been stated through the press that several prominent directors of the Canadian Pacific Railway Company have recently been nominated as directors of the so-

called International Railway Company, but there is good reason to believe that the nominations, in some instances at least, were made without the knowledge or consent of the gentlemen whose names were used.

The whole question is therefore still in the same position as it was on the adjournment of Parliament at its last session, and so far from being settled, it is believed that the whole subject will be again opened up at the forth-coming session.

J. C. MACKINTOSH,
Mayor.

W. C. SILVER,
Ch'man Chamber of Commerce.

E. H. KEATING,
City Engineer.

HALIFAX, 7th December, 1885.

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Memorandum containing abstracts from and references to certain public documents touching a subsidy to a Short Line of Railway from Montreal and Quebec to the Harbour of Halifax, N. S.

APRIL 9, 1884.

Sir Charles Tupper, Minister of Railways, in the Dominion Parliament moved, "That the House to-morrow resolve itself into committee of the whole to consider the following resolution":

"That it is expedient to authorize the Governor in Council to grant the subsidies hereinafter mentioned to and for the Parties, Railways and Railway Companies hereinafter mentioned, that is to say:—

(Here follows an enumeration of a number of Railways in different parts of Canada and among the rest the following:)

"For the construction of a line of Railway connecting Montreal with the Harbours of St. John and Halifax by the shortest and best practicable Route a subsidy not exceeding \$170,000 per annum for fifteen years or a guarantee of a like sum for a like period as interest on Bonds of the Company undertaking the work.

"For the construction of a Line of Railway from Oxford Station on the Intercolonial Railway to Sydney or Louisburg a subsidy not exceeding \$30,000.00 per annum for 15 years, or a guarantee for a like sum for a like period as interest on the Bonds of the Company undertaking the work in addition to the subsidies previously granted, and also a lease or transfer to such company of the Eastern Extension Railway from New Glasgow to Canso with its present equipments.

* * * * *

"The subsidies hereinbefore mentioned as to be granted to companies named for that purpose shall be granted to such companies respectively. *

* * * * *

"All lines, for the construction of which subsidies are granted * * * shall be constructed * * * upon conditions to be approved by the Governor in Council * * * and specified in an agreement to be made in each case by the company with the Government, and which the Government shall be empowered to make. The location also of any such line of Railway shall be subject to the approval of the Governor in Council, and all the said subsidies shall be payable out of the Consolidated Revenue Fund of Canada by installments, on the completion of each section of the Railway of not less than ten miles proportionate to the value of the portion so completed in comparison with that of the whole work undertaken, to be established by the report of the Minister.—*The Hansard Debates, April 9, 1884, page 1444.*

On the 10th April, 1884, Sir Charles Tupper moved above resolutions, after delivery of a speech from which we quote the following:

"I need not say, Sir, that all countries recognize the construction of railways as one of the greatest, probably the greatest and most important,

means of promoting the advancement and progress of a country; and I need not say here that Canada is not behind the rest of the world in that regard—that in no part of the world is the important factor, that the construction of railways affords, more thoroughly recognized than it has been in Canada where the efforts that have been made within the last few years—the very great efforts—I think I may say the unequalled efforts, that Canada has made to span this continent from ocean to ocean, will compare favourably with any that have been made for the development and advancement of any country. The House, I think, will agree with me when I say that the Province of British Columbia—because I will begin on the Pacific coast—has not been neglected in the provision made for railway construction. We have not only provided for the rapid completion of our great national work, the Canadian Pacific Railway, to the Harbour of Port Moody at Burrard Inlet, but we have during the present Session also made provision for extending a line of railway from Nanaimo down to the Harbour of Victoria, thus providing very fully and efficiently for the development of that section of this great Dominion. Then, Sir, I need not remind the House that the great North-West, which but yesterday was a trackless desert, is now not only spanned with a line of railway throughout its entire length, from the boundary of Ontario to the boundary of British Columbia, but that, in addition, arrangements have been made—in connection with the construction of the Canadian Pacific Railway, and by aid furnished by the Government—for the construction of branches connecting the Canadian Pacific Railway with very important and leading sections of country. The Resolution which my right hon. friend has just submitted to the consideration of the House provides for an additional outlet for the great North-West—provides for an enormous grant of land as a free subsidy and contribution to promote the construction of a line of railway from Winnipeg to Hudson's Bay, with the view of obtaining an additional outlet for several months of the year for that great country. The appropriation of 6,100 acres of land per mile within the Province of Manitoba, and 12,800 acres of land per mile outside of that Province, to aid in the construction of the Hudson's Bay Railway is an evidence to the world of the great importance that the Government attach—and, when the Resolution passes, as I have no doubt it will pass, by the common consent of this House—of the value this Parliament attach, to affording every possible facility for the development of the great North-West. Nor need I remind the House that, in the carrying out of this great work of an inter-oceanic railway, we have provided for the rapid construction of no less than 650 miles of road from Port Arthur to Callander, involving the expenditure within the Province of Ontario of over \$20,000,000 in connection with the construction of the Canadian Pacific Railway. Then, Sir, my hon. friend who preceded me in the office which I have now the honour to hold, obtained from Parliament authority to give \$12,000 per mile as a subsidy for a road from Callander to Pembroke, as a link to extend the Canadian Pacific Railway down in this direction, to connect it with the Canada Central Railway at Pembroke, involving an additional expenditure for that service of **\$14,000,000**. The House is also aware that this Parliament has provided, during last Session and the preceding Session, for a subsidy of \$12,000 per mile for 110 miles of road, from Callander to Gravenhurst, to connect the great cities of Ontario and the Great Lakes with the Canadian Pacific Railway, by the shortest and most practicable and best line that could be obtained; and I hope to be able, before this House rises, to lay upon the Table of the House a contract, made with a company incorporated for the purpose and acting in conjunction with the Northern and North-Western Railway Company—a

contract for the prompt undertaking and completion of that work, so as to have it practically open in the early season of 1886, by the time the Canadian Pacific Railway will be completed. That embraces an expenditure within the Province of Ontario of some **\$22,760,000** in connection with the construction of that portion of the Canadian Pacific Railway lying between Port Arthur and Callander, between Callander and Pembroke and between Callander and Gravenhurst. We now come to the Province of Quebec; and I may say no person in this House will question for a moment the fact that if provision had not been made by the Province of Quebec for the construction of a railway from Quebec to Ottawa, this House would have regarded the country would have regarded the Canadian Pacific Railway as entirely incomplete, and would have been prepared to deal with that branch of the question just as our hon. friends opposite dealt with the question of connecting the Canada Central from Pembroke to Callander, by an appropriation of a sum of money sufficient to accomplish the purpose. The fact that the Government of Quebec anticipated that action, the fact that the Government of Quebec have since Confederation expended from their own treasury a sum, I believe, of over \$11,000,000 in the construction of railways within the Province of Quebec, instead of diminishing their claim to consideration at this late hour, strengthens it. I think, very much; this fact increases the strength of their position in approaching the Government as they have done and asking to be recompensed a fair amount of that money and to be placed relatively in somewhat the same position as that which they would have occupied if they had not been so forward to promote that which is admitted on all sides to be the great national work of this country. Under these circumstances, the Government of Quebec, having contributed, as I say, over \$11,000,000 in railway construction in that portion of the Dominion, came to this Government with a claim for the fair and just consideration as regarded that section of the railway construction which they had engaged in and completed, and which might fairly be regarded as a portion of the great inter-oceanic line of railway connecting, in fact, **across the entire Continent, through Canadian territory, the two oceans.** After full and fair consideration of the proposals that were made and of the fact that they had exhausted the resources of the Province of Quebec in this effort, this successful effort, to construct this most important link of the **great national work**, the Government came to the conclusion that the Government of Quebec were entitled to a grant of \$12,000 per mile for that portion of the road that had already become a link and a section of the Canadian Pacific Railway, that portion lying between the City of Montreal and Ottawa; and as regarded the other portion, the only hesitation, the only doubt that existed as to the propriety of expending the \$12,000 per mile from Montreal to the Harbour of Quebec arose from the fact that the Government of Quebec had parted with that portion of the railway, and that, at this moment **it did afford that short and unrestricted line of communication for the Canadian Pacific Railway to make the Harbour of Quebec that which it is believed, in the interest of the whole of this country, it is desirable it should be made, namely, the summer terminus of the Canadian Pacific Railway.** Under these circumstances it was thought judicious to appropriate \$6,000 per mile to the Government of Quebec for that portion of the line extending from Montreal to the Harbour of Quebec, and to ask Parliament for an appropriation for an equal \$6,000 a mile for the purpose of ensuring the extension of the Canadian Pacific Railway from its present terminus at Montreal to the Harbour of Quebec; and the Resolution states very explicitly the mode in which that appropriation will be used. . . . Then a very strong feeling has grown up in the Maritime

Provinces, and not only in the Maritime Provinces, but throughout Canada, because, I believe, that from British Columbia down through the North-West Territories, through the Province of Ontario, and in the Province of Quebec, there has been a strong and general sentiment that this great inter-oceanic line of the Canadian Pacific Railway would be **incomplete** if we were obliged to have our **Atlantic terminus in a foreign country**. I believe that sentiment is not at all confined to the Province of Nova Scotia, or Prince Edward Island, or the Province of New Brunswick, but I believe, it has taken just as deep a hold of the minds of our friends in the other Provinces, almost as it has in the Maritime Provinces. Although every effort has been made to render the operation of the Intercolonial Railway as successful as possible, although more has been accomplished in the development of the country, in the development of the trade and business of the country through the agency of the Intercolonial Railway than any person on either side of this House a few years ago supposed to be possible, still we have found we were too heavily handicapped by the distance, and that we could not—reluctantly as we were driven to the conclusion, we have been driven to the conclusion by the force of circumstances and by the practical results, that it is impossible for the ports of St. John and Halifax to compete with the nearer ports of Portland and Boston, in the United States. Under these circumstances, the attentions of the Government has been drawn, as I have said on one or two occasions before in this House, to the best means by which we might secure a realization of that which we all desire, **the Atlantic terminus being in Canadian territory as well as the Pacific terminus**, and thus be placed in a position to fairly compete for the great trans-continental trade and traffic that we all know must flow over that line. . . . I have stated the position in which this question stands from its **national** and larger point of view, and I believe I may confidently rely not only upon the kind support of our friends on this side of the House for carrying out a measure which has been considered by the Government in all its aspects and in all its bearings, with a view to the promotion of the best interests of the country, but I believe I can rely with equal confidence upon the support of gentlemen opposite in carrying out what we all recognize as most important, making a **complete line of communication through Canada**, and enable us to have the **great ocean termini, on the Atlantic as well as on the Pacific, within our own borders**. From Montreal, Halifax will be brought within 672 miles and it is found practicable to obtain a line which will bring the port of Sydney under the effect of this subvention, with 774 miles. There will thus be saved in the present distance from Montreal to Sydney, 219 miles, in the distance from Montreal to Halifax, 173 miles, and the distance to St. John will be reduced 159 miles. I have only to read these figures to the House, I think, in order to show that the Government, in asking for this aid in extending practically the terminus of the Canadian Pacific Railway, involving as it will the transport of the traffic of **both the Grand Trunk Railway and the Canadian Pacific Railway** down to our own coasts and our own ports in the maritime Provinces, are asking aid which will, without any question, assure the completion of that. I have already stated that it is proposed that this shall not only be the shortest line to Montreal, but the shortest line to Quebec. . . . In fact, I believe that, within a very brief period—I have stated four years as the term in these Resolutions—this line of communication will be perfected, and we will have the satisfaction of finding that we have the complete realization of our hopes and expectations in reference to the transcontinental traffic of the Canadian Pacific Railway being brought down to our own ports. The questions with which I have been dealing up to this point, of course, are

based upon broad and national considerations. They are founded upon a policy that is recognized and has been recognized from the first as the first duty we owed to our country, and that is to obtain by the construction of a **national line** of railway the closest **possible intercommunication** between one section of our country and another. The great disadvantage under which Canada has laboured, if it may be regarded as a disadvantage, was the remoteness of important sections of our common country from one another, and we have all regarded it as a first duty we owed to the country to endeavour to remove and obviate that as far as possible by diminishing the distance between all the important points of communication in the several sections of our country, thus bringing them as closely as we could together. Not only commercially but socially, the greatest possible advantage may be fairly expected from shortening the distance of intercommunication between the great commercial centres of the country and the outlying portions of it.

The hon. gentleman has had something to say with reference to the Short Line Railway Company. Well, sir, that is quite foreign to the subject. The hon. gentleman knows, if he has taken the pains to read the Resolutions, that it is not an appropriation to the Short Line Railway Company at all. It is provided in this Resolution that the Government shall have the power to make these arrangements in whole or in part, either for one section or the other, or with one company, covering the whole, or two companies, as the case may be found most convenient. It empowers the Government, within the limits of the Resolution, to make these arrangements with any company that will give the Government solid and substantial and unqualified guarantees of their ability to carry the work to completion; and therefore, until the Short Line Railway Company is in a position to do that, they will not obtain any contract under the arrangement."

These resolutions were subsequently passed on 19th April, 1884, and published in the *Statutes of that year, Chap. 8.*

During the years 1884 and 1885 surveys were made under the direction of Government between the Harbours of Montreal, St. John and Halifax, to ascertain the shortest and most practicable route, and reports of the same were laid before Parliament during the session of 1885, chief of which were those of A. L. Light, Vernon Smith and Moses Burpee.

It was considered that the shortest and most practicable of said lines was the combination line—see annexed plan, of which Mr. Light says: "I feel convinced this line if established in connection with a bridge over the St. Lawrence at Quebec, will combine in a marked degree the requirements of Montreal, St. Andrews, St. John, St. Stephens, Fredericton, Halifax, and the ports further east, placing all localities on a fair and equal footing."

Distance from Montreal to Halifax, Mattawankege and St. John, 769 miles. Distance from Montreal via Quebec, &c., 710 miles saving, in favor Quebec 59 miles (*See report of proposed short line of R. R. printed by order of Parliament, 1885; also appendix to said reports.*) No survey at this time had been made of the route now proposed by the St. Lawrence and Maritime R. R. Co.

In 1885 an Act (set out in Statutes, Chap. 58 of that year) was passed from which we quote as follows :

1. "The Governor in Council may grant the further subsidies hereinafter mentioned towards the construction of the railways hereinafter described respectively, that is to say :—

(1.) For a railway from a point on the Intercolonial Railway at Riviere du Loup or Riviere Ouelle, in the Province of Quebec, to Edmunston, in the Province of New Brunswick, a subsidy not exceeding two thousand eight hundred dollars per mile for seventy-five miles, and six thousand dollars per mile for eight miles, not exceeding in the whole two hundred and fifty-eight thousand dollars; the said subsidy to be in addition to the subsidy authorized to be granted in aid of the construction of the said railway by the Act forty-fifth Victoria, chapter fourteen, and constituting with the subsidy so authorized, a subsidy not exceeding in the whole four hundred and ninety-eight thousand dollars, and to be granted for the said railway upon the terms and conditions specified in the said Act, and payable out of the Consolidated Revenue Fund of Canada; and for the purpose of incorporating the persons undertaking the construction of the said railway and those who shall be associated with them in the undertaking, the Governor may grant to them, under such corporate name as he shall deem expedient, a charter conferring upon them the franchises, privileges and powers requisite for the said purposes which shall be similar to such of the franchises, privileges and powers granted to railway companies during the present session, as the Governor shall deem most useful or appropriate to the said undertaking; and such charter, being published in the *Canada Gazette*, with any Order or Orders in Council relating to it, shall have force and effect as if it were an Act of the Parliament of Canada.

(2.) For a line of railway from the south bank of the St. Lawrence River opposite or near Montreal to the harbours of St. Andrews, St. John and Halifax, *via* Sherbrooke, Moosehead Lake, Mettawamkeag, Harvey, Fredericton and Salisbury, a subsidy not exceeding eighty thousand dollars per annum for twenty years, forming in the whole, together with the subsidy authorized by the Act forty-seventh Victoria, chapter eight, for a line of railway connecting Montreal with the said harbours of St. John and Halifax by the shortest and best practical route, which the line above described is found to be, a subsidy not exceeding two hundred and fifty thousand dollars per annum, the whole of which shall be paid in aid of the construction of such line of railway for a period of twenty years, or a guarantee of a like sum for a like period as interest on the bonds of the company undertaking the work; the said subsidy to be so granted upon the terms and conditions of, and payable out of the Consolidated Revenue Fund in the manner specified in the said last mentioned Act in respect of the subsidy thereby authorized in aid of the said line of railway."

During the discussion on this Act Sir Hector Langevin spoke as follows :

" Well, I am sure the hon. gentleman will be pleased to hear the declaration which the Government makes through me, that in the arrangements to be made with the company to build the railway, and to take advantage of this vote of money, of \$250,000 during 20 years, the Government will take care to secure the completion of the railway, not only to **Mattawamkeag**, but also to **Salisbury**, and if that is not secured, there will be no subsidy given. We must act in good faith ; the faith of Parliament is pledged and we must take care that money is employed as Parliament wishes.

On the 10th of December, 1885, the Government of Canada entered into an agreement with the International R. R. Co. as follows :

Articles of Agreement made and entered into in triplicate, this fourteenth day of December, in the year of our Lord one thousand eight hundred and eighty-five.

The International Railway Company, (hereinafter called the "Company") of the first part, and Her Majesty Queen Victoria, represented herein by the Minister of Railways and Canals (hereinafter referred to as the "Minister") of the second part.

Witnesseth, that whereas the Parliament of the Dominion of Canada has passed certain Acts in aid of the construction of a line of railway from the south bank of the St. Lawrence River, opposite or near Montreal, to the Harbours of St. Andrews, St. John and Halifax, via Sherbrooke, Moosehead Lake, Mattawamkeag, Harvey, Fredericton and Salisbury, to wit :

Act 1st. An Act passed during the session held in the 47th year of Her Majesty's Reign, Chapter 8, entitled, " An Act to authorize certain subsidies and grants for and in respect of the construction of the lines of railway therein mentioned by which amongst other things, it is in effect enacted, " that the Governor in Council may grant for the construction of a line of railway connecting Montreal with the Harbours of St. John and Halifax, by the shortest and best practicable route, after the report of competent engineers, a subsidy not exceeding \$170,000 per annum fifteen years, or a guarantee of a like sum for a like period as interest on bonds of the Company undertaking the work.

Act 2nd. An Act passed during the session held in the 48th and 49th year of Her Majesty's Reign, Chapter 58, and entitled, "An Act to authorize the granting of further subsidies to and making further provision for the construction and efficient operation of the railways therein described, by which amongst other things it is in effect enacted, "that the Governor in Council may grant for a line of railway from the south bank of the St. Lawrence River opposite or near Montreal, to the harbors of St. Andrew's, St. John and Halifax, via Sherbrooke, Moosehead Lake, Mattawankeag, Harvey, Fredericton and Salisbury, a subsidy not exceeding eighty thousand dollars per annum for twenty years forming in the whole together with the subsidy authorized by the Act 47th Vic., Cap. 8, for a line of Railway connecting Montreal with the said harbours of St. John and Halifax by the shortest and best practicable route, which the line above described is found to be, a subsidy not exceeding two hundred and fifty thousand dollars per annum, the whole of which shall be paid in aid of the construction of such line of railway, for a period of twenty years or a guarantee of a like sum for a like period as interest on the bonds of the Company, undertaking the work, the said subsidy to be so granted upon the terms and conditions and payable out of the Consolidated Revenue Fund in the manner specified in the said last mentioned Act, in respect of the subsidy thereby authorized in aid of the said line of railway.

And whereas it is by the said Act, 47 Vic, Cap. 8, in effect provided that the said subsidies shall be granted to such companies as shall be approved by the Governor in Council, as having established to his satisfaction their ability to construct and complete the said railway, and that the line for the construction of which the subsidies are granted shall be commenced within two years from the 1st day of July, 1884, and completed within a reasonable time, not to exceed four years to be fixed by order in Council, and shall also be constructed according to descriptions and specifications and upon conditions to be approved by the Governor in Council, on the report of the Minister of Railways and Canals, and specified in an agreement to be made by the company with the Government and which the Government is thereby empowered to make, and that the location of such line of railway shall be subject to the approval of the Governor in Council, and that the said subsidies shall be payable out of the Consolidated Revenue Fund of Canada, by instalments on the completion of each section of the Railway of not less than ten miles proportionate to the value of the portion so completed in comparison with that of the whole work undertaken, to be established by the report of the said Minister, and that the granting of such subsidies shall be subject to such conditions for securing such running powers or traffic arrangements and other rights as will afford all reasonable facilities and equal mileage rates to all railways connecting with the railway so subsidized as the Governor in Council may determine.

Now this agreement witnesseth, that in consideration of the premises, the company, for themselves and their assigns, covenant and agree to and with Her Majesty, her successors or assigns, in manner following, that is to say:—

1st. That the company shall and will, well, truthfully and faithfully make, build, construct, complete and acquire, (by running powers or otherwise), a line of railway commencing on the south bank of the St. Lawrence River at or near Caughnawaga; thence, in as direct a line as practicable, passing through the town of Sherbrooke to Lennoxville; thence, over the International Railway, to the boundary between the Province of Quebec and the State of Main; thence, following approximately the location recently made for the Short Line Railway, crossing the Moosehead Lake and following as direct a line as practicable to the south end of the Lower West Branch Pond; thence, on as direct a line as the physical features of the country will admit of, crossing the St. John River as near Fredericton as practicable, through the township of Salisbury to Moncton, the points and approximate route and course being shown on the map hereto annexed marked "A," and all bridges, culverts and works appertaining thereto; and will build, construct, complete and acquire the said line of railway, bridges, culverts, works, and all the engineering services, whether in the field or in preparing plans, or doing other office work to the entire satisfaction of the Governor in Council.

2nd. That the company shall and will locate and construct the sections to be built of the said line of railway in as straight a course as practicable, with only such deviation as may seem absolutely indispensable to avoid serious engineering obstacles and as shall be allowed by the Governor in Council.

3rd. That the gradients and alignment shall be the best that the physical features of the country will admit of without involving unusually heavy works of construction, with respect to which the Governor in Council shall decide, but in no case on the section of line to be constructed shall the maximum grade exceed fifty-eight feet per mile or the maximum degree of curve exceed six degrees.

4th. That plans, profiles and bills of quantities of the whole railway in ten mile sections shall be furnished, and that before the work is commenced on any ten mile section, such plans, profiles and bills of quantities shall be approved by the Governor in Council; and before any payments are made the company shall furnish such further returns as may be required to satisfy the Minister.

5th. That the company will upon and after the completion and acquisition of the said line of railways and works appertaining thereto, equip the same and truly and faithfully keep and maintain the same, and the rolling stock required therefor, in efficient working and running order, and shall continuously and faithfully operate the same to the satisfaction of the Governor in Council.

6th. That the company will build, construct, acquire and complete the said line of railway and works appertaining thereto in all respects in accordance with the specification hereto annexed, marked "B," the true intent and meaning of which is that the line shall be equal in quality and standard of construction and equipment to that of the Canadian Pacific Railway between Callendar and Port Moody, and upon a line of location to be approved by the Governor in Council.

7th. That the annual subsidy of \$250,000 for twenty years shall be paid as authorized and provided by the two Acts hereinbefore cited, either directly to the company, or as interest on bonds to be issued by the company at their option.

8th. That the company shall commence the works embraced in this agreement within six months from the date hercof, and shall complete the whole of said works on or before the first day of July, eighteen hundred and eighty nine, time being declared to be material and of the essence of this agreement.

In witness whereof, the International Railway Company have caused their corporate seal to be affixed hereto, and these presents to be signed by Duncan McIntyre, the President of the company, and the Minister of Railways and Canals hath hereunto affixed and set his hand and the seal of the Department of Railways and Canals, and the Secretary of the said Department of Railways and Canals hath countersigned.

Signed, sealed and delivered in presence of

(Signed) CHARLES TUPPER,
*High Commissioner for Canada,
London, Eng.*

(Signed) DUNCAN MCINTYRE,
President.

(Signed) W. B. IVES,

(Signed) J. DAVIDSON,
Secretary.

(Signed) J. H. POPE,
*Minister of Railways
and Canals.*

Signed by the Minister and Secretary of
Railways and Canals, and sealed in
the presence of }

(Signed) H. A. FISSIAULT,
(Signed) M. DESJARDINS.

(Signed) A. P. BRADELY,
Secretary.

MEMORIAL.

TO THE HONORABLE THE MEMBERS OF THE PRIVY COUNCIL OF CANADA :

The memorial of the undersigned, the Members of the delegation appointed by the Cities of Halifax and Fredericton and the Town of Moncton Humbly sheweth.

That in and by Chapter 58 of 48 and 49 Victoria a subsidy of \$250,000 a year for 20 years was granted to any company that would undertake to build a line of Railway from the south bank of the St. Lawrence River, opposite or near Montreal, to the harbours of St. Andrews, St. John and Halifax, via Sherbrooke, Moosehead Lake, Mattawamkeag, Harvey, Fredericton and Salisbury, that being considered the shortest and best practicable route and so stated in the Act of Parliament, which subsidy was to be paid as the Governor General in Council should determine.

That subsequently a contract was entered into for the building of said road with the International Railway Company, which contract was transferred with the assent of the Government to the Atlantic North West Railway Company, which latter company granted to the Canadian Pacific Railway Company a perpetual lease of their line and interest, that said road has been virtually constructed to Mattawamkeag, but no work whatever has been done on the portion of the line from Harvey via Fredericton through the Township of Salisbury to Moncton, and from various circumstances your memorialists have reason to fear that it is not the intention of the Company to complete the contract, a fear which has caused great anxiety and alarm to the people of the Maritime provinces represented to us.

(See Sir Hector Langevin's speech page)

Your Memorialists then and now fully rely upon the public pledges so given and feel satisfied that the Government will recognize our rights in the premises and do all in its power to secure the construction of that portion of the road above referred to from Harvey via Fredericton through the Township of Salisbury to Moncton, as a portion of the great Trans-Continental line of Railway connecting the Seaports on the Atlantic Seaboard of the Dominion with those of the Pacific.

Your Memorialists therefore humbly pray that you will take such steps as in your wisdom may be deemed necessary to secure the building, equipping and running of said road. And as in duty bound your Memorialists will ever pray.

Delegates from City of Halifax.	{ P. O'MULLIN, <i>Mayor of the City of Halifax.</i> W. D. HARRINGTON, <i>Alderman Ward 2 City of Halifax.</i> WILLIAM F. MACCOY, <i>Recorder for City of Halifax.</i>
Delegates from Fredericton.	{ J. D. HAZEN, <i>Mayor of Fredericton.</i> A. A. STIRLING, <i>Sheriff of York Co., N. B.</i>
Delegates from the Town of Moncton.	{ J. L. HARRIS, <i>President M. S. R. Co., & M. C. Co.</i> H. T. STEVENS, <i>Editor & Prop. Moncton Times.</i> D. J. WALSH, <i>Councillor Ward 2, Town Moncton.</i>

DEAR SIR:

Referring to correspondence that was had with you by Mr. Foster on behalf of a number of the representatives from the Maritime Provinces, and your letter in reply dated the 11th February last, we would again solicit your attention to the subject of extending the C. P. R. system to the eastern sea ports of the Dominion.

You are no doubt aware that the Government was memorialized last year and requested to grant a subsidy to such a company or companies as would undertake the work, and that resolutions were subsequently passed by Parliament for that purpose.

"For the construction of a line of railway connecting Montreal with the harbours of St. John and Halifax by the shortest and best practicable route, a subsidy not exceeding \$170,000 per annum for 15 years, or a guarantee of a like sum for a like period as interest on bonds of the company undertaking the work."

We would like to be informed whether the C. P. R. Company or some company in alliance with it will undertake the construction or acquisition of a line of railway to the Maritime Provinces in order to give to the C. P. R. an Atlantic Terminus or more than one, in Canadian territory.

We would like to know the views of the C. P. R. Company as to what would best answer for the purpose of affording that company an outlet to the Atlantic ocean; also upon what terms the railway can be built, specifying the time of completion, etc.

We recognize the importance that must attach to the views of the C. P. R. on this subject, and while reviewing the enquiries of last year, we would further ask as full a statement as possible of your opinions on the points referred to

Yours, etc,

M. B. DALY.
J. F. STAIRS.

24th February, 1885.

OTTAWA, 25th Feb., 1885.

M. B. DALY, Esq.,
Ottawa,

DEAR SIR:

I am in receipt of the letter of the 21st instant, signed by yourself and Messrs. Wood and Stairs, upon the subject of the extension of the Canadian Pacific Railway to the Maritime Provinces so as to connect it with the ports of St. Andrews, St. John, Halifax and Louisbourg.

With reference to the matter of the location of such an extension as you refer to, I beg to say that my opinion remains unchanged by the various surveys that have been made. On the contrary my previous opinion has been confirmed and I am fully satisfied that the best line would be a line running as directly as possible from Montreal via Sherbrooke, Moosehead Lake, and Fredericton to Moncton, utilizing existing lines as far as practicable.

I may further say that if the Government should decide adequately to subsidize such a line it could, in my opinion, be completed within two years from the date of the contract.

I estimate that a first class road, thoroughly equipped would involve a capital cost of \$12,500,000. While I am not now in a position to commit my colleagues to an actual offer to undertake the work, I feel safe in saying that with a subsidy of \$300,000 a year for 20 years, the Atlantic and North-

Western Railway Company would be willing to enter into a contract with the Government to make the direct connection as above stated.

Speaking for the C. P. R. Company, I may say that in my opinion, if such a railway were built, the latter company would undertake to lease and operate it, provided suitable provision were made for the carrying of freight over the Intercolonial Railway from Moncton to Halifax.

I may say that Moncton would be the proper point to connect the Louisbourg line with the Canadian Pacific Railway.

I am, dear sir,

Yours very truly,

(Sgd) GEORGE STEPHEN.

OTTAWA, 16th June, 1885.

DEAR MR. STEPHEN :

As it is of much importance that the present proposals of the Government may not be sufficient to bring about the much desired result of the construction of a line of railway between Montreal and the sea ports of Nova Scotia and New Brunswick, in which the Canadian Pacific R. Company will be interested, we would ask your consideration of the following points :

Is the route proposed, viz., via Sherbrooke, Moosehead Lake Mattawamkeag, Harvey, Fredericton and Salisbury such as meets your approval and the one that your company would be the most favourable to adopt."

We have always attached the greatest importance in connection with this subject to the desirability of having the C. P. R. directly interested in the new road or line to be built under this scheme. For this reason we would ask you to give us such assurance as the circumstances of the case will permit, that it is the intention of the C. P. R. to take up this project and endeavour to develop the traffic of their main road in that direction as much as possible, and that they will endeavour to promote such traffic through our Canadian sea ports by the proposed extension of their system eastward rather than have it drawn off towards the ports of the United States.

Yours truly,

M. B. DALY,

J. F. STAIRS.

THE CANADIAN PACIFIC RAILWAY CO.,

OFFICE OF THE PRESIDENT,

Montreal, 16th June, 1885.

M. B. DALY, Esq.,

J. F. STAIRS, Esq.,

SIRS :

Replying to your letter of the 16th June, on the subject of the proposed short line between Montreal and the sea ports of Nova Scotia and New Brunswick, I have to say that the route indicated therein is, in the light of our present knowledge, the best that has been proposed, and this route is preferred by the Canadian Pacific Railway Company to any other that has been suggested.

I will say, further, that it is the desire of the Canadian Pacific Railway Company to take up this scheme as a natural and necessary supplement to the Canadian Pacific Railway as it now exists.

The company will be ready without loss of time to enter into negotiations with the Government for carrying out this project as soon as the necessary legislation is obtained.

I am, sirs,

Yours truly,

GEO. STEPHEN,

President.

Read, report from the Short Line delegates—his worship the Mayor, his honor the Recorder and Ald. Harrington—as below :

TO THE MEMBERS OF THE CITY COUNCIL :

Your delegates appointed to proceed to Ottawa in conjunction with the delegates from Fredericton and Moncton in relation to the completion of the Short Line Railway, beg leave to report as follows :

Your delegates, feeling that it was important to have an interview with the Government at as early a day as possible, immediately proceeded to Ottawa, where they arrived on the 22nd ult., and the New Brunswick delegates arrived next day.

On account of the absence of several of the ministers the delegates were unable to obtain a hearing before the Government until Saturday, the 26th ult.; but they improved the time by waiting on several of the ministers and discussing the question and impressing upon them the importance to the people of the Maritime Provinces, especially to Halifax, of having the road built and completed according to the terms of the contract, and we are glad to be able to report their readiness to do all in their power to have the contract carried out.

The delegates, before the interview with the Government, met and discussed the advisability of presenting a joint memorial, which course was finally adopted, and one was prepared and assented to by the delegates and presented to the Government, a true copy of which is hereto annexed.

The delegation addressed the privy council at some length, and your delegates did not fail to impress upon the Government the absolute necessity of the Short Line being completed according to the terms of the contract and the great advantages that would naturally accrue therefrom to the city; that the government and parliament of Canada stood pledged to the people of the Maritime Provinces to see its terms enforced; that the subsidy was given upon the faith and pledge that it would not only be built but that the road would be running by the first of July next, and also the strong and emphatic feeling that existed in the city of Halifax in relation thereto; also, your delegation did not fail to point out to the government that it would be a gross violation on the part of the Canada Pacific Railway company, if after entering upon a solemn obligation and obtaining the subsidy for the completion of the whole, and after drawing the subsidy on that portion of the road built by them under the contract, they should now refuse to complete it to Salisbury, a road which was virtually approved of by themselves.

After the delegates had expressed their views Sir John A. Macdonald on behalf of the government, in substance, spoke as follows: "Previous to the arrival of the delegates at Ottawa I may say that the government had this matter before them and were fully alive to its importance to the people of the Maritime Provinces and the feeling that exists there and their earnest desire to see the road built and completed in the time mentioned in the contract. Unforeseen difficulties often arise in many such enterprises as this, but we have no doubt that the Maritime Provinces will be quite satisfied if the road is completed within a reasonable time. I may further say that the matter is still before government and the fact of your delegation from the Maritime Provinces coming to Ottawa to wait upon the government will induce us to put forth every effort to adopt the best means to meet your views, and I have no doubt and believe there will be found a favorable solution of the matter in accordance with your wishes."

From the assurances your delegates received from the government, and also from private interviews held with the ministers of the cabinet, your

delegates are convinced that the railway will be completed in as short a time as practicable.

Although your delegates were not charged with the duty of pressing upon the government the necessity of having a fast line of steamers between this port and England, yet we have reason to believe that as soon as negotiations now going on, between the Dominion and Imperial governments in relation thereto are completed, a sufficient subsidy will be placed in the estimates this year for that purpose by the government of Canada.

Your delegates having been charged by the chamber of commerce to present to the government the resolution passed by that body, duly presented the same.

Before closing this report your delegates desire to express their obligation to Messrs. M. B. Daly and John Stairs, and also to the provincial and city engineers for valuable information, which materially assisted them in presenting important facts to the government.

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House resolved itself into Committee to consider the following resolution :

That it is expedient that a railway should be constructed, as a Government work, between a point of junction on the New Brunswick Railway, at or near Harvey, in the Province of New Brunswick, and the point of junction with the Intercolonial Railway, at or near Salisbury or Moncton, in the said Province, and that the sum of five hundred thousand dollars be granted towards the construction of said Railway.

(In the Committee.)

Sir JOHN A. MACDONALD. The committee will remember that Parliament subsidised a line running in fact from Montreal via Sherbrooke to Mattawankeag, and from Mattawankeag to Salisbury to a junction with the Intercolonial Railway. This short line was divided into three portions, and \$63,000 were reserved for the construction of this portion from Harvey to Salisbury. The subsidy was granted to the International Railway. This company assigned it to the Atlantic and North-Western, who again leased the line to the Canadian Pacific Railway.

Mr. WELDON (St. John) The whole line ?

Sir JOHN A. MACDONALD. No ; th's portion. The Canadian Pacific Railway would have control of the whole line from Sherbrooke to the junction with the Intercolonial Railway at Moncton.

Mr. DAVIES (P. E. I.). Was the part now proposed to be built leased to the Canadian Pacific Railway.

Sir JOHN A. MACDONALD. It was by the Atlantic and North-Western Railway Company. This railway is a link of the short line from Montreal to Halifax so strongly advocated in 1881 by Mr. Blackmann of New

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York, a great railway promoter, who represented to the Government and the shareholders of the company that the construction of such a line would bring together the great Canadian seaports on the Atlantic and Pacific oceans by the shortest direct route, thus securing to the **Canadian transcontinental** line the most rapid mail and passenger transit between Europe and Asia, and to Canada all the advantages attending the handling and transport of the heavy traffic between the eastern and northern hemispheres. In 1882, Mr. Blackmann and his associates secured by Act 45 Vic., cap. 23, a charter for this road under the name of the Great American and European Short Line Railway. They sought Government aid, and by the Acts 45 Vic., cap. 14, and 46 Vic., cap. 25, a cash subsidy was granted towards building the eastern section. Up to the end of 1883, the company had accomplished very little towards its construction, being much embarrassed by tightness in the New York money market. Work on the line ceased, and the public mind became somewhat exercised over the delay, and as it was found that no further progress was likely to be made—

MR. JONES (Halifax). Is that the Oxford and Cape Breton line?

Sir JOHN A. MACDONALD. No. As it was found, that no further progress was likely to be made with the construction of this important work unless further Government aid was granted, a cash subsidy of \$170,000 per annum for 15 years was given for the construction of a line between Montreal and the harbours of St. John and Halifax, following the route which the report of a competent engineer laid down as the shortest and most practicable. Upon the prorogation of Parliament, the Government issued orders for surveys to be made of several of the most feasible routes, and early in the summer of 1885 a large staff of engineers took the field and explored the country. They made surveys of a number of the routes, and we obtained sufficient information to enable the Government to select the shortest route practicable. The result of their surveys was the adoption of a line from Montreal via Sherbrooke and Mattawamkeag, to Harvey, Fredericton and Salisbury. The subsidy available, however, proved to be insufficient to induce capitalists to embark in the enterprise, and during the Session of 1885 it was increased to \$250,000 per annum for 20 years. Shortly after Parliament rose, a representative of the International Railway examined the general map of the route and the plans, profiles, and survey of the line subsidised and having apparently satisfied himself of the feasibility and soundness of the enterprise, the company offered to enter into a contract for its construction and operation under the Act 48-49, Victoria, cap. 58. On the 14th of December, 1885, a formal contract was entered into. The International Railway Company owned about 100 miles of railway running eastward from Lennoxville, which would form a link in the short line. Subsequently, in 1886, the Atlantic and North-Western Company purchased this road, and agreed to construct the balance subject to the consent of the Government to accept them as contractors and confirm the arrangement. This company seemed to be equally reliable as the other, and the Government confirmed the arrangement, and accepted them as contractors by agreement of the 12 January, 1887. Having found difficulty in obtaining the capital requisite to proceed with the work under contract, they sought the aid of the Canadian Pacific Railway, who agreed to furnish the money for the construction of the two first sections, that is from Montreal to Sherbrooke and from the Intercolonial boundary to Mattawamkeag, on condition that these sections should be leased to them and the amount of the subsidy continuable to this section secured to them. An agreement for a perpetual lease was entered into on the 6th December, 1886, and was confirmed and accepted by the Government by the agreement above re-

ferred to on the 12th January, 1887. This course placed beyond peradventure the construction and operation of two out of the three sections of the line. The financial arrangements being completed, the company proceeded vigorously with the construction of the work, and it is expected the road will be under traffic from Montreal to Harvey early next month. The Atlantic and North-Western Railway Company being obliged on to proceed with the construction of the third section from Harvey to Salisbury, expressed themselves unable to raise the necessary capital, and the Canadian Pacific Railway was not disposed to embark in an enterprise which they alleged would only be the saving of from 4 to 16 miles in distance to Halifax. The distance saved in fact will be 27 miles. Every effort has been made to induce them to undertake the construction of this section of the road with the Government subsidy. That is exactly the position of the case. Parliament agreed to give \$63,000 for 20 years for the construction of this portion of the road, under the impression that the Canadian Pacific Railway was really the Atlantic and North-Western. It was stated in Parliament that the Canadian Pacific Railway had undertaken to build the road, and my hon. friend the Minister of Public Works stated in Parliament, when the matter was before the House, that it was considered to be perfectly safe and certain that the road would be built and that the Government would see that it was built. The Government feel that they have pledged themselves to Parliament and the country through which this road passes that the road should be built. As the Atlantic and North-Western Railway Company are unable to build it, and as the Canadian Pacific Railway does not care to assume the responsibility, the Government have asked Parliament to build that portion of the road from Harvey to Salisbury, or to Moncton, which is on the same line. The road is estimated to cost \$16,000 a mile. That has been considered carefully by the Chief Engineer.

Mr. MITCHELL. What is the whole distance?

Sir JOHN A. MACDONALD. One hundred and thirteen miles. The Fredericton Bridge Company, when the hon. gentleman has heard something about, have offered to take the contract to build it for \$16,000 a mile, and I know now that another party has offered to build the road for the same sum. As to the solvency of that party, I am not yet informed. I had a letter from an agent of theirs this evening, but I have not laid it before the House, because I do not know anything about the parties who offer to build the road. But this offer is the same in fact as that made by the Fredericton Bridge Company to build it for \$16,000 a mile. The Government made a provisional arrangement with the Canadian Pacific Railway Company, who, I do not think, were very willing to undertake it, but they have agreed that, if the road is built from Harvey to Salisbury by the Government they will operate it, they will run it, they will keep it in good order and repair, and it will become a portion of their short line from Montreal to Moncton, joining there with the Intercolonial Railway. They will have it at a nominal rent for 20 years, and at the end of 20 years they agree to pay \$73,000 in perpetuity. That contract is, of course, not operative until it is sanctioned by Parliament. The resolution now before the committee is simply that it be resolved that the railway be constructed as a Government work, and that Parliament will appropriate \$500,000 towards the construction of the railway.

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OTTAWA, MAY 2, 1890.

RIGHT HON. SIR JOHN A. MACDONALD,
Minister of Railways,
Ottawa.

We have been instructed by the Board of Trade of Halifax to proceed to Ottawa and represent the views of that corporation to your Government, respecting the application of the Maritime and St. Lawrence Railway Company for a cash subsidy in aid of the construction of a direct line of railway from Edmundston to Moncton in the Province of New Brunswick. We may say that the matters and things, hereinafter stated, are not original with ourselves. They are the result of a full discussion of the subject before the Board of Trade at Halifax, and the same were fully endorsed at a meeting of the City Council of Halifax after the said delegation had departed for Ottawa, by a vote of eleven to four out of a full membership at that time of sixteen, and that said expression of opinion is representative of that of the citizens of Halifax. We beg to preface the considerations, which in our judgment are proper to be placed before your Government, touching the subsidy to the line in question, by a passing reference to the history of the agitation, which resulted in a full recognition of the right of Halifax to be connected by the shortest and most practicable line of railway with Montreal. In the very condensed references to that history we feel it necessary in simple justice to quote shortly some of the speeches and votes of yourself and members of your Government in Parliament at Ottawa, and which form the basis of right upon which we found our claim to have our interests considered in the granting of the subsidy in question.

On April 9th, 1884, Sir Charles Tupper, the Minister of Railways in the Dominion Parliament, moved: "That the House to-morrow resolve itself into a Committee of the whole to consider the following resolution."

"That it is expedient to authorize the Governor in Council to grant the subsidies hereinafter mentioned to and for the parties, Railways and Railway Companies hereinafter mentioned that is to say:—

(Here follows an enumeration of a number of Railways in different part of Canada and among the rest the following.)

"For the construction of a line of Railway connecting Montreal with the Harbours of St. John and Halifax by the shortest and best practicable Route, a subsidy not exceeding \$170,000 per annum for 15 years or a guarantee of like sum for a like period as interest on Bonds of the Company undertaking the work.

* * * * *

"All lines for the construction of which subsidies are granted * * * shall be constructed * * * upon conditions to be approved by the Governor in Council * * * and specified in an agreement to be made in each case by the Company with the Government, and which the Government shall be empowered to make. The location also of any such line of Railway shall be subject to the approval of the Governor in Council, and all the said subsidies shall be payable out of the Consolidated Revenue Fund of Canada by instalments, on the completion of each section of the Railway of not less than ten miles proportionate to the value of the portion so completed

in comparison with that of the whole work undertaken, to be established by the report of the Minister."--*The Hansard Debates, April 9, 1884, page 1444.*

On the 10th of April, 1884, Sir Charles Tupper moved the above resolution, after the delivery of his speech fully outlining the history of the appropriations of the Federal Parliament, expended in British Columbia, the N. W. Territories, Manitoba, Ontario and Quebec, towards the construction of the great inter-oceanic line of railway through Canadian territory. We beg leave to quote a few passages of that speech uttered by Sir Charles on that occasion, speaking as he was with the full authority of your Government, and which from the broad policy it outlined, has formed the basis of all our hopes for Halifax:

"Then a very strong feeling has grown up in the Maritime Provinces, and not only in the Maritime Provinces, but throughout Canada, because I believe that from British Columbia down through the North-West Territories, through the Province of Ontario and the Province of Quebec, there has been a strong and general sentiment that this great inter-oceanic line of the Canadian Pacific Railway would be *incomplete*, if we were obliged to have our Atlantic terminus in a foreign country. I believe the sentiment is not at all confined to the Province of Nova Scotia or Prince Edward Island, or the Province of New Brunswick, but I believe it has taken just as deep a hold on the minds of our friends in the other Provinces almost as it has in the Maritime Provinces. Although every effort has been made to render the operation of the Intercolonial Railway as successful as possible, although more has been accomplished in the development of the country, in the development of the trade and business in the country through the agency of the Intercolonial Railway than any person on either side of this House a few years ago supposed to be possible, still we have found we were too heavily handicapped by the distance, and that we could not—reluctantly as we are driven to the conclusion, we have been driven to the conclusion by the force of circumstances and by the practical results, that it is impossible, for the Ports of St. John and Halifax to compete with the nearer Ports of Portland and Boston, in the United States. Under these circumstances, the attention of the Government has been drawn, as I have said on one or two occasions in this House, to the best means by which we might secure a realization of that which we all desire, *the Atlantic terminus being in the Canadian Territory* as well as the Pacific terminus, and thus be placed in a position to fairly compete for the great trans-continental trade and traffic that we all know must flow over that line.

"I have stated the position in which this question stands from its national or larger point of view, and I believe I may confidently rely not only upon the kind support of our friends on this side of the House for carrying out a measure which has been considered by the government in all its aspects and in all its bearings with a view to the promotion of the best interests of the country, but I believe I can rely with equal confidence upon the support of gentlemen opposite in carrying out what we all recognize as most important, *making a complete line of communication through Canada*, and enabling us to have the great ocean termini, on the Atlantic as well as on the Pacific within our own borders. From Montreal, Halifax will be brought within 672 miles, and it is found practicable to obtain a line which will bring the port of Sydney under the effect of this subvention, within 774 miles. There will thus be saved in the present distance from Montreal to Sydney, 219 miles, in the distance from Montreal to Halifax, 173 miles, and the distance to St. John will be reduced to 159 miles. I have only to read these figures to

During the discussion on the passage of this Act Sir Hector Langevin, Minister of Railways, spoke as follows:

"Well, I am sure the hon. gentleman will be pleased to hear the declaration which the Government makes through me, that in the arrangements to be made with the company to build the railway, to take advantage of this vote of money, of \$250,000 during 20 years, the Government will take care to secure the completion of the railway, not only to *MATTAWAMEAG, BUT ALSO TO SALISBURY*, and if that is not secured, there will be no subsidy given. We must act in good faith; the faith of Parliament is pledged and we must take care that that money is employed as Parliament wishes."

On the 10th of December, 1885, the government of Canada entered into an agreement with the International Railway Company among other things to construct, complete and acquire a line of railway from or near Caughnawaga, in the Province of Quebec to Moncton, New Brunswick in as direct a line as the physical features of the country will admit and that as recited in section eight of said contract "the Company shall commence the works embraced in this agreement within six months of the date thereof and shall complete the whole of said works on or before the first day of July, 1889, *time being declared to be material and of the essence of agreement.*"

We need not refer to the fact that this contract was not carried out as respects the construction of section three of said proposed line, that is to say, that portion lying between Harvey and Salisbury a distance of about 111 miles in the Province of New Brunswick; nor need we refer to the full and frank acknowledgment of your Government as evidenced by the speech of yourself in Parliament last year that the construction of the Harvey Salisbury portion of the said line was but just to Halifax and should be carried out.

From a full review of the history of this latter we respectfully submit the following:—

(A) That it was the declared policy of the Government of Canada in 1884 to subsidise and cause to be constructed a line of railway connecting by the shortest and most practicable routes the Ports of Montreal, St. John and Halifax.

(B) That to effectuate that policy \$250,000 for 20 years was voted by Parliament, and of this sum \$187,000 actually expended in constructing a line of railway by the shortest and most practicable route between Montreal and St. John.

(C) That there remains of said sum voted by Parliament and available for expenditure towards the construction of a line of railway between Montreal and Halifax by the shortest and most practicable route the sum of \$63,000 per annum for 20 years.

(D) That the short line now being operated by the Canadian Pacific Railway between Montreal and Halifax is *not* the shortest nor most practicable, nor was it ever contemplated by Parliament or the people of Nova Scotia that it should be accepted as such.

We have therefore been sent by the corporations representing the commercial and business interests of Halifax to press upon your Government the necessity for the early expenditure of the said sum of money or its equivalent towards the object for which it was voted and which under the terms of the contract above referred to should have completed a short line railway from Montreal to Halifax in July 1889.

That there exists a supreme necessity in the interest of Halifax and the Province of Nova Scotia that delay should not occur in giving effect to the object of Parliament in voting the said subsidy will appear from consideration of the following:—

1. That the construction of either of the lines proposed will involve a delay of two years after commencement of the work.

2.—That the City of St. John, the commercial rival of Halifax, has already been in the enjoyment of the advantages of a short line connection with Montreal since July, 1889.

3.—That Halifax is at the present time at a serious disadvantage as respects the realization of the great object of its business men to become the Principal Atlantic Port of Canada.

The difficulties which prevented Parliament favoring the construction of the Harvey-Salisbury have led to consider favorably the proposition of the construction of a direct line between Edmunston and Moncton as a substitute.

We understand that application has been made to Parliament for a cash subsidy to aid in the construction of this line, and that if granted the Grand Trunk Railway Company will operate the same in conjunction with its own line and the Intercolonial Railway, as part of a through short line between Montreal and Halifax, and that when the said through short line is completed the distance *between Halifax and Montreal will not exceed 710 miles.*

Assuming that your Government will not enter into any contract for the construction of the line between Edmunston and Moncton without first securing an adequate guarantee from the Grand Trunk Railway Company that the same will be operated as a part of its through short line to Halifax, and that the same will be constructed within a reasonable time, we feel fully justified in asking your Government to accept the same as a proper substitute for the Harvey-Salisbury line and asking that the sum of \$63,000.00 for twenty years, already voted by Parliament and remaining unexpended as above stated, shall be appropriated for that purpose.

It is submitted that by adopting this course the appropriation already voted by Parliament will not be materially increased and the claims of Halifax and Nova Scotia be fully satisfied.

We desire, however, to impress upon your Government that unless the subsidy is granted upon a satisfactory guarantee that the said road subsidized will be operated by the Grand Trunk Railway Company as a part of its through line to Halifax no advantage will accrue from the construction of the same, and that it is only upon the assurance of that fact that it receives the approval of our people as an alternative measure.

We have, &c.,

M. DWYER,	}	Delegates from Halifax Board of Trade.
JAMES MORROW,		
JAS. A. CHIPMAN,		

SCHEDULE A.

COMPARISON OF ARRIVALS of Express Trains from Montreal to
Halifax from January 1st, to May 1st, 1890.

Intercolonial and Grand Trunk, via Lewis—846 miles.			Intercolonial and Canada Pacific, via St. John—756 miles.			
Due—14-10.			Due—22-30.			
Date 1890.	Time of Arrival.	Late H. M.	Date 1890.	Time of Arrival.	Late H. M.	
Jan. 1	17.05	2.55	Jan. 1	4.15	Jan. 2	5.45
" 2	15.18	1.38	" 2	24.35	" 3	2.05
" 3	14.10		" 3	23.28		.58
" 4	11.10		" 4	22.30		
" 5	16.15	2.05	" 6	2.05	" 7	3.35
" 7	14.10		" 7	23.44		1.14
" 8	15.10	1.00	" 8	24.10	" 9	1.40
" 9	14.10		" 9	24.10	" 10	1.40
" 10	6.45	Jan. 11	" 10	2.25	" 11	3.55
" 11	1.30	" 12	" 11	21.17	" 12	1.47
" 12	20.K	5.50	" 12	1.14	" 13	2.44
" 14	19.51	5.14	" 13	24.42	" 14	2.12
" 15	14.10		" 15	23.20		.50
" 16	14.10		" 16	3.20	" 17	4.50
" 17	21.35	7.25	" 17	2.10	" 18	3.40
" 18	17.22	3.12	" 18	4.45	" 19	6.15
" 19	15.K	.50	" 20	1.30	" 21	6.00
" 21	19.13	5.03	" 21	23.30		1.00
" 22	14.10		" 22	1.17	" 23	2.47
" 23	15.35	1.25	" 23	23. K		.30
" 24	14.10		" 24	24.40	" 25	2.10
" 25	14.42	.32	" 25	23.19		.49
" 26	15.22	1.12	" 27	23.05		.35
" 28	14.10		" 28	23.32		1.02
" 29	15.55	1.45	" 29	24.30	" 30	2.00
" 30	11.10		" 30	2.09	" 31	3.39
" 31	14.10		" 31	2.45	Feb. 1	4.15

Summary	Interco'l & Grand Trunk.			Interco'l & C. P. R.		
	Trains	On Time	Late	Trains	On Time	Late
	27	11	16	27	1	26

SCHEDULE A.—Continued.

Intercolonial and Grand Trunk
via Levis—846 miles.

Due—14.10.

Intercolonial and Canada Pacific,
via St. John—756 miles.

Due—22.30.

Date 1890.	Time of Arrival.	Late H. M.	Date 1890.	Time of Arrival.	Late H. M.
Feb. 1	14.10		Feb. 1	22.55	.25
" 2	14.10		" 3	22.43	.13
" 4	20.57	6.47	" 4	22.30	
" 5	21. K	6.50	" 5	23.45	1.15
" 6	15.52	1.42	" 6	24. K	1.30
" 7	14.10		" 7	24. K	1.30
" 8	22.57	8.47	" 8	24.23	Feb. 9 1.53
" 9	22.20	8.10	" 10	24. K	1.30
" 11	14.10		" 11	23.35	1.05
" 12	15.30	1.20	" 12	23.35	1.05
" 13	16. K	1.50	" 13	22.30	
" 14	16.15	2.05	" 14	7. K	" 15 8.30
" 15	14.10		" 15	23.30	1.00
" 16	22.42	8.32	" 17	22.30	
" 18	14.10		" 18	24.40	2.10
" 19	17.40	3.30	" 19	1.50	" 20 3.20
" 20	17. K	2.50	" 20	1.05	" 21 2.35
" 21	4.35	Feb. 22 14.25	" 21	3.25	" 22 4.55
" 22	23.35	9.25	" 22	1.30	" 23 3.00
" 24	14.10		" 24	23.28	.58
" 25	14.10		" 25	23.30	1.00
" 26	14.10		" 26	23.15	.45
" 27	14.10		" 27	22.42	.12
" 28	14.10		" 28	23.15	.45

Interco'l & Grand Trunk.

Interco'l & C. P. R.

Summary—

Trains	On Time	Late	Trains	On Time	Late
24	11	13	24	3	21

SCHEDULE A.—Continued.

Intercolonial and Grand Trunk via Levis—846 miles. Due—14-10.			Intercolonial and Canada Pacific, via St. John—756 miles. Due—22-30.		
Date 1890.	Time of Arrival,	Late H. M.	Date 1890.	Time of Arrival.	Late H. M.
Mar. 1	16.33	2.23	Mar. 1	23.40	1.10
" 2	14.10		" 3	4.35	6.05
" 4	17.35	3.25	" 4	23.36	1.06
" 5	14.10		" 5	22.30	
" 6	15.35	1.25	" 6	23.08	.38
" 7	15.57	1.47	" 7	6.20	7.50
" 9	17.30	3.20	" 8	22.46	.16
" 11	14.10		" 10	23.45	1.15
" 12	14.10		" 11	23.45	1.15
" 13	14.10		" 12	23.05	.35
" 14	14.10		" 13	24.14	1.45
" 15	14.10		" 14	22.30	
" 16	18.05	3.55	" 15	23. K	.30
" 18	16.30	2.20	" 17	23.35	1.05
" 19	18.35	4.25	" 18	23.35	1.05
" 20	14.10		" 19	23.23	.53
" 21	14.10		" 20	22.53	.23
" 22	14.10		" 21	24. K	1.30
" 23	14.10		" 22	23.35	1.05
" 25	14.10		" 24	22.45	.15
" 26	14.10		" 25	22.55	.25
" 27	14.10		" 26	24. K	1.30
" 28	14.10		" 27	22.30	
" 29	14.10		" 28	2.05	" 29 3.38
" 30	15.15	1.05	" 29	3.45	" 30 5.15
			" 31	24.05	Apr. 1 1.35

Summary—	Interco'l & Grand Trunk.			Interco'l & Grand Trunk.		
	Trains	On Time	Late	Trains	On Time	Late
	25	16	9	26	3	23

SCHEDULE A.—Continued.

Intercolonial and Grand Trunk via Levis—846 miles.			Intercolonial and Canada Pacific, via St. John—756 miles,		
Due—14-10.			Due—22-30.		
Date 1890.	Time of Arrival.	Late H. M.	Date 1890.	Time of Arrival.	Late H. M.
Apr. 1	14.10		Apr. 1	24.05	1.35
" 2	16.18	2.08	" 2	23. K	.30
" 3	14.10		" 3	1.38	3.08
" 4	16.25	2.15	" 4	1.50	3.20
" 5	14.10		" 5	1.05	2.35
" 6	14.10		" 7	1. K	2.30
" 8	14.10		" 8	24.22	1.52
" 9	14.10		" 9	2.38	4.08
" 10	14.10		" 10	24.05	1.35
" 11	14.10		" 11	24.50	2.20
" 12	14.10		" 12	24.35	2.05
" 13	14.10		" 14	2.15	3.45
" 15	14.10		" 15	1.45	3.15
" 16	14.10		" 16	24.57	2.27
" 17	15. K	.50	" 17	1.55	3.25
" 18	14.10		" 18	23.58	1.28
" 19	14.10		" 19	22.34	.04
" 20	14.10		" 21	24.25	1.55
" 22	14.10		" 22	23.40	1.10
" 23	15.47	1.37	" 23	24.50	2.20
" 24	14.10		" 24	24.25	1.55
" 25	14.10		" 25	23.45	1.15
" 26	14.10		" 26	24.30	2.00
" 27	14.10		" 28	23.05	.35
" 29	14.10		" 29	23.15	.45
" 30	14.10		" 30	22.30	

Summary—	Interco'l & Grand Trunk.			Interco'l & C. P. R.		
	Trains	On Time	Late	Trains	On Time	Late
	26	22	4	26	1	25

Recapitulation for 4 Months.							
G. T. R.—	Trains	On Time	Late	Trains	On Time	Late	—C. P. R.
	102	60	42	103	8	95	

SCHEDULE B.

ROYAL MAIL STEAMSHIPS AND FORTNIGHTLY STEAMERS.

Summary of Freight and Passengers landed at Halifax, Season of 1889-90.

STEAMSHIP.	LINE.	Port.		Date of Arrival.	Should have Arrived.	Days Overline.	LANDED IN HALIFAX.				Landed in Portland.	
		From	To				Tons of Freight.	Cabin.	Inter'm.	Passengers.	Tons of Freight.	Pass's
*Sardinian	Allan.	Liverpool	Portland	Nov. 18.	Nov. 16.	2	569	..	24	93	117	..
*Sarnia	Don't'n.	"	"	" 25.	" 23.	2	240	..	6	93	99	..
*Caspian	Allan.	"	Baltimore	" 25.	" 23.	2	109	..	17	151	168	..
*Scandinavian	"	Glasgow	Glasgow	" 27.	" 23.	4	x	..	..	37	37	..
*Parisian	"	Liverpool	Portland	Dec. 2.	" 30.	3	300	..	28	132	169	..
*Oregon	Don't'n.	"	"	Dec. 9.	" 7.	2	150	..	7	77	84	..
*Prussian	Allan.	Glasgow	Glasgow	" 11.	" 7.	4	x	..	..	31	31	..
*Circassian	"	Liverpool	Baltimore	" 19.	" 7.	2	100	..	94	26	120	..
*Polynesian	"	"	Portland	" 27.	" 14.	5	325	..	15	136	151	..
*Peruvian	"	"	"	" 27.	" 21.	6	259	..	20	65	85	..
*Nova Scotian	"	"	Baltimore	" 30.	" 28.	2	300	..	2	28	30	..
*Sardinian	"	"	Portland	" 30.	" 28.	2	250	16	11	50	77	..
*Nestorian	"	Glasgow	Glasgow	" 30.	" 28.	2	350	..	..	20	20	..
*Sarnia	Don't'n.	Liverpool	Portland	Jan. 6.	Jan. 4.	2	135	11	2	23	36	..
*Caspian	Allan.	"	Baltimore	" 7.	" 4.	3	220	10	2	42	54	..
*Nova Scotian	"	"	Liverpool	" 7.	" 4.	3	x	2	8	20	39	..
*Scandinavian	"	Glasgow	Philadelphia	" 10.	" 4.	6	300	..	19	33	13	..
*Parisian	"	Liverpool	Portland	" 14.	" 11.	3	200	22	15	65	102	..
*Oregon	Don't'n.	"	"	" 24.	" 18.	6	65	10	21	36	67	..
*Polynesian	"	"	"	" 28.	" 25.	3	200	19	..	87	106	..
*Circassian	"	"	Baltimore	" 29.	" 25.	4	260	51	15	18	84	..
*Peruvian	"	"	Portland	Feb. 6.	Feb. 1.	5	320	4	25	40	69	..
*Norwegian	"	Glasgow	Philadelphia	" 11.	" 8.	3	460	..	6	8	73	..
*Nova Scotian	"	Liverpool	Portland	" 12.	" 9.	1	400	15	22	38	75	..

*Sarnia	Don't'n.	Liverpool	Portland	Feb. 15.	Feb. 15.	3	100	15	21	41	77	..
*Caspian	Allan.	"	"	" 23.	" 22	1	100	25	55	111	204	..
*Vancouver	Don't'n.	"	"	" 26.	" 22	4	132	..	21	..	..	..
*Sardinian	Allan.	"	"	March 1.	March 1.	x	150	22	48	101	171	..

Circassian	Portland	Feb'y. 6.	Feb'y. 1.	5	320	4	25	40
*Peruvian	Glasgow	Feb'y. 11.	Feb'y. 8.	3	360	..	6	8
*Norwegian	Portland	Feb'y. 12.	Feb'y. 9.	4	400	15	22	38
*Nova Scotian	Liverpool							

*Sarnia	Don'n	Feb'y. 18.	Feb'y. 15.	3	400	15	21	41
*Caspian	Allan	Feb'y. 23.	Feb'y. 22.	1	400	25	35	111
*Manitoba	"	Feb'y. 26.	Feb'y. 22.	4	132	..	21	..
*Yanconver	Don'n	March 1.	March 1.	8	150	22	48	101
*Sardinian	Allan	March 9.	March 1.	1	350	52	58	119
*Hibernian	"	March 11.	March 1.	3	450	..	8	21
*Peruvian	"	March 11.	March 1.	7	450	31	54	139
*Polynesian	"	March 25.	March 15.	6	450	59	..	517
*Sarnia	Don'n	April 4.	April 28.	6	300	36	88	610
*Parisian	Allan	April 6.	April 5.	1	415	101	..	719
*Nestorian	"	April 8.	April 5.	3	200	15	..	15
*Siberian	"	April 10.	April 5.	5	130	11	..	180
*Yanconver	Don'n	April 14.	April 12.	2	400	41	..	400
*Buenos Ayrian	"	April 15.	April 12.	3	80	2	66	167
*Circassian	"	April 20.	April 19.	1	420	47	89	308
39 Steamships: { 31 Allan Line, 23 Mail Steamers: { 15 Allan Line, 7 Dominion Line.					10212	653	832	4974
								6159
								39899

C. O.W.R.

Average of 39 Steamers: .. 261.16... 157
 " " 23 " .. 310r .. 219 .. 173 fr. At Portland.

From Official Sources.

SCHEDULE C.

RECEIPTS OF CATTLE AND SHEEP,
Port of Montreal.

1880. GRAND TRUNK RAILWAY.			1888.		
MONTH.	Cattle.	Sheep.	MONTH.	Cattle.	Sheep.
January.....	3535	910		2100	1184
February.....	2587	174		2071	464
March.....	1918	248		2557	406
April.....	1959	407		2369	548
May.....	9117	144		10692	167
June.....	7869	1386		7108	1387
July.....	12201	11462		8276	6578
August.....	13496	9378		9875	7692
September.....	11571	5733		7972	6899
October.....	12451	6506		7879	6254
November.....	6252	3524		5837	5320
December.....	2641	1754		2418	3774
	85597	41956		69153	40673

From Official Sources.

SCHEDULE D.

EXPORTS OF CATTLE AND SHEEP,
from Port of Montreal.

GRAND TRUNK RY. 1889.			CANADIAN PACIFIC RY. 1889.		
MONTH.	Cattle.	Sheep.	MONTH.	Cattle.	Sheep.
May.....	6816	72		4540	131
June.....	7193	1029		2771	967
July.....	9949	10009		2804	6502
August.....	11190	9484		2824	4804
September.....	10776	6089		4853	2902
October.....	8538	6768		5386	4054
November.....	5538	3059		2822	2262
	60300	36515		26000	21622

From Official Sources.

OTTAWA, May 3, 1890.

HON. SIR JOHN S. D. THOMPSON,

Minister of Justice,

Ottawa:

Dear Sir,--

Referring to the matters in our interview with you touching the proposed subsidy in aid of the construction of a line of Railway between Edmonton and a point on the Inter-Colonial at or near Moncton conditional upon the line being operated as part of the Grand Trunk Short Line into Halifax, N. S., we beg to submit the following information—hurriedly obtained from the best available sources open to us:

1st. As to the *practicability* of the route in question.

In (A) *Distance*: We are informed that the Company has filed with the Department of Railway a table of distances taken from the official returns of a line from actual measurement and duly certified by the Company's Engineer, showing the same to be 710 miles from Montreal to Halifax.

The said statement also affords a comparative statement of distances as between the Inter-Colonial R. R., the proposed *Short Line* and the Canadian Pacific Railway. The I. C. R., being 850 miles; the C. P. R., 749 miles, and the proposed line 710.

(B) *Grades and Curvatures*. The maximum grade allowed by the Government is a one-fifty grade or 80 feet to the mile. The Temiscouata line has a maximum grade of seventy-nine feet which it is proposed to be reduced to sixty-six feet as a maximum and under that in many places. The largest curve at present is 70 degrees which will be materially reduced. The President of the Company assured the delegation that his Company had \$500,000 to its credit in the hands of the trustees of its bonds in London, to be used at once to put this line in first class condition, such as it is desirable a through line should be.

The Report of the Engineers of the Maritime and St Lawrence Railway Company as to the rest of the route to Moncton is that a very satisfactory line has been located and that a road can be constructed there *equal* to the Inter-Colonial. We are informed that this survey so far has cost \$15,000.00 one half of which has been paid by the Grand Trunk Railway Company. Also that the proposed agreement between the Temiscouata Railway Company, the Maritime & St. Lawrence Railway Company and the Grand Trunk Railway Company, by which the latter Company proposes to use the said road into Halifax as part of a short line from Montreal, contemplates that the road of the first company and the one to be built by the second company shall be first class; that to that end the Grand Trunk will guarantee the Bonds of the second named Company up to \$3,000,000.00 and will see to the Expenditure of that sum to the best possible advantage.

It is stated that in order to secure a really first class road so that the service may be satisfactory to all concerned that \$10,000 per mile of a cash subsidy is necessary, or to \$2,000,000 in the aggregate.

If all the above conditions can be fulfilled, and we submit that they are all matters upon which the government can be satisfied before the appropriation of the subsidy, *the delegates are unanimous in the opinion that this line should be subsidised as suggested.* We are also unanimously of the opinion that the Company has made a sufficient case to warrant the government in taking power to expend the said sum of \$63,000 per year for 29 years remaining unexpended of the appropriation of 1885 upon the line in question, in case the conditions proposed are satisfactory and guaranteed by the Grand Trunk Railway.

We find that the opponents of the proposed Edmundston-Moncton lines urge three arguments why this line should not be subsidized, none of which take into account the tremendous advantage to Halifax in having the Grand Trunk Railway establish its terminus there. The arguments are:—

1st. That it will only save an hour of time on the journey between Montreal and Halifax. The C. P. R. time table indeed would seem to bear out that contention, but experience has demonstrated that it is fallacious. The arrivals, &c., from official records, are shown on Exhibit "A" hereto annexed. The trains are on an average two hours behind time. The new short line utilizing 311 miles of the Intercolonial, and the old, and well built road from Chaudiere to Montreal of the Grand Trunk, with the exception of some 25 miles on the Temiscouata line, affords the best road in Canada.

The time on the I. C. R. has been reduced some six hours since opening of the C. P. R. into Halifax, and it is by all admitted that this can be still further reduced. We can then fairly expect much better time than over practically the same road reduced to a shorter distance. It is contended then that the difference between 710 miles and 756 miles in length, of the present C. P. R. Short Line does not represent the actual saving of time, though it may in mileage.

We do not say anything as to the probable reduction of time on both roads over the present arising out of the healthy competition that may ensue.

2nd. It is also argued that there will result a drainage of traffic from the I. C. R.

The new Short Line will utilize 311 miles of the I. C. R. as against 275 of the I. C. R. used by the C. P. R.

The Grand Trunk Railway has now in that area of Canada from which freight will naturally gravitate towards Halifax over its short line 900 established stations and a total of 2000 solicitors of freight who now give direction to that Company's traffic to Portland and other American ports. All these would be utilized in sending freight to Halifax, whereas if this line is not built and the Grand Trunk is shut out of Halifax, all its great energies will be directed to giving greater facilities of freight traffic to Portland, and the I. C. R. will lose a portion of that which it now has.

At present the schedule "B" shows that the average of freight landed at Halifax during the past season is 230 tons per steamer, or thereabouts.

These same steamers afterwards passed on to Portland and there landed from 2000 to 3000 tons for shipment to Montreal and other points west.

These figures can, we believe, be verified. So that stating the matter shortly, we think it fairly can be contended that the 311 miles of the I. C. R. will produce a greater revenue than the 657 now utilized.

We say nothing of the advantageous position the Government will hold, owning and operating the two portions of the I. C. R., with two hundred miles of the proposed line sandwiched between, upon which the Grand Trunk has guaranteed \$3,000,000 of Bonds or as to the consequent power of the Government to fix the proportion of the freight falling to its share.

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The argument as to drainage of traffic from the I. C. R., we submit, has no point any way from the fact that it at present has a competitor in the C. P. R. Short Line nearly 100 miles shorter, with an almost unlimited capacity to carry all freight offering.

The last argument offered in opposition to the subsidizing of this line is:—

3rd That the present facilities for traffic are ample for all that exists, and to subsidize another road is to ruin the Company already operating.

This argument against having two roads of equal length operating between two common points means only that the C. P. R. wishes to have the *Exclusive Right* to Rob the I. C. R. of its traffic. The C. P. R. has secured \$187,000 of the \$250,000 voted and completed its line to its satisfaction. That Company refused to accept the balance and fulfil its moral obligation to Halifax, and now it is gravely urged that this balance should not be given to another Company for fear that it would raise up a formidable rival to the C. P. R. in its traffic to Halifax.

It is also submitted that there are reasons why the Grand Trunk Rail way could operate a Short Line into Halifax in conjunction with the I. C. R., profitably when the C. P. R. could not do so. This view is supported from consideration of the matters previously stated, viz., the large and influential connection of the Grand Trunk Railway throughout Ontario, and those regions of Canada with which Nova Scotia and Halifax have intimate trade relations, while the C. P. R. does not enjoy those extensive connections, and has to rely upon it through trade from points west of Lake Superior.

Finally: All these arguments are from the standpoint of the interest of existing corporations. They were all considered in 1884 when Parliament decided that \$250,000 for 20 years *should* be voted to give Halifax a Short Line connection with Montreal. Any argument that a balance of \$65,000 of that sum for the same period should not be appropriated towards giving Halifax a *second* short and competing line should, we submit, not be treated as serious, especially as coming from parties interested in a Company which has repeatedly refused this sum to aid in shortening its present line. *A Company which has received \$187,000 of the subsidy should not fear competition from one only receiving \$67,000.*

We again urge the importance of securing the entrance of a second and competing line into Halifax by appropriation of the balance of the sum already voted, upon the ground that the result will be of incalculable value not only to Nova Scotia and Halifax, but to all the manufacturing centres of the West, whose products find a ready market in the East.

It has, we think, been very successfully demonstrated that the I. C. R. has been of great advantage to the western farmers and manufacturers in enabling them to place their products in the Eastern market cheaply and expeditiously.

To have two lines competing for this very traffic surely will result in lowering tariffs, and to that extent will enable the Western seller to compete in Eastern markets more successfully.

Then, as to the maritime traffic Westward,—the products of the East are chiefly of the mine and the sea, and for access to the Western markets have to compete with the natural products from a foreign country. A saving of 105 miles of transport is of more advantage to the shippers of coal from Nova Scotia in enabling them to reach the remoter Western Markets than a duty on that product.

The saving of 108 miles of distance in the construction of the short line herein urged will enable Nova Scotia owners to carry the same to Kingston, in competition with foreign coal.

The advantage to Halifax of having a short all Canadian line operated through to Montreal is obvious, from the fact that if hostile legislation in the United States takes away the bonding privilege to Canadian Railways passing through American territory, the present short line will be useless for all the purposes of making Halifax a terminal port of Canada.

All of which is respectfully submitted on behalf of Delegation from Halifax.

I have the honor,

to be sir,

Your most obedient servant,

B. F. PEARSON,

On behalf of the Delegation from Halifax.

NOTE.—For Tables and Schedules referred to in this letter. See p. p 24 to 30—and Addenda B-1.

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TO THE PRESIDENT AND MEMBERS
BOARD OF TRADE, HALIFAX.

Gentlemen :

In the year 1884 it was the announced intention of the Government in recognition of the claim of the Maritime Provinces, to provide for the construction of a line of railway, which should give the most direct connection with the great railway systems of Canada. On the 10th of April of that year, Sir Charles Tupper, Minister of Railways, introduced in the Dominion Parliament resolutions authorizing the Governor-in-Council to grant subsidies for railway purposes, including the following :

" For the construction of a line of railway connecting Montreal with the harbours of St. John and Halifax by the shortest and best practicable route, after the report of competent engineers, a subsidy not exceeding \$170,000 per annum for 15 years, or a guarantee of a like sum for a like period as interest on the bonds of the company undertaking the work."

In the course of his speech supporting these resolutions, Sir Charles Tupper referred to the large expenditures for railways made in British Columbia, in the North West, already made and contemplated in Manitoba, to an expenditure of some £22,760,000, in connection with the Canadian Pacific Railway in Ontario, and to provision made for railways in Quebec. He then went on to refer to the fact that a strong and general sentiment had grown up not only in the Maritime Provinces, but also in British Columbia, in the North West Territories, and in the Provinces of Ontario and Quebec that the great inter-oceanic line of the Canadian Pacific Railway would be incomplete if we were obliged to have our Atlantic terminus in a foreign country. He stated that it was admitted to be impossible to accomplish this via the existing line of the Intercolonial, and that it was the object of the Government in asking for the required aid to provide for the transport of the traffic of both the Canadian Pacific and the Grand Trunk Railways down to our own coasts and our own ports in the Maritime Provinces.

The purpose of the Government to reach the ports of St. John and Halifax by the shortest and best practicable route was thus clearly declared. A number of surveys were undertaken to ascertain which route best fulfilled these conditions. Of the various routes surveyed, that known as the " Combination Line," reported upon by Mr. A. L. Light, C. E., was almost unanimously advocated by Halifax, and urgently insisted upon as that best meeting the Government's avowed conditions. It soon became known that the Canadian Pacific Railway preferred another route, known as the " International," and it was subsequently stated that they would not undertake to operate any other. A large section of the people here claimed that a railway by this route would be positively detrimental to us. It was asserted that it was far from being either the shortest or best route, and that it would be the means of diverting the trade of Canada to the ports of the United States rather than to our own ports, but the identification of the Canadian Pacific Railway with any short line undertaken was universally admitted to be indispensable, and the adoption of the " International " route was at length reluctantly concurred in. The Grand Trunk Railway at this time showed no disposition to come to Halifax, and we were therefore almost completely in the hands of the Canadian Pacific. It was also known that the Govern-

ment strongly favored the "International" route. This route, known in the surveys as Number Six, was to come from Montreal to Halifax via Sherbrooke, Moosehead Lake, Mattawamkeag, Harvey, Fredericton and Salisbury.

In accepting this route, the one consideration which prevented our pronounced hostility was the fact that it was to reach Halifax via Fredericton and Salisbury. The people of Halifax were determined that this point at least should be placed beyond doubt. Our representatives in Parliament at that time addressed letters on the subject to Mr. (now Sir George) Stephen, President of the C. P. Railway. A reply from Mr. Stephen, dated 25th of February, 1885, while refusing definitely to commit his colleagues, gave them to understand that a company, of which he was a leading member, the Atlantic and North Western Railway Co., would be ready to enter into arrangements with the Government to construct the line, provided a suitable subsidy was given, and that the Canadian Pacific Railway would lease and operate it. On the 16th of June of the same year, Mr. Stephen again wrote to Messrs. Daly and Stairs in reply to a letter from them, asking if the route proposed via Sherbrooke, Moosehead Lake, Mattawamkeag, Harvey, Fredericton and Salisbury were such as met with his approval, and was the one that his company would be the most favorable to adopt. His reply was headed, "The Canadian Pacific Railway Co.—Office of the President," and signed, "George Stephen, President," and read as follows:

"Replying to your letter of the 16th of June, on the subject of the proposed short line between Montreal and the seaports of Nova Scotia and New Brunswick, have to say that the route indicated therein is, in the light of our present knowledge, the best that has been proposed, and this route is preferred by the Canadian Pacific Company to any other that has been suggested. I will say further that it is the desire of the Canadian Pacific Railway Company to take up this scheme as a natural and necessary supplement to the Canadian Pacific Railway as it now exists. The Company will be ready without loss of time to enter into negotiations with the Government for carrying out this project as soon as the necessary legislation is obtained."

We can hardly wonder if the gentlemen who were at the time charged with guarding the interests of Halifax, considered that such assurances almost removed further cause for anxiety as to the line being undertaken and constructed in its entirety.

During the session of 1885, resolutions authorizing further subsidies towards the construction of certain railways were passed, including provision of \$250,000 for 20 years, inclusive of the previous appropriation, for a line of railway from the south bank of the St. Lawrence River, opposite or near Montreal to the harbours of St. Andrew's, St. John and Halifax, via Sherbrooke, Moosehead Lake, Mattawamkeag, Harvey, Fredericton and Salisbury. In the course of the discussion on this resolution, Sir Hector Langevin spoke as follows:

"Well, I am sure the Hon. gentlemen will be pleased to hear the declaration which the Government makes through me, that in the arrangement to be made with the Company, to build the railways and to take advantage of this vote of money, of \$250,000, during 20 years, the Government will take care to secure the completion of the railway not only to Mattawamkeag, but also to Salisbury, and if that is not secured there will be no subsidy given. We must act in good faith, that faith of parliament is pledged, and we must take care that that money is employed as Parliament wishes."

Mr. Kirk of Gaysboro' was not satisfied with even this emphatic and binding declaration and moved an amendment providing that the work on the sections of the line between Harvey, Fredericton and Salisbury should be begun and prosecuted simultaneously with the work on the portion of the line west of the boundary between New Brunswick and Maine. This amendment was met by the following further statement from Sir Hector Langevin :—

" I do not think that this is an amendment which should be made, as if it were carried, instead of helping the enterprise it would throw obstacles in its way. Other hon. gentlemen may come forward and ask that work on other portions of the line shall be prosecuted simultaneously. That is not done anywhere; we see no such provision in any charter; no road is undertaken in that way. After the explanations I gave just now, that the contract which the Government will have to make will be made in such a way as to secure the completion of the line, taking care that the heaviest portion of the line may not be left to be built and paid with an amount only equal to the easiest portions of the line, but that the different portions may be paid according to the character of the work to be performed—under these circumstances I hope that the hon. gentleman will not persist in his motion. If he does, of course, I must ask the hon. gentlemen supporting this bill to vote against the amendment."

In the face of such explicit statements that the Government recognized the danger to be avoided and would effectually guard against it, it is not surprising that even the members from Halifax did not see their way to further hamper the Government in its negotiations by supporting Mr. Kirk's amendment, which failed to pass the house.

On the 14th of December, 1885, the Government of Canada entered into an agreement with the " International Railway Co." for the construction of a line of railway in accordance with the legislation of the same year and stipulated in the contract that the whole of said works should be completed on or before the first day of July, 1889, time being declared to be material and of the essence of the agreement. During 1886 the International Company transferred its contract to the Atlantic and North Western Railway Company. It will be remembered that the latter is the company to which Mr. George Stephen alluded in his correspondence above referred to with Messrs. Daly and Stairs and of which he was a member. By agreement with the Government dated 12th of January, 1887, the contract originally made with the International Company was assumed by the Atlantic and North Western Company. The last named company, with the assistance of the Canadian Pacific Railway, completed the first two sections of the contract, but entirely broke faith with regard to the third section from Harvey to Salisbury. A Halifax delegation, consisting of the Mayor, the Recorder and Alderman Harrington, together with delegations from Fredericton and Moncton, went to Ottawa to interview the Government when it was feared that the Harvey-Salisbury section would not be completed as soon as provided for by contract. On their return they reported that Sir John A. Macdonald, on behalf of the Government, had addressed them in substance as follows :—

" Previous to the arrival of the delegates at Ottawa I may say that the Government had the matter before them, and were fully alive to its importance to the people of the Maritime Provinces and the feeling that exists there and their earnest desire to see the road built and completed in the time mentioned in the contract. Unforeseen difficulties often arise

"in many such enterprises as this, but we have no doubt that the Maritime Provinces will be quite satisfied if the road is completed in a reasonable time. I may further say that the matter is still before Government, and the fact of your delegation from the Maritime Provinces coming to Ottawa to wait upon the Government will induce us to put forth every effort to adopt the best means to meet your views, and I have no doubt and believe there will be found a favorable solution of the matter in accordance with your wishes."

When the Atlantic and North Western Company, on being called on to proceed with the construction of the third section from Harvey to Salisbury, refused to do so on the plea that they were unable to raise the necessary capital, and the Canadian Pacific would not undertake the work, it became apparent that the Government, notwithstanding the repeated warnings they had received, had allowed themselves to be caught in a trap. The outcome of all their assurances was found to be an agreement which left them without recourse when the company broke faith. During the session of 1889 the Government did the only thing which, consistent with the obligations of Parliament and their own honor was open to them, introduced resolutions to make provision for the construction of the Harvey-Salisbury link as a Government work. These resolutions were carried in the House of Commons, but were defeated in the Senate. Having regard to the large contributions levied upon the Maritime Provinces, especially in connection with this Canadian Pacific Railway, and in view of the declared policy of the Government to connect the large Trunk lines with the harbors of St. John and Halifax by the shortest and best practicable route, the time had gone by for making nice calculations as to the expenditure required to complete the national character of the railway system. The Senate had concurred in the previous legislation introduced by the Government to fulfil its pledges to the Maritime Provinces, and their refusal of the authority required under the altered condition of affairs, in view of all the circumstances, *can only be characterized as an act of repudiation and a breach of inter-provincial good faith.* It is the more surprising as it is said to be the only instance in which the Senate has rejected a measure introduced by the Government of Sir John A. Macdonald in voting the expenditure of money. The House of Commons in the meantime is in the humiliating situation of being restrained from using the public funds necessary to discharge its deliberately assumed obligations to an important section of the country, and the government occupies a position still less defensible.

The distance from Montreal to St. John by the Grand Trunk and Intercolonial is 743 miles, by the Canadian Pacific, it is 481 miles, saving 262 miles; Montreal to Halifax by G. T. R. and I. C. R. is 850 miles; by the C. P. R. via St. John, N. B., is 758 miles, saving 92 miles. It will thus be seen that the loss of the further 30 miles we expected to save via Fredericton, together with other advantages of this route, should not be quietly submitted to unless some other connection equally advantageous is substituted. It is a question whether, as is asserted by many, we are not actually in a worse relative position than before the construction of the C. P. R. Short Line. Certainly not one dollar of the amount expended can be regarded as spent to our behalf. Any advantage obtained here from the completed sections has been in the direction of improved passenger service, and not of increased freight facilities. Comparatively little through freight is carried over the C. P. R. to or from Halifax via St. John. Under the most favorable circumstances the route would fail to afford the connection required with Montreal and the West. But the inherent drawbacks of the route

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have been aggravated by the failure of the Government controlling the Intercolonial Railway and the authorities of the Canadian Pacific Railway to enter into such mutual arrangements as are necessary for the development of the traffic. (Since this was written, we understand that in September, 1890, the tariff previously in force to Montreal and places West, via Lewis, was made applicable by the C. P. R. via St. John, N. B.)

A review of the negotiations conducted by the Government for the construction of the Short Line compels the conclusion that our interests have been sacrificed. In direct opposition to the positive statements of Sir Hector Langevin, that the proposed line would be dealt with as a whole, and if its completion to Salisbury was not secured, that no subsidy would be given, the line was actually divided into three sections, and the total amount of the subsidy allotted between them, so that if any one section was completed the allotment of subsidy for that section was due in full, instead of a percentage being retained in the hands of the Government until the completion of the whole line. The Government thus left itself without any substantial means of giving effect to the distinct pledges which had been authoritatively given, and which were accepted in good faith. As a further evidence of the remarkable obliquity of vision, which characterized the negotiations on behalf of the Government, we may refer to the fact which we understand is now generally admitted, that, in the division of the amount of subsidy between the three sections of the road, the sum allotted to the Harvey-Salisbury was far short of its equitable proportion. Any possible defence of such mismanagement of important public interests is precluded by the fact of the warnings given in Parliament that the Railway Company was out likely to try to overreach the Government with regard to this very section. Of the subsidy voted by Parliament of \$250,000 for 20 years to connect Montreal with St. Andrew's, St. John and Halifax, \$187,000 has been used to provide the connection promised to St. Andrew's and St. John, and as far as these ports are concerned, the intention of Parliament has been fully realized. The remaining sum of \$63,000 for 20 years therefore belongs entirely to Halifax to be employed for the purpose for which Parliament voted it, in giving to Halifax the necessary railway connection. When reference is made hereafter to this sum of \$63,000 for 20 years, it may be taken to stand for such larger sum as should properly have been allotted to the Harvey-Salisbury section. At present no arrangement exists for the expenditure of this money. It is impossible to state too strongly the serious injury to this port resulting from the delay which has already occurred from the policy pursued.

In demanding the fulfilment of the Government's pledges to the port of Halifax, we are simply using the language of their own resolutions, and not creating any distinction between the interests of Halifax and the rest of Nova Scotia. The interests of all parts of the Province in this matter are identical. The serious loss sustained by this port through the delay in the completion of its railway connection has its counterpart in a greater or less degree in every port of the Province, which is in contact with the railway system and the Province should therefore be a unit insisting on its just claims.

So far we have dealt chiefly with the case as it existed up to within a year ago. A new feature was introduced by the Grand Trunk Railway, causing it to be known that it was interested in the construction of a Short Line to Halifax via Edmundston and a point near Moncton. It then became necessary to determine the position in which we stood;—the Atlantic and North Western Co., and its more powerful ally, the Canadian Pacific Railway, by their failure to carry out their undertakings, and by the efflux of time, time having been specially declared to be material and of the essence

of the agreement, had forfeited all claim upon the Government under their unfulfilled contract. The obligations, however, of Parliament and of the Government to this port and Province as already set forth, remained in full force. The question as to whether the *Halifax-Salisbury* or the *Edmunston-Moncton* route would best fulfil the conditions originally laid down of connecting Halifax with Montreal by the shortest and best practicable route received careful consideration here, and the decision arrived at is contained in the resolutions adopted by the House of Trade on the 19th of April, 1890, as follows:—

The following are some of the considerations which influence the preference for the *Edmunston-Moncton* route.

1. **DISTANCE.**—While the present *Canadian Pacific Short Line* is 758 miles, and the line through *Harvey and Salisbury* would be about 728 miles, we are informed that the *St. Lawrence and Maritime Provinces Railway Co.*, which offers to construct the *Edmunston-Moncton* road, has filed with the Department of Railways a Table of Distances taken from the Official Returns, and from actual measurement and, duly certified by the Company's Engineer, showing this route to be 710 miles from *Montreal* to *Halifax*.

2. **CONNECTION WITH GRAND TRUNK SYSTEM.**—The *Grand Trunk Railway* has at present in that area of Canada from which freight will naturally gravitate towards *Halifax* over its *Short Line*, 909 established stations, and a total of 2000 solicitors of freight who now give direction to that Company's traffic to *Portland* and other *United States* ports. All these would be utilized in sending freight to *Halifax*, whereas if this line is not built, and the *Grand Trunk* is shut out of *Halifax*, all its great energies will continue to be directed towards giving greater facilities of freight traffic to *Portland* to the detriment of *Halifax*.

In the statistical year book of Canada for 1889, published by the Department of Agriculture, we find the following, extracted from section 530:

"The *Canadian Pacific System* has the greatest number of miles in operation, but the traffic on the *Grand Trunk System* is considerably the largest, running as it does through the most populous and best settled portion of the Dominion. In proportion to the number of miles in operation, the freight traffic on the *Grand Trunk System* having been 2,289 tons, and that on the *Canadian Pacific* 530 tons per mile. On the same lines the passengers carried per mile were, on the *Grand Trunk* 1900, and on the *Canadian Pacific*, 494.

"The number of miles run by trains on the same lines in proportion to each mile in operation was—on the *Grand Trunk* 5,012 miles, and on the *Canadian Pacific* 2,137 miles."

The mileage and total freight carried on *Canadian railways* during 1889 is as follows. (See chart.)

This shows that the *Grand Trunk System* carried 39% of the total freight and that the *Canadian Pacific* carried 15%.

It is impossible to add anything to this overwhelming argument of facts and figures to show the enormous importance to the *Maritime Provinces* of the best possible connection with the *Grand Trunk System*.

2. **ATLANTIC MAIL SERVICE.**—The Government have now for several years been endeavoring to arrange a new contract for mail steamers to make

their terminus summer and winter in Canadian ports. Their action in this regard evidences some inconsistency as long as they leave the principal ports on the Maritime Provinces without the best available connection with so important a system as the Grand Trunk. It is apparent that with the Grand Trunk and the Canadian Pacific Railway competing for traffic at Halifax and St. John, the efforts to secure steamers to undertake such a service would be greatly aided, and the subsequent development of the traffic after the steamers are on the route materially promoted.

4. WEST INDIA STEAMERS.—There are at present two lines from Halifax and one line from St. John running to the West Indies under subsidy from Parliament. It was declared that these services were intended to foster the trade, not only of the Maritime Provinces, but also of the other Provinces of the Dominion with the West Indies. It is impossible to accomplish this purpose in any sufficient degree without intimate connection with both the Canadian Pacific and the Grand Trunk Railways.

5. ALL CANADIAN LINE.—The advantage of having a short all Canadian line through to Montreal is obvious from the fact that if hostile legislation in the United States takes away the bonding privilege from Canadian railways passing through United States territory, the present Short Line will be useless for all purposes of making Halifax a terminal port for Canada.

We find that the opponents of the proposed Edmunston-Moncton line urge four arguments why this line should not be subsidized:—

1. That a sufficiently good road cannot be constructed to meet the requirements of a good line.

(a) GRADES AND CURVATURES.—The maximum grade allowed by the Government is one of 80 feet to the mile. The Temiscomata line has a maximum grade of 79 feet, which it is proposed to reduce to 66 feet, as a maximum, and under that in many places. The largest curve at present is said to be seven degrees, which is to be materially reduced. The President of the Company assured the delegation that his Company had \$150,000 to its credit in the hands of the trustees of its bonds in London, available for immediate use to put this line in first-class condition.

The report of the Engineers of the Maritime and St. Lawrence Railway Co. (attached hereto) as to the rest of the route to Moncton is that "a practicable and satisfactory route suitable for a first-class road, adapted to through traffic, with reasonable grades and curvatures, can be obtained at a moderate cost of construction." We are informed that this survey has cost \$15,000, one-half of which has been paid by the Grand Trunk Railway Co., also that the proposed agreement between the Temiscomata Railway Company, the Maritime and St. Lawrence Company and the Grand Trunk Railway Company, by which the latter Company proposes to use the said road into Halifax as part of a Short Line from Montreal, contemplates that the road of the first Company and the one to be built by the second Company shall be first-class.

That to this end the Grand Trunk will guarantee the bonds of the second named Company up to \$3,000,000, and will see to the expenditure of that sum to the best possible advantage.

2. That it will only save an hour of the time on the journey between Montreal and Halifax.

The time on the I. C. R. has been reduced some six hours since the opening of the C. P. R. into Halifax, and it is by all admitted that this can

be still further reduced. We can then fairly expect much better time over practically the same route reduced to a shorter distance. This result would be aided by the healthy competition that would be promoted between the two short roads.

3. It is also argued that there will result a drainage of traffic from the I. C. R.

The G. T. R. Short Line would utilize 311 miles of the I. C. R. as against 275 of the I. C. R. used by the C. P. R. We have already referred to the enormous traffic controlled by the Grand Trunk Railway. If even a share of this is diverted to Halifax, in addition to present traffic and such traffic to and from the new country to be opened up as would pass over a portion of the Intercolonial, we think it can fairly be contended that the 311 miles of the I. C. R. which would then form a part of the through line to Montreal, would produce a greater revenue than the 657 miles now utilized. We say nothing of the advantageous position the Government would hold, owning and operating the two portions of the Intercolonial Railway, with two hundred miles of the proposed line sandwiched between them, upon which the Grand Trunk has guaranteed \$3,000,000 of bonds, nor as to the consequent power of the Government to fix the proportion of the freight falling to its share.

As an evidence of how susceptible of development is the ocean trade via Halifax, we may mention that during the year 1889 steamers of the Furness Line from London landed here some 4,600 tons of weight and measurement cargo for Quebec and points west, and took in here some 170,000 bushels of peas or grain besides other cargo, outside of their local traffic. It has been stated that the quantity of grain would have been much larger except for the poor harvest in Ontario. If this trade can exist in the face of the indifference or hostility of the Grand Trunk and Canadian Pacific, we may fairly look for a rapid development of this and similar traffic when the Grand Trunk and Canadian Pacific Railways are using their enormous powers to send freight this way. This is in addition to the large traffic which will be handled when the Government contract for mail steamers to land and load their cargoes here instead of going to the United States ports.

4. That the present facilities for traffic are ample for all that exists, and to subsidize another road is to ruin the Company already operating.

The argument against having two roads of about equal length operating between two common points means only that the C. P. R. wishes to have the exclusive right to rob the I. C. R. of its traffic. The C. P. R. has secured \$187,000 of the \$250,000 voted, and completed its line to its satisfaction. That company refused to accept the balance and fulfil its moral obligations to Halifax, and now it is gravely urged that the balance should not be given to another Company for fear that it would raise up a formidable rival to the C. P. R. in the traffic to the Maritime Provinces.

While the arguments pressed by the C. P. R. appear to have produced an effect upon the Government, we submit that their influence should have been in the opposite direction. It is incredible that that corporation would especially concern itself to oppose the subsidizing of a local line to open up some new country in New Brunswick, or to prevent the Grand Trunk becoming involved with a piece of railway, which could not advantageously carry its through traffic. It could only be worth the while of the C. P. R. to engage in active opposition under the idea that it would be the means of the G. T. R. competing actively for business in this direction, and it is only this anticipation, so evidently shared by the C. P. R., which warrants us in urging that the subsidy should be granted by the Government for the purposes referred to.

Moreover, all these arguments are from the standpoint of the interest of existing corporations.

As affecting the Intercolonial Railway they were all considered in 1884, when Parliament decided that \$250,000 for 20 years should be voted to give the Maritime Provinces a Short Line connection with Montreal. Any arguments that a balance of \$63,000 of that sum, for the same period, should not be appropriated towards giving to these Provinces a second short and competing line should, we claim, not be treated seriously, especially as coming from parties interested in a Company which has repeatedly refused this sum to aid in shortening its present line. **A Company which has received \$187,000 of the subsidy should not fear competition from one only receiving \$63,000.**

As to the Maritime traffic westward. The products of the east are chiefly of the mine and of the sea, and for access to the western markets have to compete with the natural products from a foreign country. A saving in distance of transport is of great advantage to the shippers of coal and other products from Nova Scotia in enabling them to reach the remoter western markets.

We may also refer to the fact that the securing of a second and competing line into Halifax by appropriation of the **sum already voted** will be of incalculable value not only to the Maritime Provinces, but to all the manufacturing centres in the West, whose products find a ready market in the East. It has, we think, been very successfully demonstrated that the I. C. R. has been of great advantage to the western farmers and manufacturers in enabling them to place their products in the eastern markets cheaply and expeditiously. To have two lines competing for this very traffic surely will enable the western seller to compete in eastern markets more successfully.

It is stated that in order to secure a really first-class road for the proposed Grand Trunk Short Line that \$10,000 per mile of a cash subsidy for 200 miles, or \$2,000,000 in the aggregate will be necessary. This is less than it would have cost the Government to construct the Harvey-Salisbury sections, as they proposed to do. We are, **for the reasons already stated**, of the opinion that the Government should **without further delay** obtain the **necessary legislation to enable them to offer the subsidy required**. It is of course essential that before the appropriation of the subsidy the Government should take the steps necessary to satisfy themselves that a sufficiently good line can be secured, and that the conditions imposed upon the Company are satisfactory and guaranteed by the Grand Trunk Railway.

It is not desired in the above to exhibit any hostility to the Canadian Pacific Railway. However much we may regret that our connection with that line has not been such **as was distinctly guaranteed to us**, we believe we voice the sentiments of the Board of Trade, as well as the people of Halifax, in expressing the hope that the Canadian Pacific will soon seek an outlet at this port, and that this Railway and the Grand Trunk will meet here in friendly rivalry.

All of which is respectfully submitted by your Delegates.

M. DWYER,	} Delegation
JAMES MORROW,	
JAS. A. CHIPMAN,	
	} from Halifax
	} Board of Trade.

Chart referred to
to in folio 15.

CANADIAN RAILWAYS.

TABLES OF QUANTITIES, PERCENTAGES, &c.

CANADIAN RAILWAYS.	Flour.		Grain.		Live Stock.		Lumber.		Firewood.		Manuf. Goods.		All Other Articles.		Total.			
	Percentage.	Barrels.	Percentage.	Bushels.	Percentage.	Number.	Percentage.	Feet.	Percentage.	Cords.	Percentage.	Tons.	Percentage.	Tons.	Percentage.	Tons.		
Grand Trunk	3,114,241.65	4,038,020	42.35	53,636,760	51.33	1,293,611	11.31	623,459,371	132.03	169,409,925	19	882,356,339	69	3,676,465	12.73	7,128,973	39.76	
*Can. Pacific	5,233,411.43	1,966,322	20.59	14,817,287	14.18	259,072	8.27	467,797,260	21.02	100,907	15.00	715,719,276	69	616,164	8.09	2,853,788	15.92	
Intercolonial	894	927,014	9.71	1,519,862	1.45	77,661	2.38	197,545,777	10.11					814,994	11.32			
All other Rys.	3,387,268.85	2,614,031	27.40	31,515,156	33.01	1,495,527	48.01	658,184,219	33.81	192,115	36.31	1,028,688,763	73	7,914,465	47.95	7,914,465	41.32	
Totals	12,628	100	9,545,390	100	404,489,065	100	3,125,691	100	1,946,986,627	100	672,131	169	2,627,311	169	7,198,841	100	17,928,696	100

*Including S. E. System, 260 miles.

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The Harvey-Salisbury Line having been absolutely abandoned there is no profit in comparing that shortening of the C. P. R. Line with the proposed all Canadian Line.

The C. P. R. is now running into Halifax, over its *shortest possible mileage*, and the within comparisons show that the C. P. R. will enjoy advantages over the I. C. R. (shortened) of 73 miles, while the G. T. R. short line will have to its credit over the I. C. R. (shortened) 119 miles, and over the C. P. R. short line 46 miles.

Comparison in Distance between G. T. R. and I. C. R. with C. P. R. from Montreal to Moncton.

	Miles.	Miles.
Montreal to Moncton via I. C. R.	754	
Less G. T. R. Loop Line	21	
		633
Montreal to Moncton by G. T. R. Short Line via Edmundston		524
Montreal to Moncton by present C. P. Short Line via St. John		570
Saving in distance by G. T. R. over I. C. R. to Moncton		109
Saving in distance by present C. P. R. to Moncton over the I. C. R.		63
Montreal to Moncton via I. C. R.	654	
Less G. T. R. Loop Line	21	
		633
Montreal to Moncton by C. P. R. Short Line via Mattawamkeag	570	
Less saving in distance if Salisbury Road built	32	
		538
Saving in distance by C. P. R. over I. C. R. to Moncton if Harvey-Salisbury line were built		95

Comparison between Montreal and Halifax.

	Miles.	Shorter than Inter'l	Shorter than C. P. Short Line.
Interco'l Ry. shortened as above—Mont'l to Hx..	829	Miles.	Miles.
C. P. Ry. present short route ..	756	73	
G. T. Short Line as proposed ..	710	119	46
Or. for an Express train averaging 30 m. pr. hr.			
Time Montreal to Halifax by I. C. R., 27 hr. 38 m.			
" " " " C. P. R., 25 hr. 11 m : 2 hr. 20 m.			
" " " " G. T. R., 23 hr. 30 m : 3 hr. 58 m : 1 h. 38 m.			

*Comparison of Distances Between C. P. R. Short Line and G. T. R.
Proposed Short Line.*

	Miles.
Montreal to Mattawamkeag.....	335
Mattawamkeag to Vanceboro.....	56
Vanceboro to Harvey.....	25
Harvey to Salisbury—say to build....	109
Salisbury to Moncton.....	13
<hr/>	
Montreal to Moncton by C. P. R.....	538
Moncton to Halifax.....	186
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Total distance, Montreal to Halifax, by C. P. R.....	724
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Montreal to Chaudiere Junction <i>via</i> G. T. R.....	163
Chaudiere Junction to River du Loup <i>via</i> I. C. R.....	118
River du Loup to Edmundston <i>via</i> Temiscouta.....	81
Edmundston to near Grand Falls, where survey commenced	35½
From Zero, where survey commenced, to Berry's Mills, as	
per actual survey made last fall (1889).....	165½
Berry's Mills to Moncton <i>via</i> I. C. R.....	7
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	570
Can be reduced as shown by Chief Engineer's Report....	10
<hr/>	
	560
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A further saving in distance can be made by building a	
"Branch" between the I. C. R. and Temiscouta Rail-	
way from a point on the I. C. R. west of Kamaraska	
and connecting with the Temiscouta about 25 miles	
from River du Loup.....	
	15
Montreal to Moncton less G. T. R. loop line as under	
560-15=545-21.....	524
Moncton to Halifax.....	186
<hr/>	
Total distance Montreal to Halifax, G. T. R.	710
G. T. R. Loop Line from St. Hyacinthe to Arthabaska	
(Quebec Division) a saving in distance will be made	21

The above distances are accurate and reliable and ascertained by actual survey where so stated or have been taken from the published time table.

The statement of distances circulated in the interests of the Harvey and Salisbury line is inaccurate in the following particulars:

There is a positive misstatement of the distance from Mattawamkeag to Vanceboro as 47 miles whereas the C. P. R. time tables shew it to be 56 miles.

The distance from Harvey to Moncton is also stated as 120 miles while it is believed the real estimated distance according to the last survey is 122 miles as it is understood the length to be built from Harvey to Salisbury is 109 miles and the distance from Salisbury to Moncton is 13 miles.

The statement is also incorrect as to the length of the Temiscouta Route inasmuch as it states the distance from Montreal to Point Levi 171 miles instead of to Chaudiere Junction 163 miles.

RIVIERE DU LOUP, December 25th, 1890.

To the

*Directors of the St. Lawrence
and Maritime Provinces Railway Co. ;*

SIRS,—

In obedience to your instructions to make a survey of the line of railway authorized by your Charter to be built from Edmundston in the Province of New Brunswick, at the junction with the Temiscouta Railway (now in operation from Riviere du Loup) to Moncton, or the best point of connection near there with the Intercolonial Railway. I beg now to report to you the result of the survey just completed by me, and under my instructions, by the staff under my orders.

As the most difficult section of the proposed line was that between the St. John River at or near Grand Falls to the Miramichi River, I commenced by sending two of the engineers under my orders, Mr. Force, C. E., and Mr. Cranston, C. E., to walk over and examine the country between those points, and to report on the most favorable route to be obtained.

After receiving their reports I organized and sent out three parties to make an accurate preliminary survey of the line, that under Mr. Force from the St. John River to the Tobique River, under Mr. Cranston from the latter point to Doaktown, on the line of the Northern and Western Railway of New Brunswick, and under Mr. William McCarthy, C. E., from Doaktown to Moncton.

They have now completed their surveys, and have prepared the profiles and estimates of the quantities of work on the proposed line, and I now submit to you the result of the survey.

A practicable and satisfactory route suitable for a first class road, adapted to through traffic, with reasonable grades and curvatures, can be obtained at a moderate cost of construction.

I did not consider it necessary to make a complete survey of that portion of the line from Edmundston to Grand Falls, as there are no engineering difficulties between these points, and a good line can be obtained there by a distance of about 36 miles, but I have also examined a route from the junction of the Grand River with the St. John River, about twelve miles above Grand Falls running to the North of the Sisson Range of Hills, which I am satisfied is readily obtainable, and which would shorten the total through distance by at least ten miles.

The complete survey, however, made by my assistant engineers commenced at Grand Falls and terminated at Berry's Mills, a station on the Intercolonial Railway seven miles north of Moncton.

From Grand Falls to the Tobique, a distance of 24 miles, two local summits of about 300 feet each, on either side of the Salmon River, have to be overcome, and will necessitate a maximum grade of 60 feet to the mile on this section, with a curvature not exceeding 5° or 1146 radius. The work will be somewhat heavy on this section, as two large cuttings are required, and steel viaducts will be necessary at the crossings of the Little River, Salmon River and Little Salmon River, in all about 2300 feet, at an

average height of 75 feet. The country through this section, except near Grand Falls and the Tobique is unsettled, but is well timbered with cedar hemlock, spruce, birch, maple and beech, but the spruce has been cut to a considerable extent in the vicinity of the rivers. The land is well adapted for farming and should be well settled when opened up by the Railroad.

The second section, from the mouth of Three Rivers on the Tobique to the summit, a distance of $26\frac{1}{2}$ miles, follows the Wapsakaggan River and its branch, the de Chute. There are no local summits of any consequence on this section, but the main summit, between the St. John and the Miramichi, has to be crossed at an elevation of 1100 feet above the Tobique, but we believe that by following another branch of the de Chute than that on which we ran the line, we can cross the summit at a lower level and reduce the grades, so that they will not exceed 53 feet to the mile.

This will confine the maximum grade of 66 feet to the mile to a total distance of 12 miles between Grand Falls and the Tobique, but my assistants report that they are satisfied that on a careful location the grades can be greatly improved.

The work on this latter section will not be so heavy as on the first section, and the only structure of importance will be that crossing the Tobique River, requiring three spans of 150 feet each, and 600 feet of trestle approach.

This section is well timbered, but except near the head waters of the streams a considerable portion of the white and red pine and spruce has been taken out.

The third section is from the summit down to the Miramichi near Doaktown, a distance of 46 miles. The line follows and crosses the following streams, the Clearwater, Rock Brook, Dungarvan, Bartholomew, and Big Hole Brook, which latter is followed by the Miramichi River. The grades are all descending practically in the one direction, and with the exception of one of 66 feet, are all under 53 feet to the mile, but the only maximum grade, Mr. Cranston, who made this portion of the survey, thinks can be eliminated by following the right branch of the de Chute River, *whereby also a considerable saving of distance will be made.*

The curvature on this section will not exceed 5° or 1146 feet radius.

The work here will be moderately heavy, and the only structures of importance will be two steel viaducts of 250 feet each, 40 feet high, two steel spans of 100 feet each and one of 75 feet.

The Miramichi will require three spans of 160 feet each, with some trestle approach. The land on this section is abundantly timbered, and of good quality.

On the fourth section, from the Miramichi to Berry's Mills, a distance of $69\frac{1}{2}$ miles, the country is level or slightly undulating, except where streams are met with which usually run through deep ravines.

There are no grades on this section exceeding 53 feet to the mile, and the line is usually direct, and the percentage of curvature, which nowhere exceeds 5° will be small. The most important structures are those crossing Cain's Rivers and Mazroll Brook, the former requiring 1500 feet of steel viaduct, and the latter 360 feet about 75 feet high. There are also several smaller streams to be crossed, which will require 2600 feet in all of steel viaduct from 20 to 46 feet high. The rest of the work is not so heavy as on the previous sections.

The country here is partially settled along the principle rivers, and timber abundant, a considerable quantity of spruce still remaining un-cut. Some of the land is of very good quality.

The total length of the line surveyed from Grand Falls, to Berry's Mills was 166 miles, and adding 36 miles from Edmundston to Grand Falls and

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seven miles from Berry's Mills to Moncton, the total distance from Edmundston to Moncton would be 209 miles which would make the distance from Montreal to Halifax, by the Grand Trunk to Chaudiere Junction, the Intercolonial to Riviere Du Loup, the Temiscouata Railway to Edmundston and the proposed line to Moncton, and thence by the Intercolonial to Halifax, 759 miles in all.

If, however, the line from the Grand River North of the Sisson Range, which, as I have already stated, I explored myself and with an Assistant Engineer, be adopted, a saving of distance of at least ten miles would be obtained, and the improvement of the line at the de Chute River, recommended by Mr. Granston, would also effect a saving of a distance, so that, in my opinion, the total length from Edmundston to Moncton may be reduced to 199 miles, or 749 miles from Montreal to Halifax. Time did not allow of our making a complete survey of the line by these alternative routes at the two points I have referred to, but I believe that when made it will result in the saving of distance already stated.

An approximate estimate of the quantity and cost of the work, according to the survey actually made, has been prepared by myself and my assistants, and will be submitted to you. A Map showing the line surveyed accompanies this Report.

I have the honor to be,
Gentlemen,
Your obedient servant,

(Sgd.) J. ADAM DAVY,
Chief Engineer of the Temiscouata Ry. Co.

SCHEDULE B.—I.
ROYAL MAIL STEAMSHIPS AND FORTNIGHTLY STEAMERS.
Summary of Freight and Passengers landed at Halifax, Season of 1889-90.

STEAMSHIP.	LINE.	PORT.		Date of Arrival.	Should have Arrived.	Days Overdue.	LANDED IN HALIFAX.					Landed in Portland.	
							Tons of Freight.	Passengers.	Storage.		Total.		
		From.	To.						Cabin.	Inter'm.		Tons of Freight.	Pass'rs.
*Circassian	Allan.	Liverpool	Portland	1890, Nov. 18.			280	22	17	82	121		
Hibernian	"	Glasgow	Philad'phia	" 19.			300		5	19	24		
Caspian	"	Liverpool	"	" 23.			560	9	9	217	235		
*Sarnia	Don'n.	"	Portland	" 25.			300	5	20	32	57		
Sardinian	Allan.	"	"	" 30.			270	30	27	163	220		
*Manitobian	"	Glasgow	Philad'phia	Dec. 7.			319			35	35		
Polynesian	"	"	Baltimore	" 10.			500	12		141	153		
*Toronto	Don'n.	Liverpool	Portland	" 14.			187	9		53	62		
*Parisian	Allan.	"	"	" 21.			350	41	38	108	187		
*Vancouver	Don'n.	"	"	" 22.			188	16	20	50	86		
*Nova Scotian	Allan.	Glasgow	Baltimore	" 22.			300	17	14	102	133		
*Circassian	"	Liverpool	Portland	" 29.			300	8		48	56		
				1891.									
Hibernian	"	Glasgow	Philad'phia	Jan. 2.			356			31	31		
*Sarnia	Don'n.	Liverpool	Portland	" 4.			60	1	6	25	32		
Caspian	Allan.	"	Philad'phia	" 4.			300	11	11	38	60		
*Sardinian	"	"	Portland	" 10			150	11	11	36	58		
"	"	Glasgow	Philad'phia	" 14			400			12	12		
Cathagenian	"	Liverpool	Baltimore	" 17.			350	17	5	34	56		
*Oregon	Don'n	"	Portland	" 18			160	19		51	70		
*Polynesian	Allan	"	"	" 25			400	10		61	71		
*Toronto	Don'n	"	"	Feb'y. 4.			400	8		35	43		
Norwegian	Allan	Glasgow	Philad'phia	" 4.			400			18	18		
*Circassian	"	Liverpool	Portland	" 10.			500	9	40	63	112		
*Sarnia	Don'n	"	"	" 16.			400	9	26	55	90		
Hibernian	Allan	Glasgow	Philad'phia	" 19.			275			34	34		
*Nonpareil	"	Liverpool	Portland	" 24.			600	33	47	120	200		

*Oregon	Don'n.	Liverpool	Portland	March 3			600	23		92	115	
Assyrian	Allan	Glasgow	Philad'phia	" 5.			410	1		38	39	
*Polynesian	"	Liverpool	Portland	" 9.			508	94		992	992	

*Circassian	"	Liverpool	Portland	" 10.	500	9	40	65	112	
*Sarmia	Don'n	"	"	" 16.	400	9	26	35	90	
Hibernia	Allan	Glasgow	Philad'phia	" 19.	275			34	34	
*Mongolian	"	Liverpool	Portland	" 24.	600	33	17	120	200	
*Oregon	Don'n	Liverpool	Portland	March 3	600	23		92	115	
Assyrian	Allan	Glasgow	Philad'phia	" 5.	410	1		38	39	
*Polynesian	"	Liverpool	Portland	" 9.	508	29		233	262	
*Vancouver	Don'n	"	"	" 14.	260	34	88	264	386	
Manitoba	Allan	Glasgow	Philad'phia	" 19.	300			64	64	
*Carthagean	"	Liverpool	Portland	" 25.	400	33	128	380	541	
*Sarmia	Don'n	"	"	" 29.	500	29	58	446	533	
Hibernian	Allan	Glasgow	Philad'phia	" 30.	150	2		198	200	
*Norwegian	"	"	Boston	" 31.	300	121	120	154	154	
*Parisian	"	Liverpool	Portland	April 5.	20			656	897	
Corean	"	Glasgow	Boston	" 8.	200	34		176	176	
*Oregon	Don'n	Liverpool	Portland	" 12.	300	2	70	380	414	
Siberian	Allan	Glasgow	Boston	" 15.	500	35		220	292	
Canadian	"	"	Philad'phia	" 15.	300			77	77	
*Polynesian	"	Liverpool	Portland	" 19.	500	13		399	434	
Nova Scotian	"	"	Baltimore	" 27.	300		20	243	276	
42 Steamers: (31 Allan Line, 11 Dominion Line.					13377	653	780	5683	7116	
Totals										

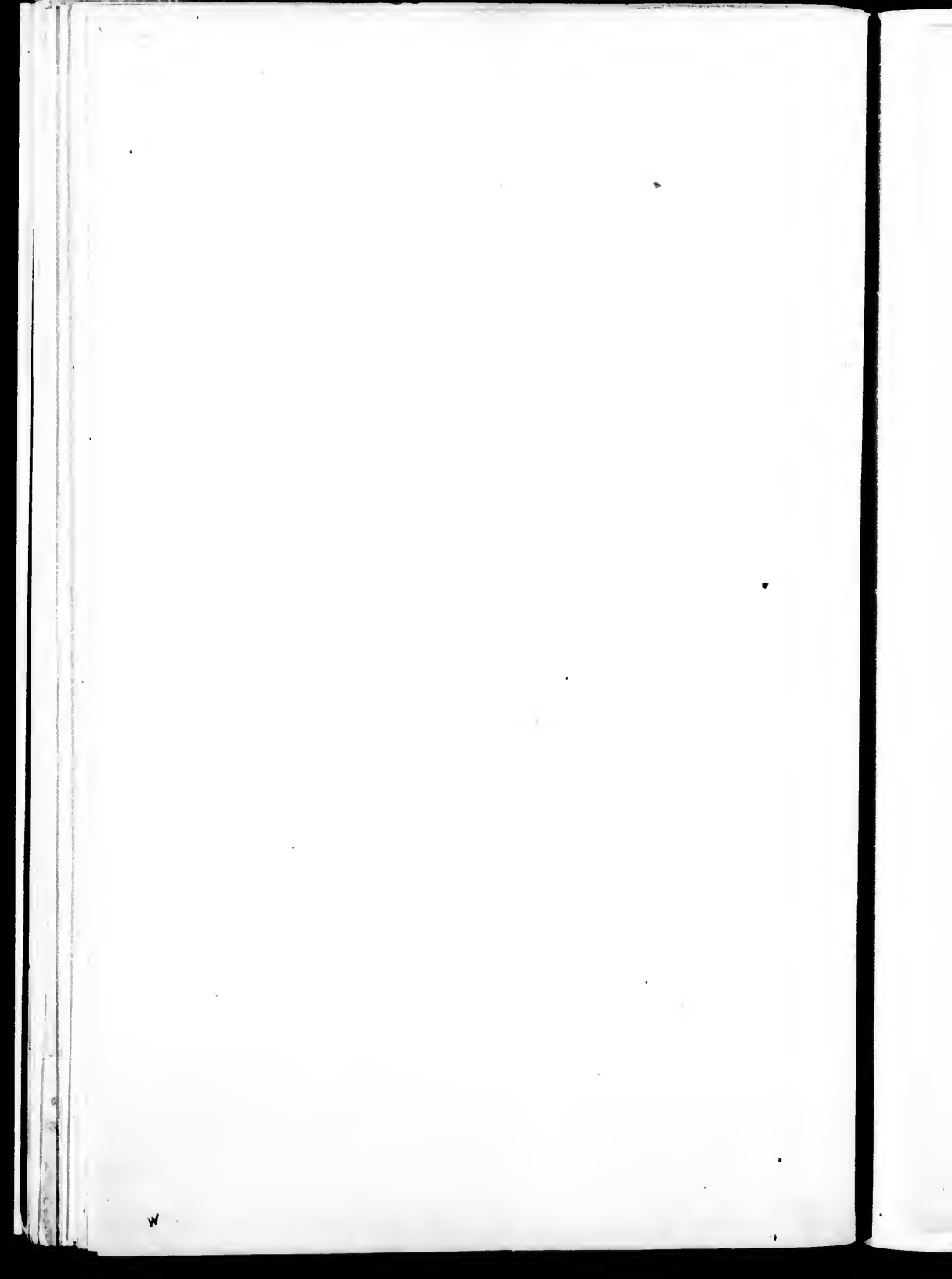
Average freight and passengers 42 Steamers.....318½

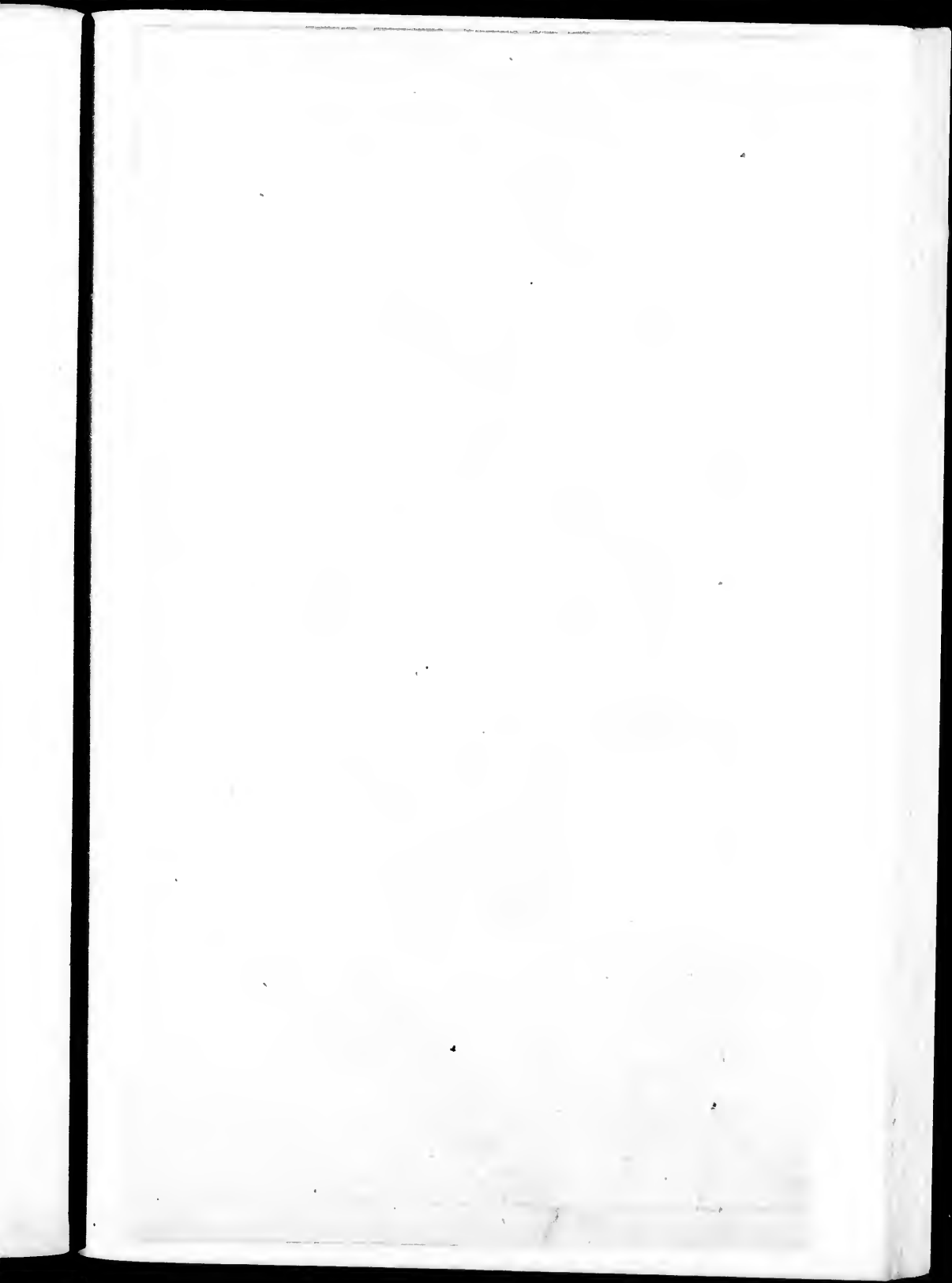
P. CWT.

23 Mail S. S.....339-13

* Mail Steamers.

From Official Sources.





MAP
 SHEWING
 PROPOSED SHORT LINE
 RAILWAY
 BETWEEN
 MONTREAL & HALIFAX

REFERENCE, — Grand Trunk R'y., Shown thus. —
 — Can. Pacific R'y., " " —
 — Other Railways, " " —
 — Proposed Short Line, " " —

