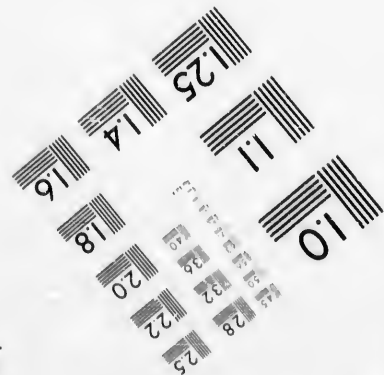
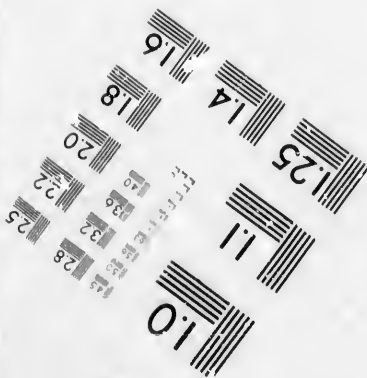
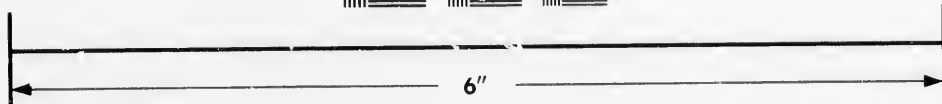
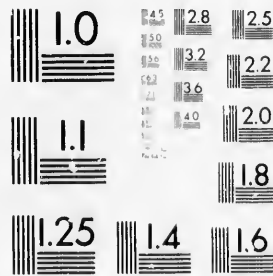


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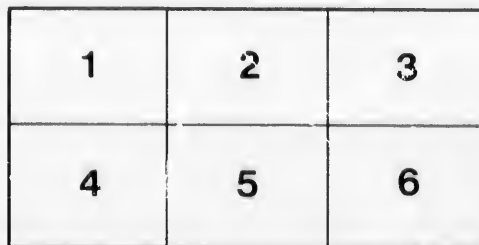
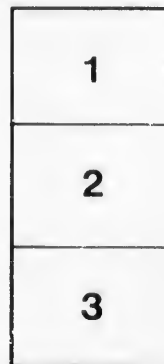
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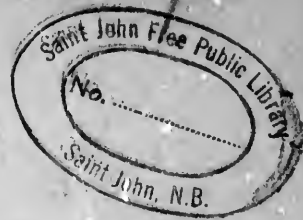
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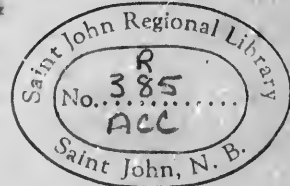
# AN ACCOUNT

*Deup*



OF THE

## Saint Andrews and Quebec Railway,



BEING THE

### ORIGINAL INTERCOLONIAL RAILWAY,

*From its First Inception in 1835  
to the present time.*



SAINT JOHN, N. B. :  
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AN ACCOUNT  
OF THE  
*Saint Andrews and Quebec Railway,*

THE ORIGINAL INTERCOLONIAL RAILWAY,

*From its First Inception in 1835.*

FIRST PERIOD FROM 1835 TO 1845.

On the 5th day of October, in the year 1835, a meeting was convened of a number of the inhabitants of the Town of Saint Andrews, in the County of Charlotte, Province of New Brunswick, for the purpose of forming themselves into an Association under the appellation of the "Saint Andrews and Quebec Railroad Association," having in view the desirable object of giving publicity to the practicability and desirability of constructing a Railroad between the town of Saint Andrews and the City of Quebec in Lower Canada.

Being then convinced of the commercial importance of such an undertaking, by which a direct communication would be formed between Canada and the Lower Provinces, a conviction somewhat strengthened by the published opinion of an English writer, which appeared in the "United Service Journal" at some prior time, over the signature of Henry Fairbairn, resolutions were proposed and unanimously agreed to, at this their first memorable meeting. They were to the following effect:

That a Railroad from Canada to the nearest winter port in New Brunswick, viz., Saint Andrews, would be of great national importance to the interests of British North America, and its trade and commerce generally.

That the proposed route from Saint Andrews to Quebec, from all reliable information, is the best in all respects that can be projected.

That the traffic arising from all sorts of merchandize and passengers, &c., would be commensurate to the cost of such an undertaking, and would fully justify its construction.

That an Association be therefore formed to promote the object of building a Railroad from Saint Andrews to Quebec.

The Association was thereupon organized by the following appointments:—  
Hon. James Allanshaw, Chairman; Thos. Wyer, Esq., Deputy Chairman; Harris Hatch, John Wilson, James Rait, Samuel Frye, J. McMaster, Esqrs., Committee of



Management; Adam Jack, Esq., Secretary and Treasurer. Fifty signatures, as members of the Association, were also obtained.

The article referred to as having appeared in the "United Service Journal," from the pen of Mr. Henry Fairbairn, set forth,—after showing that the prosperity of the Provinces in North America was in a great measure dependent on the judicious introduction of the railway system,—first, a proposal to construct a Railway from the port of Quebec to the harbor of Saint Andrews, a distance of one hundred and ninety-five (195) miles, which would be the means of conveying the trade of the St. Lawrence, in a single day, to the waters of the Atlantic, thereby intercepting a circuitous navigation of one thousand two hundred (1,200) miles down the St. Lawrence, and thence round the shores of Nova Scotia, and thus ensuring to all commodities for export a shorter and more speedy transportation, which would be attended with much greater regularity and much less risk: with the great additional advantage of having such a channel of communication open at all times throughout the year to an open winter port, whilst on the other hand the St. Lawrence navigation remains closed by ice between the months of November and May.

The writer next asserted that, from the fact of this proposed line of railway passing through the lands belonging to the Crown, that new fields would be opened to the industry of the lum'ermen; that lands, hitherto inaccessible in the absence of inland navigation, would be reached and made fertile, and the barren wilderness become a source of increasing revenue.

The construction of this work would also furnish employment to a great number, and induce an emigration that otherwise would not be promoted, and that the land required for the use of the road, being granted by Government, a great saving would be effected in the cost of construction, which, taking the estimates for railways in the United States, where the flat rail was then in use, need not exceed £5,000 per mile, or £980,000 for the whole distance from Saint Andrews to Quebec.

After certain preliminary proceedings of the Association were arranged, a deputation was next formed, consisting of Harris Hatch, John Wilson, and James Rait, Esqrs., who were delegated to lay before his Excellency, Sir Archibald Campbell, Bart., then Lieutenant Governor of the Province, the views and objects of the Association, and to solicit his sanction and patronage. The prayer of the petitioners solicited his Excellency's approbation of the proposed work, and set forth the great advantages which would accrue to New Brunswick and Canada, in the facilities that would thus be afforded for the transportation of British and Foreign commodities, and in opening up a highway for the development of the internal resources of the country; an enterprise worthy of the consideration, approval and encouragement of his Excellency; who in reply stated that he fully appreciated the zeal and spirit of the enterprise which prompted such an under-

taking, which could not fail to be highly beneficial to the British Provinces commercially, and in many other respects, and which he would support as far as lay in his power; and to which he wished most cordially much success, and expressed his hope that the expectations of the Association would be fully realized.

The deputation was also instructed to confer with the following gentlemen: His Honor the Chief Justice, the Hon. Wm. F. Odell, Thos. Baillie, Judge Botsford, G. F. Street, Joseph Cunard, George Shore, C. J. Peters, Chas. Simonds, W. F. Owen, and E. N. Kendall, Esqrs., all of whom became members of the Association, and were subsequently formed into a Standing Committee.

It was next suggested to the Association that an exploratory survey of the proposed route should be made to ascertain the feasibility of the undertaking, or any engineering difficulties that might be presented; which course being decided upon, a subscription was taken up for that purpose. Two surveyors, with a staff of assistants and camp equipage, were fitted out, and those in charge of the expedition were instructed to explore and ascertain the general configuration of the country, and the different altitudes of prominent points above a common datum level.

The two gentlemen appointed to conduct the survey were Geo. H. Smith and C. R. Hatheway, Esqrs.; the former, since deceased, was Editor of the Saint Andrews "Standard," the latter still survives, and resides in Saint Andrews. Their report upon the termination of their explorations bears date January 30th, 1836, and was accompanied with an explanatory map. They stated that having commenced operations on the 28th October, 1835, and after encountering many unexpected obstacles, they reached the "Highlands," then so called, on the borders of Canada, on the 29th December. They began their survey near the west branch of the Digdegnash river, and continued up this latter to White Beaver Brook, an outlet of the Digdegnash lakes; from this point onward the work was separated and reported upon in sections. A general description of the course of the line explored is as follows:—

Commencing on the Digdegnash, at the place previously mentioned, thence northerly across White Beaver Brook and Stag Brook to the eastward of the fourth South Titcombe Lake; onward to Cranberry Brook, crossing it below the falls, thence along the eastern side, and through a pass west of the South Shogomoc Lake, and to the eastward of the northern road of the Palfrey Mountains; thence across the north Shogomoc Lake-stream to the Howard Settlement, passing through this, and turning in a north-westerly direction to the left of the Ox-bow and Great Falls on the Eel River, crossing this stream below the Forks, and keeping to the west of Oak Hill, proceeds north-westerly to the Houlton and Woodstock Road, two and a half miles from the American boundary; thence across the south branch of the Meduxnekek above the Forks, and across the north branch; thence on a course nearly parallel to the boundary line, and onward to the Presque Isle river, half a mile west of "Wheeler's," passing east of "Cronks," west of "Millers," and inclining nearly magnetic north to the boundary line, and passing two miles to the eastward of Mars Hill; thence rounding the northern head of the Hill in a course N. 70° W., passing to the westward of Partridge Hill, to the Restook River, crossing immediately below the mouth of the Big Machias River; thence across a branch of the Machias, and passing about a mile to the southward of two hills called the

"Twins;" thence north of Mount Saul, and through the valley of Caroline's Lake to the northern side of Beaver Brook to a summit level; thence down a valley to the Susquecoo River, crossing this stream, and continuing in a northerly course along the west side to the Forks; thence westerly to the crossing of the Allegash river about a mile below the first Lake. From this point the course is nearly a straight line N. 70° W. to the Saint John River, which it strikes about fifteen miles below the Forks, and about four miles above the Islands; thence across the Saint John River, passing Grasse Lake Stream, and onward to the south end of Muck Lake; thence inclining northerly to the north of Cariboo Lake; thence through a defile and dry barren to the southward of the Three Mountains and Spruce Mountain, near the Canadian boundary line.

The Report concluded by stating that on a review of the whole explored route, the surveyors did not hesitate to express their opinion that no obstructions existed that could impede the formation of a railroad; that a great portion of the lands through which they passed were fit for settlement, and that they did not pass through any burnt districts.

The exploration was not continued further than Spruce Mountain by the New Brunswick party, as a previous reconnoissance had been made by Captain Yule, of the Royal Engineers, from Quebec to this point or vicinity.

At this period the whole of the exploration was through what was then claimed as British territory, the north-eastern boundary line of Maine being only defined from Monument Brook to Mars Hill, which latter was the pivot or turning point of discussion or diplomacy, as to the direction from thence on any point of the compass. It was not until the year 1842 that the boundary line question was finally settled by the Ashburton Treaty, by which unfortunate arrangement the "lion's share" was yielded to the United States, by continuing the line from Mars Hill due north until it struck the River St. John about three miles above the Grand Falls.

During the time occupied in carrying on this exploratory survey, the "Association" was busy at work canvassing public opinion and support in aid of the great enterprise of that day, and issued a circular to ascertain the general opinion of the best informed men in the Province, in which the Association represented to the public the route from Saint Andrews to Quebec as being preferable to any other ever brought to notice, and claimed for that route special and mature consideration, taking it for granted that local prejudices would have but little influence, but that national views and considerations alone would determine the important question. It was further represented that the situation of the town of Saint Andrews was most favorable as a port for the receiving of imports from, and the shipping of exports to the West Indies, Europe, the United States and Nova Scotia; as a commercial port it could not be better situated, and as a terminus for a railroad from Canada it had no rival. The serious attention and impartial deliberation of the public was therefore earnestly requested in confirmation of the proposed communication with Canada. This circular bore the signatures of Harris Hatch, John Wilson, James Rait, Samuel Frye, J. McMasters, Esqrs., as a Committee of Management, with Adam Jack, Esq., acting as Secretary.

Public opinion thus appealed to throughout the Province, gave a favorable verdict, and the Association, flushed with such success, deemed it expedient to consult the Government and people of Lower Canada, and for this purpose deputed Harris Hatch, John Wilson, James Rait, and John McMaster, Esqrs., to proceed to Quebec early in December, and submit to the Governor General an abstract of all the proceedings of the Association. The Lieutenant Governor, Sir Archibald Campbell, had previously paved the way for the deputation, with good intentions, having previously introduced the subject to the Governor General, as well as to his Excellency Sir Colin Campbell, Lieut. Governor of Nova Scotia, by whom Captain Yule, of the Royal Engineers, before mentioned, was instructed to afford his services to the Association. The result of the visit to Canada was, that in due course of time both branches of the Legislature passed resolutions approving the scheme, and affording every facility in meeting the views of the same body in New Brunswick, and that as soon as the latter Legislature passed an Act to establish the proposed railroad, and grant facilities thereto, a similar Act should be passed by the Canadian Legislature. The Legislative Council also confirmed the resolutions of the Lower House, and on the 19th December, 1835, resolved that a railroad between the ports of Saint Andrews and Quebec would greatly diminish the disadvantages to Navigation consequent upon the periodical freezing up of the River Saint Lawrence. That a communication by rail between those two ports would promote the settlement of the country, facilitate the intercourse between Canada and the United Kingdom, increase the demand for British manufacture, and give additional employment to British shipping. That it is highly expedient to promote and facilitate the views of the Saint Andrews and Quebec Railroad Association. That the Governor in Chief transmit to the Secretary of State for the Colonial Department the foregoing, as the opinion of the Legislative Council, accompanied with his own recommendation.

The inhabitants of Quebec and Montreal also took a warm interest in the proposed undertaking, and signed a petition to his Majesty for aid.

The Boards of Trade of both those cities having been addressed by letter from the deputation, subsequently joined the Association as Members. The deputation had stated to the Boards in their letters (Dec. 14th) that in becoming members of their Association they sought for no pecuniary aid, and therein engaged to defray all preliminary expenses: the first assistance to be rendered would be in joining in a petition to the Home Government, praying for such aid towards a commencement of the work as might appear reasonable. They would next be required to name some of their friends in London to be associated with the Hon. James Allanshaw and others, to proceed to England for the above purpose, and to bring the stock into market. The deputation proposed by the writers were Hon. James Allanshaw, Messrs. Geo. Wylde & Co., E. N. Kendall, Esq., and Messrs. Anthony Gibbs & Co.

The Quebec Board of Trade accepting the views and proposals of the visiting deputation to their city, deputed Messrs. Andrew Patterson, George Pemberton, and William Walker to act in concert with them during their stay, and nominated Alex. Gillespie, junr., Nathaniel Gould, and William Pemberton, Esqrs., to associate with the proposed deputation to London.

The Montreal Board of Trade acted in a similar spirit of good will, and appointed Wm. Ritchie, J. W. Duncombe, and Harrison Stephens, Esqrs., a sub-committee for the affairs of the Saint Andrews and Quebec Railroad Association, and nominated the same gentlemen in London as the Quebec Board had done, adding thereto the names of Henry Bliss, Esq., and G. R. Robinson, Esq., M. P. Chairman of the Lower Canada Land Company.

While the deputation from the Association were in Canada, they addressed a letter to Captain Yule, R. E., eliciting from him his views on the proposed undertaking, which were quoted, as follows:—

“ With respect to that part of your letter in which you do me the honor to ask me to give my views generally relative to a Railroad between St. Andrews and Quebec, I cannot hope to be able to contribute any opinion which will render its importance more evident than is suggested by the geographical position of the former place.”

“ The present times abound in works of this kind, and in the introduction of new projects endeavors are made to magnify every kind of advantage; these, however, are generally of a local nature.”

“ But the work now in contemplation is probably the most important of any single undertaking.”

“ To Great Britain it may be considered as a great national object.”

“ It is not merely to connect one Province with another, but in continuation of the projected route through Ireland, those existing in England, and in the course of being constructed in the United States, its object is a new,—and by its nature,—the speediest communication which it will ever be possible to obtain between Europe and America; England, Ireland, and our Colonies to be the highway.”

“ Such an object is far beyond the ordinary limits of commercial speculation.”

The Association had now the approval and support of Lord Gosford, the Governor General of British North America, the people of Lower Canada, and the two branches of its Legislature; of Sir Archibald Campbell, Lieut. Governor of New Brunswick, the people of that Province, and of both branches of its Legislature, as also of both branches of the Legislature of Nova Scotia.

The Resolutions passed by the New Brunswick House of Assembly were in effect,—That the construction of a railroad between the ports of Quebec and St. Andrews, an open winter port, would facilitate travel and transportation of goods between the British possessions, would promote the settlement of the country, and induce emigration, and would give additional employment to British shipping.

That for these reasons, and to facilitate the objects of the Association, the House passed a Bill empowering a Company to construct such Railroad, the Canadian Legislature to provide for the extension of the same to Quebec.

That an address be presented to the Lieut. Governor, that he will be pleased to transmit these Resolutions to the Secretary of State for the Colonies, and to recommend the same to favorable consideration.

The Nova Scotia Legislature passed similar Resolutions, and Messrs. Steward, Smith, and Chipman were appointed a Committee to wait upon the Lieut. Governor and request the transmission of the Resolutions to the Secretary of State for the Colonies.

This much having been achieved, the Association considered it advisable to present its views more fully to the public than had yet been done, so that the benefits which would result from such an important undertaking would be better considered and appreciated, and thereby establish confidence in the investment of the necessary funds for its completion. It was therefore represented that as the Saint Lawrence was then the only outlet from Canada, and that as it was frozen up for more than half the year, it became evident that a railroad communication with the seaboard must be of immense utility, and that the transportation of merchandize of all kinds would unquestionably be of a corresponding magnitude. There could be no limit to the amount of exports and imports, more especially of those particular articles most required when the river navigation is closed, and are thus excluded from a market until late in the spring of the year. The railroad would obviate all such difficulties and disadvantages, and would command the whole business of the country, most certainly during one half the year, and the chief portion of the transportation during the other; it would secure to Canada an uninterrupted communication with New Brunswick, Nova Scotia, the West Indies, and the United Kingdom, which could not fail to advance the interests of all the Provinces, and contribute to the prosperity of the whole by increasing trade and the means of production to a great extent. If the work was not at once taken in hand with energy and promptitude, all the wealth and trade in store for such an enterprise would be ultimately diverted to other countries, with but little chance of recovery at a distant day.

Another important feature is the inestimable benefits that would accrue to emigration, as regards comparative safety, comfort and celerity in travelling, without encountering any of the risks to which the navigation of the Gulf of St. Lawrence is frequently subject. It should also be considered that the internal resources of 200 miles of rich forest country would be thus opened, and in a great measure rendered more productive; the sale of the lumber lands would prove a large source of revenue, besides inducing settlements along the whole line; minerals were also to be found along the route, lime, gypsum, and indications of coal; there were also superior slate quarries. All kinds of timber were abundant, and no doubt saw mills would be erected on many of the streams possessing ample water power; prodigious quantities of squared timber, boards and deals would be brought down for exportation, which would otherwise be locked up for ages.

Taking an average quantity of 100,000 tons annually passing over the road, at five shillings per ton, this item would yield an income of £25,000, and taking the quantity of flour, grain, and provisions at 110,000 barrels, at three shillings per barrel, equal to £16,500, those two items would give a total of £41,500: in course of time this amount would no doubt be doubled, and if to this be added the West India and other imports, with passengers, &c., it would be more than trebled. The actual amount of income could only be arrived at by inference, and enough was known of the value of the forests, and of Canadian production, to justify the conclusion that the undertaking would be a safe investment of capital, which would bear a fair rate of interest after the road was in full running operation.

The cost of construction was unknown, the length was supposed to be 250 miles, through a comparatively level country; but taking the estimates for some of the railways in the United States as a basis, it was considered that one million sterling would be sufficient, and should the Government make liberal grants in aid of the undertaking, probably little more than half this amount would be ample. Application had been made to his Majesty by petition for such aid. The "Saint Andrews and Quebec Railroad Company" had been incorporated by an Act of the Legislature, with a capital of £750,000, divided in 30,000 shares of £25 each; which with a similar Act to be passed in Lower Canada with a capital of £250,000, would make one million pounds the full amount of the estimated expense. The following was also submitted:—

ESTIMATE OF PROBABLE COST OF CONSTRUCTING ST. ANDREWS  
AND QUEBEC RAILWAY.

Grading 250 miles at \$5,000 per mile,.....	£312,500
Making the road and putting down rails for a single track with turnouts, &c., at \$7,000 per mile,.....	437,500
Whole Estimated Cost,.....	£750,000
The Association thought it safe to allow for contingencies in addition thereto,.....	250,000
	£1,000,000
Or in Sterling Money,.....	<u>£888,889</u>

The following is the "Schedule" of the probable annual income on the proposed Saint Andrews and Quebec Railway, as also submitted to the public by the Association:—

IMPORTS TO QUEBEC.	
West India Produce,.....	£5,000
European Manufactures and Merchandize,.....	10,000
Passengers, averaging 15 per day, 260 days at 80 shillings each, ..	15,600
Miscellaneous articles, equal to 50,000 brls., at 5 " ..	12,500
Emigrants, say.....	<u>5,000</u>
Amount from Imports,.....	£48,000

EXPORTS FROM QUEBEC.

Flour and Provisions, say 110,000 brls. at 3s. per brl.	£16,500
Wheat, Barley, Oats, &c.,.....	10,000
Staves, Ashes, and miscellaneous articles,.....	10,000
Passengers, as per contra,.....	15,600
<hr/>	
Amount from Exports,.....	£52,100
Do. from Imports,.....	48,100

TO AND FROM THE INTERMEDIATE COUNTRY.

100,000 tons Deals, Timber, Boards and Planks, at 7s. 6d. per ton,.....	37,500	
Shingles, Staves, Saw-logs, Scantling, and other di- mension Lumber,.....	7,500	
Provisions, Goods, Passengers, i. e. Settlers and Operators,.....	6,300	51,300
Probable Income,.....		£151,500
<hr/>		
Equal in Sterling Money to.....		£134,666

Allowance for carrying mails, and other items, not included in the Estimate.

The Members of the Association closed their public appeal with an assurance that their advocacy for the proposed railway was the result not only of the most careful attention they had been able to give to the consideration of the enterprise, but also of the integrity of their deliberate investigation, and of their entire conviction.

During the month of January, 1836, Messrs. Allanshaw and Jack proceeded to England as the first deputation from the Association to the British Government, bearing petitions from New Brunswick and Lower Canada for aid to the Road, and while there had an interview with the Right Hon. Lord Glenelg, Secretary of State for the Colonies, and also a correspondence.

During their absence an editorial article appeared in the St. John "Courier" of February 25th, on the subject of their mission to England, and the object involved in connexion with the proposed railroad, which is worth inserting here as a connecting link. It is now very evident that the opinion of the Saint John Press at that period is not the opinion of to-day:—

"We most sincerely hope that this grand projection may receive the favorable consideration of the King and his Government. The great importance of connecting these two ports by railroad will at once be seen when we remind our readers that Quebec is bound in icy fetters for about six months in the year, \* \* \* while at the same time New Brunswick would receive an additional impulse by St. Andrews being the port of exit for the productions of Canada. We certainly think that our neighbors of St. Andrews are entitled to great credit for the persevering manner in which they have for a number of months past directed their attention to the subject, both in having visited Quebec and causing a survey of the contemplated line of road to be made, and that too at their own expense. It is true, they have much to gain if it should go into successful operation; but at the same time we must feel the benefits to be derived from it, for our interests are so intimately blended that whatever affects the one, must also be felt by the other."



On March 12th, Resolutions moved by Albert Stewart, Esq., M. P., passed the Nova Scotia Legislature. A Committee waited upon his Excellency, who assured them he would have great pleasure in attending to the wishes of the House, and would forward the Resolutions to Lord Glenelg by the Packet then in Port. These Resolutions were similarly framed to those already mentioned.

At this particular period the question of the North Eastern Boundary Line remained unsettled; the decision of the King of the Netherlands, having been contrary to the spirit and intention of the arbitration submitted to his judgement, had been quietly rejected by both parties, and the matter stood in an uncomfortable abeyance.

On the 15th April the deputation in England addressed a letter to Lord Glenelg, enclosing the petitions, and vouched for the respectability of the signatures attached to each document; they also expressed the great anxiety that would prevail in the Provinces until the decision of his Majesty's Government was known. That the Legislature of New Brunswick had passed an Act incorporating "The St. Andrews and Quebec Railroad Company," and that body was then being organized with the full expectation that the prayer of the petitions would be graciously complied with.

To that communication Lord Glenelg returned a reply on the 23rd, through his Secretary, and as follows:—

"GENTLEMEN,—I am directed by Lord Glenelg to acknowledge the receipt of your letter of the 15th inst, with the petitions which accompanied it, from New Brunswick and Lower Canada, on the subject of the proposed railroad between Quebec and Saint Andrews. Lord Glenelg desires me to state to you that he has laid these petitions before the King, who was pleased to receive them very graciously, and to command that immediate measures should be taken for ascertaining to what extent it would be possible for his Majesty to promote the petitioners' object, to which his Majesty attaches the highest importance."

On the 27th April the deputation again addressed his Lordship, and submitted documents embracing the estimated cost of the proposed road, and probable proceeds from traffic thereon, (as on a former page) and other explanatory matter confirming the same. The attention of his Lordship was called to the importance of an immediate survey on a more comprehensive scale than the previous exploration, which was done at the expense of the Association:—

"We would therefore suggest to your Lordship that a sum of money not exceeding £10,000 be expended in this way, as a judicious exploration at the outset through a wilderness country will save some thousands in the end, and as this service cannot be completed in one season, it is of the utmost consequence that it should be commenced without delay."

"We would therefore propose that the sum of £250,000 should be given as a bonus or special grant to the Company on the general principle long established in the Province in the distribution of a large part of its revenues in the construction of roads and other internal improvements. The further sum of £500,000 to be invested in the stock of the Company; the dividends accruing thereon to be paid to his Majesty's Receiver General as a part of the Casual Revenues, and the remaining £250,000 it is proposed to bring out in stock in the Canadas and New Brunswick."

The next letter of the delegates was addressed to Sir Geo. Grey, Under Secretary of State, on the 5th May following, and is, even now, an important record, thus :—

“ We have the honor to acknowledge the receipt of your letter of the 4th inst., conveying to us the gratifying information that our application for a sum of money not exceeding £10,000, to be expended in the exploration and survey of the proposed line of railway from Saint Andrews to Quebec, had been granted, and that the other propositions submitted by us would receive the attention of Government so soon as the result of that survey was known. We cannot conclude this letter without expressing in our own, and in behalf of the petitioners, our sincere thanks to Lord Glenelg for the attention and promptitude manifested by his Lordship in bringing our mission, for the present, to so speedy and satisfactory a termination.”

The deputation arrived back from England June 9th. As soon as the Association had received the gratifying intelligence from the delegates sent to London, a meeting was held June 10th, Thomas Wyer, Esq., Chairman, at which the following Resolutions were passed :—

“ That in the opinion of this meeting the munificent donation of £10,000 by his Majesty for the purpose of carrying into effect an accurate exploration and survey of the contemplated line for a Railroad from Saint Andrews to Quebec, affords an additional proof of his Majesty’s solicitude for the prosperity of his British North American Colonies, and is hailed by the members of the Association as an earnest of the successful progress and ultimate completion of that highly important and desirable object.”

“ That the great success which has thus far attended the exertions of this Association in promoting the truly national scheme for constructing a Railroad from Saint Andrews to Quebec, is mainly to be attributable to the early patronage and effective support of his Excellency, Sir Archibald Campbell, and that the best thanks of the Association be tendered to his Excellency, as a grateful acknowledgement for his Excellency’s care and fostering aid.”

“ That James Rait, Samuel Frye, and John McMaster, Esquires, be a deputation to wait on his Excellency with the foregoing vote of thanks, and to confer with him respecting the immediate arrangements necessary to forward and carry into effect the exploration and survey as contemplated by his Majesty’s Government.”

The Committee of Management next deputed John Wilson, Esq., to proceed to Quebec for the purpose of making all necessary arrangements for the commencement of the survey at Quebec.

A report from that gentleman was received by the Committee, dated August 11th, in which he stated that having arrived at Montreal on the 6th of July, he conferred with the Standing Committee, who offered every assistance. Lord Gosford also expressed his high approbation of the proceedings in England, and repeated the offer of his services. After consultation with Captain Yale, of the Royal Engineers, to whom the survey was to be confided, but who had not then obtained his leave of absence from headquarters, Mr. Wilson immediately proceeded to Quebec to make arrangements for the necessary supplies, and camp equipage, &c., for the surveying party, which would consist of about eighty men. Mr. Wilson also conferred with the Standing Committee at Quebec, who expressed their willingness to render all necessary aid.

On the arrival of Captain Yule, the greatest activity was displayed in completing the preliminary arrangements, and the surveying party commenced operations at Point Levi (opposite to Quebec) on the 24th day of July, and would continue the survey until they reached Mars Hill; the rest of the route would be undertaken by parties from other quarters, and all under the management of Captain Yule. It afforded Mr. Wilson the highest satisfaction to state that Capt. Yule stood unrivalled in the Engineer Department, and all Departments of Government spoke in commendation of his practical knowledge and abilities in his profession. Captain Yule intended to run the line at the River Etchemin to the Etchemin Lake, and through to the River St. John, then to Mars Hill, and thence to Woodstock and Saint Andrews. Captain Badley, of the Royal Engineers, had made application to accompany the party as a geologist and mineralogist, but Captain Yule was of opinion that the services of that gentleman would be more desirable on the second survey. The party composing Captain Yule's general staff on the whole survey were,—Lieut. Marley, R. E., Ensign Hoste, 48th Regt., Ensign Case, 32nd Regt., Col. Legendre, Provincial Surveyor, Messrs. Russell, Playford, Allen, Wilkinson, Wightman, Grant, Wilson, surveyors.

Captain Yule decided to divide the whole distance of the proposed route into four districts, each to have two assistant surveyors under one chief surveyor. He would accompany the party from Quebec, and determine fixed points through which the line should pass; the surveyors for the 3rd and 4th districts would proceed from Saint Andrews and work upward to Woodstock and Mars Hill, on account of the expense of moving so large a party from Quebec; and if the country was not of too intricate a character, which was not expected, the survey would probably be completed in two months.

Many of the incidents of this survey during its progress, being of an interesting nature, Captain Yule's reportorial correspondence will be occasionally referred to. He was first heard from on the 9th August, from the encampment; he had been fortunate in his selection of surveyors; Mr. Grant had accompanied him to Lake Etchemin; the country presented but few obstacles; Col. Legendre and Mr. Russell had joined him at the Lake, and Ensign Case afterwards. The chief difficulty encountered at the outset was with the class of people sent to carry the provisions and baggage through the woods; they were of the lazy agriculturist type from the neighborhood of Quebec, to whom the service was quite new, and they would do nothing. The Captain had therefore to send back for an Indian reserve, not having time to get Canadians accustomed to the work. Messrs. Russell and Grant would survey as far as the Allegash by the end of September; the latter would report to the Committee during the absence of the Captain on his tour through the woods; where we shall leave him for the present, and revert to other proceedings.

A portion of an editorial which appeared in the New York "Express" of

July 26th, but now copied from the St. Andrews "Standard" of August 11th, may appositely be inserted here, as it alludes to the doings of the Association at this period, discovers the motive of Great Britain in giving or granting a sum of money for the survey, and becomes quite prophetic on the question of the North Eastern Boundary Line:—

"A GREAT PROJECT.—The plan which the Canadians and the New Brunswick people, under the auspices of the British Government, have projected, of a railroad from Quebec to Saint Andrews, in New Brunswick, or to the city of St. John, so as to make—as it is said—St. Andrews a wharf, and the Bay of Fundy a harbor for the St. Lawrence, is one of the most magnificent that has yet been projected upon this Continent, and calculated to involve, ultimately, the most important political consequences. The idea was stolen from the Maine Legislature, (1) where the project originally started; but Great Britain, with that sagacity and foresight that distinguish all her political movements, has taken it up and adopted it, and is likely, for want of sufficient enterprise in the Maine Legislature, not only to rob that State of the honor and the profit, but even of the territory over which it is absolutely necessary to construct the road; hence, undoubtedly, the reason why Sir Charles Vaughan, in his correspondence with our Government relative to the North Eastern Boundary, after the starting of the project, refused even to fall back upon the award of the King of Holland as to the dividing line between Maine and the British Provinces, though he was very willing to adopt that line immediately after the award. The object of the British Government now is to secure enough of this disputed country to make a railroad upon between the Bay of Fundy and Quebec."

"This project we have called magnificent, not only on account of the greatness of the undertaking itself, but on account of its high and weighty consequences. It enables the British Government to send all her troops, munitions of war, &c., with all possible speed from that important naval position, Halifax, where the British Government is now fitting up one of the strongest fortifications in the world, to Quebec, Montreal, Toronto, the Lakes, and all along our southern and north-western territories. In five or six days soldiers can be taken from the great military and naval depot at Halifax, and put upon the St. Lawrence from Quebec to Ontario. The difficult and dangerous navigation of the St. Lawrence is thus avoided. The British will also thus have a port where their produce can be sent to and from the West Indies. Military and commercial advantages prompt the British Government to expend \$4,000,000, for with the harbor of Halifax as it is near Europe, a cordon of British bayonets can be made to surround us in the shortest possible time, and the produce of the Canadas now seeking a mart in New York in American ships, can thus be turned to St. Andrews or St. John in British bottoms."

"But rely upon it, there is no question with a foreign power now so vastly involving the future destinies of this country as the disputed Boundary Line with England."

Notice of the first instalment from the Government towards the expenses of the survey was sent to the Acting Committee on the 11th August by the Hon. Thomas Baillie, Surveyor General, stating that a warrant would be prepared for the sum of £2,000 currency, to be paid to the Committee of the Quebec and St. Andrews Railroad Association, with a set of receipts to be signed by some person duly authorized by the Committee to receive the money, or by one of the Committee, who had better come to Fredericton and arrange the business. Accordingly Thomas Wyer, Esq., was sent for this purpose. In the meantime, the Committee received information from Government House, dated 23rd August, stating that Sir Archibald Campbell had received letters from Captain Yule dated "near the St. John River, August 10th," that he gave a very flattering account of his

progress that far, one fourth of the whole distance from Quebec to St. Andrews being apparently a perfect level; he had been delayed some days by the unfitness of the men furnished to carry the provisions and baggage, and expressed much anxiety to know whether the rivers Allegash and Restook were navigable as high up as the line would pass; from the great advantage of having depots of provisions formed on these rivers in preference to Mars Hill, he had opened a good winter road to the River St. John, by which provisions would be easily conveyed from Quebec; he expected to reach Mars Hill in ten or twelve days from the date of his letter. Sir Archibald Campbell had ascertained from persons well informed as to the locality that Captain Yule was sure to find both those rivers navigable for every purpose much higher up than where the railroad line would pass.

On the 27th August, Thomas Wyer, Esq., reported to the Committee that on his arrival at St. John he had forwarded provisions in the steamboat "Novelty" to Fredericton, thence to be conveyed in tow-boats to Woodstock. That upon his arrival at Fredericton he went to the Receiver General's office and obtained the £2,000, which he placed in the Bank until his return from Mars Hill, whither he went, hoping to meet Captain Yule; he had arranged with Mr. Connell for forwarding the provisions from Woodstock to the surveyors, and to attend to all future orders from them. On reaching Mars Hill, on the 21st, he met Mr. Playford and his party coming into camp, but they had received no tidings of Captain Yule; he then deemed it best to return, as he had to pay twenty shillings a day for the men and horses he engaged. He met Mr. Allan and his party half-way between Woodstock and Fredericton on their way to Mars Hill encampment, and on his arrival at Fredericton he learned that the Lieut. Governor had received despatches (before mentioned) from Captain Yule. He then brought down the £2,000 with him to St. Andrews, and lodged the amount in the Charlotte County Bank.

The great anxiety of the Committee respecting the precise geographical position of the Captain was happily relieved by the receipt of a letter from himself, dated Woodstock, Sept. 9th. He had reached the Restook on the 1st, and Mars Hill on the 5th inst., and had fallen in with the gentlemen appointed to meet him there. The time occupied in reaching Lake Etchemin had been one month instead of fifteen days; the provisions had failed, and he was therefore obliged to go to Madawaska, as the readiest mode of obtaining a fresh supply. On leaving the source of the rivers St. John and Famine, (appropriate locality,) he passed through a very favorable country. On reaching the Restook he left eight men with Col. Legendre, to ascend the great Machias and cross over to the Aristigwan or Allegash River, while he proceeded to Mars Hill, accompanied by one Canadian and two Indians, and throwing himself on the resources he expected to find at Mars Hill, in which he had not been disappointed. From Quebec to Lake

Etchemin is 30 miles of cleared country, and 17 miles uncleared, explored, and partly surveyed,—	47 miles.
From Lake Etchemin to the south branch of St. John River,	33 "
Total of the route decided on,	80 "

By the end of the month the whole distance from Quebec to near Woodstock would be connected by measured lines, and the portions remaining to be levelled would be in the hands of the surveyors. Mr. Allan had accompanied him from Mars Hill, and would forward provisions to Col. Legendre's party, without which their operations would be stopped.

The Committee next received tidings from Mr. Jacob Allan, who was then on the route 20 miles below, or south of, Mars Hill. He stated that Mr. Wilkinson had received orders from the "Chief" to proceed up the Restook and make a survey of that river. Mr. Playford was to commence south of Mars Hill, and extend his survey and levels until he intersected a base line. Mr. Wilson was extending from Mars Hill to the Restook in a course N. 76° W., which line was followed by Mr. Wightman taking levels. On Captain Yule's return from Fredericton, whither he had then gone, Mr. Allan was to explore a line with him from Woodstock to Mars Hill, and join in to Playford's line, and so on. Regarding the provisions, and getting them to the different depots, there should be no time lost in having some person appointed to attend to that service; 2,000 lbs. weight must be sent to Madawaska to supply 20 men in that quarter. From the very low state of the River St. John, it was very difficult to get boats up, and the provisions had to be forwarded on waggons, which much increased the expense. There were then ten parties surveying, which would average 80 men daily, besides the expense of getting the provisions on the spot. Captain Yule and he had made a calculation of expense, which, including the Canadian parties, would average about one thousand pounds per month; but after they got the provisions on the ground, and with a favorable season, they trusted that their reports would gladden the hearts of all who took a lively interest in the work. Mr. Allan testifies that never could there have been a more competent person appointed to be chief of their staff than Captain Yule, whose very appearance denoted his great and good qualities.

As the month of December approached, the survey was drawing to a close, during which no accidents have been recorded; yet one death occurred which caused much regret among the staff; Ensign Hoste, of the 48th Regt., took sick of malignant typhus fever, and died at Woodstock.

Captain Yule, in his letter of Dec. 5th to the Committee, said it would not be necessary for him to delay his departure for St. Andrews by waiting for the finished plans; he expected to have heard from the Committee when one of them would be ready to start for England. On leaving Quebec the plans would be

sent after him to St. Andrews, where he would have to await the other plans from different sections. Lord Gosford had received a letter from Sir Archibald Campbell respecting the application of the Committee for his (Captain Yule) being permitted to go to England, and his Lordship had made the necessary references to the Lieutenant General commanding the forces.

The following is a copy of the letter from Lord Gosford to Sir Archibald Campbell, relative to Captain Yule's leave of absence :—

“CASTLE ST. LOUIS, December 26th, 1836.

“SIR,—I had the honor of receiving your Excellency's letter of the 12th ultimo, sometime previous to Captain Yule's arrival at Quebec. I entirely concur in opinion with you that it is highly desirable that Captain Yule should accompany some of the gentlemen interested in the contemplated railroad between Quebec and St. Andrews to England, as the best means of affording every explanation which may be required towards promoting this object, and I beg to inform you and the gentlemen of the Association that Captain Yule has obtained the permission which you solicited, and will proceed to England without delay.”

Captain Yule having arrived at St. Andrews, notified the Committee Feb. 4th, 1837, that he would be ready to meet them at any convenient period, to enter upon the business of the railway survey.

At a subsequent meeting of the Association, held on the 11th March, John McMaster and James Rait, Esqrs., were appointed a deputation to proceed to England in conjunction with Captain Yule, and present the petition of the Association to Lord Glenelg.

Meanwhile the Committee also presented an address to Sir Francis B. Head, Lieut. Governor of Upper Canada, which described the position of their affairs, and solicited the countenance and support of his Excellency, and to which the following comprehensive reply was returned through the private Secretary :—

UPPER CANADA, GOVERNMENT HOUSE, TORONTO, March 10th, 1837.

“GENTLEMEN,—I am commanded by his Excellency the Lieut. Governor to acknowledge the receipt of your communication of the 15th ult. His Excellency conceives that the public support he is now giving in this Province to various measures for facilitating the intercourse of the inhabitants of the North American Provinces, will sufficiently testify the interest he must feel in the successful construction of the railroad from St. Andrews in New Brunswick to Quebec.”

The duties of the Acting Committee were evidently increasing at this period, for they likewise addressed Sir John Colburne, then Administrator of the Government at Canada, on the subject of Captain Yule's survey, their letter bearing date 27th Feb., to which Sir John replied on the 5th April, informing them that with respect to his opinion of the importance of the projected railroad from St. Andrews to Quebec, he felt fully persuaded that the interests of the North American Provinces would be greatly advanced by opening a direct and rapid communication from Quebec to St. Andrews, a port which he understood was accessible at all seasons; and he would have great satisfaction in submitting for the General Commanding in Chief and his Majesty's Government, copies of the Report and

Survey which Captain Yule had been authorized to complete, whenever he could procure them.

Of the deputation sent to England, Mr. McMaster, who left on the 24th March, via New York, was the first to arrive, and on the 1st May his colleague, Mr. Rait, proceeded thither, via Jamaica, and having had a much longer passage than usually made, Mr. McMaster, in his absence, had to act alone. He accordingly addressed a letter to Lord Glenelg on the 24th May, requesting the honor of an interview, for the purpose of presenting a petition and other documents from the Association. The reply received, to a subsequent letter from Mr. McMaster, from the Under Secretary of State, Sir George Grey, on account of its importance, is given in extenso; but it may first be mentioned that his Majesty, King William the Fourth, had "put off this mortal for immortality" on the 20th June, after a tranquil reign of nearly seven years, and greatly regretted by all classes of his subjects:—

"DOWNING STREET, 3d July, 1837.

"SIR,—In answer to your letter of the 30th ult., I am directed by Lord Glenelg to inform you that he has had the honor of laying at the foot of the Throne the petition to his late Majesty from the St. Andrews and Quebec Railroad Association; and her Majesty was pleased to receive this petition very graciously."

"The prayer of the petitioners is that encouragement and assistance may be afforded to the enterprise which they have in view. With reference to this application, Lord Glenelg directs me to remind you that as the casual and territorial revenue of New Brunswick has now been ceded to the Legislature of that Province, her Majesty's Government have no longer at their command any fund out of which such assistance could be afforded; and I am further to apprise you that as the Legislature and Government of the State of Maine have strongly protested against a prosecuting of the undertaking, as involving an infringement of the existing stipulations respecting the disputed territory, her Majesty's Government have felt themselves compelled, however reluctantly, to instruct the Governors of Lower Canada and New Brunswick to prevent any further proceedings within the disputed territory until measures shall have been taken by friendly communication with the United States for removing the objections of the Government of the State of Maine."

The receipt of the foregoing was followed by an official announcement from the Lieutenant Governor of New Brunswick in his own hand writing, and addressed to the Secretary of the Association as follows:

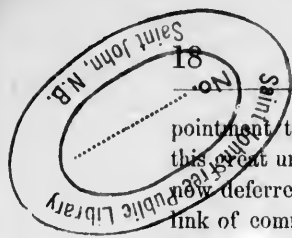
"GOVERNMENT HOUSE, FREDERICTON, July 24, 1867.

"SIR,—I have received the commands of his Majesty's (?) Government in consequence of a representation from that of the United States, peremptorily to prohibit any further proceedings on the part of the Association for the construction of a railroad betwixt St. Andrews and Quebec, within the limits of the territory in dispute betwixt England and the United States, situated betwixt the acknowledged limits of this Province and the north-east frontier of the State of Maine, until the points in dispute shall have been finally settled and determined betwixt the two Governments, or until further instructions may be conveyed to the Association upon the subject. I request you to lose no time in conveying the contents of this communication to the knowledge of the members of the Association, or of the Committee of Management, and in acknowledging its receipt."

"J. HARVEY, Lieut. Governor."

This intelligence, thus twice told, could not fail to create the greatest disap-





pointment that could possibly be experienced by the indefatigable projectors of this great undertaking, that was full of such fair promise, and inspired the hope—now deferred—to all within the Provinces proposed to be connected by this iron link of commercial prosperity. Doubtless, from the mouths, and in the minds, of a multitude of interested Provincialists, the Government of the neighboring Republic received at that day its full meed of manifold blessings in an inverse ratio; but like oil upon the troubled waters, there came a kindly letter to the Committee, expressing graceful sympathy, from the pioneer of the last exploratory survey, who could not but share in the general disappointment, yet nevertheless conveyed a hope regarding the resumption of the work at a future day. Captain Yule wrote in the following manner from London on the 29th November:

“GENTLEMEN,—The decision of Government respecting the proposed railway will have been made known to you before I heard of it. It was not until the 10th inst., an application being made at the Colonial Office by the Master General of the Ordnance as to the probable time that I might be expected to return to my duty in the Corps of Engineers, that, in reply, it was stated that the project of the railway was postponed. I need scarcely observe that being so well aware of the interest you all took in the success of such an important work as this would have been, if completed, I sympathise with you in the disappointment which you must have felt in the present result; but I sincerely hope that it is not a final one, and that on a future and not very remote day I may be able to congratulate you on the project being resumed.”

Of the proceedings in England during the visit of the deputation, a detailed account is contained in the Report of John McMaster, Esq., to the Association. He therein states that he did not deem it advisable to communicate with the Colonial Office until the arrival of Mr. Rait and Captain Yule, or either of them. That after waiting in London for three weeks without either of those gentlemen having arrived, he resolved to address a note to Lord Glenelg on the 5th June, requesting the honor of an interview. His Lordship appointed the 7th. He accordingly presented himself, and the documents of the Association. His Lordship put the following questions to him, viz.:

1. Are all parts of the Province in favor of the contemplated railroad?
2. Does the line explored by Captain Yule run through the disputed territory, and to what extent?
3. Has Captain Yule surveyed the whole extent?
4. What is the object of your present visit?

All of which Mr. McMaster answered, when his Lordship observed that he would examine the papers, and when he obtained the views of Captain Yule, Mr. McMaster would again hear from him.

Captain Yule had just arrived from Scotland, and had an interview with Lord Glenelg on the 8th, when he presented his Report on the Exploratory Survey. Mr. McMaster, (his colleague not having yet arrived) on the 30th June, again addressed Lord Glenelg, reminding his Lordship of his protracted stay

awaiting the decision of Government; in reply, Mr. McMaster received the letter of the 3rd July (before given); he then left England, and arrived at St. Andrews August 24th.

Further proceedings on the part of the Association were now held in abeyance on account of the unsettled question of the north-eastern boundary line between Maine and New Brunswick.

During the month of August, 1838, the Association endeavored to revive the project by presenting to the Governor General of Canada, through Sir John Harvey, Lieut. Governor of New Brunswick, a statement of the position of their affairs. The Lieut. Governor replied to the Committee through his Private Secretary, to the effect that he was duly impressed with the great importance and advantages to these Provinces of the projected railroad from Quebec to St. Andrews, and fully concurred in the propriety of inviting the attention of the Governor General to that, for the advancement of which the Governor General's powerful aid would no doubt be required; but he regretted that he could not agree with the opinion of the Committee that it was then a proper moment for renewing the question with the Government of the United States, nevertheless on such a point the Governor General would be the best judge.

This was about the last act of the Committee, the winding up of their important duties, for a long period of seven years, fraught with anxiety and tedious suspense, until the year 1845, which brought with it new hopes and aspirations, more aid and support, but yet Quebec was far away in the distance, the great goal to be reached.

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### Second Period from 1845 to 1850.

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The year 1845 was the memorable period of the great railway mania and commercial panic throughout England, and was the first year of the reign of his speculative majesty, the railway "King Hudson." No wonder then that the British Provinces were subject to incipient symptoms of the same malady.

The north-eastern boundary of Maine had been "surrendered" by the Ashburton Treaty of 1842, previously mentioned, and the way to Quebec became more narrowly pointed than before. The Committee of Management of the Association were re-organized, and again buckled on their armor.

On the 8th October, 1845, a meeting was held, and it was resolved that C. Stainback, Esq., of London, be requested to act as a delegate to wait upon Lord Stanley (then Colonial Secretary) at the Colonial Office, and present a communication from the Association in furtherance of the general interests of the proposed

undertaking, and that he be furnished with the necessary documents appertaining thereto.

It was further resolved that a deputation be appointed to proceed to Saint John, to confer with influential men there for the purpose of forming some plan of union that would tend to forward the construction of a railway from the Grand Falls of the river St. John to St. Andrews and the City of Saint John, and to extend a branch to Fredericton if expedient, at the same time keeping in view a continuation to Quebec.

The Hon. Harris Hatch and John Wilson, Esq., were appointed a deputation to proceed to Saint John, with full power to act in accordance with the objects of the Association.

A Special Committee Meeting of the Saint John Chamber of Commerce was held on the 24th October following, at which there were present Hon. John Robertson, President; John Duncan, Esq., Vice President; A. Smithers, John Wishart, R. Jardine, William Parks, W. H. Street, R. Payue, Esqrs., M. P. P.'s Committee, J. Woodward, Esq., Secretary.

Hon. Harris Hatch and John Wilson attended, and were introduced; they presented the resolutions of the Association, and were heard in further explanation; and having learned the views of the President and some of the members, they withdrew, whereupon resolutions were passed, thanking the deputation for the information they had imparted regarding the different railroad projects, and that the general interest of the stockholders and capitalists should be considered as the paramount object in proposing a line to any quarter; the most eligible lines for the general good would necessarily command the most attention and consideration, regardless of local interests.

A deputation also waited upon the Quebec Board of Trade, and a meeting was held in the rooms of the Board; documents were submitted, and all necessary explanations were given. Mr. Andrew Patterson, one of the Standing Committee, (in 1837) addressed the meeting, and assured those present that the most lively feeling existed in Quebec towards the undertaking. The whole of the proceedings were of a very satisfactory character, and resolutions were passed by the Board expressive of a hearty concurrence.

Matters were now reaching an important crisis with the Association as the ventilation of their proposed railway scheme produced an opposition by the furtherance of other proposed offsprung routes for a similar connection, and created for a while a sensational panic among the projectors of the parent line. Whereupon a public meeting was held in the Town Hall at St. Andrews, to which Hon. Captain Owen, R. N., Captain J. Robinson, R. N., Jas. Brown, Esq., M. P. P., Jas. Boyd, Esq., M. P. P., Geo. S. Hill, Esq., M. P. P., Robt. Thompson, Esq., M. P. P., (Charlotte County members) were invited to attend. Hon. Captain Owen, R. N.

presided, and explained the object for which the meeting had been convened, and submitted his views on the subject. The "business" is copied in full, as follows:

" Moved by Hon. Harris Hatch, seconded by Captain Robinson, R. N.,—

" *Whereas* several new routes for a railway from Canada to Atlantic waters has been devised " since the original one from Quebec to St. Andrews was projected, and one now canvassed in a " spirit of opposition and rivalry; and whereas the line terminating at St. Andrews is far the short- " est, possesses the greatest facilities for commercial communication, and can be constructed at " much less expense, as fully ascertained by the surveys made in 1836 and 1837 by directions of " Government, therefore—

" *Resolved*, That in the opinion of this meeting every possible exertion should be made to for- " ward operations for commencement of the railway from Saint Andrews to the Province line as " authorised by the law passed for that purpose in 1836."

" Moved by Hon. Thomas Wyer, seconded by James Boyd, Esq., M. P. P.—

" *Resolved*, As the sense of this meeting, that the objections raised against the terminus of the " railway being at Saint Andrews, on account of the proximity of the line to a foreign State, is " without foundation, inasmuch as all the routes will be equally exposed at points where they will " be most vulnerable, and that it can in no way affect the general utility of the enterprise."

" Moved by Wellington Hatch, Esq., seconded by Henry Frye, Esq.,—

" That the Acting Committee of the Saint Andrews and Quebec Railroad Association be re- " quested to use every possible exertion to forward the undertaking."

" Moved by John Wilson, Esq., seconded by George J. Street, Esq.,—

" That a subscription be opened for the taking of stock, and that exertions be made to induce " persons here and elsewhere to become stockholders in the undertaking; and further resolved, " that Committees be named in the several towns of the county to solicit subscriptions for the " stock.  
J. H. WUTLOCK, Esq., Secretary."

During this year the subject of Inter-colonial railroads had been freely dis- cussed by the Provincial Press, more especially by that of Halifax, which strenu- ously advocated a line from Halifax to Quebec by an eastern and northern shore route; while the St. John Press as firmly supported a line from that city to Que- bec. St. John had now entirely ignored St. Andrews as a terminus, and the "Courier" did not reiterate its former opinion of 1836. A prospectus was issued of a railroad from St. John to Fredericton, to connect at this latter place with one from the Grand Falls; the line to be extended by steamboat via Annapolis (the present route) to Halifax.

The chief competitive scheme, however, to the St. Andrews and Quebec, was the Halifax and Quebec, or "Great Northern American Railway," of which a brief notice may be here considered as a necessary episode.

During the month of August his Excellency the Lieutenant Governor of New Brunswick received communications from the British Government respecting the construction of a railroad from Halifax to Quebec, for the purpose of carrying the troops and mails. It was also rumored that there were capitalists in England who would invest money in Provincial railroads if the security was satisfactory.

The St. John "Courier" of August 30th, next informed the public that the Provisional Committee in London of the "Great Northern American Railway"

had issued a second prospectus. The Company had changed their title to the "Nova Scotia, New Brunswick and Canada Railway and Land Company," and had increased their capital to three millions. The Company only proposed a line from Halifax to Quebec, connecting these ports by passing through, or by Saint John and Fredericton along the river valley. The Company also proposed to combine the settlement of the country with the progress of the railroad, by the pre-emptive purchase of blocks of land of 20,000 acres at each station, which, when cleared and improved under the direction of the Company, would conduce to encourage settlement and production, and ensure the road a large return.

Despite the efforts made in England by this Company for the advancement of their rival project, the Acting Committee of the St. Andrews and Quebec Association worked away with all the greater energy and stronger will for their own original scheme. John Wilson, Esq., brought this enterprise again before the public through the medium of a letter which appeared in the "Standard" of Oct. 8th, intended chiefly for the information of British capitalists, who would, no doubt, wish for the most economical, shortest, and best route to open the Canadas with the Atlantic ocean and England. A glance at the map would show the geographical advantages which the St. Andrews line possessed over that proposed from Halifax, the distance from St. Andrews to Quebec, by survey, being 275 miles, whilst from Halifax to Quebec would be 550 miles. The former line had been most favorably reported on by Major Yule, the maximum grade not exceeding 40 feet per mile; the country produced fine groves of yellow and red pine; the lands were excellent for the emigrant and farmer. The extra time in steaming from Liverpool to St. Andrews would be only from eight to twelve hours over that to Halifax. St. Andrews possessed a harbor accessible at all seasons of the year, and was more favorably situated for direct intercourse with the British West Indies than any other port in the Provinces; these facts alone should engage the attention of the British Government and capitalists.

The Quebec "Gazette," in noticing the rival project from Halifax to Quebec, was of opinion that the magnitude of the undertaking would cause many to flatter in a belief of its success. It was, however, as an improved military communication between Great Britain and Canada, and a commercial connection during the winter when the St. Lawrence was sealed up, that the contemplated railroad would be of national advantage.

But Great Britain also required a safer and cheaper mode of export than by the St. Lawrence when it was open, which, if not accomplished, would render a great portion of her trade with Canada to come and go through American seaports. The efforts of the Americans in the establishment of other railroads with Canada, in order to bring the trade to their own doors, was not censurable. Those who afforded the best facilities to trade were the best entitled to it, and do

a general good in forcing others to exert themselves in improving their facilities for commercial communication and advancement.

The New York "Albion" likewise contained a notice of the projected lines to Quebec, and as the opinion expressed therein is applicable to the method of choice in the route for the Inter-colonial railway of the present day, it is here quoted :

"It is impossible for us, with our present information, to recommend any particular route. Three towns are claiming the honor of opening a road from the Atlantic to Quebec, and thus establishing a direct communication with England. Halifax, St. John and St. Andrews possess their several advantages. The Halifax is the longest road, being nearly six hundred miles; but then it will lay open and render accessible to the settler a proportionately greater tract of country, which is a consideration of great importance; for the success of either of the projects must ultimately depend on the extent of country rendered accessible, and the increased travelling and transportation of produce that is to be created by the construction of those great works."

We next make extracts from an excellent letter on the subject of routes, addressed to the Editor of the New York "Albion," by "an old subscriber," which was, no doubt, from the able pen of the late Dr. Samuel Frye, of St. Andrews, in reply to an article on "Colonial Railroads," which appeared in the "Albion" of the 11th October :

"It is true, that in a first or superficial view, the route from Halifax has a prepossessing aspect, but when the great length is taken into consideration, and also the fact that it must pass through the interior at so great a distance from seaports or favorable outlets for shipments, it becomes self-evident that the utility of the railway will diminish in exact proportion to its extent, and independent of its greater outlay, that the capital must be unproductive from the remoteness of places intended to be brought into direct communication, and the want of liberal support. This need be merely exemplified by saying that there are certain and defined limits of expense beyond which most goods will not admit of transportation."

"On the other hand, the line from Quebec to St. Andrews will not only connect those places by the shortest possible route, but can be extended to the City of Saint John; it may also connect Fredericton, and any other point that may be desirable, especially a junction with the proposed railway from Boston via Portland, Bangor and Calais could be effected at a trifling cost, thereby completing the communication from Boston to St. Andrews, St. John and Halifax, and very materially enhancing the value of capital invested, and the general utility of the undertaking."

"In the selection of a route for the contemplated railway, all local feelings and interests should give way to public good, and every care taken to adopt the one that will hereafter be least exposed to rival competition."

The "Standard" of Dec. 10th, remarked in confirmation of the foregoing :

"If the railway connecting the Atlantic with the St. Lawrence is to be entirely a Government undertaking for military purposes alone, then Halifax should be a terminus, but in a commercial point of view, it can be of little service, as very few exports from Canada can bear the expense of 600 or 700 miles of transportation by railway, while most articles might bear a transportation of about 350 miles, or half the distance. The difference in the expense of transportation alone between Halifax and St. Andrews from the St. Lawrence would be a handsome profit to the Canadian merchant; and so far as the commercial interests of Canada are concerned, St. Andrews being so much the shorter, is so much the more favorable route."

At this time there was a vast amount of editorial correspondence and dis-

cussion in the Provincial papers in advocacy of the different favorite schemes. "Scrutator" appears to have been the great Nova Scotia champion for the Halifax and Quebec scheme, and endeavored to write down St. Andrews as a railway terminus, but "An Old Subscriber" again came to the front and met "Scrutator" at the point of—the pen, thus :

"In the remarks of "Scrutator," however, I could but regret to perceive that the usual good taste of that writer had been departed from in summarily giving a quietus to a line of railroad projected before the present rivalry had an existence, especially as it was one that had received the sanction of the British Government and of the Colonial Legislature of Lower Canada, New Brunswick, and Nova Scotia; it is true that the operations commenced and in progress were suspended, in consequence of the remonstrances of the United States Government, as it was contemplated that a portion of the line should pass through the disputed territory, since surrendered, and that now it must, to a certain extent, deviate from the explored route; but a great part of what was surveyed still remains, as before, available for future appropriations.

"The terminus at St. Andrews is not contended for in opposition to Halifax. Far from it. Its position alone gives it claims that are contended for as being adapted to secure a greater portion of Canadian trade than any other one that can be found. It is the nearest open winter port on Atlantic waters that can be reached from Canada within British limits; and passes through a country, at least that portion from Woodstock to St. Andrews, better adapted for a track, than any that can be selected elsewhere, if the testimony of surveyors can be trusted.

"If then, St. Andrews, by natural position, is the nearest practicable terminus for communication with Canada, and the railway can be constructed with less cost, *nearly one half of that to Halifax*, it would seem that it was entitled to some degree of consideration.

"Although it is a small place, containing only between two and three thousand inhabitants, principally engaged in promoting trade and commerce, it has loaded upwards of sixty thousand tons of export shipping the present season, and possesses ample accommodation for transacting business to a far greater amount, with every facility for extending improvements without limit. It also has significance enough to have the merit of projecting the first railroad scheme from Canada, and to have obtained the sanction and aid of Government towards the undertaking.

"That the Halifax route possesses many features in a military and national aspect, worthy of consideration, no question can be entertained; whether it will pay adequate interest for the investment, however, may be problematical, as its great extent must necessarily limit its commercial utility to the trade of Canada, the very first and vitally important object to be attained, but which by some strange fatality has been either too much overlooked, or intentionally avoided in all the notices of this magnificent scheme hitherto submitted to the public."

During the month of December (1845) a subscription list was opened, the subscribers promising to take the number of shares set opposite to each name, and promising to pay the several calls when required, as directed by the Act of Incorporation passed 8th March, 1836. The capital stock of the Company being £750,000, divided into 30,000 shares of £25 each, the calls to be not less than four per cent., and not to exceed ten per cent. of the amount of stock of each shareholder, and no instalments to be called for until ten thousand shares shall have been actually subscribed for, and not before.

The stock list for the Province and Parish of Saint Andrews comprised 36 names, representing 1,300 shares, and £32,500 capital. In the month of January 1846, a similar subscription list was opened at St. Stephen, and comprised 22 names, representing 375 shares, amounting to £9,375 capital.

The St. Stephen stock was taken on the express condition that no subscriber should be liable for any greater amount than he signed for opposite to his name. £41,875 had thus been subscribed for in the County of Charlotte alone, but we shall see, by and bye, how much of this pretentious amount had been actually paid up.

With the commencement of the year, the Committee of Management issued a prospectus to the public, which contained the original appeal of 1835, also the resolutions of the Quebec, Nova Scotia and New Brunswick Legislatures, and the petition to his Majesty for aid, together with a second address to the public, which, however, contained no new points in particular, with the exception of the following argument, viz. :

“The principal objection raised against this line is its proximity to the American boundary, being thereby rendered, in the event of war, liable to be impeded by hostile invasion. Although this state of events is not to be guarded against, it should be recollected that even the one from Halifax will be subject to the same peril, should it be an object with the enemy, as a large portion of it will be equally exposed, and that at a point where it will be most vulnerable.

“It should always be kept in mind that railroads are best adapted to promote peace and civilization, and therefore that the argument of contiguity is greatly in favor of the St. Andrews line, instead of having any actual weight against it, as it would be met and intersected by one from the American side, which would materially increase its utility, and enhance the value of its stock, and at the same time add to its safety in the event of hostilities, by influencing restraint in self-defence.”

“In the event of the Halifax and Quebec line being determined upon, as it most likely will be, the one to St. Andrews will become a branch of about one hundred and forty miles in length, and undoubtedly pay far better than any other portion of it, as it will be the shortest route for Canadian intercourse and trade, and consequently command a greater amount of traffic than any other terminus; and it must be kept in mind that it is the only one that can successfully compete with the diversion of Canadian trade to foreign ports, and their monopoly of it.”

To which the following names were then attached:—Thomas Wyer, Chairman; H. Hatch, John Wilson, S. Frye, G. D. Street, G. F. Campbell, W. Hatch, Committee of Management.

The Committee heard from Mr. C. Stainbank, of London, who had been appointed the delegate to act there for the Association; on the 3rd February he forwarded minutes of an interview with Mr. Gladstone at the Colonial Office, who had drawn up sundry regulations to be observed by Colonists regarding railroads, and it was the intention of the Government to send a despatch to each colony embracing these regulations, and accompanied by all the information they possessed. The English railway act would also be sent with it. It was Mr. Gladstone's wish that the Colonists should be left as much as possible to themselves in their railway enterprises. On being asked if competing lines would be sanctioned, Mr. Gladstone observed, that that point would be left to the Governor and Legislature of the Province, and that it would be very unwise policy for any Colony to pursue; the Home Government, however, would not interfere.



No business of an important nature was transacted during the year by the Association until the 25th day of November, on which day a general meeting of the stockholders took place at St. Andrews pursuant to previous public notice, for the purpose of electing, for the first time, a Board of Directors. Hon. H. Hatch was called to the Chair, and J. H. Whitlock, Esq., appointed Secretary. The following gentlemen were duly elected Directors of the Company:

Hon. Captain Owen, R. N., Hon. H. Hatch, Samuel Frye, M. D., John Wilson, D. S. Morrison, Wm. Porter (St. Stephen), Robt. Walton, G. F. Campbell, John Rodgers, Esqrs., of St. Andrews; Chas. Connell, Chas. Perley, Jas. McCann, Thomas Pickard, Esqrs., of Woodstock.

On the 28th, there was a meeting of Directors at the Railroad Rooms, when a resolution was passed, that the Directors residing at a distance should be notified of their appointments, and that a general meeting of Directors would be held on the 12th December, for the purpose of choosing a Chairman, enacting By-Laws, and for the transaction of other business.

A meeting had been held at Woodstock on the 19th November, of persons interested in the railway, at which a subscription list was opened, and the sum of £3,350 signed for. A larger amount of stock, it was thought, would be taken when the enterprise obtained greater notoriety in that section of the country, and a general conviction created that the work would be carried through. The stock had been subscribed for with the express understanding that no part of it was to be called for until a sufficient amount had been taken up in the Province, or elsewhere, as would insure the completion of the work. W. Wilmot, Esq., acted as the Corresponding Secretary.

The meeting of the 25th at St. Andrews, before mentioned, was attended by a number of gentlemen from the United States, who expressed themselves satisfied that the undertaking was not only feasible, but would prove profitable to the stockholders. Subscription lists would therefore be opened at Eastport and Calais, and the Directors were full of hope that with a subscription list amounting to £60,000, of which £20,000 would probably be collected in Carleton County, they could safely present themselves before English capitalists, with a fair prospect of having taken up there the additional sum that would be required. The Directors had come to the conclusion not to attempt the commencement of the work until stock to the amount of £100,000 had been subscribed, with this sum, and Government aid, they anticipated being able to build the road to Woodstock, and provide the necessary rolling stock. (!) It was also decided by the Directors that no paid officer should be appointed until the work of construction actually commenced.

At the general meeting of Directors appointed for the 12th of December, but held on the 15th, John Wilson, Esq., was elected to be Chairman or President of the Company.

The Directors, at a subsequent meeting held on the 17th March, 1847, resolved that Captain J. Robinson, R. N., and Moses H. Perley, Esq., of St. John, be appointed joint agents of the Company to proceed to England to effect a loan from her Majesty's Government, or from individuals, to the extent of £300,000 sterling, upon the security of the Company, payable in a term of years with interest, and also to dispose of shares to the amount of £300,000 currency, and to issue scrip therefor on a deposit of ten per cent. being paid; also to assign to the purchasers of shares in England the Provincial guarantee of five per cent. to the extent of £100,000 currency. G. F. Campbell, Esq., Acting Secretary.

M. H. Perley, Esq., having been written to on the subject of his mission to England, and the terms upon which he would proceed thither, replied to the Board on the 18th, stating that he would give his services for the sum of two hundred pounds currency, and if he succeeded in accomplishing the sale of shares, or raising a loan of £100,000, the Company were to pay him an additional sum of two hundred pounds; and should the sum of £200,000 be raised in England, he would expect a further sum of one hundred pounds. Upon these terms his services were accepted by the Board of Directors.

Messrs. Robinson and Perley took their departure for England early in April, and on the 3rd May reported progress. They had been in constant communication with various parties, and but for the extraordinary and unprecedented state of the money market, they would have had a very satisfactory account to give of their stewardship. The Facility Bill had been referred to the Colonial Land and Emigration Commissioners, who had reported favorably, and Earl Grey had informed the agents that he therefore saw no objection to the royal assent being given to the Bill. His Lordship, however, and the Government repudiated all idea of assisting Colonial railways by loan or otherwise. At the opening of the Session it had been the intention of the Ministry to have done so, but political reasons obliged them to abandon it. Money could therefore be only raised by selling shares. Earl Grey had expressed his entire approbation of "Wooden Railways" to commence with in New Brunswick, guide wheels (Prosser's principle) being used, as also Payne's process for preserving wood. His Lordship had witnessed both, and approved of both. The proposal of the St. Andrews Company to commence in this economical manner he thought most prudent and judicious, and further said, (at which the reader must *not* smile now-a-days) that if the Trunk line from Halifax to Quebec should be undertaken, he would oppose the construction of an expensive iron-railway in the first instance, as it would be absurd to incur such an outlay through a wilderness and unsettled country, where wood could be had for nothing, and when worn out so easily replaced.

Sir Howard Douglas had tendered the agents every assistance in his power; they had also seen Mr. Geo. Pemberton, but he, like all the city people, had given them great discouragement; they were more likely to succeed with persons not in

business; they would, however, be able to ascertain their chances of final success by the next mail packet.

A "Board of Correspondence" was at this time established in London through the exertions of the agents, and of the following gentlemen:

Thomas Neville Abdy, James Clay, George Pemberton, Wm. Tinker, Esqrs., Solicitors; Messrs. Goodwin, Partridge, Williams and Edwards, Westminster; Messrs. Rooper, Birch and Ingram, London.

The above names appeared, in conjunction with those of the Colonial Directory, in the front page of a prospectus that was then issued by the agents, and from which a few extracts are taken:

"The permanent way will be formed entirely of wood, according to the plan adopted with so much success in the United States."

"The capital required for the construction of the railroad from St. Andrews to Woodstock, and the purchase of the plant necessary for efficiently working it, is £160,000."

"The estimates have been prepared by civil engineers in the Crown Land Department of New Brunswick, and have been adopted by the Legislature of that Province."

"The capital has been divided into 8000 shares of £20 each, of which number 2,500 have been already subscribed for in New Brunswick, and 1,500 will be set apart for future allocation to residents in that Province. It is proposed to allot the remaining 4,000 to responsible parties in Great Britain, to whom exclusively will be reserved the benefit of the guaranteed minimum dividend of £5 per cent."

"It is expected that the line will be opened for traffic in the summer of 1849, (1) and until the opening, interest at £5 per cent. per annum will be paid on the deposit and calls. This interest and the future dividends on the shares will be paid half-yearly at the Company's Offices, London."

"A deposit of £2 per share will be payable on allotment. No further call will be payable for six months. No call will exceed £2 per share, and there will be an interval of at least two months between each call."

This prospectus next went on to inform the public that the through traffic, known from authentic sources, would pay upwards of 20 per cent. on the capital. That the country abounded with coal fields and rich minerals of various kinds, and that a Company had been formed to open and work the iron mines at Woodstock, the ore of which was of a very superior character.

The following "Statement of Actual Existing Traffic" was inserted.

TRAFFIC FROM ST. ANDREWS TO WOODSTOCK.

Flour and Salted Provisions, 100,000 brls. at 2s. 6d. per brl., . . . . .	£12,500
West India Produce, 20,000 brls. at 2s. 6d. per brl., . . . . .	2,500
British Merchandise, 20,000 brls. at 2s. 6d. per brl., . . . . .	2,500
Passengers, 60 per day, for 310 days, at 10s. each, . . . . .	9,300
	£26,800

Brought forward,.....£26,800.

TRAFFIC FROM WOODSTOCK TO ST. ANDREWS.

Timber, Deals, Boards, &c., equal to 50,000 tons, at 7s. 6d. per ton, .	£18,750
Agricultural Produce, .....	1,500
Passengers, 60 per day for 310 days, at 10s. each,.....	9,300
	£56,350

CURRENT EXPENSES.

Deduct expensés of working the line, repairs, &c., (say 40 per cent.) £22,540

Net Profit,..... £33,810

Being equal to 20 per cent. on a capital of £160,000.

The following letter was also attached :

“DOWNING STREET, 31st May, 1847.

“GENTLEMEN,—I am directed by Earl Grey to acknowledge the receipt of your letter, dated 18th inst., in which you bring under his Lordship's notice the condition and prospects of the Company which has been formed in New Brunswick for constructing a line of railroad between Saint Andrews and Woodstock, as part of a more extended line to Quebec; and I am to express to you in answer, the sense entertained by his Lordship of the extreme importance of the proposed undertaking, which his Lordship trusts may prove as beneficial to the promoters as it must to the Province of New Brunswick, upon which it is calculated to confer great and important advantages. I am to add that the Act for facilitating the construction of the Railway has been confirmed by the Queen in Council.

CAPT. J. ROBINSON, R. N., )  
M. H. PERLEY, Esq.        )

[Signed.]                   B. HAWES.”

These gentlemen having succeeded in disposing of a number of shares in England, a Company was there formed, and a Board of Management chosen, which being accomplished, the next step taken was the entering into an agreement made the 15th day of July, 1847, between the “St. Andrews and Quebec Railroad Company” of the first part; the several persons whose names and seals were affixed, of the second part; Peter Samuel Frye, of Cheapside, and William White, of King's Lynn, gentlemen, (Trustees of the parties of the second part) of the third part, and Frederick Robert Partridge, and Henry Edwards, both of King's Lynn, Trustees of the said Company, of the fourth part. It was therein agreed that the capital stock of the said Company should be divided into two classes, “Class A,” consisting of 4,000 shares, to parties not being on the Continent of North America, and “Class B,” consisting also of 4,000 shares, belonging to parties resident in New Brunswick, or elsewhere on the Continent of North America. Scrip certificates to be issued to Class A shareholders on payment of the deposit of £2 sterling per share, being equal to £2 10s. per share currency. Interest after the rate of £5 per cent. per annum, to be paid by the Company to the proprietors of shares in Class A until the completion of the road from St. Andrews to Woodstock. During the first ten years after completion, the clear profits arising from the traffic of merchandize and passengers, together with such

final success  
in London  
inker, Esqrs.,  
Westminster;  
Colonial Direc-  
e agents, and  
adopted with so  
to Woodstock,  
artment of New  
2,500 have been  
allocation to re-  
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£12,500  
2,500  
2,500  
9,300  
£26,800

sums of money as might be received from the Legislature of New Brunswick, to be applied in paying to the Class A shareholders a dividend of five per cent. per annum on the capital subscribed for by them; a like dividend of five per cent. to be paid to the Class B. shareholders, and any residue capital to be divided amongst all the shareholders proportionately; the Class A in all cases not to receive less than five per cent. dividend for a period of ten years after opening of road for traffic. After the expiration of this period, the clear profits arising from the road to be divided amongst all the shareholders without any preference to Class A.

The Company to be represented by twenty Directors, thirteen in New Brunswick, and seven in England; the first general meeting of Class A. shareholders to be held on the first Tuesday in May, 1848, and all subsequent general meetings on the same day in each succeeding year, thirty day's public notice being given. No call should be made on the Class A shareholders before 1st day of January, 1848. In the event of the 4,000 Class A shares not being fully subscribed for before this period, such of the Class A who desired it would have their deposit money returned without any deductions, but without any interest, and shall have no further interest whatever in the Company. And in case default should be made by the Company in fulfilling the agreement, then the parties of the second part were to be fully released from their covenant, and from all actions, suits, claims, and demands whatsoever.

The agents had also succeeded in obtaining the Earl Fitzwilliam's sanction to become a member of the London Board of Correspondence, as also Capt. John Milligan Laws, R. N. Mr. Perley returned to New Brunswick early in July, leaving his colleague behind to act for the Company alone. Captain Robinson succeeded in his solicitation to Lord Ashburton to become a Director, and the following is a copy of his Lordship's letter to him in reply :

" PICCADILY, 25th June, 1847.

" SIR,—In reply to your note, I beg to say that I will take with pleasure a small interest of (£500) five hundred pounds in the St. Andrews and Woodstock Railroad Company. I am getting too old for any extensive adventures of this or any other kind, but I feel so strongly interested in the settling of your fine Colony that I am tempted to take this trifling investment in a useful undertaking connected with it.

" I congratulate you on having Lord Fitzwilliam to place his name at the head of your London subscribers. You could not possibly appear before the public more advantageously than you are."

The President of the Colonial Board of Directors received a letter from the Secretary of the London Board, Wm. Bridges, Esq., on 3rd August, enclosing some resolutions of the Board, and also a list of allotments, which comprised 39 names, representing 1,240 shares, or £24,800 sterling. In addition to the noblemen already mentioned, Viscount Bury's name appeared on this list for 200 shares. More than 4,000 shares had been applied for, but the Board had revised the list to the above number of truly responsible persons.

The London Board at this time consisted of the following gentlemen:—Right Hon. the Earl Fitzwilliam, President; Right Hon. the Lord Ashburton, John Milligan Laws, Captain R. N., Hon. Geo. Pemberton, (formerly of Quebec) William D. Paget, Captain R. N., Geo. Burge, Esq., Chairman Herne Bay and Canterbury Railway, with power to add to their number.

A public meeting of the Railroad Company was held in the Town Hall, St. Andrews, on the 21st August, Geo. F. Campbell, Esq., in the Chair. Robt. Walton, Esq., Secretary, read the official correspondence from the indefatigable agent in London, and also from the Secretary of the London Board. A vote of thanks was passed to Captain Robinson and M. H. Perley, Esq., for their exertions in London in promoting the interests of the Company, and a resolution, to the effect that operations should be commenced with the least possible delay, and that a competent engineer be immediately engaged.

Accordingly, during the early part of the following month a Mr. Lawrie, Civil Engineer, arrived from Boston, who was instructed to go over the line, with such assistance as he might require, and prepare the necessary estimates for extensive operations; more particularly of that portion between St. Andrews and Waveig, from actual survey, including the most eligible approach into the town, and to report upon the same.

The Directors again met on the 25th October. A report from Mr. Lawrie was submitted, whereupon it was resolved, that after due consideration of the different routes shown on Mr. Lawrie's plan, and alluded to in his report, that the route (No. 1) by the eastern shore of Chameock and Katy's Cove should be adopted as the best approach to the town, it being the shortest, easiest, and most practicable.

It was further resolved, that inasmuch as £50,000 stock had been subscribed, and the Engineer's report received and adopted, that he be directed to proceed with the work that Fall, and that a Committee of Directors, then chosen, viz.,—Hon. H. Hatch, John Wilson, Robert Walton, and W. Hatch, invite tenders from parties for a commencement.

Hon. Captain W. F. Owen and Captain Shortland, R. N., on proceeding to England, were appointed a deputation to confer with the London Board of Directors. The position of the Company's financial affairs at this period stood thus:

STATEMENT OF RAILROAD STOCK, OCTOBER 25th, 1847.

[BEING A TRUE COPY.]

Actual subscriptions on different lists to date,.....	£35,025	0	0
Cash C. C. Bank, including note,.....	£5,048	0	0
Deducting Note for.....	£3,000	0	0
		£2,048	0
Sundry amounts drawn out,.....		1,060	18
		£987	1
Cash Credit, 25th October,.....		8	

	<i>Brought forward, . . . . .</i>	£987 1 8
OTHER SUBSEQUENT PAYMENTS.		
Mr. Lawrie's ac. by or. of Board, Nov. 13,	£245 17 1	
Mr. Mahood's do. do. . . . .	25 13 2	
Bill of Exchange to London Board, do. . . . .	366 13 4	
Sundry Accounts, do. Dec. 22, . . . . .	120 14 6	758 18 1
	<hr/>	
Cash Credit, Dec. 31st, . . . . .		£228 3 7

The work of grading had been commenced by day laborers, in November, ground having been then first broken in the rear of the town on the farms of Thos. Wyer and Henry O'Neill. Proposals were also publicly invited for the earthwork, masonry, and bridging on the first four miles to Chamcook, which was let out by contract, and the sum of £74 15s. had been expended upon construction to 22nd January, 1848.

In confirmation, as it were, of the above financial statement, the Secretary of the Colonial Board wrote to the Secretary of the London Board in December, 1847, enclosing letters from Mr. John Wilson, President, to Lord Ashburton, the Marquis of Clanricarde, (Postmaster General) and the Earl Fitzwilliam, which, after perusal, the London Secretary was to forward under cover; it was to be hoped they would produce some good results, "for unless we get assistance from the Government, or the stockholders in England, the work now going on must be suspended after the ten per cent. is expended, for we are too poor to carry out this great work without aid."

From the above extract it would appear that the "Class B" Directors had then almost despaired of collecting more than ten per cent. of the stock subscribed by residents on the continent of North America. Notwithstanding the apparent paucity of funds at the disposal of the Company, the sanguine President, in his letter to the Marquis of Clanricarde, wrote thus:

"I am authorized by the Company at once to enter into negotiations with your Lordship for the conveyance of the mails direct from Halifax to Quebec upon the route above mentioned. We confidently anticipate having the railroad to Woodstock in operation in 1850, and could carry the mails after that period in 15 hours less time."

To the Earl Fitzwilliam, the President wrote as follows:

"I beg particularly to call your Lordship's attention to the transmission of her Majesty's mail, of late forwarded from Halifax and Canada through the United States, via Boston, estimated at the following expense per annum:—Halifax to Boston, £10,000, thence to Canada line, £46,000; and I would here take the liberty of suggesting that should the Government insure a remunerative sum to our Company for the transmission via Annapolis, Digby, St. Andrews, and Grand Falls to Quebec, the Company could upon such encouragement proceed at once to the completion of the road. \* \* \* Foreseeing these consequences, we have petitioned her Majesty and the Hon. House of Parliament to loan the Company the sum of fifty thousand pounds, to be repaid by the transmission of her Majesty's mails, security to be given on the Company's lands and railway, or in such other way as Government may think proper."

It may here be casually mentioned that during a period of seventeen years, terminating with 1847, 5,000 miles of railroad had been constructed in the United States, at an aggregate cost of \$126,000,000, being equal to an average of \$25,200 per mile. According to this amount it is not at all probable that "Wooden Railways" were much in vogue.

The London Board of Correspondence held a meeting on the 13th January, 1848, and resolved, that on account of the state of the money market, railway companies were obliged to issue referential shares at a high rate of interest, and the public would not embark in the Colonial undertaking without permanent guarantees being awarded, that a referential dividend of seven per cent. should be guaranteed in perpetuity to the Class A shareholders.

That the Provincial Legislature should be induced to extend the period of their present guarantee from ten to twenty-five years, and allot to the Company twice the quantity of land in four portions, and given as fourth parts of the line were opened. That all the information afforded by the Colonial Directors, showing that "a net profit of upwards of twenty per cent." per annum might reasonably be anticipated, there could be no risk or prospect of charge on the Colonial funds in giving this guarantee; and as six per cent. guaranteed stock of the best security in England could then be bought at par, there was no hope of raising capital under offers less tempting.

These resolutions were printed, and a copy sent to each shareholder, with a circular offering the option of withdrawal, which was taken advantage of to a certain extent.

During the March Session of the New Brunswick Legislature, the Railway Committee of the House recommended an issue of Provincial Scrip to the extent of £50,000, redeemable in forty years, upon the stock, amounting to £150,000 being paid in. The Province also to guarantee six per cent. for 25 years on £100,000. The Committee also recommended a grant of 40,000 acres of land to the Company in alternate blocks.

On the 24th April the Legislature and Council passed the Facility Bill granting the above guarantee, and 20,000 acres in alternate blocks.

Mr. Benjamin Sharpe, who had been interesting himself in behalf of the Company since the formation of the Board of Correspondence in London, was now appointed to act as the Company's Attorney and Managing Director, to sell and dispose of the shares to the number stipulated in the agreement, before mentioned, and to give proper receipts therefor, and also to guarantee to the Class A stockholders a dividend of one per cent. in perpetuity on £100,000, with many other important duties.

The regular meeting of Directors was held in May; John Wilson, Esq., was again chosen President, and Samuel H. Whitlock, Esq., appointed Secretary of



the Company so long as his services might be required, with the distinct understanding that should funds be raised in England and the work progress, the Directors would provide for a fair remuneration.

Hon. Harris Hatch, John Wilson and Geo. F. Campbell, Esqrs., were appointed the Acting Committee, and due notice was to be publicly given to the delinquent stockholders, that unless their ten per cent. was paid up within thirty days from date, that they would be severally sued for the same.

Earl Fitzwilliam had made a proposition on 12th May to the London Board to send out to the Province one hundred able bodied laborers from his Wicklow estates in Ireland, and in order that the men might obtain work upon the railroad, and be subjected to no disappointment on their arrival, he placed the sum of one thousand pounds to the credit of the Company to pay their wages, at the rate of two shillings a day, for so long as it would last, probably sixteen weeks, for which the Company were to credit his Lordship in stock. This proposal having been accepted, the *noble one hundred* left in the ship "Star" on the 17th April. The Directors had wooden shanties built for their reception.

The "Standard" of the 14th June thus alluded to the advent of these emigrants:

"The Company cannot appreciate too highly the interest displayed by Earl Fitzwilliam since he became a Director of the London Board, and the advantages they have derived from the sanction of his distinguished name, and we have every confidence that the humane precedent of the noble Earl will lead to a wide and extensive scale of emigration."

An article appeared in the London "Railway Record" during the month of June, on the subject of "British Railway Junction of the Canadas and the Atlantic." One or two extracts are worthy of a place, as having a bearing on the question of extension of the St. Andrews Railway for inter-colonial purposes, as being warmly discussed at the present time:

"We point to the St. Andrews Railway, not simply because it is the first organized undertaking of the sort in those possessions, but because it is destined to be, on the one hand, by a simple extension the Great Trunk Line of continuous railway communication between the Canadas and the nearest ports of all America to Great Britain (we mean Halifax and Whitehaven), and on the other hand it is in itself calculated materially to promote the settlement of the Provinces, to cement a friendly connection with the United States, and, in an especial manner, and more immediately, to restore commercial prosperity to the unfortunate West Indies."

"The British Government during the last three years have expended £12,000 in exploring a route for a continuous railway from Halifax to Quebec. A direct line through the centre of New Brunswick was found impracticable, and is given up on all hands. Two alternatives presented themselves, a most circuitous line by the extreme north-eastern boundary of New Brunswick, exposed to all the cold winds and snow-drifts of the Gulf of St. Lawrence, and demanding upwards of 700 miles of new railway, or the extension of the St. Andrews and Quebec line (which that Company have legal power to make) through St. John, and along the western side of the Bay of Fundy by the Bend of the Petitcodiac to Halifax and Whitehaven: a line in its total length absolutely shorter than the one just described, and being the prolongation of a line which an Incorporated Company has actually undertaken, involving of new railway not more than half of that distance."

"The town of St. Andrews is the terminal port of the Ashburton boundary line of the United States; and the capitalists of the States propose to meet the Company on the opposite side of the St. Croix, at Calais, by an extension of the New York and Boston lines, and also in connection with the Provinces to establish a complete line of Electric Telegraph from Halifax to New Orleans, a distance of 2,500 miles. As a means, therefore, of cementing the friendly and commercial intercourse with the States, the formation of a railway close to the boundary is full of political importance; and it is at the same time obviously the most efficient preventive of war, seeing that the destruction of a vast commercial connexion for the sake of an 'annexation,' or any other wild scheme of diplomacy or ambition, is one of the last contingencies to be apprehended on the part of the wide awake citizens of the Republic."

On the 14th September a deputation from the London Board, consisting of John Wilson and Benjamin Sharpe, Esqrs., had an interview with Lord Grey, the object of which may be gathered from the following letter from his Lordship, addressed to Mr. Bridges, the Secretary:

"DOWNING STREET, 18th September, 1848.

"SIR,—Referring to what passed at the interview which Lord Grey granted to the deputation from the Board of Directors of the St. Andrews and Quebec Railroad on the 14th inst., I am directed by his Lordship to inform you that whilst it is out of the power of her Majesty's Government, without the authority of Parliament, to grant to the promoters of that undertaking any pecuniary assistance, either directly or indirectly, and although his Lordship cannot encourage the expectation that even when Parliament re-assembles her Majesty's Government will feel themselves justified in recommending that such assistance should be granted, since by doing so, applications of the same nature from the various British Colonies would be encouraged to an indefinite amount, he has great pleasure in so far complying with the request made to him by the deputation as to communicate to you in writing the opinion he has formed of the undertaking. I am accordingly directed to inform you that in Lord Grey's judgment the projected railway has been judiciously planned, and is likely, if completed, to prove of great national importance, and also that there appears to him to be no reasonable ground for doubting that the resources of New Brunswick are far more than sufficient to enable that Province to fulfil the guarantee given by the Legislature, and the people of the Province will respect the engagements into which they have entered. Lord Grey considers the inhabitants of British America to be entitled by all their past conduct to be relied upon for a punctual discharge of the obligations which they have contracted. This must, however, be regarded merely as an expression of Lord Grey's opinion, and it must be distinctly understood by those persons in this country who may take shares in this undertaking that her Majesty's Government cannot become in any degree responsible for the fulfilment of the expectations by which they have been induced to do so.

"(Signed.)

HERMAN MERIVALE."

At this period we learn from a Halifax journal that the surveying party which had been sent out by the British Government to explore the route for the Halifax and Quebec Railway had completed their labors, and were about to return to England. This survey had been conducted by Captains Robinson and Henderson of the Royal Engineers.

The St. John "New Brunswicker" of Nov. 9th contained the following notice of the St. Andrews and Quebec Railway, announcing an important change in the superstructure of the road:

"We are happy to hear that the London shareholders in this Company are paying up their shares very promptly, and that the St. Andrews Board has already received authority to draw for

" a considerable sum, in order to prosecute the works this coming winter. We observe by the " London ' Railway Record ' that the London Board, in consideration of the improved aspect of " their affairs, has resolved that the railway *shall be of iron instead of wood*, and has advertised for " 300 tons of railroad iron of the pattern called the ' flat-rail,' of not less than 40 lbs. weight per " yard."

The following is a copy of the advertisement which appeared in the " Railway Record " of October 14:

SAINT ANDREWS AND QUEBEC RAILROAD COMPANY.—Tenders for 300 tons of Bridge or Hat-rails, new or second-hand, in good order, weight not exceeding 40 lbs. to the yard, will be received at this office on or before Wednesday, the 1st of November. The tenders must state the shipping port of delivery.

37 Walbrook.

By Order,

(Signed.)

W. BRIDGES, Secretary.

One would naturally imagine from the foregoing that the affairs of the Company had taken a turn for the better, that money was more plentiful, when iron rails were to be substituted for wooden; and yet, strange as it may seem, Mr. Wilson submitted propositions to the London Board, at a meeting on the 22nd October, that in consequence of the great depression in trade, and the small probability of selling the balance of the Class A shares, first, to dispense with the services of the London Secretary, second, to close the offices of the London Board, third, to settle up all accounts, and take charge of all the books, &c., and fourth, to appoint a committee to open all letters and reply to them for a time, *until an Office and Secretary should again be required!*

The London Board, however, ordered the Secretary to transmit a copy of these propositions to the Colonial Board, accompanied with the opinion of the Directors, that to close the offices as proposed, would be an equivalent to an abandonment of the undertaking, and could only be done on a re-payment of all deposits. They therefore recommended that the machinery be maintained until the Spring, or a remittance be made to re-instate English shareholders, and meet all legitimate obligations.

At this distant day, we must forbear to venture a commentary on the above, and may permit such a proceeding to remain as being incomprehensible; but we are tempted to quote from a Provincial paper of the day, as follows:

" It is with heartfelt pleasure that we send forth the cheering news, and point to the coming " Spring, as the era of brighter days for Charlotte. The sale of the stock has been effected, amid " railway panic and commercial depression; and it is surprising how the energies of so few as have " been actually engaged in this undertaking could in so short a time affect such favorable results. " What a contrast does our railway now present with its earliest days."

Yes, and what a contradiction too.

The following is a statement of the total expenditure by the Company to May 1st, 1849:

For preliminary and contingent expenses (currency),.....	£1,469	15	8½
Office Expenses (currency),.....	82	4	6
Survey and Engineering Expenses,.....	527	5	3
Construction (labor and materials),.....	2,796	1	1½
Advanced Capt. J. Robinson as agent of the Company to England this month,.....	200	0	0
	<hr/>		
	£5,075	6	7

[Signed.] S. H. WHITLOCK, Secretary.

The actual value of work done on construction to this period, according to an estimate made from measurement by Mr. Mahood, Acting Engineer, amounted only to..... £1,735 3 2

But on which had been actually expended, as shown above, £2,796 1 1½

At a meeting of the Local Board on the 3rd September, the Secretary was ordered to address a letter to the London Board, approving of the negotiations being made by Capt. J. Robinson and the stockholders in England, for raising funds, and sending an engineer to the Province.

Fielding Neale, Esq., Civil Engineer, having arrived from England, (with five assistants, viz., Messrs. Fosdick, Sewall, Doane, Turner, and Croasdale) attended a meeting of the Board on the 1st October, and presented his agreement and testimonials.

It having been found inconvenient for a Committee of Directors to control the work of construction, and the direction of the engineering, the President was appointed to superintend the entire machinery, and to consult and direct the Engineer, and all persons employed on the road.

The Engineer accordingly received instructions to make a survey and estimate of the road as far as "Soldiers Brook," at Waweig (12 miles), to enable the Board to contract for the same and advertise for tenders.

Notice should not be here omitted of a public railroad meeting of the inhabitants of Woodstock and vicinity, held at the Hall of the Mechanics' Institute in Woodstock, on 13th October, at which upwards of 300 persons were present. The High Sheriff, J. F. Winslow, Esq., occupied the Chair, and A. K. S. Wetmore, Esq., acted as Secretary. The Hon. Harris Hatch and John Wilson, Esq., of the Directory, were also present, and addressed the meeting, and communicated gratifying intelligence from the London Board, relative to the grand project.

It was resolved, that on account of the great zeal and confidence evinced in the undertaking by the London Board in furnishing the necessary funds and sending out an engineer of scientific attainments, that the work should be commenced forthwith in taking levels and sections, and cutting out the wood and brush, "the whole distance," preparatory to the work of grading and laying the superstructure. It was also resolved, that in order to ensure the completion of the road

from St. Andrews to Woodstock, the County of Carleton should take stock to the amount of £25,000, and that a Committee be appointed to obtain subscribers to the said railroad stock.

On the 24th November the Company invited parties to tender for the grading and culvert-work on a part of the railroad, commencing at Water Street and terminating at Chamcook Lake (5 miles), in small sections to suit contractors. The work to be done under the supervision and to the satisfaction of Fielding Neale, Engineer in Chief.

During this year Wm. Bridges, Esq., Secretary to the London Board (having resigned), had been succeeded by Julius Thompson, Esq., who, as Secretary, presented an exhibit of the receipts and expenditure in England to 31st December, 1849, of which the following is an abstract:

Amount of Receipts from various sources, stg.,.....	£3,856	8	11
Do. of Expenditure, (miscellaneous) stg.,.....	2,907	0	11
	<hr/>		
Balance on hand.....	£949	8	0

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### Third Period from 1850 to 1860.

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A public railroad meeting was held at the Grand Falls on the 18th January, 1851; the inhabitants of that section were sensible of the great importance of a railroad communication to the seaboard, and were unanimous in supporting such an enterprise to the fullest extent in their power. It was resolved that the Saint Andrews and Quebec Railroad was an enterprise of vast importance to the Province, demanding the encouragement and support of the people of that section; that the said railroad would afford speedy communication with the seaboard, and a ready market for the surplus produce of the upper counties. That a Committee of ten persons be appointed to procure subscribers, viz., John Emerson, F. E. Beekwith, Col. Coombes, Benjamin Beveridge, Francis Rice, P. C. Amireaux, W. T. Wilmot, A. B. Hammond, George Dollard, Auguste Webster, Esqrs. That the inhabitants of the County through whose land the extension of the railroad from Woodstock would pass, would cheerfully convey to the Company a right of way over the same, as done by landed proprietors in other sections of the Province.

On the 7th February the Company again advertised for tenders for the grubbing, grading, masonry and culvert work of 26 miles of the road from St. Andrews to the N. W. branch of the Digdegnash river, in sections, or for the whole length; these would be received up to 12th April. There were ten bidders, and

take stock to the subscribers to

for the grading Street and contractors. The Fielding Neale,

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18th January, importance of a supporting such that the Saint e to the Pro- that section; seaboard, and a Committee nerson, F. E. Amireaux, W. s. That the railroad from right of way Province.

for the grub- from St. An- or the whole bidders, and

the tender of Messrs. John G. Myers, Lawrence Myers Bros., was accepted. The schedule of prices set forth bridge masonry at \$4.75 per cubic yard; culvert masonry \$2 per cubic yard; earth excavation 26 cents per cubic yard, and rock excavation \$1.26 per cubic yard. They also proposed to build 40 miles of the road, commencing at St. Andrews, and using the same weight of rail, furnish their own engineer, and all materials, and be at the whole expense of grading and putting the road in running order, for the sum of eighteen thousand five hundred dollars per mile, and if their proposal was accepted they would take \$75,000 stock.

[On the 4th April Alex. L. Light, C. E., joined the Chief Engineer's staff.]

The Directors had decided upon the following mode of payment for the contracts on the first 25 miles. One fourth to be paid when half the work was completed and accepted by Chief Engineer; one fourth when three fourths were completed, and accepted; and the balance on the full completion of the work; half of this balance to be taken in stock.

Messrs. Myers' contract with the Company was signed and sealed on the 15th April, for the grading of the first ten miles from St. Andrews, which, so far as the line had then been located, proved to be the most expensive section.

The financial position of the Company on the 1st May stood thus:

Total amount of receipts, including those from England, . . . . .	£9,506	11	4
Do. of expenditure, preliminary, construction, sundries, . . . . .	8,494	6	1
		<hr/>	
Balance on hand, . . . . .	£1,012	5	3

During this month the Messrs. Myers, contractors, arrived from Portland, State of Maine, with the greater part of their "Plant," and made active preparations for a commencement. The Surveys had reached the Howard Settlement (65 miles), and three of the Engineering Staff were dismissed. Mr. Light remained as Assistant on the 10 mile section.

On the 18th June the Board of Directors made a conditional contract with the Messrs. Myers to build the entire line to Woodstock, which was to be completed in *eighteen months* (1) from date, for the sum of ten thousand dollars per mile, or £2,000 sterling, comprising the following mentioned work: The entire excavation of earth and rock, embankments, bridges, culverts, piling, grubbing, laying down the continuous wooden rail sills, and iron track thereon; slopes, slides, and all subsidences; also to provide the engineering, and put the road in complete running order, and to be acceptable to the Company's consulting Engineer, A. C. Morton, Esq., of the Portland and Montreal Railroad; the Company to retain Mr. Light and Mr. Hanson on their part, the contractors paying their salaries! The Company to provide the iron rails, delivered on a wharf at St. Andrews, and all the necessary rolling stock required by the contractors. The foregoing in-

cluded also the contract for the first 10 miles, which would be cancelled in case of the acceptance of the second offer.

It will be remembered that the Messrs. Myers had made a previous offer for the whole work on the first 40 miles of the road, at the rate of eighteen thousand five hundred dollars per mile, consequently they reduced this amount eight thousand five hundred dollars per mile in view of getting upwards of 40 additional miles to build, and the Company providing the iron superstructure.

The surveys had now been commenced at the Woodstock end of the road, from "Richmond Corner," situated about six miles to the westward of the town of Woodstock, on the high road to Houlton in the State of Maine; and from thence continued to the Howard Settlement connecting with the previous survey to that place. Mr. Fielding Neale joined this party and superintended the location of the line conducted by Mr. Fosdick.

The consulting Engineer furnished the Board with the following estimate of the Iron and Rolling Stock, assuming 30 lbs. per yard for rails, on a total distance of 80 miles:

* Four thousand tons iron rails, &c., delivered at Saint Andrews, at \$30,.....	\$120,000
Two locomotives of equal size as the one already bought, at \$5000,	10,000
Two passenger cars, at \$1,500,.....	3,000
Twenty heavy goods cars, at \$400,.....	8,000
Twenty fine do., at \$500,.....	10,000
Two turn-tables, at \$1,500,.....	3,000
Four water-pumps, at \$500,.....	2,000
Station and engine-house at St. Andrews,.....	4,000
Station-house " at Woodstock,.....	3,000
Intermediate sheds at stopping places.....	2,000
Fencing, in all,.....	16,000
	<hr/>
	\$181,000
	<hr/>
Average per mile for 80 miles,.....	2,250
Messrs. Myers' proposal for grading and construction,.....	10,000
	<hr/>
Cost per mile,.....	\$12,250
	<hr/>
In sterling, say.....	£2,450

The Great Portland Railway Convention was held on the 31st July, the object of which was to carry out a continuous line of railway from Halifax via St. John and St. Andrews Railway through the State of Maine to join the American Lines at Portland. Captain Robinson, R. N., and John Wilson, Esq., represented the St. Andrews and Quebec Railroad interest at this memorable convention.

\* Rails could be purchased in England at this time for £5 per ton.

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Captain Robinson, afterwards, in August, proceeded to England as an agent for the Board, with full power of Attorney to act as such.

During this month of August, the *first grant of 10,000 acres* from the Government under the Facility Bill was conferred upon the Company, and was afterwards conveyed to Benjamin Sharpe, Managing Director at London, for the benefit of the Class A shareholders.

J. W. Byrne, Esq., had entered the service of the London Board as Secretary and successor to Julius Thompson, Esq., who was then under orders to proceed to the Colony as Manager of the Railroad. Upon his arrival he presented himself to the Board, with his credentials, at their meeting on the 20th November, at which Captain Robinson was also present, and made a lengthened statement of the result of his mission to England.

The resolution of the Board, passed 17th November, 1849, appointing the President as Manager, was rescinded; and the business of the Board was continued next day, when a letter was submitted from the Messrs. Myers, contractors, requesting an advance of \$2,000. The Secretary was ordered to state in reply that the Directors did not feel justified in complying therewith, the contractors having already overdrawn their account to the extent of £800!

About this time, Fielding Neale, Chief Engineer, having resigned on account of some misunderstanding with the President, Alex. L. Light was appointed to act as Chief Engineer in his stead. It was the declared wish of this gentleman that another consulting Engineer should be appointed, the London Board having objected to Mr. Morton; the Local Board, after due enquiry, appointed A. P. Robinson, Esq., C. E. of Portland, Maine. Manager Thompson wrote thus of this gentleman to the London Secretary in December:

"Mr. Robinson bears a very high reputation for ability in the State of Maine, and is without doubt a very clever Engineer. I am quite certain that his calculation of a saving of \$40,000 in the mere grading of the line from Bartlett's Pond to the N. W. branch where the Fredericton Road crosses, will be easily made by adopting his proposed alteration. I have not the least doubt that we shall derive most valuable assistance from Mr. Robinson's occasional visits."

Mr. George Wightman was appointed under Mr. Light to take the levels over the line of proposed alteration, and the plan and profile were accordingly altered.

At this period a contract had been arranged for laying the wood superstructure as far as Chamcook, 5 miles, a cargo of iron rails having left England on the 23rd November, so that the road would be completed this distance, and a locomotive running before the opening of the Legislature, and be of service in obtaining further grants of land, as well as in passing the proposed Scrip Bill for £50,000. Petitions for which were signed by the Class A shareholders, including their Board of Directors, as well as by the Local Directors and Class B. shareholders.



The financial position of the Company at the end of this year (1850) is thus represented :

Total Expenditure,.....	£22,447 4 9
“ Receipts, chiefly from England,.....	19,321 15 0
	£3,125 9 9
Balance against Company,.....	

On March 11th, 1851, the barque “Avon,” from Newport, arrived with a locomotive and tender, and the first cargo of rails. The locomotive was named “The Pioneer.”

On the 27th March the Company issued a notice to contractors for the acceptance of tenders until 1st May, for grading 32 miles of the road, commencing from the end of the first 10 mile contract, about 18 tenders were received for various sections, stating prices per cubic yard, but none were then accepted, for the Facility Bill having passed both branches of the Legislature, Manager Thompson was sent to England to negotiate with the London Board, and it was then anticipated that a contract would be arranged in England for the construction of the road to Woodstock.

During the month of April the second cargo of rails arrived in the ship “Aunsdale,” which, through stress of weather, had been put back twice to Cork and once to Halifax.

The annual general meeting of the stockholders was held at the Town Hall, St. Andrews, on the 6th May, at which the President read a statement of the proceedings and finances of the Company. The actual expenditure by the Board to this period had been £33,000, which included surveying and engineering of the route through to Woodstock, exclusive of these the amount had not exceeded £3,000 per mile, which covered the cost of the locomotive, rails and bridges, and work on the 10 mile contract. From the Engineer's Report the Directors felt confident that the remainder of the road to Woodstock would not exceed \$10,000 per mile. The Legislature of the Province had generously voted £50,000 stg. in Provincial bonds, bearing 6 per cent. interest, and redeemable in 30 years.

The expenditure of the London Board, according to the declaration of their Secretary in the presence of the Lord Mayor of London was, up to March, as follows :

Preliminary expenses, on formation of Company, and subsequently, sterling,.....	£4,397 0 10
On account of engine and tender, iron rails, and other material sent to St. Andrews,.....	4,167 8 11
Transmitted to the Directors of the Company in Saint Andrews,.....	12,988 5 0
	£21,552 14 9
Total,.....	

The expenditure in the Province to June 1st was,—	
Upon actual construction of the works, currency,.....	£17,807 18 2
Engineering and surveying expenses,.....	4,905 1 2
Office, Law, and Crown Land surveys,.....	779 1 0
Preliminary, incidental and other expenses,.....	2,379 7 8
	£25,871 8 0
The receipts amounted to.....	24,668 19 0
	£1,202 9 0

This expenditure entitled the Company to 20,000 acres of land, in addition to the previous grant of 10,000 acres.

In consequence of the operations of the "Joint Stock Company Act" in England, the Class A shareholders were obliged to apply to the Imperial Parliament for an Act to incorporate themselves as a separate Company, otherwise the former Act would have imposed on them an unlimited liability, and would have had the effect of breaking up the English Company of stockholders.

A provisional agreement had been entered into with a Mr. Wm. Shaw, an English contractor, during Manager Thompson's mission to England, for the completion of the road to Woodstock, who sent out an accredited agent, Mr. John Brookfield, for the purpose of inspecting the line, and obtaining such necessary information as would lead to a correct estimate of the cost. Mr. Brookfield arrived from England on the 8th of June, and, accompanied by the Manager and Engineer, walked over the line the whole distance to Richmond Corner.

The following are extracts from the Report of the Hon. W. H. Merritt, Chief Commissioner of Public Works in Canada, to the Governor General, relating to the St. Andrews and Quebec Railway, and published about this time:

"The St. Andrews Company contemplate, as I am informed, extending their railroad to Woodstock on the St. John River, next season, from thence to the Grand Falls and the Madawaska, thence to Temiscouta, and on to the St. Lawrence; and to accomplish this, I propose that the Government should lend them money, £3,000 per mile, to be paid as the work progresses, in proportion to the contract prices, which they should sanction before the work commences. This would enable the Company to construct the road at the lowest cash prices, instead of paying double the amount of its actual worth, which ever has, and ever will be, the case under any scheme of credit which has been devised."

"With a terminus on the St. Lawrence, for possessing many decided advantages on the one side, the port of St. Andrews on the Atlantic, a harbor not surpassed on the sea-coast, leading through a great extent of country, abounding in pine and timber of the best qualities, water powers, minerals, and possessing a good soil."

"I feel persuaded from the quantity of manufactured lumber it will convey, the supplies the interior will require, together with the through trade on the branch line to Quebec in the winter season, and the advantages of passing through our own territory, without the cost, detention and annoyance of custom-houses, that this railroad holds out as favorable a prospect to shareholders as any other northern line."

At a meeting of the Local Board, held on the 10th July, it was resolved that the Class A Directors should be authorized to enter into a contract for the construction and completion of the remainder of the line to Woodstock for any sum not exceeding £2,300 sterling per mile. The road to be delivered up ready for traffic. The contract not to include rolling stock and station buildings.

The following is a copy of Mr. Light's original estimate upon which the above sum of £2,300 sterling per mile was based, from approximated quantities on 16 miles of the road then located :

1,760 Lineal yards, clearing and preparing land,.....	£150	0	0
12,500 Cubic yards, excavation in clay, gravel, or other materials not requiring blasting, at 1s.,.....	625	0	0
1,000 Cubic yards, rock in place, or in detached lumps, containing more than one cubic yard, at 5s.....	250	0	0
250 Cubic yards dry rubble masonry, at 10s.,.....	125	0	0
63 Tons iron rails, at £8 10s.,.....	535	10	0
3 Tons cast-iron chairs, at £7,.....	21	0	0
9 Cwt. wrought iron screws, at £1 10s.,.....	13	10	0
35 Cwt. dog-nails, at £1 5s.,.....	43	15	0
8,580 Cubic feet timber in track-way, at 4½d.,.....	160	17	6
1,956 Cubic yards ballast (gravel, sand or broken stone) 2s 6d.	244	10	0
1,760 Lineal yards beam and rail laying, at 10½d.,.....	77	0	0
£10 proportion, one mile diversion of road at commencement of contract,.....	10	0	0
£5 proportion, timber work to level crossings,.....	5	0	0
£20 proportion, timber top to bridges as per list,.....	20	0	0
£5 3 0 proportion, timber work Goldsmith Lake bridge,.....	5	3	0
1,000 Lineal yards, single drain on top of cuttings and foot of embankments,.....	12	10	0
Add for contingencies, at 3d.,.....	1	4	6
Sterling,.....	£2,300	0	0

Deducting the cost of the iron superstructure from the above amount, there would be £1,686 5s. sterling per mile, or \$8,262 for grading the road, bed, bridging, ballasting, and laying the superstructure, being \$1,738 per mile less than the proposal of Messrs. Myers & Co. And if to the above sum be added Mr. Morton's estimate per mile for rolling stock and station buildings, &c., in stg., viz., £880, the estimated total cost per mile of the St. Andrews and Quebec Railway will be £3,180.

On the 25th day of June the Act to facilitate the construction of a railway from St. Andrews to Quebec, as passed by the Council and Assembly of the Province in the month of March, was by her Majesty, with the advice of her Majesty's Privy Council, specially confirmed, ratified and enacted. Under the provisions of

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the Bill the Company would become entitled to as much Government Scrip as the Company had expended upon the work from its passage through the Legislature, and which, up to the month of September, according to depositions, had amounted to about £2,000 sterling; this amount, however, would belong to the Class A shareholders, and would not be available in the Province without their consent: the balance on hand on the 1st June being only £466. Money was very scarce in England, and but little could be remitted to the Local Board; the Messrs. Myers' 10 mile contract was almost completed, and within 30 days after completion the sum of £4,500 would be legally due them by the terms of their contract, and which the Company was then bound to pay; the contractors' men had received no wages for a period of three months, and were greatly exasperated, on account of which great trouble was apprehended through riots and outrages and destruction of property, if they were not paid; and if the London Board could not come to the rescue in time, it would be impossible to sustain the Company any longer, and the most disastrous results would ensue. This was the precise position the Company were in at the time they were negotiating with Shaw in England for the completion of the road to Woodstock. And the Manager had expressed a hope to the London Secretary that his Directors would see how necessary it was *for their own safety* that no time should be lost in pushing on the works to completion, in order to retain possession of the lands they had, and become entitled to further grants and facilities. Waning hopes were somewhat revived on the receipt from the London Secretary of copies of the specification, amended by Shaw, and schedules of prices and articles of agreement, &c., to be approved, confirmed, and signed by the President and Engineer-in-Chief on behalf of the Board, and then returned to be attached to any contract that might be entered into in England by the London Board.

Now, at this time the Local Board had not really money enough to pay Messrs. Dimock and Wilson for the freight on the iron rails per the ship "Ans-dale," and were obliged to propose their acceptance of a mortgage on the Company, payable in two months, which was agreed to. The Manager went to St. John to procure the £2,000 debenture bonds from the Provincial Treasurer, and afterwards endeavored to negotiate a loan from some of the Banks on their security, but failed in accomplishing it.

The Messrs. Myers notified the Company that they had completed their contract, and requested their acceptance; and had also paid off the laborers by drafts upon the Company, who complied therewith for their relief. Mr. Light had inspected the work, and had informed the Board in writing that the works were in a finished condition to be accepted by the Company.

The debenture bonds had then been lodged in the Charlotte County Bank, the Directors of which advanced the Company £500 on their security, and with which amount the orders of the contractors' laborers were paid off.

Mr. Light's final estimate of the work done by the Messrs. Myers on their 10 mile contract, amounted to.....	£16,083	0	0
[In addition to which the following expenditure was also made:]			
Value of work done by Earl Fitzwilliam's men,.....	2,945	3	5
“ “ by Messrs. Denley and Peacock,.....	270	7	6
“ “ Culverts of wood and stone,.....	375	0	0
“ “ Excavation foundations to do,.....	40	5	0
“ “ Days' work at O'Neill's Point,.....	225	4	10
“ “ Katie's Cove Bridge,.....	720	4	2
“ “ Trestle work and bridging at dam,.....	300	11	7
“ “ “ other places,.....	750	0	0
Total, .....	£21,709	16	6

A Committee of the Executive Council was appointed by his Excellency the Lieut. Governor to investigate the accounts of the Company, and the Directors being notified to the effect, appointed their Manager and Secretary to proceed to Fredericton and lay before the Committee, consisting of the Attorney and Solicitor Generals, a statement in full of the Company's transactions bearing date Nov. 5th, 1851, of which the following is a synopsis:

Number of shares subscribed for in England, 2,244 at £20 sterling, .....	£44,880	0	0
On which at time of subscription, 10 per cent. was paid, equal to .....	£4,448		
Aggregate amount paid by shareholder in addition thereto,.....	19,756	24,244	0
Leaving a balance due by Class A shareholders of.....	£20,636	0	0
Total amount of Class A shares, 4,000 at £20 each, representing, .....	£80,000	0	0
Balance of these shares, not subscribed, 1,756, do...	35,120	0	0
Amount of capital not then subscribed for by Class A,....	£44,880	0	0
Number of shares subscribed for by Class B, 2,102, £25 c. On which amount 10 per cent. deposit was paid, equal to .....	£5,255	£52,550	0
There was also paid in addition thereto, the sum of.....	1,057		
	£6,312		
Paid by Earl Fitzwilliam on 48 shares of this Class, .....	1,200		
Total amount on 82½ bona fide shares,.....	5,112	0	0
Amount of capital not then subscribed for by Class B,....	£47,438	0	0
To this add deficiency of Class A in currency,.....	53,856	0	0
Total deficiency of capital, .....	£101,294	0	0

The total expenditure was as follows:

In grading earthwork and bridging. ....	£17,185	18	2½
Preliminary, contingent, law, and office expenses,.....	2,904	10	10
Surveying and engineering,.....	5,147	9	1½
Plant, viz., locomotive and tender, car and rails, &c.,.....	5,000	18	8
Expenses in England, including interest paid on deposits to shareholders and calls, &c., .....	5,375	3	11
Total,.....	£35,614	0	9

Of this amount there was a sum of £8,279 14 9, or 22 per cent. that was not expended upon actual construction, but absorbed by the expenses of the two Directories, Law and Interest Account.

The liabilities of the Company at this date amounted to...	£5,435	0	0 c'y.
There still remained 70 miles to build, at £2,300 stg. p. mile,	£161,000	0	0
And to provide for additional rolling stock and stations,...	10,000	0	0
	£171,000	0	0
To this should have been added for contingent expenses in England and the Province, law, and interest on de- posits, &c., (20 per cent.).....	34,200	0	0
Total, (sterling).....	£205,200	0	0

The fictitious resources of the Company, or the means not then at their disposal to provide for this work and their liabilities, were thus arrived at by simple addition:

Balance due on Class A Stock, currency, .....	£66,907	0	0
Do Class B " " .....	36,886	0	0
Grant of lands, 200,000 acres at 10s. " .....	100,000	0	0
	£261,793	0	0

The grants of land, however, were not available unless a sufficient expenditure was proved by the Company to entitle them thereto; and therefore such a resource was entirely conditional upon stock being paid up.

The Company as yet had only been granted ten thousand acres, and £2,000 debenture bonds for an expenditure of £37,600 upon the undertaking, and as no more money was to be got from the Class B stockholders, the whole responsibility for the completion of the road to the Richmond terminus rested with the English shareholders, supported by the Provincial Government, when they were legally entitled to such support, according to the provisions of the Facility Bill. The chief inducement, therefore, still left to English capitalists to invest in the Provincial undertaking was, as provided for by this Bill, a guarantee of 6 per cent. for 25 years, on £100,000, and the Class A had still to struggle for the comple-

tion of the work, or forfeit all that had been hitherto paid into it. They resolved to make an effort to proceed, and accordingly concluded a contract with Mr. Wm. Shaw, aforesaid, of Leeds, who had expressed himself willing to contract for the completion of the railway on the following terms, viz., £2,300 sterling per mile, amounting to £161,000: the whole payable as follows: £100,000 in cash, £10,000 in lands, and £51,000 in the Company's Debentures, with proper security for the payment of these debentures. In giving this security a difficulty was encountered, as the issue of debentures entirely depended upon the expenditure of the Company, the security could only be met by the Company giving a mortgage on the land, and a proportion of the road when completed.

The Messrs. Myers not having been satisfied with the final measurement of their contract by the Chief Engineer, gave notice to the Board that unless their own claims were satisfied, they would institute legal proceedings against the Company. Terms for a proper and amicable adjustment were, however, proposed by Mr. D. P. Myers, which were agreed to by the Board, viz., that Mr. Light should confer with Mr. A. P. Robinson, the consulting Engineer, previous to having recourse to arbitration, as provided for by the contract.

A digression must here be made in order to notice a letter from the Hon. Hamilton Merritt, Chief Commissioner of Public Works in Canada, to his Excellency the Right Hon. Elgin and Kinecardine Governor General of Canada, on the subject of the "Construction, Maintenance and Management of the contemplated grand Line of Railroad from Halifax through the Provinces of Nova Scotia and New Brunswick to the Western Boundary of Canada," and dated St. Catherines, September 30th, 1851;" from this lengthy document we quote the summing up:

"Having alluded to the route by the Valley of the St. John River through New Brunswick in my Report of January last, I was glad to find its favorable position confirmed by Mr. Keefer's letter of the 12th June."

"However, as this is the only portion where any doubt can exist respecting the early completion of the line; and as it promises to be one of the most valuable auxiliaries to our water communication, inasmuch as it is the shortest route through British territory to the Atlantic; opens the greatest extent of inland country for our products, and will leave the St. Lawrence at a point which can be reached with propellers or vessels from the upper lakes, with the same regularity and safety, and at nearly the same cost of transportation as to Montreal or Quebec. I would therefore earnestly recommend that the St. Andrews and Quebec Company be offered a loan not exceeding £4,000 per mile through Canada, without interest, until the stock yields a profit of 6 per cent. to the private stockholders."

"The Province of New Brunswick having already advanced a sufficient sum to build the road from St. Andrews, on the Atlantic, to Woodstock, 80 miles distant, they will no doubt render the same aid throughout their territory, which with this aid, ensures the construction of the whole line to Quebec."

On this subject the St. John "Courier" also remarks, as follows:

"We understand that both the Government and people of Canada would give the preference to the route by the Valley of the St. John River to St. John, and thence by the Bend to Halifax, and as this would be accomplished by the St. Andrews and Quebec and the European and North

" American Railways, both now under charter, without much further assistance being required from the Province, we do not see that more needs to be done than that those works should be prosecuted to completion with energy. As this will be really a 'Halifax and Quebec Railway running entirely through British territory,' we presume that the Imperial guarantee may be as readily obtained for half its cost as for the whole. In such case enough would be left to extend a branch line to Miramichi."

The Special Committee appointed by the Government to investigate the accounts of the Company having submitted their Report to the Executive Council, the following Minute of the Council was transmitted to the Company:

" IN COUNCIL, 11th Dec., 1851.

" The Committee of Council having had under consideration the Report of the Select Committee appointed to examine and report upon the affairs of the Saint Andrews and Quebec Railway Company, regret to find that the payment of the £2,000 stock in Class B. shares alleged to have been made and expended in the said road since the 23th March last, and which payment and expenditure were authenticated according to the Act of Assembly by the affidavit of their President and Mr. Robinson, one of the Directors, was not so paid and expended, but on the contrary only the sum of £1,507 of such money has since that period been paid and expended on the said road.

" That the issue of £2,000 by the Government pursuant to said affidavit has therefore been made under erroneous information, and that the Company should be immediately notified before any further claim be made upon the Government, either for debentures under new payments, or for grants of lands under Acts of Assembly. The Directors of the said Company should withdraw so much of the Class B stock held by the Government as amounts to the deficiency now discovered as not having been paid up, and that they should substitute for the same, to be delivered to the Government Class A stock to the amount of such deficiency by the payment of £943 of Class B stock ready for expenditure on or before the 1st day of March next, such payment to be authenticated to the satisfaction of his Excellency in Council.

" That the Committee are willing to believe that the parties on making the affidavit adverted to, were under misapprehension of the construction of the Debenture Act, which conclusion the report of the Select Committee now under consideration also warrants them in assuming.

" Approved, and ordered that a Copy of the foregoing resolution be furnished to the Company." [Vide report of General Meeting held on 4th May, 1853, further on.]

The St. Andrews "Standard" of Dec. 17th contained the following notice:

" HIGHLY IMPORTANT! THE CONTRACT CLOSED WITH MR. SHAW, OF LEEDS, ENGLAND! —  
*St. Andrews, Dec. 16th, 1851.*

To the Editor of the 'Standard,'—Sir: Knowing the anxiety which has existed in many parts of the Province, and particularly in this neighborhood, respecting the completion of a contract between the Company and an English contractor for the construction of the remainder of our line to Woodstock; and being desirous to put an end to the fears which I believe have been entertained by many persons on that subject, I beg to inform you that an official letter from the London Board was received by the mail delivered here this morning, announcing that a contract had been accepted and concluded with Mr. Shaw, of Leeds. By private letter I am led to believe that his agent will arrive in this Province by Christmas, or soon after, for the purpose of commencing operations.

[Signed.]

JULIUS THOMPSON, Manager."

During the month of March, 1852, the London Board made an advance of £4,000 sterling to the Company, to meet their liabilities in the Province; the receipt thereof was formally acknowledged, accompanied by a notification that a further call of 10 per cent. was due by the Class A shareholders, in accordance with the terms of the deed of arrangement.



The Local Board was at this time informed by the London Secretary that Mr. Shaw wished to be relieved from his contract on account of the Class B shareholders never having shown any disposition to pay up their stock, and that consequently there would be no funds to pay him; and that if the Local Board thought that under these circumstances legal proceedings should be commenced against Mr. Shaw, the London Board, upon being authorized so to do, would take immediate action.

The Local Board, upon duly considering the matter at their meeting on the 25th March, concluded that when it could be clearly shown to Mr. Shaw that no fears could any longer exist as to the certainty of the Class B payments being made by debenture bonds and otherwise, that he might be more readily induced to ratify his agreement for a contract by the fear of proceedings at law. However, it was never very clearly shown to Mr. Shaw that the Class B payments would be promptly made, and he was allowed to retire without any legal proceedings being resorted to. In the meantime his former agent, Mr. John Brookfield, arranged a co-partnership in England with two friends, who had been previously experienced in railway construction, viz., James Sykes and George William King, Esqrs., all of Sheffield. This firm next entered into negotiations with the London Board for taking the contract abandoned by Shaw, and upon nearly similar articles of agreement. The London Board used the powers previously invested in them, and closed the contract with "Messrs. Jas. Sykes & Co.," which was approved and confirmed by the Local Board. The first official notification of such, given in the Province, was to the Hon. J. R. Partelow, Provincial Secretary, by Manager Thompson, May 15th:

"SIR,—I have the honor to inform you for the information of his Honor the Administrator of the Government, and the Executive Council, that I have received by the English mail delivered here this morning, the original deeds duly executed by the Class A Directors and Messrs. Sykes, King & Co., for the construction by contract of the whole of the line from the termination of the first 10 miles to Woodstock."

Mr. Brookfield came out from England at the latter end of May. Mr. King arrived in June, and a number of able bodied men, mechanics and their families, and a large quantity of working materials, arrived during the following month of July.

As it was necessary that the work required to be done for the completion of the first 10 miles of the road should be accomplished without delay, comprising the laying of the superstructure and ballasting, and rebuilding of the breastwork round Katie's Cove, which had been washed away by high tides during heavy gales, an arrangement was made by the President, Capt. Robinson, and Manager Thompson, with Messrs. Sykes & Co., to undertake and finish this work, and a separate contract was entered into with Mr. Brookfield by the Board for this purpose, and for the sum of £7,000 sterling. The contractors, however, expected to have found all this work completed on taking the 70 mile contract.

A general meeting of the shareholders was held in the Town Hall on the 4th May, when the Report of the Directors, drawn up by the Manager, was submitted, from which we make an abstract having reference to the Select Committee of the Government and their Report:

"An application has been made for a copy of the Commissioners' Report to the Executive Council, but it being considered a Government paper, the request has not been acceded to."

Another important paragraph may be quoted from this Report, as follows:

"There is an acknowledged balance at the present moment of £1,968 16s. 1d. due on the contract with Mr. Myers, for the whole of which sum he has already issued orders on the Company, but the Directors have been unable to come to any final settlement with him in consequence of his having sent in a claim for about £15,000 (sic) for alleged extra work, and for losses said to have been incurred by him in consequence of alleged improper alterations in the location of the line."

The turning of the "first sod" on the new contract was celebrated on the 4th of June, under the auspices of Col. Murray, the Administrator of the Government of the Province, and Mrs. Murray (a niece of Earl Fitzwilliam); the interesting duty of the day having devolved upon this lady, she raised the first sod, and wheeled it away to the end of a plank, and there tipped it. The Hon. Colonel Hatch, in the absence of the President of the Board of Directors, and on behalf of the Company, turned the second sod; the Chief Engineer and Contractor next joined in turning the third sod, as typical of the agency by which the work was to be completed.

Hon. Col. Hatch, in his address to the large assemblage, stated that but two, out of the six persons who had originally projected and promoted the design of the railroad, were then living.

The work thus commenced went on satisfactorily and without hindrance up to a certain period, to which allusion will be made hereafter more fully. During the latter part of this year the Attorney General made application to the Manager, in compliance with a requisition of the Government, for a copy of the contract for the completion of the road from Waweig to Woodstock, accompanied by the following questions, to which are appended the answers returned by the Manager:

1st. Amount of stock subscribed for, by Class A or B since the Government investigation in November, 1851?

Answer. In November, 1851, there was subscribed of Class A stock, 2,244 shares; since that date 1,756 shares have been taken up, making the total 4,000 shares. In Class B no further issue has been made in this Province, except those given to the Treasurer in exchange for debentures; but 800 shares have, at their own request, been placed at the disposal of the Class A Directors.

2nd. The amount paid in on their shares by stockholders, since the same date?

Answer. The amount paid in on deposits and calls irrespective of debentures, issued by the Province on shares delivered to the Provincial Treasurer, was £16,162, up to the 30th June last, since which date no returns have been made by the London Board of their receipts.

3rd. Amount expended in carrying on the works since the same date ?

Answer. Monthly payment to Contractors, sterling, . . . . .	£6,357	0	0
Expenditure in England for iron, &c., " . . . . .	7,853	0	0
Engineering and Surveying expenses, salaries, &c., . . . . .	814	0	0
Total, . . . . .	£15,024	0	0

4th. What progress has been made towards the completion of the line since the same date ?

Answer. This question is difficult of reply, inasmuch as the works are being carried forward in detached places over a distance of 25 miles, viz., to the Fredericton Road at the N. W. Branch of the Digdeguash River, but may be judged of as a whole from the expenditure above given. In many parts the works are in a great state of forwardness, and the locomotive running as far as Chamcook; and to these operations must also be added the surveys which have and are still being carried on north of the Howard Settlement.

5th. The means for completing the work ?

Answer. This question was fully replied to in the statement furnished to the Commissioners last year by the Board.

The Company next petitioned his Excellency the Lieutenant Governor in Council for a further issue of debentures to the extent of £7,000 sterling, which was accompanied by the affidavits of the President and Manager, stating that £4,000, being the proceeds of the Provincial debenture bonds previously issued to the Company, had been expended in the construction and carrying on of the works of the said road, and that a further sum of £7,000 sterling had been paid in, and was then ready to be expended upon the construction of the said railway since the first issue of Provincial debentures for the £4,000.

In reply to this application, the Provincial Secretary, under date 20th of December, informed the Company that his Excellency in Council did not consider the affidavits sufficient under the provisions of the Act granting facilities. The Manager was therefore required to furnish to the Executive Board, duly authenticated, such information as a detailed account of the expenditure of the £4,000 issued in July, also of the £4,000 then certified to have been expended on the road between St. Andrews and Woodstock; also the mode of paying in the £7,000, viz., by whom, to whom, when, and where, and if not paid to the Treasurer, why it was not paid to him; also, what portion of the sums were expended

in iron rails, and to what amount, where it had been shipped, and when arrived, and whether the amount returned embraced the full invoice price, or three quarters thereof only as provided to be paid over under the contract.

The following is a copy of the statement of expenditure of the Class A shareholders to 31st December, and for which receipts were given by Capt. Robinson, President, and Geo. D Street, Esq., a Director of the Company:

Sum acknowledged by Class B to have been paid to them up to 30th day of June, 1852, .....	£35,918 16 4
Sum expended since to 31st Dec., 1852, as found by public auditors, .....	12,632 4 6
Sum total received, .....	£48,551 0 10
Receipts for deposits of £2 on 4,000 shares, .....	£8,000 0 0
Do. for first call on do. ....	8,000 0 0
Receipts in advance of calls, .....	£32,551 0 10

In further reply to the former application of the President and Manager for the issue of the £7,000 debenture bonds by the Government, his Excellency in Council, on the 10th January, 1853, resolved,—

“ That in order to justify the Government in issuing debentures from time to time to the Saint Andrews and Quebec Railway Company, under the provisions of the several Acts of Assembly relating to the construction of the said railway, it must be made to appear to the satisfaction of the Government,—

“ 1st. That the money has been paid into the credit of the Company, either to the Treasurer or *bona fide* to the funds of the Company, ready to be expended on future operations upon which the Company seek to obtain an issue of debentures.”

“ 2nd. That the proceeds of the previous debentures, and the money paid in, in order to obtain the same have been *bona fide* expended in the construction of works done since the issuing of the last preceding debentures. His Excellency the Lieut. Governor is of opinion that under the Act the debentures should only issue for the construction of prospective works, and not to pay for works previously done.”

“ The proof furnished on the present application does not seem completely to fulfil the above conditions, inasmuch as it does not appear that the proceeds of the last debentures, and the subscriptions on which the same were obtained, have been expended in the construction of works actually done since the first issue of such debentures.”

“ The application for debentures is therefore postponed until further proof be supplied.”—[Extract from the Minutes. [Signed.] JOHN C. ALLEN, C. E. C.]

The Board of Directors were quite unprepared for a decision of this kind; it was therefore resolved to address his Excellency again on the subject, which the President was deputed to do, calling the attention of his Excellency to the position in which the Company would be placed in regard to the English stockholders and the contractors if they did not meet their pecuniary engagements. It was contended that the object of the Legislature in passing the Acts was to facilitate the construction of the road, which, when completed, would be a great benefit to the Province, and it was thought that the Executive would have put a fair and

liberal construction on these Acts to enable the Company to keep faith with the English stockholders, who were embarking their money in the undertaking. The contract required that payments should be made monthly to the contractors, either in the Province or in England, and payments were made in England for iron purchased by the contractors; and the shareholders deposits were paid in at irregular periods in England after the calls were made, so that it would be impossible for the Company to so regulate the payments as to comply with the construction the Executive had imposed on the Act. The sum of £7,000 had been paid in by the Class A stockholders, to be expended in the construction of the railway, and all the money previously obtained had been so expended: this was the nature of the affidavit made as required by the Act, the Board therefore considered they were entitled in point of law and justice to the debentures, and should the Government adhere to a refusal, it would be considered by the English stockholders as a violation of a guarantee, on the faith of which their capital had been advanced. This presidential message evoked the following diplomatic reply from his Excellency:

“ GOVERNMENT HOUSE, FREDERICTON, July 15th, 1853.

“ Sir,—I have to acknowledge your letter of the 13th inst., on the subject of the Minute of Council of the 11th inst. I regret very deeply the inconvenience caused to the Company by the decision conveyed in such Minute, but I cannot admit the intention of the Legislature was to facilitate the completion of the railway, therefore I should be justified in putting on the Act a construction other than that which the law advisers of the Crown think such Act will bear. With every disposition to give the words a ‘fair and liberal construction,’ it must still be one which is legal. I shall lay your letter of the 13th inst. before my Council on the first opportunity.

“ In the meantime I am desirous of knowing whether affidavit can be made, or proof given, that the expenditure now alleged as a ground for a fresh issue of debentures was wholly and entirely on account of works executed since the 13th Vic., C. 36 was passed?

“ I don’t know whether the answer to this question would affect the view taken by my Council, but I think it right to make the enquiry.

“ I must in conclusion observe I should much lament the creation of any discredit or mistrust in the good faith of the Provincial guarantee. According to my view, however, public credit is supported by great caution in incurring liabilities, and perfect readiness to meet them when incurred. Nor can I conceive that the faith of the Province could be called in question because the conditions prescribed by an Act of the Legislature as necessary to the issue of debentures were strictly observed according to the legal interpretation of such Act.

“ CAPT. ROBINSON, R. N., President, etc.

[Signed.] EDMUND HEAD.”

The Board next resolved to send a deputation of two of its members to England to confer with the London Board on the foregoing subject, and the general position of the Company’s affairs, and to negotiate with Class A or any parties in England, by the formation of a new Company, for the continuation of the railroad from Woodstock to the Canadian frontier, and to enter into any such contracts or bargains, to effect any scheme which might be adopted for such continuation, and to provide for the deficiency in the funds required to complete the first section to Woodstock. Captain Robinson and Geo. D. Street, Esq., being chosen for this service, left for England, and returned in April.

The Board again on the 8th March petitioned his Excellency in Council for an issue of debentures for £13,500, accompanying the same with a statement and account duly vouched and sworn to by the Secretary, S. H. Whitlock, Esq., showing that up to 28th February, £30,124 sterling had been expended in construction after the passing of the Act; and only £6,000 had been received from the Provincial debentures, leaving a balance of £24,124 as having been paid in by the Class A shareholders principally. The Company were therefore entitled to an issue of bonds for £18,124 sterling. But as the Government had taken exception to the sum of £4,623 sterling, shown in the statement which accompanied the affidavit of January 5th, as having been paid on account of the contract with Messrs. Myers, the Company would be willing to forego this amount, as the Council were of opinion that it had been improperly applied, and would ask for the balance of £13,500, by the postponement of which they had been greatly inconvenienced and retarded in the prosecution of the work.

The Provincial Secretary replied on the 17th March, stating that although the sum of £30,124 was alleged to have been actually expended, the Council did not clearly see how it was proved that any part of that amount was then in the hands of the Company *ready to be expended* as required by the terms of the Act, and the Board were again referred to the Minute of the 10th January.

The Directors made allusion to this vexed question in their Report read at the general meeting of shareholders held on 2nd May; wherein they mentioned that they had been prevented from urging on the works more rapidly on account of the adverse interpretation which had again been put on the Facility Act by the Government; this obstruction once removed, they expected having 25 miles of the road opened before winter. 150 laborers had arrived during the previous month, and two more ships with additional men and 600 tons of iron were daily expected. The paying qualities of the line were becoming more apparent as the works were being progressively developed; the further the interior was penetrated, the more convincing was the enormous traffic which must pass over the road. Considerable improvements were being daily made in the location of the line, by which great savings would be effected, [the "great savings," if any, were then supposed to revert to Messrs. Sykes & Co., who agreed to build for £2,300 stg. per mile,] and the quantities confined within the estimates [this was the real object]; £4,000 of debentures had been received, and £11,000 more were in course of issue; 20,000 acres of land had also been granted since the last meeting, and the Company were entitled to a further grant of 30,000 acres. The total expenditure from the commencement amounted to £68,888 16s. 10d. On the 10th May the Secretary, Mr. Whitlock, received from the Provincial Treasurer at St. John £11,000 of debenture bonds, which he immediately forwarded to the London Secretary.

In the month of June the Government appointed two Directors, as provided

for in the Facility Act, to inspect the road and the Company's accounts from time to time. The gentlemen appointed were Benjamin Wolhaupter, Esq., High Sheriff of York County, and George J. Hatheway, Esq., M. P. P. for the same County. These gentlemen made their first inspection of the works on July 7, and expressed their entire satisfaction at the progress then made. This progress was drawing the attention of some of the Canadian papers to the "St. Andrews and Quebec Railway," and was, at this time, eliciting favorable comment; in evidence of which the following extracts from the Montreal "Sun" of July the 28th are ad-duced, being copied from an article on "The advantages offered to Canada by the St. Andrews and Quebec Railway, which no other line intended to reach the sea through British territory can pretend to equal":

"When it is taken into account that Riviere du Loup is only 117 miles from the Grand Falls on the River St. John, and that the Grand Falls may be considered as the centre of the New Brunswick and American lumbering grounds, it will at once be seen that a very large share of the American custom would immediately accrue to Canada for the provisions wanted for their camps, and for the very obvious reason that the railway could deposit a barrel of flour much cheaper than can be imported by the Kennebec and Penobscot rivers. There is not the remotest probability that a line of railway will run from the coast of Maine into the interior, but should one be constructed from Riviere du Loup to the Grand Falls, and thence to St. Andrews, it is morally certain that junction lines into the upper territory of Maine would immediately be built, and for all the purposes of commerce, that portion of the State *would be annexed to Canada!* We are not one of those who would decry one line of road for the purpose of puffing up another. We think that before long the Atlantic and St. Lawrence railway will have an abundant and remunerative through traffic. It has advantages of its own which it can never be deprived of by other lines, but we must not on that account refrain from stating our conviction that for the purpose of conveying our Canadian products to the lumbering districts of Maine itself, to two-thirds of New Brunswick, and to a great part of Nova Scotia, the Portland road could not come into successful competition with the Quebec and St. Andrews, if both were in operation. The arguments in favor of the latter are too many and important to be dismissed in a few words. Meanwhile we think it our duty to urge the consideration which it presents upon our enterprising and indomitable Montreal men."

The Local and English Boards of Directors had acted together with perfect accord up to the month of September, when, through some untoward circumstances, bills amounting to £3,500 sterling, and drawn on the Local by the London Board without previously advising, were protested by the latter. The London Secretary, in adverting to this step officially to the Local Board, stated that his Directors regretted to find themselves under the necessity of dishonoring the Bills; they did not feel justified in accepting them when all the heavy payments for construction were made in England. The £11,000 debenture bonds last forwarded to England, and received on 24th May, had been expended in the following manner, viz.:

June,—To paid contractors, May estimate, (Sykes & Co.).	£697	4	10
“ Iron shipped per “Fanny Penney,”.....	968	9	6
July,—June estimate (Sykes & Co.).....	1,505	14	6
“ Iron per “Sir Charles Forbes,”.....	2,351	11	1
Contractors bill due in June,.....	4,000	0	0

£9,522 19 11

	<i>Brought forward, . . .</i>	£9,522 19 11
Notice from contractors that they have received a bill for		
work for July, and will receive official documents for..	2,325 0 0	
	£11,847 19 11	

So that the debenture bonds were being exhausted in England as fast as they were furnished; the Company had but a small amount to their credit at the Messrs. Glynn's Bank, in fact, not sufficient to meet the contractors last estimate, as above. The London Directors took the ground that the Local Board were not authorised to draw upon them beyond £1,000, and only then in case of an emergency, it having been arranged when the last deputation were in England, that the contractors estimates were all to be paid in England, relieving the Local Board from immediate heavy expenses. The Manager had asked permission of the London Board to draw for, at least, £3,000 sterling, stating that he would prevent his Board from drawing any Bills until he heard from England, and get permission; unfortunately, however, the President undertook, and the Board consented, to draw without leave or advising, and consequently the London Board protested, thinking it prudential not to incur further liabilities until the large demands of iron, estimates, &c., were satisfied. They were also of opinion that all the English capital, and the money received from the Provincial Governments in bonds, should be exclusively appropriated to the contractors, and expenses in England; and that the contingent expenses in the Province should be provided for and paid by the calls on the Class B shareholders, and which they had agreed to.

On the other hand, the Local Board viewed the matter in quite a different light, and discussed it fully at a meeting held on the 6th September, and were of opinion that the Bills amounting to £3,500 sterling, which had been drawn by the President and Manager of the Company to provide for necessary expenses in carrying on the railway, had been refused acceptance under pretence that the London Board had no funds, whereby most serious consequences would result, and an expense of fully £500 be incurred in paying damages on those Bills, and according to the statements of the London Secretary that a sum of £6,260 had been paid in by Class A shareholders in addition to the debentures, out of which the Bills could have been paid, or at least accepted, until the amount was procured on the advance of calls, and thereby save the credit of the Company and all contingent expenses. Therefore it was resolved that in the opinion of the Board, the Class A Directors had acted in violation of good faith, and in a prejudicial manner to the interests of the Company, as to lead to the conclusion *that all further connection with them should as soon as possible be put an end to.* That no further Government debentures be forwarded to England, but be disposed of in the Province to meet the existing liabilities, and that an immediate call be made on Class A under the deed of arrangement.

The Secretary informed the Board that a number of small bills, amounting to

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£296, had to be met, but that £250 would answer sufficiently just then. Whereupon the amount was raised on the personal security of the Directors, and a joint note for that amount was drawn up and signed. There were seven present, including one of the Government Directors.

A copy of the above resolution was forwarded to the London Secretary, who in reply, under date 7th October, notified the Manager of the Local Board, as follows:

"My Directors have thought the resolution of your Board of the 6th ult. of such vital importance, that they have (at an adjourned meeting held on Wednesday last to take that resolution again into consideration) decided that I should proceed at once to St. Andrews instead of entering into a correspondence respecting it. I sincerely trust my visit may be the means of bringing the two Boards to a better understanding, for as they at present stand it is morally impossible that they can work harmoniously. I shall sail in the "Niagara" on the 15th inst.

[Signed.]

J. W. BYRNE, Secretary.

Mr. Byrne having arrived, was introduced by Mr. Thompson to the Directors at a meeting held on the 1st November, and presented the resolution of the London Board directing him to proceed to St. Andrews, and place himself in communication with the Directors, and to protest against their resolution not to transmit any more debentures to his Board of Directors, and to adjust all other matters in dispute between the two Boards. The President and Government not being present at this meeting, the Board adjourned until the 4th, when they again met in full attendance. Mr. Byrne read a resolution of his Directors in reply to that passed by the Local Board on September 6th, which entered fully into the reason why they were obliged to protest the Bills drawn by the President and Manager for £3,500 sterling; and exhibited a statement of accounts, showing they had no other alternative; and expressed their opinion strongly on the action taken by the Local Board. He likewise protested against their resolution not to transmit the minutes of their meetings to his Board of Directors, which they would consider a violation of the deed of arrangement between the two Boards. The Local Board again adjourned to the following day to consider matters in the interim. At the meeting on the 5th, Mr. Byrne proposed that four Bills, for £1,000 each, should be drawn at three, six, eight, and ten months' sight, to meet those forwarded to the Class A Board. He had not been authorized by his Directors to make this proposal, but under the circumstances in which both Boards were placed, he felt it was the only plan that could be pursued to prevent the undertaking from being completely broken up, and he was therefore willing to take the responsibility of the step, feeling assured that his Directors would confirm his acts. The Board having to consult with the Banks relative to accepting such arrangement, adjourned until the 8th. In the meantime Mr. Byrne and Mr. Thompson had conferred with the St. Stephen Bank Directors, and were enabled to report to the meeting on the 8th, that the Bank Directors were willing to comply with the proposal. The Charlotte County Bank Directors also acceded to the arrangement.

The chief source of the unfortunate difference between the Boards having been thus amicably disposed of, the Local Board, by resolution, retracted their former resolution of withholding the debentures, and assured Mr. Byrne that they had been actuated under a full belief that the London Board had sufficient funds when the Bills were sent back. Bills for £4,000 were forthwith drawn, and all minor differences were similarly settled. The Local Board being now made fully sensible of the critical position of the Class A Company, as well as their own, and that the former were being seriously involved in the undertaking, to the threatening ruin of both; and it being made apparent that the deficiency which existed in the capital of the Company to finish the road to Woodstock could not be provided for in the Province, or met by their Company, the Board resolved to authorize the Class A Company to obtain by Legislative enactment such increase to their powers as would be necessary for them to complete the entire road to Woodstock, under their sole charge and control, and would surrender all rights, titles, powers and privileges to the Class A shareholders, to ratify which a special meeting of the Class B shareholders would be called, when a requisition to that effect should be received from the London Board, who were required to give satisfactory assurance of their being able to complete the road.

It would appear that the English Company were not only able to complete the line to Woodstock, but were willing also to construct the continuation to the Canadian frontier, as Mr. Byrne, when at Fredericton, on the 24th November, addressed a letter to his Excellency the Lieut. Governor, containing a proposal he had been authorized to submit by some of the leading firms and capitalists of London, who were prepared with, and would be willing to advance, the necessary capital for the construction and completion of a line of railway from Woodstock to the Canadian frontier. From calculations based on former surveys, and cost of railroads in the United States, it was considered that the road could be built for £6,000 sterling per mile, and the distance being about 120 miles, the required capital would be £720,000. It was proposed that the St. Andrews and Quebec Company should cede all the rights, titles, &c. beyond Woodstock to a new Company, to which the Province should grant the same privileges and facilities as were accorded to the European and North American Railway Company, then building a road between St. John and Shediac. Should this proposition meet with the sanction of the Government, Mr. Byrne would be prepared upon his return to England to make the necessary subscription lists, which would be laid before his Excellency in sufficient time to enable the Bills to be drawn up for the next Legislature, so that no time should be lost in commencing operations, and carrying on both sections of the road at the same time, and thereby ensure a through opening at an early period. Now it is very certain that had this proposal been then entertained by the Government, and had Mr. Byrne succeeded in the formation of the company of capitalists who deputed him to make such a proposal, this road

would have been built to Quebec, and would now be the Inter-colonial Railway of the day, for surely the New Dominion Government would hardly contemplate building a competitive "military" road; however, it did not so turn out, and the question of route still remains uncertain and undecided.

The reply to Mr. Byrne's proposal is here copied :

SECRETARY'S OFFICE, FREDERICTON, Dec. 13th, 1853.

SIR,—I have laid before the Lieut. Governor in Council your letter of the 24th November last, suggesting a scheme for constructing a railroad between Woodstock and Quebec, and I am instructed by his Excellency to acquaint you that as the proposition involves a heavy expenditure by the Government in addition to existing obligations, it cannot at present be favorably entertained.

J. W. BYRNE, Esq.

[Signed.]

J. R. PARTELOW.

Previous to the receipt of the above, the Company were put in possession of the following satisfactory information :

FREDERICTON, Dec. 2nd, 1853.

SIR,—I am directed by his Excellency the Lieut. Governor in Council to inform you that the application of the St. Andrews and Quebec Railway Company for a further issue of Provincial debentures, to the amount of seven thousand pounds sterling, having been this day submitted to the Council, it was ordered that said debentures do forthwith issue.

JULIUS THOMPSON, Esq., Manager.

[Signed.]

JOHN C. ALLEN, C. E. C.

The following statement shows the balance sheet to Dec. 31st, 1853 :

London Board,.....	£71,736	4	4	Contingent and preliminary,	£4,693	19	5
Charlotte County Bank,....	1,489	6	10	Construction,.....	31,813	10	4
St. Stephen Bank,.....	1,862	12	11	Jas. Sykes & Co., 70 m. crt.	35,584	2	5
Capt. Robinson and others,.	250	0	0	Do. 10 m. do.	9,883	2	3
J. C. Bennett,.....	5	5	0	All other expenses,.....	27,889	7	10
Alex. L. Light,.....	200	0	0	Due by Class B shareholders,	17,829	6	10
2,086 shares, £25 each,.....	52,150	0	0				
	£80,237	6	10		£127,693	9	1

Towards a total expenditure of £109,863 14s. 3d. by the Company to this date, the Class B stockholders had only subscribed the sum of £5,520 13 2

And, irrespective of engineering, the "office expenses and salaries" were . . . . . 2,867 6 0

The breeze between the two Boards had scarcely subsided into a calm, when signs of a threatening squall arose between the Local Board and the Contractors. On the 11th May, 1854, the Secretary, under instructions from the President, notified each Director of a special meeting of the Board to be held on the 18th inst., "for the purpose of determining on the propriety of making an entry under the contract."

On this same day a Board meeting had been held in London, at which the following resolution was passed :

"The London Board having observed with surprise the small amount of the March estimate, (£242 4s. 9d.), it was moved by Mr. Sharpe, seconded by Mr. Maudsley, and carried, that the Board at St. Andrews be requested to urge the Contractors to use greater expedition in the prosecution of the works.

[Signed.]

J. W. BYRNE, Secretary."

The following day the London Secretary wrote to the Manager, enclosing the above resolution, and asked :

“ What about the land? the shareholders are becoming clamorous about it. The Directors expressed no opinion on your proposal to *stop at forty miles*. They appear rather inclined to make “ an effort to carry it to Woodstock, *but how*, I am not in a posit’ on yet to say.”

On the 26th May, the London Secretary again urged upon getting the land :

“ I am to beg you will draw the attention of your Directors to the paramount importance of insisting for our rights. We must now raise money somewhere, and that I take it, must be from “ the land, or our shareholders, but how can we attempt to get it from either without having possession of the land? Formerly, perhaps, it was more a matter of convenience that we should “ have the Deeds of Grants, now it has become of *vital importance to the existence of the undertaking.*”

We will now turn back to the Board meeting of the 18th May. Mr. Wolhaupter, the Government Director, had protested, by telegraph, against its being then held, on account of his inability to attend: the business was, however, proceeded with.

The Board having gone into the consideration of the proposition to make an entry under the contract, the contractors not having complied with the Chief Engineer’s notice to them on the 3rd May, to place 1,000 men and 250 horses upon the work within fourteen days from the date thereof, resolved, that an entry be immediately made by the Company under the 12th clause of the Contract, and that the works be proceeded with by the Company with as much despatch as possible. The contractors, at this period, had been advanced by the London Board the sum of £8,000, against which all subsequent estimates were to be placed, until the amount advanced was worked out, consequently this entry was afterwards considered as somewhat premature. Messrs. Sykes & Co. on the 25th May protested against this entry.

At a meeting of the Directors on the 16th June, the Secretary produced letters from Captain Robinson, G. D. Street, Harris H. Hatch, and Wm. Whitlock, Esqrs., Directors, tendering their resignations, also a letter from Julius Thompson, Esq., notifying his intention to resign his position as Manager at the end of the year—all of which were accepted by the new Board of Directors elected at the general meeting of the stockholders. The Hon. Harris Hatch was elected President for the ensuing year. A new Board being thus organized, as a matter of course the acts of the former Board were highly censured, and represented as condemnatory in a lengthy letter addressed to Earl Fitzwilliam, Chairman of the London Board. At a subsequent Board meeting, held on the 26th June, the services of Mr. Thompson, as Manager, were dispensed with. A later English mail, however, having brought letters from the London Board, addressed to Mr. Thompson, as Manager of the Company, he refused to give up possession of them to the Secretary, whereupon the Board had to apply to the London Secretary for duplicate copies of the correspondence.

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The London Board were informed by the Local Secretary's letter of the 15th July, that the new Board of Directors were then doing all they could to arrange an amicable settlement with the contractors, who had been permitted a re-entry on the line, in order that the work might progress more speedily, and there was every reason to believe that such a desirable object would shortly be accomplished.

The Local Board having made application in August for a further issue of debentures, the Government took objection to the statement of accounts on the same ground as formerly, but his Excellency in Council being fully sensible of the importance of the work, and the responsibility attaching to the issue of debentures, appointed the Hons. Messrs. Chandler, Hazen and Partelow as a Committee of Council to visit St. Andrews, and investigate the Company's accounts and general operations, and make such inquiries as they should deem necessary. These gentlemen met the Board of Directors on September 7th, and proceeded with their examinations, at the close of which they informed the Directors that their Report would be immediately forwarded to the Council. It appeared that the hon. Committee, during their investigation, animadverted severely upon the Local Board having no detailed account of the expenditure of the London Board, and expressed their dissatisfaction of an advance of money having been made by that Board to Messrs. Sykes & Co. in England, without the knowledge and consent of the Local Board, and declining to consider the amount so advanced as a proper expenditure, the Council had refused the issue of debentures.

The Local Board and the Contractors did not, after all, get along very amicably; the latter demanded an arbitration on disputed claims on both contracts, which on a payment of £1,500 to their laborers and other workmen, was to be waived, but which, after a payment had been made, was attempted to be renewed; the Board then served a notice upon the Contractors preparatory to making an entry under the contract.

The Directors afterwards concluded to run the road, so far opened, for traffic, and appointed a committee to confer with the Contractors with respect to running the road, as they still held possession of the locomotive and cars given to them for their use in the construction of the first 26 miles. The Directors also resolved that the affairs of the Company were in such a precarious state as to call for immediate conference with the Government, and wrote to request that Board to send out a delegate to St. Andrews, with full powers to confer with the Government and the Board. They next authorized the Chief Engineer to serve a notice upon the Contractors to place a sufficient force of men and horses upon the line within the term stipulated by the contract, and the Contractors having refused to comply therewith, the Chief Engineer made an entry and took possession of the works in the name of the Company. The Board then issued the following, by hand bills, signed by the President and Secretary:

" Public notice is hereby given that the Saint Andrews and Quebec Railroad Company have

taken possession of the line of railway under contract between the Company and Contractors, under the entry provided for in the said contract, and that the Company will prosecute all parties intermeddling with or trespassing on the said line."

After taking possession of the line, the next question was how to proceed with the work, and furnish the means for so doing. In a letter addressed to the London Secretary, recapitulating what had been done between the 13th September and 17th October, the Directors make the following proposal in view of the great prospects of a large traffic. The Secretary wrote thus:

"In concluding this letter my Directors cannot but express their full assurance that were the works completed 30 miles, the Company would realize a large amount of traffic, and their lands contiguous to it be greatly enhanced in value; they therefore press upon your Directors the necessity of co-operating with them in effecting this most desirable purpose by an advance of the £5,750 recommended in the Engineer's Report, the Board here pledging itself to remit the amount out of the first debentures obtained from the Government."

The Board next entered into a contract with Mr. Nathan Stuart for finishing the road-bed and laying the track between the twenty-fifth mile at the Fredericton Road Crossing, and the twenty-ninth mile at Lawrence's Station; then issued a writ of replevin in name of the Company against Messrs. Sykes & Co. to take possession of the locomotive and tender, platform-car, dump-car, and a small 'lorrey'-car previously transferred to them for their use.

In accordance with a previous resolution of the Local Board requiring the London Board to send out a delegate to the Province to investigate and arrange the Company's affairs, Mr. Byrne, the Secretary, was again instructed to proceed to St. Andrews, and having arrived, presented himself at the meeting of the Board held on 12th December. He submitted the resolution of his Board authorizing him to confer with the Provincial Government and the Colonial Board, and negotiate all matters appertaining to the Company. He suggested the appointment of a Committee to audit the accounts, and protested against the Board transferring the debentures to the Government in exchange for cash payments; the Board having already received £6,000 sterling from the Government in lieu of debentures, and for which a stock certificate was given; £2,900 of this amount had been paid by Mr. Wolhaupter, Government Director, to the Contractors' laborers.

Various Board meetings were held up to January 10th, 1855. At this date Mr. Byrne made a proposal in writing on behalf of Class A shareholders to accept the resolution passed by the Board on the 6th December, 1853, and at once take the whole charge and control of the road to Woodstock in their own hands, and to allow the Class B shareholders a limited time to pay up the full amount of their stock, and continue as shareholders in the new Company.

On motion of Geo. L. Hatheway, seconded by Mr. F. H. Todd, (of Saint Stephen),—

"Resolved, That the proposition of Mr. Byrne, submitted this day, be not entertained."

A week elapsed before another meeting was held, and on the 17th January Mr. Byrne, who had been in communication with the Government, informed the Board, that although the arrangements he had so far made with the Government were rather of a confidential nature, he had no hesitation in stating that the Government would give its support to the Class A shareholders in carrying on the works to completion, and that a special meeting of the Class B shareholders should be called to sanction the measure.

The Board were, however, of opinion that Mr. Byrne was exceeding his instructions in taking such steps, and he was requested to retire; whereupon the Board came to the conclusion not to move in the matter until they consulted with the Government, for which purpose Messrs. Henry Frye and J. G. Stevens (of St. Stephen) were appointed a Committee to wait upon his Excellency in Council.

It was also resolved at this meeting, that the Directors be allowed one pound sterling for each and every attendance, and the Directors from St. Stephen, in addition thereto, be allowed one pound sterling for travelling expenses.

A retrospective glance may here be taken at what Mr. Byrne had done during his sojourn in the matter of his negotiation with the Government.

On the 16th December, 1854, he addressed a letter to the Hon. S. L. Tilley, Provincial Secretary, stating through what means, and for what reason he had come to the Province; that he had then been a fortnight at St. Andrews without being able to get more than one preliminary meeting of the Directors, at which nothing had been done, but the appointment, at his suggestion, of a Committee to audit the accounts; but which Committee he could not get together; that the invitation for a delegate from England seemed to be premature, as the Board had really nothing to propose towards the further prosecution of the works; that it was manifest the English shareholders had been led into error as to the amount of capital requisite for building the road to Woodstock, and that the Local Board were quite unable to assist in carrying out the project; that the English Company possessed the full confidence of the English public, having Earl Fitzwilliam and Lord Ashburton among the Directors; so that any arrangement effected between the Provincial Government and the London Board would be strictly adhered to; and being empowered to negotiate with the Government he would gladly wait upon the Executive and devise the means of completing the road.

Again on the 28th December, he addressed a second letter to the Provincial Secretary, and by request, or permission of the Council, gave a statement of the position of the affairs of the Company, to be submitted at the next meeting on the 4th proxo, from which, he said, it was quite evident that nearly the whole of the existing capital of the Company had been expended, and no portion of the road had been opened for traffic, nor had it even been completed far enough into the interior to become available for any traffic. He had found on his arrival at St. Andrews that the Company had made an entry on the line, and the Messrs. Sykes'

contract thereby suspended, while the Company were not prepared with money or materials to carry on the work themselves. The safety of the capital invested by the English Company and the Government demanded that some scheme should be immediately devised for the vigorous completion of the work. The proposal previously made to the Local Board was here inserted in detail.—Further stock in the Company, to the amount of £80,000, to be at once subscribed for in England, and paid up as fast as necessary for the rapid completion of the section to Woodstock; said stock to be guaranteed by the Province, an annual interest of six per cent. for 25 years in the same manner as the then existing guarantee; the remainder of the debentures to be placed at the disposal of the Class A Directors, and the lands to be granted to which they were then entitled, and further grants, from time to time, according to the expenditure upon the work. The line to be completed to Woodstock by the year 1860, and if not then constructed, to become the property of the Government, without any accountability to the shareholders. The foregoing is the substance of Mr. Byrne's proposal to the Government.

The Local Board having by a resolution, previously mentioned, shown no disposition to confirm Mr. Byrne's negotiations or proposals to the Government, and having refused to give him copies of the Board Minutes, he left for England on the 30th January, on which day, before he took his departure, he addressed a letter, publicly, to the Class B. Stockholders, informing them of what he had done, and by what authority, during his visit as Secretary to, and delegate from, the Class A shareholders. The concluding paragraph of his letter is here quoted:

"One or two recent acts of your Board, I have been compelled to protest against, as fraught with injury to the interests of the Company, and passed without the sanction of the Class A Directors, as required by the Decree of Arrangement existing between the two Boards. One is a pledge given to construct a branch line to St. Stephen before the main line to Woodstock is completed, and the other the transfer of the road in its present state, with the locomotive and other property thereon, belonging to the Company, to Mr. John Wilson, as an individual, to operate for his own benefit, for an indefinite period, which may materially interfere with the future operations of the Company. Should the stockholders at the special meeting to be held adopt the plan which I have consented to on behalf of Class A, and the Legislature at their request, pass the necessary amendments and alterations in the Acts of Incorporation, I have no hesitation in assuring you that sufficient capital will be at once raised to proceed vigorously with the completion of the line to Woodstock; and that with regard to the present holders of the Class B stock, such equitable arrangements will be made by Class A, either by re-payment of the amount paid in, or allowing stock to that amount to be still held in the Company, as will satisfy all parties."

A special general meeting of the stockholders was held pursuant to notice at the Town Hall, St. Andrews, on Friday, 8th March, Jas. H. Whitlock, Esq., in the Chair. The object of this special meeting was to consider the expediency of transferring to the Class A shareholders the rights, privileges, &c., vested in the Corporation, to enable them to complete the railroad from St. Andrews to Woodstock. The following gentlemen were then elected Directors to fill the vacancies caused by those removed, viz.: Capt. J. J. Robinson, Geo. D. Street, Wm. Whitlock, J. W. Street, H. H. Hatch, and Geo. J. Thompson, Esqrs.



Out of 49 stockholders present, there were 41 voted in favor of, and 8 against the transfer to Class A. The total number of votes thrown, including proxies, was, for the motion, 1,191; against, 140.

At a meeting of the third and last Board, held 10th March, Captain J. J. Robinson was elected President for the ensuing year, and it was immediately resolved that Julius Thompson be requested to resume his former office and duties as Manager, his services having been improperly dispensed with; the Secretary to communicate the same. Also, that the services of Geo. D. Street, as Solicitor, be resumed.

Also, that the former Resolutions passed on the 2nd and 10th January, authorizing Mr. Jno. Wilson to have possession and use of the Locomotive and Cars, be rescinded as directed by the Stockholders at the Special Meeting; the Company to resume possession of all such property Mr. Wilson had thus obtained.

Also, that the seal of the Company be affixed to the petition to the Legislature for an Act authorizing the transfer to Class A, as by resolution passed at Special Meeting. The Bill for the transfer was, however, rejected afterwards by the House of Assembly.

Mr. Nathan Smart had continued at work under his contract up to 31st March, at which date, according to the Chief Engineer's estimate and certificate, the Company owed him the sum of £1,119 3s.

It will be remembered that the last issue of Debentures, for £6,000, had not been forwarded to England by the former Board, but had been appropriated in the Province, against which procedure the London Secretary had protested when at St. Andrews. The third Board of Directors had now made application to the Government for a further issue of £7,000 Debentures, and afterwards instructed their Secretary to notify the London Directors, through their Secretary, as follows, May 5th:

"I am directed by the Board to communicate to you that in the present situation of the Company it will be impossible to send the whole to your Board unless you can manage, in the mean time, to advance us some money on account of them, to meet our pressing liabilities on this side the water. We will require at least £3,000 to pay what must be met here, and I hope, therefore, if no arrangements have been made before this reaches you, to raise funds in England to carry on the works, you will at once write me authorizing a Bill to be drawn for that sum on which we can get the money here, and remit you all the Debentures we get issued. In order to secure our getting the money on the Bills here, you must send me Glyn's consent to accept the Bills, as you know, otherwise, from what has taken place before, they will not be discounted here."

The local Secretary next refers to a Bill drawn by Mr. Thompson upon the London Board for the arrears of salary due to him, having been protested when it was well known the local Board had no funds, and after all that had been done by them to carry out the views of the English Company, several of the Directors were consequently inclined to leave the Board and throw the whole affair up again,

and allow the London Board to fight their own battle; the Secretary in conclusion adds:

“ It has certainly made them more determined that *you shall not get the Debentures* unless they “ get money enough to pay off liabilities which they feel bound to see liquidated.”

The amount required, £3,000, could not have been incurred during the short term the third Board had, up to then, held office; they were liabilities inherited by their assumption of power on taking office, and as they had rescinded several resolutions of the past Board, their great anxiety about the liabilities of that Board was very commendable, although the threat conveyed to the London Board to extract the means of liquidation, cannot be so considered: moreover, it evidently showed symptoms of the old inimical feelings between the two Boards, which was, apparently, a part also of the inheritance.

The London Board had a balance on hand 30th June, 1855, of only ..£879 2 10

Amount Compaunys liabilities, as by statement furnished to Provincial	
Secretary, 16th July, 1855,.....	Stg. £2,048 0 0

The sum asked of the London Board was therefore £1,000 in excess of the above.

Operations upon the road, in the shape of contract work, were now entirely suspended, with but little prospect of being resumed at an early day; the running of the road for traffic had also been abandoned. No Debentures had been issued to the Company until the 3rd of September, when Secretary Whitlock received only £2,000 from the Government at Fredericton, and negotiated them with the Commercial Bank at St. John, to be forwarded to England.

The Board held a meeting on the 5th, and resolved that, on account of the uncertainty of future operations being resumed, it was inexpedient to continue the services of their officers: the Chief Engineer, his assistant, and the Manager were accordingly notified in writing that their services would necessarily be dispensed with. During the month of September a deputation arrived out from the London Board composed of Mr. Ben. Sharpe, and Mr. Radcliffe, the Company's Solicitor, who were sent out to confer with the Government and the Board, yet, strange to say, returned to England without having had an official interview with one or the other.

The next General Meeting of Stockholders was held on May 6th, 1856, at which a vote of thanks was passed to James Boyd, Esq., M. P. P. for Charlotte County, for his able exertions during the previous Session of the Legislature, in obtaining the passing of the several Acts for the transfer and extension of time, &c.

After the election of Directors it was resolved to authorize a transfer of the Corporate powers, privileges and facilities of the Company to the Class A Company, or to a Company in accordance with a scheme agreed to by the Class A

Board of Directors, and the Directors of Class B, and as the transfer Bill provided for the appointment of one or more Directors to enter into and execute an agreement for such transfer under the Seal of the Company. The President and two of the Directors were appointed for that purpose.

At the meeting of the Directors on 15th May, a letter was read from the London Secretary, informing the Board that a new Company had been organized in England for the completion of the Railway to Woodstock, and that several influential gentlemen had joined the new Board. This intelligence was then received, as it might well be, with much gratification; and, as the Act for extending the time for construction and completion contained a clause providing that £8,000 should be spent within the year, it was of great importance that no time should be lost in commencing the work, and the London Board was now assured of the cordial assistance and co-operation of the Local Board in carrying out the measures necessary for the completion of the transfer of all powers, privileges and facilities to them. It was suggested to the London Board to delegate some person or persons to proceed to the Colony and arrange all preliminaries, and Mr. Byrne, the Secretary, was mentioned as one most fit for this important service, on account of the knowledge he already possessed from his former visits. In accordance, therefore, with the expressed wishes of the Local Board the London Directors deputed J. W. Byrne and Josiah Bates, Esqrs., the latter of the new Company, to proceed to St. Andrews. These gentlemen presented themselves at a Board Meeting, held on the 18th of October, as a deputation from the "New Brunswick and Canada Railway and Land Company," (Limited), and the Class A Shareholders of the "St. Andrews and Quebec Railway Company." Mr. Byrne read the minutes of the latter Company, dated 28th September. He then submitted the Deed of Transfer between the three Companies as executed by Class A Shareholders and the new Company in England; but as no reference had been made therein to the Class B Stockholders, independent of the Provincial Government Stock, nor any provision made regarding such Stock in the Articles of Association of the transferee Company, it was there and then mutually understood and agreed between the Local Board of Directors and Josiah Bates, as the Agent and Delegate, and J. W. Byrne, the Secretary of the transferee Company, that stock should be allotted to Class B in exchange for that then held by them, provided application be made by the same within two months after notice in the Provincial "Royal Gazette." It was then resolved that the agreement for transfer, as submitted, be approved and accepted by the Board in accordance with the resolutions passed at the General Meeting held on 6th of May. The Seal of the Company was accordingly affixed thereto. The Deputation further explained to the Board, that with regard to the original grant of 10,000 acres transferred by the Class B to the Class A Shareholders, in order to raise funds thereon, and prevent a suspension of the work, it had been proposed by the Class B to transfer 20,000 acres to

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Class A in consideration of an advance by the latter of £10,000, which amount had been subscribed by Mr. Benj. Sharpe and six others: the new Company had allowed these bonus holders to retain the 10,000 acres previously transferred, they, with the exception of Mr. Sharpe, having surrendered all claim to the second 10,000 acres.

In the opinion of the Board the terms proposed by the new Company, and accepted by the St. Andrews and Quebec Company, were fair and equitable to both classes of Shareholders in the latter Company, and especially towards Class A whose losses would have been irreparably the greatest had the old Company been broken up and dissolved.

From the minutes of this, the last meeting of a Board of Directors in the Province, the following information is further obtained:—

That the Deputation from England in September, 1855, comprised of Messrs. Sharpe and Radcliffe, had the effect of damaging the interest of the Company with the Provincial Government: that the correspondence then conducted by Mr. Sharpe with the Provincial Secretary was injudicious and improper and had an injurious effect: that the Board entirely disapproved of Mr. Sharpe's proceedings: that the deputation ignored the existence of a Board, and acted on their own responsibility, which resulted, as could only be expected, in a complete failure: that Messrs. Sharpe and Radcliffe had spent but two days at St. Andrews, and nine days at Fredericton, and having made no investigation into the affairs of the Company were consequently unable, on their return to England, to submit any other than the meagre and worthless Report that had been inflicted upon Earl Fitzwilliam.

Messrs Byrne and Bates next proceeded to Fredericton where they had several interviews with His Excellency in Council, and completed the object of their mission most agreeably and satisfactorily.

During their visit to Fredericton, and after their business had been concluded with the Executive Council, Mr. Julius Thompson was appointed by them as Manager to the new Company, and the writer,—who was then engaged protem, as Engineer to the Board of Works Department,—was also appointed by them as Chief Engineer to the said Company; both appointments to be subject to the confirmation of the Directors of the new Company after Messrs. Byrne and Bates returned to England: they took their departure on the 10th November.—The appointments of Manager and Chief Engineer were subsequently confirmed by the Board of Directors at London, and instructions were received to proceed with the works at once.

The repairs on the first 25 miles formed the first Contract, and was let to Mr. Geo. Wrigley. It comprised such work as excavations in cleaning out cuttings, with side drains, widening embankments, additional culverts, taking up rails

and the continuous hemlock sills, and re-laying rails and cross sleepers of cedar and haematac; putting down sidings and additional track in Depot yard, together with some ballasting: portions of the trestle bridging of hemlock were also repaired. Amount paid, £3,261 11s. 2d. To provide for the re-laying of the worst portions of the track, various contracts were made during the first winter sufficient supply of sleepers, in all about 43,000, at an expenditure of £ . . . . . The finishing up of the broken work, between the 25th and 32nd miles, was done in two contracts, the first section to Messrs. Hinton and Meggett, which cost £1,475 2s 11d., and the second section to Mr. Thos. Wibberley, which amounted to £1,942 13s. 2d. The ballasting and track laying on these sections as far as Lawrence's, as also the ballasting of the upper portion of the first 25 mile section, was let by contract to Mr. S. H. Whitlock, and this work amounted to £1,689 18s. 11d.

On the 8th day of December a contract was entered into with Mr. George S. Marsh, of Calais, State of Maine, for the grading of the road bed and track laying from the commencement of the 32nd mile to the end of the 39th mile, and then known as his 8 mile contract, in execution of which he received a total measurement and certified estimate for the sum of £10,602 9s. 0d.; the value of cross sleepers required to lay from the 25th mile to the end of this contract was estimated at £2,110 0s. 0d. The ballasting of this 8 mile Section was subsequently let to Mr. Nathan Smart, who had the use of the Company's Rolling Stock to do the same, and which amounted to £2,396. The opening of the first 34 miles of the Road to Barber Dam Station took place October 1st, 1857, on which occasion there was a general holiday excursion. The train left St. Andrews Station at 9.45 A. M., consisting of two Engines, two break vans, one Passenger Car, and twenty-two short platform cars fitted up to accommodate 34 persons each. The number of passengers was upwards of 600. An excellent run up was made in two hours, including two stoppages, one for wood and water, and the other at the Fredericton Road Station (25th mile) to take up the Provincial Secretary and Surveyor General. During this period a Contract was completed for the extension of the line from the terminus proper at St. Andrews along the eastern shore of the inner harbour to the Market Wharf, comprising embankments, block-bridging and superstructure, by Mr. William Craig, of Chamecook. The clearing of the line on the 21 mile Section, terminating at Deer-lake Station, together with the grading and track laying of the first 11 miles of this Section, ending at Cranberry Brook, (50th mile), was let by Contract to Geo. S. Marsh, aforesaid, who was paid, on final measurement and certificate, the sum of £16,327 8s. 5d. The second section of 40 miles on the 21 mile Section, as also the succeeding five miles to Canterbury, was contracted for by Messrs. Mee and Williams. The amount expended on these two Contracts, embracing 15 miles, exclusive of the track laying and ballasting, was £36,257 16s. 10d. In addition to the grading, the amount expended on sleepers, track laying and ballasting on the whole 26 miles, terminating at

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Canterbury Station, was £8,220 4s. 6d. The laying of the track and ballasting from Cranberry brook to Canterbury, 15 miles, was let by contract to Messrs. Duncan and William McDonald, of Upper Canada, to whom also was let the grading of the road bed from Canterbury to Eel River Station, 10 miles. The line was opened, through to Canterbury, 65 miles, for traffic in December, 1858.

Mr. Henry Osburn, who succeeded Mr. Julius Thompson as Manager, next concluded a contract with Messrs. Walker and Johnston for the completion of the road to the Richmond terminus, on the high road between Woodstock and Houlton, which was opened for traffic during the month of July, 1862. The articles of this contract provided that the Company were to pay the Contractors in first Mortgage bonds at 20 per cent. discount and bearing 6 per cent. interest for all description of work mentioned in the Specification and Schedule of prices thereto attached, with an addition of ten per cent. to said Schedule of prices, in finishing the broken work on McDonald's Contract from Canterbury to Eel River, 10 miles, and payment to be made in cash for all additions and alterations causing additional cost from the plans and specification.

The Contractors having experienced great difficulty in floating all the Bonds, except at too much sacrifice, were compelled to suspend operations, but succeeded in getting the rails laid to the terminus, by the introduction of temporary bridging in lieu of embankment. At the time of opening, therefore, the construction of the line was incomplete.

In consequence of the inability of the Company in England to meet the amount of interest on the Mortgage bonds, the Manager, Mr. Osburn, was also appointed Receiver in 1863, on the part of the Bond holders, and the line has since been worked for their benefit; but as the Company then owned so small a quantity of rolling stock, and the line being left unfinished under the last contract, it became necessary to expend from year to year, in addition to the cost of maintenance, large sums out of the earnings in completing the earthworks, masonry and ballasting, and for increasing the rolling stock and machinery, for repairs to Locomotives, &c., the balance of excess being furnished by the bond holders. Since the opening of the main line, two branch lines have been opened and are now run over—one from Saint Stephen, 19 miles in length, opened January, 1866, the other from Woodstock, 11 miles, opened in September, 1868. These branches were built by provincial Companies facilitated by the Local Government Subsidy Act, passed 11th April, 1864, which granted a bonus of \$10,000 per mile in aid of the construction of proposed railways therein mentioned. With reference to the construction of the Intercolonial railway by a Company, the 6th clause of said Act provides as follows:

"6. In case the Act of Assembly, made and passed in the twenty-sixth year of Her Majesty's reign, entitled '*An Act to authorize a Loan and for the construction and management of an Intercolonial Railway*,' should become inoperative, then if any Company or Body Corporate now or hereafter to be organized, possessing sufficient capital, shall offer to construct a Line of Intercola-

and Railway to connect this Province with Canada, and shall give such guarantee or assurance of their ability as the Governor in Council may deem necessary, the Governor in Council is hereby authorized and empowered to enter into an agreement with such Company or Body Corporate for the construction of such Line upon the following terms, viz: That upon the completion of such line of railway, in efficient operation for the accommodation of passengers and transportation of merchandise, the Governor in Council shall each and every year thereafter in which the said line of railway shall be efficiently worked, pay to the said Company or Body Corporate a sum which, together with the net earnings of the said railway, shall be equal to the interest of Six per cent. upon the actual cost of said line so agreed to be built, such sum not to exceed in any one year the sum of twenty thousand pounds currency."

The annexed tabulated statement shews the progressive earnings of the St. Andrews line to Richmond augmented by the St. Stephen and Woodstock branches:

YEAR.	PASSENGERS.	FREIGHT UP.	FREIGHT DOWN.	RECEIPTS PASSENGERS AND MAILS.	RECEIPTS FREIGHT.	TOTAL RECEIPTS.	EXPENDITURE.
	NO.	TONS.	TONS.				
1862	..	..	..	\$ 6,673 03	\$ 11,768 53	\$ 21,441 56	..
1863	..	..	..	6,981 32	33,230 98	40,212 30	..
1864	6,431	3,911.19	27,179.51	6,968 24	40,017 00	46,985 24	57,567 27
1865	8,038	4,221.57	37,346.45	7,804 73	45,433 84	53,238 57	50,184 84
1866	8,243	6,461.43	46,112.02	9,035 18	56,287 35	65,322 53	71,593 41
1867	15,550	6,520.58	49,686.16	13,392 29	66,389 07	79,781 35	73,172 50
1868	16,501	..	..	16,677 23	86,671 09	103,348 32	..

The proportion per mile of receipts for freight in 1867.....\$615 00  
 On E. & N. A. Railway, Do. Do. .... 776 00

For half year ending June 30th, 1868, per mile.....\$364 00  
 E. & N. A. Railway, Do. Do. .... 404 00

*Saint Andrews N. B., December 31st 1868.*

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