

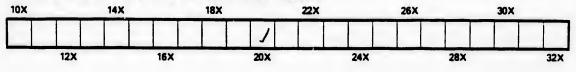


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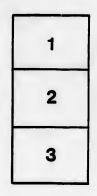
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COUNTER STATEMENT

OF THE

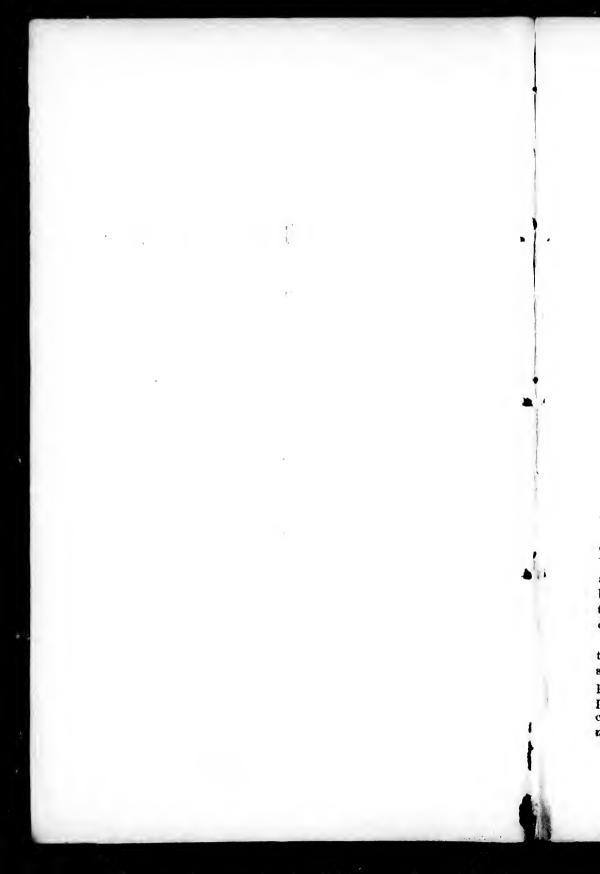
PLATTSBUR G AND MONTREAL RAILROAD COMPANY,

ADDRESSED TO THE

LEGISLATURE AND PUBLIC OF CANADA.

Alontreal :

PRINTED BY JOHN LOVELL, AT HIS STEAM-PRINTING ESTABLISHMENT, st. nicholas street. 1855.



COUNTER STATEMENT

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OF THE

PLATTSBURG COMPANY,

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A STATEMENT recently put forth by the Champlain and St. L'awrence Railroad Company, and distributed generally to members of the Legislature, and the public at large, imposes upon those whom it is designed equally to misrepresent and to injure, the necessity of a reply.

This document is signed by A. M. Delisle, Esquire, President of the Champlain Company, and by Johnston Thompson, Esquire, Vice-President, and ostensibly acting on behalf of the Montreal and New York Railread Company, and purports to emanate from both Companies. It will be shown in the sequel that, in reality, this statement represents the interests, the wishes, and the views of the Champlain Company alone.

Mainly it is designed to prejudge questions now pending before the Legislature of Canada, and by insidious and unfounded statements to deprive the Plattsburg and Montreal Railroad Company, an American corporation, of the sympathy and support of public opinion in this Province, and of the protection which they claim and are entitled to claim at the hands of a British Parliament. Indirectly it invades the rights of many other parties, all equally interested with the Plattsburg Company, in opposing the attempted amalgamation of the Montreal and New York Railroad Company, with the Champlain and St. Lawrence Railroad Company, and who, with the Plattsburg Company, are now before the Legislature in opposition to the design. In behalf of all these parties, whose objections will be discussed *seriatim*, the following counter-statement is offered to the public:

To avoid unnecessary verbiage, henceforward the Champlain and St. Lawrence Railroad Company will be denominated the "Champlain Company;" the Montreal and New York Railroad Company the "Montreal Company;" and the Plattsburg and Montreal Company the "Plattsburg Company."

The statement put forth under the signatures of A. M. Delisle and Johnston Thompson, Esquires, professes to refute the objections to the proposed amalgamation, urged :

First.—In the interest of the Plattsburg Company.

Second.—In the interest of individuals living along the line of the Montreal and New York Road.

It ignores entirely, or very quietly adverts to, the following Petitions, independent of the Petition of the Plattsburg Company, presented to the Legislature, and at this moment under consideration of the Committee on Railways:

First.—The Petition of divers Stockholders of the Montreal Railroad Company, who deny the right of a majority of their coproprietors to force them into another enterprise *foreign* to the objects of their corporate existence.

Second.—The Petition of the Rev. Pierre Bedard and others, inhabitants of the County of Napierville, many of whom are Stockholders, and all proprietors, denying the right of the Company, after having occupied and injured their farms by constructing the Railroad, to deprive them, by the destruction and removal of the same, of the only real benefit resulting therefrom.

Third.—The Petition of divers electors and inhabitants of the County of Huntingdon, being also Stockholders and proprietors, who, having *given land free* to encourage the enterprise, contend and pray as in preceding Petition.

Fourth.—The Petition of Major General George Augustus Wetherall, Adjutant General to H. M. Forces, and of Captain Charles Martin, of H. M. 95th Regiment, (the surviving relicts of which are now in the trenches before Sebastopol,) Bondholders, praying that the property on the security of which they lent their money to the Montreal Company may not be transferred to another Company, whose only object in acquiring the same is avowedly to destroy their security.

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Fifth.—The Petition of the Counties of Clinton, Essex and Franklin, including the Town of Plattsburg, in the State of New York, setting forth that they never would have encouraged the Plattsburg Bailroad by contributions of money or land, but in implicit reliance on the entity, permanence and good faith of the Montreal Company, and in confidence that the Legislation of Canada, as affecting foreigners, would never be called in question, and praying that no amalgamation may be sanctioned which will interrupt the communication of 125,000 American citizens with the City of Montreal, and destroy a Railroad which they have made at great sacrifices, and which never would have been made but as part of such communication.

Sixth.—The Petition of the Curés and Parishioners of elevon Parishes affected by the shutting up of the Montreal Railroad, complaining of the closing of the same, to the inconvenience and injury of the public, without any sufficient ground or reason, and solely to re-establish the monopoly of the Champlain Road, and praying that the Legislature will not sanction a pretended amalgamation under which the above eyils will be perpetuated by the utter destruction of the Montreal Railroad.

The principles and the consequences embraced in these several Petitions will be enlarged upon hereafter. It is necessary, however, to call public attention at once to one great preliminary fact: Under the name of an amalgamation it is intended to absorb, extirpate and destroy utterly the Montreal Road; it is intended to sell off the rolling stock, to take up and sell the iron rails, to dispose of all buildings to the highest bidder for any purpose, and the object to be attained by this wanton destruction of a great public enterprise is to restore to the Champlain Road its ancient and vexatious monopoly.

This is evidenced by the language of the Acts of amalgamation now before the Legislature, and it can be proved to be the common, every day opinion, and determination expressed openly by the Directors and leading Stockholders of the Champlain Road. It is too notorious to require proof anywhere except before the Railway Committee, where, it is earnestly hoped, such proof may be demanded and received. With this sole object of the proposed amalgamation before our eyes, we will now proceed to discuss the statements put forth by the representatives of the two Companies.

The object of this statement is, in the first place, to show that the Plattsburg Company have no just ground for opposing the amalgumation, and the tendency of the leading arguments is, to shew,—

First.—That no agreement existed ab initio for the simultaneous construction and continued co-operation of the "Montreal" and of the "Plattsburg" Road.

In support of this assertion it is stated "that an agreement was "entered into to run the two Roads as one interest on the 15th "day of September, 1852. The date of this agreement being "after the Roads were finished, affords another argument that the "Roads were originally built independently of each other, and "that so far and so long only as served their mutual interest did "they mean to run in common."

The signers of this statement must have forgotten,—they cannot be ignorant of—preceding agreements.

The printed prospectus of the Lake St. Louis and Province Line Railroad, (be it remembered here that the Lake St. Louis and Province Line Railroad was subsequently united to the Montreal and Lachine Road, under the name of the Montreal and New York Railroad,) issued to the public in August, 1850, sets forth:

"4. This Line commences at the Indian Village of Caughnawaga, opposite to Lachine, and continues to the Province Line at or in the Township of Mooers, in the State of New York.

"6. At this point in the Township of Mooers it is proposed to "unite the Eake St. Louis and Province Line Railroad with the "Plattsburg and Montreal Railroad.

"7. The Plattsburg and Montreal Railroad Company is a lawfully organised Company, with a considerable amount of capital actually paid up. It commences at Plattsburgh, and, as its name purports, will terminate in the City of Montreal, by means of the Lake St. Louis and Province Line, and Montreal and Lachine Railroads.

"8: By these Lines passengers and freight, embarking in the cars at the terminus of the Montreal and Lachine Railroads, can at all seasons of the year, and every day in the season, be put down at Plattsburg in two hours." This prospectus was signed by

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W. Molson, Vice-President, Lake St. Louis and Province Line Railroad, in absence of President Hon. J. Ferrier,

H.G. Hewitt, President of the Plattsburg and Montreal Railroad, William F. Coffin, President, Montreal and Lachine Railroad.

Again, at a Meeting of the Board of Directors of the Lake St. Louis and Province Line Company, on the 27th March, 1851, it was moved by W. F. Coffin, Esquire, seconded by Alexander Simpson, Esquire, and

Resolved,—" That the President, the Hon. J. Ferrier, be author-" ised and requested to repair to Plattsburg, there to confer with " the Board of the Plattsburg and Montreal Railroad Company, " and then and there to adopt such measures as may be expedient, " and sign such bonds, obligations and contracts as may be neces-" sary with the said Plattsburg and Montreal Railroad Company, " or their duly authorised agent or officer, to secure the prompt " and simultaneous commencement and completion of the Lake St. " Louis and Province Line Railroad, and the Plattsburg and " Montreal Railroad, so that the two Lines may form one continuous " and uninterrupted Railroad between Caughnawaga, on the River " St. Lawrence, and Plattsburg, on Lake Champlain, as designed " or laid down in a certain map or plan made by T. J. Carter, " Engineer, in 1850, and denominated a Map of the Plattsburg " and Montreal Railroad, with other connecting Lines."

At a meeting of the Montreal and Lachine Board, held at the same date, by a corresponding resolution, William F. Coffin, President of the Lachine Road, was authorised to accompany the Hon. J. Ferrier to the same place, and for a like purpose. Under these instructions, and thus authorised, the gentlemen named proceeded to Plattsburg, and on the 4th day of April, 1851, concluded an agreement for the commencement and completion of both the Plattsburg Road and the Montreal Road, from which agreement the following are extracts:

"The parties of the first part agree, in case the said Line of "Railroad shall and will be made terminating at Caughnawaga, "that so long as the same shall continue in operation as such "Railroad, the said Montreal and Lachine Railroad Company "will receive and transport passengers and freight to and from "Montreal on their Road at the same rate per mile that the same "are conveyed on the Road of the parties of the second and third "parts, and that the parties of the first part will establish and " inaintain at all times a good and sufficient steam ferry to run " between the said Raidroad wharf at Caughnawaga and the Rail-" road wharf at Lachine."

"It is further agreed by and between the said parties, that the "grading of their respective Roads shall be simultaneously com-"menced at the Province Line, and extended each in the direction of Mooers Village and Scriver's Corners respectively, and graded "for the distance of three miles at least in each direction."

This preliminary agreement for the construction of the connecting Roads on either side of the American frontier, with a view to simultaneous and united operations, was signed by

William F. Coffin, President, Montreal and Lachine Railroad Company,

William Swetland, Chairman Board of Directors, Plattsburg and Montreal Railroad Company,

J. Ferrier, President, Lake St. Louis and Province Line Railroad Company.

Under and in pursuance of this agreement both Companies broke ground simultaneously in August, 1851, and in September, 1852, both Roads were triumphantly opened with great indications of joy and congratulation by the citizens of both countries.

During the Summer of 1852 the Montreal and Lachine Railroad and the Lake St. Louis and Province Line Railroad were, by an Act of the Legislature of Canada, re-organised and consolidated under the name of the Montreal and New York Railroad Company. Under this re-organisation it was deemed expedient to renew the pre-existing agreement, and further to extend the same, and by a formal contract, mede on the 15th September, 1852, it was agreed and provided "that the Line of Road from Plattsburg "to Montreal should be run and operated as one Line of Road, "as originally agreed," and providing for the completion of the respective roads, wharves and buildings, not merely for their respective use, but for the mutual and permanent use of each other, as parts of one continuous Line of Road.

To preclude either party from breaking this compact, or forsaking the other, or jeopardising by any act, the interests of the other party, the contracting parties concluded their agreement as follows:

"Modifications, amendments or additions to this agreement, if " not assented to, may be submitted to the Joint Executive Com" mittee, and if they cannot agree, they may select an umpire to " decide as above provided.

"It being, however, expressly provided that no alteration or "change shall be made which shall impair or change the leading "or principal feature of this and of the said previous agreement, "in relation to the operation of the said Line of Road as one Road "between Plattsburg and Montreal, and the provisions necessary "for carrying the same into effect."

It appears to us, that the real question at issue between the "Plattsburg" Company and the "Montreal" Company is not so much whether any compact existed at any particular time, as whether any sufficient compact existed at all; but so far as the question of time is concerned, we think we have satisfactorily disposed of the allegation, that no compact of simultaneous co-operation existed *ab initio*, nor indeed earlier than the 15th September, 1852. We have shown that the agreement of September, 1852, was the last of a series of agreements, the first of which was dated in 1850.

Secondly.—It is alledged by the statement under discussion that the Stockholders of the "Montreal" Company were ignorant of the preceding agreement referred to, and that it was never ratified by them. In proceeding to investigate the accuracy of this assertion we find first, in the Annual Report of the Directors of the Montreal and Lachine Railroad, presented to the Stockholders in February, 1850, by the Hon. J. Ferrier, President, the following paragraph:

"But there is one projected Line to which your Directors call "your earnest attention; it is one of immediate and paramount importance to the Lachine Road, and it is believed that a proper encouragement only is required on your part, to ensure a success in which you are deeply interested. This is a Line which, commencing at Caughnawaga, and intersecting the Ogdensburg Line at Moores Corner, near the frontier, will terminate at "Plattsburg."

This Report was received with acclamation, and passed unanimously.

Again,—The Annual Report of the Directors to the Stockholders of the Montreal and Lachine Road, presented by William F. Coffin, President, in February, 1851, contains the following paragraph :

"Your Directors have the satisfaction in being able to inform "you, that from the state and progress of the negotiations between "the Lake St. Louis and Province Line Railroad Company, and "well known capitalists and contractors, they have every confi-"dence that your Road will soon form part of a continuous Line "from Montreal to Plattsburg, Burlington and Boston, and, at no "remote period, direct through to New York."

This Report was received with exultation, and unanimously adopted.

Again,—The first Annual Report addressed to the Companies then united under the name of the Montreal and New York Railroad Company, February 17, 1852, commences thus:

"Gentlemen,—In meeting you for the first time under your "new organization, your Directors avail themselves of the oppor-"tunity to congratulate you on a union of interest, which they "are confident will prove equally beneficial to both parties to these "arrangements.

"The union of the Montreal and Lachine Railroad with the "Lake St. Louis and Province Line Railroad will impart to the "Montreal and New York Railroad Company unity of action and "policy, as well as economy of management.

"The united resources of both Companies will be applied to "secure the speedy construction of the Caughnawaga section of "the Montreal and New York Railroad, which, on its completion, "will guarantee to the Lachine section an independent position "with regard to future connections, and cannot fail, both by open-"ing up a new line of traffic with the United States, and by ex-"tending the present running season from a period of eight months "to the entire year, to secure an enlarged business and ample "returns to the whole undertaking.

"For further information and more ample details you are res-"pectfully referred to the Reports and maps prepared and dis-"tributed to the Stockholders in January last."

This Report was also cordially received, and unanimously adopted.

The Reports and maps alluded to were Reports on the state and progress of their respective enterprizes, corroborated by the Reports of their common Engineer, T. J. Carter, Esq., all which Reports were prepared and published *in common, and at common expense, in one pamphlet,* by the Lake St. Louis and Province Line Railroad Company and the Plattsburg and Montreal Railroad Company, and bearing equal date, 5th December, 1851, and signed for the Plattsburg and Montreal Railroad Company by

#### WILLIAM SWETLAND, President, JOHN J. HAILE, Secretary,

And further signed,

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d 1WILLIAM F. COFFIN, WILLIAM MOLSON, WILLIAM DOW, ROBT. ANDERSON, D. MCPHERSON, JOHN SCRIVER, JAMES FERRIER, D. FINLAYSON, WILLIAM MURRAY, JOHNSON THOMPSON, JOHN TORRANCE, ALEX. SIMPSON, J. GASP. LAVIOLETTE,

Directors Lake St. Louis and Province Line Railroad.

It may not be inopportune to mention here, that all the above named gentlemen, with the exception of John Scriver, Alex. Simpson, and J. Gaspard Laviolette, Esquires, were at the same time Directors of the Montreal and Lachine Road, and that all the above gentlemen, with the exception of William F. Coffin, D. Mo-Pherson, D. Finlayson, and Alex. Simpson, Esquires, are actually Directors in the Montreal and New York Railroad, and with the further exception of absentees, have sanctioned the statements which it is our present duty to disprove.

Again,—In the second Annual Report of the Montreal and New York Railroad Company, presented to the Shareholders in February, 1853, and unanimously adopted, after setting forth the terms of the agreement between the Montreal Company and the Plattsburg Company, as recited in the "Statement," the Report proceeds to state that—

"By the agreement between the Plattsburg and Montreal and "the Montreal and New York Railroad Companies, hereinbefore "referred to, it was stipulated that the latter Company should "provide and maintain a sufficient steam ferry, both for the sum-"mer and winter, between Lachine and Caughnawaga, but that "the Plattsburg and Montreal Railroad Company should assume "one-third of the cost of providing and of the charges of main-"taining said ferry, and should receive one-third of the profits of "the same. A contract has been made to build a steamboat, " "\* \* also for two engines of 40 horse-power each, with oscil-"lating cylinders, \* \* \* at a price of £6000 Cy."

This boat was launched, and ran during the winter of 1853-4, as the joint property of the Plattsburg Company and of the Montreal Company. And yet in defiance of all these evidences it is assorted in the "Statement," that "The undersigned have been informed by a very large number "of Shareholders in the Montreal Company, that a greement of "such a character was never heard of by them, an never would "have been assented to, had it been submitted for their rati-"fication."

But it may be as well to inquire here, whether under the very peculiar circumstances of the case, assent or ratification by the Montreal Company were not, in reality, mere matters of supererogation. It is truly stated, that the idea of building the Lake St. Louis and Province Line or "Caughnawaga" Railroad originated with the Lachine Railroad, and that it originated in the natural desire of improving the value of that property by extending the Line, and securing to it new connections and additional sources of revenue. It appeared most desirable to the Lachine proprietors, with this object in view, to build a Road which would connect them with the United States and with the Ogdensburg Road ; but how to reach the Ogdensburg Road was the difficulty. The Canadian Company might construct a Road from Lachine to the Line 45, but they could not proceed one inch beyond. The Line 45 occurred in a dense forest, and the Ogdensburg Road was 24 miles distant. How to get there was the difficulty. In this dilemma the Hon. James Ferrier and William F. Coffin, Esquires, both Directors in the Lachine Road, of which the latter was likewise President, as the former was President of the Lake St. Louis Road, were despatched by the Lachine Board to Plattsburg to invite the co-operation of the Plattsburg citizens, to help the Lachine Company out of their difficulties and out of Canada. The citizens of Plattsburg warmly espoused a scheme which, while it gave to the Lachine proprietors access to the United States, to the Ogdensburg Road, and to Plattsburg, secured to them, in return, communication with the Ogdensburg Road, and a certain and invariable communication with Montreal. A common interest, a common necessity united the parties. The one wanted to get in, and the other to get out of Canada; The one Road was valueless without the other. The mere suggestion that such an arrangement would be only "temporary," as hinted in the "Statement," would have been fatal to the design. Its'main advantage-its only security consisted in a permanence arising ex necessitate rei. Under these peculiar circumstances the Roads might have been built without any agreement at all; they could have been built only in view of their connection, and no Lachine proprietor would have

expended one shilling on the extension, if he had not been satisfied not only of the existence of the connection, but of its permanence also. It is true that at this time the Champlain proprietors made strenuous endeavours to divert the Plattsburg Company from their Lachine connection, going indeed so far as to offer to build a Road at their own charge from Rouse's Point to Plattsburg, if the citizens of Plattsburg would violate their engagement. But the people of Plattsburg adhered to their engagement with unwavering fidelity. The roads were built. It was impossible to foresee-it was impossible to imagine the unnatural combinations which have since occurred. The citizens of Plattsburg would as soon have expected that the River St. Lawrence could, on its way from Montreal to Quebec, have been drained into Lake Champlain for the benefit of the Line of the Richelieu, as that the Montreal Company should conspire to destroy their own property and ruin that of their benefactors for the benefit of the line of the Champlain Railroad.

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Thirdly.—It is alleged in the "Statement" that this agreement between the Plattsburg Company and the Montreal Company, even if made and ratified, was necessarily temporary—that it was illegal—that it was in no way binding on new Stockholders—that new Stockholders are not bound by the "equities" of their predecessors—that circumstances not only justified but demanded the recision : the agreement, and a good deal of what is called "legal ingenuity" has been employed to show why legal contracts which are held sacred in every country where English Legislation and English Jurisprudence obtain, should be set at naught in Canada.

To this we answer. That if the contract is illegal it is unnecossary to question the time of its duration—that in the ordinary acceptance of English Law as construed by the Courts of the United States, Stockholders are bound by the legal obligations of their predecessors—that no circumstance connected with third partics can justify the recision of an agreement without the consent of the partics originally contracting. For the legality of our position we rely upon the Acts of the Legislature of Canada, incorporating the Montreal and New York Railroad; for the construction of these Acts and Statutes we rely upon the Tribunals of Canada. We have shown our confidence in these Tribunals by instituting in the District of Montreal an action of damages against the Montreal and New York Railroad laid in the sum of £75,000, for violation of the contract existing between us; and we will not permit ourselves to believe that the Parliament of Canada will, by ex post facto Legislation, transfer to the Champlain Company the property of the Montreal Company, with the power to use it as they may think best, depriving us thereby, during the pendency of our suit at law, of the only remedy for the breach of an agreement contracted by us on the faith of preceding and existing Legislation; we rely implicitly on the Tribunals and on the Legislature of Canada—on the former to administer justice, and en the latter not to interrupt or interfere with the administration of justice, in a country living under the proud rule of Britain.

Fourthly.—The "Statement" stoops to imputations. We are told that "after the (attempted) amalgamation the Presidents of "the two Companies (the "Champlain" and the "Montreal,") en-"tered into arrangements with the Plattsburg Read to run in "common, and they had hoped that an amicable and equitable "understanding had been established.

"But a wanton and reckless course of proceeding has since "been pursued, which can only result in evil to the interests of "all concerned. The cars and engines of the Montreal Company "were seized by the Plattsburg Company, in the State of New "York, for the supposed breach of contract at the time they were "running in friendly connection, and a bitter hostility having "been fostered by a succession of events, the Montreal Company "was forced, in order to prevent the further scizure of their pro-"perty, to cease allowing their cars and engines to go beyond "Hemmingford."

We are here charged with "wanton and reckless" conduct. It is left to be inferred that while running in friendly connection we perfidiously caused the property of the Montreal Company to be seized for "the supposed breach of contract," that is to say, for a breach of the original agreements for which we have since instituted a suit at law. An insidious attempt is made to disparage us in the eyes and opinions of the people and Legislature of Canada, and to prejudice our cause before it is heard. In a discussion such as this some latitude of language may be allowed, and a certain elasticity of conscience may be expected; but this is really too bad.

To explain this circumstance it is necessary to premise that in the summer of 1853, while the Montreal and the Plattsburg Roads were working together in perfect harmony, it was deemed expedient for the common interest of both Roads to acquire possession of a steamboat, to be employed in maintaining the communication between Plattsburg and Burlington, on the opposite side of Lake Champlain, in the State of Vermont. With this view, and for this purpose, a steamboat named the "Francis Saltus" was purchased, and held on joint account by the "Montreal" and the "Plattsburg" Companies, and at the close of the season of 1853 was placed in winter quarters at Burlington, with a view of undergoing certain repairs.

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The conjoint Roads from Plattsburg to Montreal continued to operate during the winter, but in the month of January, 1854, **a** rumour reached the Plattsburg Company, that the Montreal Company contemplated, by lease, or sale, or some process of a so-called amalgamation, to transfer their property to the Champlain Company. The thing was incredible; but common prudence induced the Directors of the Plattsburg Company to inquire, and they were assured by the representatives of the Montreal Board, that the project, if entertained at all, had assumed neither form nor shape, and that no arrangement, under any circumstances, would be made without their privity and concurrence, and which did not consult their interests.

The Directors of the Plattsburg Company returned home in full reliance on the honor of those who inade these assurances, and yet, incredible as it may appear, at this very moment of time negociations, involving the total destruction of the continuous Line from Plattsburg to Montreal, had so far progressed between the two Canadian Companies, that the predetermined sanction of their respective Boards was only wanting to give them effect.

True it is that these proceedings proved to be illegal, null and void, and true it is, therefore, that the Canadian Parliament is now appealed to, to legalise an avowed illegality.

But to return. On receiving this astounding intelligence, members of the Plattsburg Board were dispatched forthwith into Montreal to remonstrate with the Canadian gentlemen, and to implore delay to make arrangements with southern parties for the salvation of their Road. They were refused delay, even of one day. The attempt at amalgamation was made. The proceedings had, although illegal, had the effect of placing the Montreal Road under the control of the Champlain Company. The Managers of the Champlain Company had openly and repeatedly declared their determination to ruin the Plattsburg Road, but the Plattsburg Company could not believe that such a purpose was seriously contemplated. They were advised that they had a legal remedy against the Canadian Companies, but they were reluctant to proceed to extremes, which might close the door to all accommodation. The object of their corporation was to work their Road, not to go to law.

At this conjuncture, overtures were suddenly made to the Plattsburg Company by the (so called) amalgamated Canadian Companies. It was proposed to run certain trains in common; the Plattsburg Company only too happy in the hope of an approach to an equitable arrangement, met the overture in the readiest and most frank spirit : trains were organized and ran accordingly. All suspicion was allayed; apprchension began to disappear; the people of Plattsburg looked for the return of a better state of things.

It will scarce be credited that these advances were deliberately designed to disarm precaution, and to divert the attention of the Plattsburg Company from a quarter where they least expected, but were most exposed to a fatal blow; yet so it was. While the Plattsburg Company were operating in concert with the Montreal Road, and congratulating themselves on the apparent restoration of good feeling, they suddenly learnt that Mr. William Molson, the President of the Montreal Road, had, in the name of that Company, given authority to a wealthy Stockholder of the Champlain Road to take possession of the "Francis Saltus" steamboat, then lying at Burlington, and they found that with an uncertain connection with Montreal, and their communication on Lake Champlain destroyed, their Railroad was at one blow rendered valueless.

It was under these circumstances that they were driven to reprisals. It was under these circumstances that they had recourse to the expedient which has been denounced as "reckless and wanton." They seized the cars and engines of the Montreal Company, to obtain the restoration of their boat. This object was not accomplished until after a tedious and costly litigation. The injury done upon this occasion constitutes one of the grounds of damages alleged in their action against the Montreal Company, and now pending before the Courts of Canada. It is not for the Plattsburg Company to bandy rude language. They leave to the people and to the Legislature of Canada to designate acts and representations such as these, as they deserve.

Fifthly.-It is assumed by this "plain statement," as it is pleas-

antly called, that, under certain circumstances of a highly imaginative character, the Plattsburg Road might pass into other hands whose interest or whose object it might be to work it to a disadvantage and to the detriment of the Montreal Company.

To this it may be answered, that, under the laws of the State of New York, the only hands into which a chartered enterprise is likely to pass are the hands of the creditors of the enterprise, or of those who may pay the debts of the first creditors. But whatever change may take place, the new proprietors assume the legal liabilities of the old, under the Act of Incorporation. A chartered Company can do nothing "foreign to the objects of its corporate existence." A Railroad Company is a specific institution : it cannot be converted into a Lunatic Asylum or a Foundling Hospital—it must operate as a Railroad ; and as a Railroad Company it would always be the interest of the Plattsburg Company to connect with Montreal by the Montreal Railroad, as it is their present ruin to be debarred from that advantage.

Sixthly.—It is still more "plainly stated" that "this contingency "of sale or lease of the Plattsburg Road has actually taken place, "and proposals have been made within the last month by parties "who represent that they have acquired the Plattsburg Road."

It is perfectly true that the embarrassments heaped upon the Plattsburg Road, by the accumulated wrongs of the Montreal Company, have compelled the Plattsburg proprietors to lease their Road at a great sacrifice, for which they now demand compensation at the hands of a British Judge and Jury, but the temporary transfer, for the reason before stated, neither has, nor is it likely to operate to the disadvantage of the Montreal Company. It is stated that proposals have been made, but the nature of the proposals has been studiously concealed. The proposals made are to form any connection the Montreal Company may approve, on the old or on any new basis that may be suggested. It is manifestly the interest of the Plattsburg Road to form the connection. It cannot be disadvantageous to the Montreal Road to accept the business they offer, but it may be disadvantageous to the Champlain Road to permit any business to be diverted from their road to the superior route of Plattsburg and Montreal.

And finally, it is asserted that, whether legal or illegal, expedient or inexpedient, circumstances have occurred which compel a recision of the agreement between the Plattsburg and the Montreal Companies. The assertion is much the same as if a man who had

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given a mortgage on his house, being unable at the appointed time to pay the interest accrued, found thereupon that "circum-"stances had occurred which compelled a recision of the agree-"ment." It is necessary, however, to inquire what ground exists for the assertion that such circumstances had occurred, and in elucidation of this branch of the subject, it is further necessary, first, to advert to the objections urged by petition to the Legislature, of divers Stockholders, Landed Proprietors, Bondholders, and others, against the projected amalgamation, absorption, and extinction of the Montreal Road in the Champlain Road.

Certain parties have petitioned against the amalgamation of these companies in their capacity of Stockholders in the Montreal Road; others have petitioned against the amalgamation in the double capacity of Stockholders and of Landholders or Proprietors, along the line of Road, or in the section of country through which it passes. For the sake of brevity and of a compendious presentation of the subject we will deal with the above Petitioners at once in their double capacity.

It must be kept in mind that the "Lake St. Louis and Province Line," or "Caughnawaga" section of the Montreal and New York Railroad, originated with the proprietors of the Lachine Railroad. The Lachine Railroad had proved to be an unproductive concern. To improve matters the Lachine proprietors got up the project of the "Caughnawaga" Road, and when they despatched their Agents to Plattsburg to form the Plattsburg connection, they empowered these Agents and others to visit the proprietors and landholders on the projected Line of Road in Canada, and to solicit their assistance both in stock-subscriptions and in concessions of land either free, or at a very low figure. The land owners on the Line were not insensible to the local advantages of the Road, and promoted it to the utmost of their ability, some by yielding lands at a very reduced price, others by giving their lands free, and many by contributions both in land and stock. The Road was made, and was, as it can and will be proved, in most successful operation, when the "through traffic" of the Road, and, the most valuable feature in the project, the communication with the United States, was abruptly interrupted by the proceedings hereinbefore detailed. The effects of this interruption, and the mere probability of its continuance, have been most disastrous, the value of real property which had increased two hundred per cent. on the construction of the Road, has fallen to fifty per cent below the original value, and

those who purchased on the rise have been ruined by the fall; As an illustration of the inconvenience and injustice inflicted and entailed, it may be stated here, that merchants of St. Remi and Hemmingford, Stockholders, who gave land to encourage the Road, in the expectation that their goods from the United States and Montreal would be deposited at their own doors, have been compelled, after weeks of delay and consequent depreciation, to seek their property at the Champlain Depot at St. Lambert, opposite to Montreal, to pay there monopoly charges, to convey their goods at additional costs to Montreal, thence to Lachine, thence to Caughnawaga, and thence to St. Remi, while their own Railroad, built by their contributions, was standing idle at their doors. under the influence of "Champlain" control and policy, and for the perpetuation of the "Champlain" monopoly. All this can be proved by the parties, if the Railway or other Committee of the Legislature will permit proof to be adduced.

It is laid down in one of the leading authorities on the law of Railroads—Chamber and Peterson, p. 174,—that "the extraordin-"ary powers conferred by Parliament upon Railway Companies, "unknown at common law, are so great and numerous that they "will be watched with the utmost vigilance and jealousy, and con-"strued by the Courts with a leaning against those for whose ad-"vantage they have been conferred, and in favour of those whose "private rights and properties are liable to invasion by the exercise "of them."

On the same subject Lord Chancellor Cottenham has said, "it "is extremely important to watch over the interests of those whose "property is affected by these Companies, to take care that the "Company shall not be permitted to exercise powers beyond those "which the Act of Parliament gives them."

It is further settled, (vide Wordsworth on Joint Stock Companies, p. 60,) that "Railway Acts are regarded in law and in equity "as contracts made by the Legislature on behalf of every person "interested in every thing to be done under them. Those who "apply for them undertake that they shall do and submit to what-"ever the Legislature empowers and compels them to do, and "that they shall do nothing else."

The Legislature, acting for the Province,—the Legislature, acting for its constituents, has created a co-partnership called a Railroad Company, for certain clearly defined and specified objects. In view of the public good it has exercised the highest, perhaps

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the most arbitrary and obnoxious power of the Legislature. It has authorised a public Company to attack "the Englishman's castle." It has authorised the invasion of his property, the division and separation of his farm, the destruction of his garden, of the orchard planted with his own hands, the removal of his buildings, involving possibly a change of residence, and the consequent dislocation of tics above price, and for which no money can compensate. And what is the real and practical, indeed the only tangible compensation for all this evil and inconvenience in the case before us? It is the existence of the Railroad. Can it be tolerated for one moment, will the Legislature countenance for one moment the precedent that, when a Railroad has been built and in operation, after the evil and the injury have been inflicted, the Company, because a majority of the Stockholders have acquired a larger interest in another enterprise, can by a feigned process of amalgamation transfer their property to this other enterprise, whose only object in getting possession of this property must beas in the present instance it avowedly and notoriously is-to destroy the property as a Railroad, to take up the rails, and sell the property bit by bit, for the sole purpose of resuscitating an effete monopoly. Admit the precedent, and what security have you that Railroads built by the contributions of Municipal funds may not hereafter, under some combination, at this moment, inconceivable and unimaginable, be, by the use of corresponding devices and arguments, transferred from their present location, and placed at the tender mercy of some other line, more popular in its generation, to the ruin of all those at present concerned. If a Company has involved itself in financial difficulties, leave it to the ordinary operation of the law of the land,-a law which affects Companies and individuals alike. The Road will pass through the hands of the Sheriff, and from the hands of the Sheriff it will pass into the hands of those who, having bought the Road as a Road, will operate it as a Road, and having bought it at a reduced price, will be able to operate it to their own advantage and to the public benefit, but more especially to the benefit of the section of country through which it passes; but never by ex post facto Legislation destroy the acquired rights of those who are already sufficiently injured by preceding Legislation.

But as Stockholders these parties contend that they cannot be co-erced by a majority of their co-proprietors into doing anything foreign to their corporate existence. Under the articles of co-partnery, created for them, all round, by the Legislature, they have agreed to build the "Caughnawaga" Road. They never agreed nor contemplated investing their money in the "Champlain" Road. It may as well be asserted that a majority of the Stockholders of the Montreal Bank could, for private purposes best known to themselves, compel the minority to invest their capital in the Montreal Mining Company. If a majority of the "Montreal" Stockholders have, for reasons and in ways best known to themselves, recently acquired a larger interest in the "Champlain" Road than they have in the "Montreal" Road,-if four of the Directors of the "Montreal" Road have recently accepted seats at the Board of the "Champlain Company,-it' the very gentleman who has signed this Statement as Vice-President of the Montreal and New York Road is one of those individuals upon whom the mantle of Universal Directorship appears to have descended,they should be taught, as they doubtless will, that they have yet a trust to fulfil towards the Montreal Company, and that there is a very serious distinction to be drawn between the individual member of a corporation and the corporation itself.

But the Stockholders are told, and some of them have credulously believed the tale, that "the competition had been ruinous;" "that both Companies were on the verge of ruin;" that "less than another season would have involved both Companies in a common ruin," such were the changes rung.

With the Champlain Boad, its expenditure and its management, the "Montreal" dissentient Stockholders would have nothing to do, were not the attempt made to force them into this connection. But under this pressure they have been compelled to investigate for themselves, and they find that the "Champlain" Road has cost, in round numbers, £450,000, or over £10,000 per mile, while the "Montreal" Road, including the expensive Lachine section, has cost £250,000, or £6,000 per mile. They look at these facts, and ask what had they to fear from the competition ? With a shorter, a more direct, a more favourable route, accessible and practicable winter and summer, whatever the "Champlain" Company could carry for a dollar, they could carry for half a dollar. What had they to fear from competition ? Let those who got up the competition look to that.

It has always been supposed that Legislatures, acting in the interest of the public, encouraged competition and discountenanced monopoly; but if competition really is an offence, the Champlain

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Company are the offenders. The Champlain Company obtained the Act authorising the extension of their Line to Rouse's Point, two years after the Lake St. Louis and Province Line Company procured their Act of Incorporation. The Champlain Company, trembling for their monopoly, got up the competition. But the question of competition was a preliminary question, settled by the Legislature, when it granted the respective charters of the two Companies. It is as absurd to ask of the Legislature to extinguish the charter of one Company on the ground of competition, as it would be to ask the Legislature to interfere with one dry goods firm in Montreal, because it drove a better business than another dry goods firm. All should be left alike to the operation of the laws of the land. But there is another point of view in which the question of competition appears to have escaped observation. The competition between the Companies is practically for the "through traffic", the remote business of Boston and New York; we lose sight of the local traffic. Surely the Counties of Napierville and Huntingdon are not to be deprived of the benefits of a Railroad, because another Railroad competing for the same "through traffic" runs through a distant section of the County of Laprairie.

But it has been alleged as a reason for this proposed amalgamation, "that both Companies were upon the verge of ruin," that "less than another season would have involved both Companies in " a common ruin."

What effects another season may have had upon the operations of the "Champlain" Company we care not to discuss at this moment. But we do know and can show that, at the time of the first attempt at amalgamation [28 Feb., 1854,] the "Montreal" Road had no reason to apprehend any such result, and the dissentient Stockholders, deny the right of a majority to destroy their common property for the purpose of propping up another concern in which that majority has acquired a larger interest.

On the 28th February, 1854, was presented to the Stockholders of the "Montreal" Road, the first Annual Report of the Montreal and New York Railroad Company, subsequent to completion, with accounts closed to the 31st December, 1853. The Road had then been in operation one year, laboring under all the disadvantages and expenses incidental to a new Road. This Report, prepared and presented by the Directors favourable to the amalgamation, was concocted or "cooked" in this view, to the disparagement of the Montreal Road, and for the purpose of disheartening the Stockholders, and inducing them to believe that their only hope of salvation lay in amalgamation. This Annual Report was only presented to the Board in a hurried manner shortly before the General Meeting took place. It was not printed as had been customary with other Annual Reports. The accounts upon which it pretende<sup>1</sup> to be based had never been audited according to law; in fact, had never been audited at all.

And yet what do they show. Be it remembered that the largest gross earnings of the old Lachine Road had never in its best year, 1851, exceeded  $\pounds$ 7,015 17 2.

The Report states that "the Receipts for traffic during the past year were.....£22,586 2 7 [or 9 per cent. on a gi ss expenditure of £250,000].

"But the expenses were for same period ..... £18,996 18 3

Now, the fact is, that this sum of 23,461 1 0, being interest of funded and floating debt for the past year, had been already charged in the expenses, to wit, in the sum of £18,806 18 3, and instead of there being a deficiency of revenue to meet said interest of £4,771 16 8, there was in reality the elear nett revenue of £3,689 4 4, however that nett revenue may have been employed. The true statement of the expenditure for 1853, should have been,

| Gross expenditure £18 | ,896 | 18 | 3 |
|-----------------------|------|----|---|
| Interest on debt 8    | ,461 | 1  | 0 |

For running expenses.....£10,435 17 3 This is the true "blue" Report, the "yellow" one was the first given.

It is worth while, for the sake of corroboration, to compare the statement for 1853 with the statement for 1854, put forth by the "Champlain" Company for a year during which the "Montreal" Road has been practically under their control and management, of course the object has been to perpetuate the delusion of the insolvency of the Montreal Road.

It must be held in mind that, for the purpose of re-establishing the monopoly of the "Champlain" Company, the Montreal Road

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has been run to the greatest possible disadvantage, that trains have been run from Caughnawaga to Hemmingford the whole season, increasing the expenses, and doing no business, and that the Caughnawaga ferry has been stopped, and members of the Legislature, and all travellers for Western Canada, the Ottawa, or the United States, have been compelled to cross the St. Lawrence opposite to Montreal, through the ice, at the peril of their lives, merely to restore to the Champlain Company a pernicious monopoly.

By the statement for 1854 the earnings of the "Montreal" Road are given at.....£16,978 1 11

[Compare this, under every disadvantage, with earnings for 1851, £7,015 17 2.]

and the second s

And the expenses for the year.....£12,2.5 2 5

#### £4,722 19 6

It is not stated how much of this amount of "expenses" was employed in paying interest on debt, but as it is believed that about £2000 was expended in repairs of permanent way on the Lachine Road, the expense account should stand thus:

| Expenses for 1854£19 | 2,255 | <b>2</b> | 5 |
|----------------------|-------|----------|---|
| Repairs Lachine Road | 2,000 | 0        | 0 |

Running expenses ..... £10,255 2 5

Which cerresponds pretty closely with the running expenses of 1853.

By the same Report of the Champlain Company, of the 16th February, 1855, it appears that, under the revival of their monopoly, they had in the preceding year realised gross earnings to the extent of  $\pounds 40,000$ .

Had the Montreal Road been permitted to run in connection with the Plattsburg Road, the proprietors of the former Company would, at the least, have shared with the Champlain Company this gross earning of £40,000, and have earned £20,000 in addition to the £16,928 1 11, they had already earned. But to escape all charge of exaggeration, we will put down their share of the earnings at one-third, or £13,333, and state them as follows :

| Gross earnings Montreal Road, | £16,978 | 1        | 11 |
|-------------------------------|---------|----------|----|
| Expenses,                     | 12,255  | <b>2</b> | 5  |

4,722 19 6

Add one-third of Champlain earnings, 13,333 0 0

#### £18,055 19 6

or upwards of 7 per cent. on an expenditure of  $\pounds 250,000$ .

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We think, therefore, that we have sufficiently shown that the " Montreal " Company, under fair treatment and management, had no reason to apprehend "ruin" in any shape; and the only way to account for the extraordinary mystification in which the affairs of the "Montreal Company" have been purposely involved, is by the statement of the fact, that a majority of the Shareholders and Directors of the Montreal Company have recently acquired a larger interest in the "Champlain" Road, than that held by them in the "Montreal" Road; and as a further proof it may be stated, that four Directors of the Montreal Company have lately accepted, and also hold, seats at the Champlain Board, and that Johnson Thompson, Esquire, the gentleman who signs the statement put forth by the conjoint Companies, as Vice-President of the Montreal and New York Road, is one of them. The dissentient Stockholders therefore ask whether, even if no other considerations stood in the way, the Legislature would ever exact from them such a sacrifice of property, when it can be shown that the sacrifice is not only monstrous and without precedent, but unnecessary.

And among these considerations the Legislature will not lose sight of the Bondholders of the old Lachine Road. These Petitioners are represented by Major General George Augustus Wetherall, now holding the high office of Adjutant General to the British Army at the Horse Guards, London, and by Captain Martin, of Her Majesty's 95th Regiment, now in the trenches before Sebastopol. It should be held in mind that these securities have been a favourite investment with officers in the British Army,that they are transferable by delivery,-that thousands of pounds of these securities, deemed to be secure under the ægis of a British Parliament, are held by the very men to whom the same Legislature has, with glorious generosity, just voted the noble sum of £20,000. That Legislature is implored to have a care. In passing the proposed Acts of amalgamation, they must necessarily jeopardise these securities, In ignorance or forgetfulness of the fact, they may tamper with the last miserable pittance of the orphan and the widow.

The Bondholders of the Lachine Road were originally preferred Stockholders. They were induced to exchange their preferred stock for mortgage bonds, on the representations and assurances made to them, that the "Caughnawaga section" of the Road would be built, improving thereby the property to which their mortgage attaches, and their security both for interest and capital. The mortgage bonds they then accepted are not redeemable until 1862. The illegal and unjustifiable occurrences which have taken place have already greatly depreciated the value of these securities, and they feel that if the "Montreal" Road passes, directly or indirectly, under the control or management of the "Champlain" Company, whose object it avowedly and notoriously is to destroy the property for the purpose of securing their monopoly, that not only will the value of their bonds be still further depreciated, but that, before 1862, the property which constitutes their security will, either by design or by neglect, have lost all marketable value.

But we are told that there are other creditors of the Montreal Company, and that "these creditors *sanctioned* and *urged* the amalgamation." It becomes necessary to inquire who were these creditors of the Montreal and New York Road.

The only large creditors of the Road, after the Bondholders of the Lachine Bank, are the Bank of Montreal, and they certainly did both sanction and urge the amalgamation. That highly respectable Institution did, in the way of business, make advances to the "Montreal" Company while their Road was in process of construction, and they did so in a perfectly business like and safe way, by taking and holding the mortgage bonds of the Caughnawaga section to the extent of £100,000 sterling, as security for the money lent, and they hold them still. Why these bonds were not sold in March, 1853, when transmitted to England for that purpose by the Agent of the Bank, at the very time when the Champlain Company sold a corresponding amount of bonds, it is for the Managers of that Institution to explain; and, furthermore, they will doubtless be able to explain why they sunctioned and urged an amalgamation, the only effect of which has been to depreciate the credit of the bonds they hold, and destroy the very existence of the property upon which they are based. Do they really believe that the Champlain Company can, in addition to their own debts, assume the debts of the "Montreal" Company ? Let them look at the actual and forced statement of the liabilities, the bonded liabilities, of the Champlain Road. Can it be believed that if they had inquired into, if they had ascertained the real indebtedness of the Champlain Road previous to or at the time of these transactions, they would have cast away the substance to grasp at such a shadow as this ?

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The Montreal Bank stands, before the law of the land, like all other creditors. They have the tribunals of the country to appeal to, The dissentient Stockholders of the Montreal Company wish that the Bank may be paid the uttermost farthing in a legitimate and proper way. To this object they will readily sacrifice their property: but they protest against, and will ever resist, every indirect form of proceeding which prejudices the rights of other creditors, and can only have the effect of destroying their property without any real benefit to the Bank of Montreal after all.

It is manifest now, that, had this amalgamation not been sanctioned and urged as it has been, the "Montreal" Road could have paid all its debts, and a handsome dividend in addition. It is equally clear that the Montreal Road, as an independent enterprise, can, under proper management, relieve itself from all difficultics, and that the destruction of the property, as sanctioned and urged, can only result in the damage and loss of all claimants and creditors of the Company alike.

But there are other Petitioners, citizensof a foreign state, who are entitled to attention at the hands of the Legislature. The inhabitants of the Counties of Franklin, Essex and Clinton, in the State of New York, numerically amounting to 125,000 souls, approach the Parliament of Canada, and respectfully set forth that, from the physical structure of the mountainous region on the west shore of Lake Cnamplain, they are, in summer in a great degree, and in winter still more, dependent on the City of Montreal for a market and supplies; that the connection between their section of country and that City is reciprocally important and beneficial; that for the purpose of perfecting this connection, and in implicit reliance on Canadian Legislation, they hailed the advent of the Montreal and New York Road, and invested their money in the Plattsburg and Montreal Railroad; that in the summer of 1853 they calculate to have expended the sum of \$100,000 in the stores and hotels of Montreal; that the stoppage of the Montreal Road, and the probable change of ownership of said Road, have greatly depreciated the value of the Plattsburg Road, and caused great and injurious fluctuation in the value of real propeaty on the Line; and that the transfer, or the semblance of transfer, directly or indirectly, of the Montreal Road to the control or management of the Champlain Board-a corporation whose only

object and end in acquiring the same must be to neutralise, if not destroy, its utility,—must tend to perpetuate the injuries under which the said inhabitants of the said counties are suffering.

Wherefore these Petitioners pray that the Honorable the Legislature will not only refuse to countenance a Vandalic proposition which proposes to destroy a great existing enterprise, but that such law or laws may be passed by the Parliament of Canada, as will secure on a safe footing, for the future, all like international relations, and tranquilise the doubts under the effects of which they now labour.

We believe that enough has been said to show that no circumstances have since arisen, which not only justify but demand the recision of the agreements between the Plattsburg and Montreal and Montreal and New York Railroad Companies. The circumstances, the facts, the arguments, common justice, common sense, all point the contrary way. These agreements should be inviolably maintained; but they are not subjects for Legislative action. They are questions for the Courts of Law, and the case is before the tribunals of Canada. We will never permit ourselves to believe that the Legislature will interfere with these tribunals, or compromise the rights acquired by foreign  $co_{1}$  orations, by 125,000 eitizens of the State of New York, by 120,000 of their own constituents, under preceding and existing Legislation, for the sole purpose of resuscitating an effete monopoly.

- Petition of Jerome B. Bailey, and 273 others, citizens of Plattsburg, and Stockholders of the Plattsburg and Montreal Railroad. Signed by Jerome B. Bailey and others. Represented by William F. Coffin, Advocate and Agent.
- Petition of inhabitants of the County of Napierville. Signed by Rev. P. Bederd, Priest, and numerous others. Presented by J. O. Bureau, Esq., M. P. P.
- Petition of inhabitants of the County of Huntingdon. Signed by Petitioners. Presented by —— Somerville, M. P. P.
- Petition of Stockholders in the Montreal and New York Railroad. Signed by Petitioners. Represented by William F. Coffin, Advocate and Agent.

Petition of the inhabitants of the Counties of Clinton, Essex and Franklin, in the State of New York. Presented by William F. Coffin, Advocate and Agent.

Petition of Rev. J. Bedard, Curé of St. Remi, and thirteen other Ecclesiastics, representing Parishes in the Counties of Napierville and Laprairic. Signed by themselves, and presented by J. O. Bureau, Esq., M. P. P.

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Montreal, 14th April, 1855.

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