

1890

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THE
OTTAWA CITY
PASSENGER RAILWAY COMPANY
AND ITS
ROCKCLIFF EXTENSION.



OTTAWA CITY

PASSENGER RAILWAY.

1890.

INTRODUCTION.

THE CORPORATION of Ottawa has not proposed to demand, from the Bondholders, a reduction of the rate of interest upon the Water Works debentures because money can now be had upon better terms ; but some of its members have proposed to withdraw the privileges granted to the Street Railway by their predecessors, which privileges were offered through the city's representative about 25 years ago, to induce stockholders to supply the city with cheap locomotion. It was hoped and believed that by the agreement of 1885, made under Mayor McDougal's enlightened *régime*, the differences between the two Corporations had been settled ; but upon the occasion of the Company undertaking to provide a suburban resort for the citizens, an attempt was made to defeat the same by a sub-committee acting in the name of the corporation, unless the Company would surrender rights it has held for 24 years. The only effect has been to compel women with children in arms, aged and infirm persons, and picnickers with their baskets, to walk 150 yards until they pass out of the jurisdiction of their own city.

This attempted "*coup d'état*" has given rise to the correspondence herewith submitted. The unreasonableness of the treatment of the Company by the City may be inferred from the fact that this Company enjoys no greater privileges

than the one in Hamilton, a city at least the equal of Ottawa, and in fact does more toward street maintenance than the Hamilton Company. Moreover, on two occasions the Ottawa Company has offered to transfer its charter and property to the City, first at cost, and later at considerably less than cost. In 1868, the Directors offered the whole charter and road to the City or its nominees, if they would assume their contracts and build the road. In 1879, the Company offered to hand over the whole of the property to the City Corporation 20 per cent. below the first cost of the same.

The stockholders ran their cars for the accommodation of the citizens of Ottawa for 12 years before they received any dividend, and until the present time the greater portion of the earnings (for the past two years the whole) have been applied to renewals of a worn-out track and to betterments. If the views of some of the city authorities had prevailed, the stockholders would have been unable to run the road until the city grew up to it; and, as they could not be compelled to work it at a loss, the city would have been without the service and the betterments, including the double track (first prevented and then demanded, after thousands had been expended in switches),—the larger cars, and last, though not least, the Rockcliff extension.

The City has failed on every occasion before the Legislature, the Courts, and the Government, and the continued though ineffectual hostility to the Street Railway would be inexplicable on any other ground than that given by a

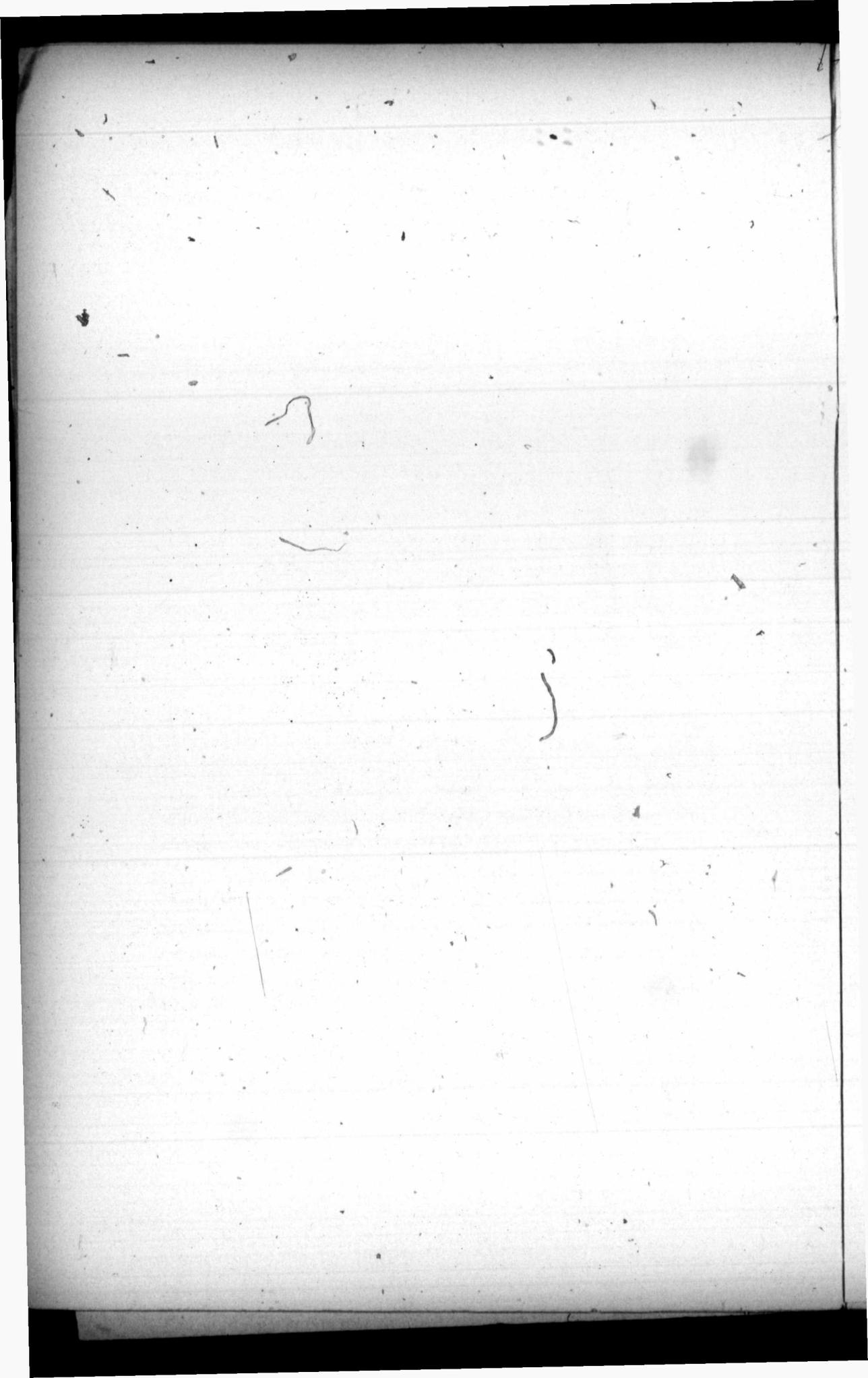
worthy alderman long ago, who advised that "the Company should be continually annoyed until they were compelled to come to terms."

The original shareholders were:

J. M. Currier.....	50 shares.	R. Blackburn.....	50 shares.
W. McNaughton.....	75 "	Perley & Pattee.....	50 "
Thos. C. Keefer.....	250 "	J. MacLaren & Co.....	50 "
N. S. Blasdell & Co.....	50 "	Levi Young.....	50 "
J. R. Booth.....	50 "	Jas. Rochester.....	25 "
Bronsons & Weston.....	50 "	John Rochester.....	25 "
H. O. Burritt.....	25 "	Allan Gilmour.....	25 "
Jas. Blackburn.....	25 "	R. Surtees.....	5 "
John Bray.....	5 "	Hamnett Hill.....	5 "
C. H. Pinhey.....	5 "	A. C. Kelly.....	5 "
T. & W. Hunton.....	5 "	J. R. O'Connor.....	5 "
Jas. Goodwin.....	5 "	H. V. Noel.....	5 "
Garland, Mutchmor & Co.	5 "	J. T. & W. Pennock.....	5 "
Jas. McCracken.....	5 "	Jas. Cotton.....	5 "

All the inducements of a favorable charter were insufficient to secure the subscription of more than $\frac{1}{3}$ the cost of the road; and the stockholders, as may be seen from their relative holdings, did not subscribe as an investment, but for the indirect advantages to themselves in moving about the city. They were not foreigners, but "fellow citizens" and large rate-payers, contributing no small proportion of the civic funds wasted in vain attempts to confiscate their property.

When this Company was offered exemption from street maintenance in 1865, the Toronto Street Railway Company was bankrupt, and the Montreal Company,—which paid no dividend in 1865 or 1866, and paid only 4 per cent. as late as 1870—had found the conditions so onerous that the city amended the agreement, and relieved the Company (whose stock had run down to 60) of street maintenance to the extent of one-half the width specified outside the rail.



CITY ENGINEER'S OFFICE,
CITY HALL, OTTAWA, June 14th, 1889.

J. FRASER, Esq.,
Secretary,
Ottawa City Passenger Railway Company,

DEAR SIR,

I am instructed to notify you, on behalf of the Corporation of the City of Ottawa, that the Corporation is not at present desirous of having rails or tracks laid on any streets in the city by your Company, others than those named in your Charter of Incorporation, except on certain terms and conditions which are deemed necessary in the interests of the rate-payers. I am informed that you propose to construct a line of your railway on Princess Avenue in Rideau Ward in the City of Ottawa. The Corporation cannot permit that avenue to be used for that purpose unless under an agreement embodying such covenants as may be deemed necessary for the protection of the citizens generally. On an application being made by you to the Corporation for the necessary authority, I have no doubt such an agreement may be arrived at.

Yours truly,

E. E. PERREAULT,
City Engineer.

CITY PASSENGER RAILWAY COMPANY,

OTTAWA, 21st June, 1889.

E. E. PERREAULT, Esq.,
City Engineer,
Ottawa,

SIR,

I have the honor to acknowledge the receipt of your letter of the 14th inst., and in reply am instructed to request that you would be good enough to state the terms and conditions upon which the City will consent to the laying of a single track by this Company upon the east side of Princess Avenue for the few hundred feet of the same which is within the city limits.

I have the honor to be, Sir,
Your obedient servant,
(Signed), JAMES D. FRASER.

CITY ENGINEER'S OFFICE,

OTTAWA, June 28th, 1889.

J. D. FRASER, Esq.,
Secretary,
O. C. P. Ry. Co.,

SIR,

I beg to acknowledge the receipt of your letter of the 21st inst., and wish to state that a sub-committee of the Board of Works has been appointed to deal with the matter in question. I shall let you know the decision of said sub-committee as soon as it shall have met.

Your obedient servant,

E. E. PERREAULT,
City Engineer.

OTTAWA, 20th July, 1889.

J. D. FRASER, Esq.,
Secretary,
O. C. Pass. Ry. Co., Ottawa,

DEAR SIR,

In answer to your communication of the 21st June, I am instructed to state that the sub-committee of the Board of Works, to whom your letter was referred, desire that an amicable arrangement in the interest of the Railway Company, as well as of the Corporation, may be come to with you Company that will prevent any misunderstanding in the future; and that it is not desirable that any authority or permission to further extend your line of railway on any of the streets of the City of Ottawa be granted until such an arrangement be entered into. The sub-committee of the Board or Works would propose, as a first stipulation, that the Railway Company agree to change the round rails at present used on the streets traversed by the Company, and in lieu thereof lay the flat rails of the Philadelphia pattern as used in Montreal, the weight of such rails to be not less than 30 lbs. per lineal yard, and that such change shall be made by the Company on or before the 1st of January, 1895; and if, in the opinion of the Council, it becomes necessary before that date to make permanent improvements on any roadways on which the round rail is now used, then, on the Council giving to the Company 60 days' notice of their intention to make such improvements, the Company will, within the said 60 days make the required change on the portion of the roadway specified in any such notice.

The sub-committee would further recommend that the present arrangement as to repairs of roadways be discontinued, and in lieu thereof that the Railway Company agree to pay to the Corporation a fixed sum per mile annually, in consideration of which the Corporation will keep the roadway in repair. The amounts to be paid yearly to be as follows:

(1). For each mile of Macadam roadway traversed by a single track, \$500.00.

(2). For each mile of Macadam roadway traversed by a double track, \$800.00.

(3). For each mile of granite pavement or any other pavement of a permanent character adopted by the Council and traversed by a single track, \$800.00.

(4). For each mile of such pavement traversed by a double track, \$1200.00.

For the future the committee desire that it should be thoroughly understood that the Corporation, on giving to the Company reasonable notice of its intention so to do, shall be at liberty to do all necessary improvements in any roadway or portion of a roadway traversed by the Railway without any let or hindrance from your Company, and that all rails hereafter to be laid on any of the city streets shall be subject to the approval of the Council.

The committee will be glad to meet your Company and discuss with them these conditions, and will be glad to consider any suggestions that the Company may desire to make in reference thereto.

I have the honor to be,

&c., &c., &c.,

E. E. PERREAULT,

City Engineer.

CITY PASSENGER RAILWAY COMPANY,

OTTAWA, 26th July, 1889.

E. E. PERREAULT, Esq.,

City Engineer, Ottawa,

DEAR SIR,

I beg to acknowledge the receipt of your letter of 20th inst., which will be laid before the Directors of this Company.

I have the honor to be,

Your obedient servant,

(Signed),

JAMES D. FRASER,

Secretary, O. C. P. Ry. Co.

OTTAWA, 6th Aug. 1889.

E. E. PERREAULT, Esq.,
City Engineer,
Ottawa,

SIR,

I have the honor to acknowledge the receipt of your letter dated 20th July, and received by me on the 25th, in answer to mine of the 21st June, containing the proposals of a sub-committee of the Board of Works, and to state that the same has been laid before the Directors of this Company, by whom I am directed to reply.

The Company, in extending its tracks to Rockcliffe Ferry are carrying out a policy decided upon by the Stockholders at their annual meeting nearly sixteen years ago, August 1873. It was to provide a pic-nic ground which could be reached without carriages, and without the necessity of carrying baskets a long distance; and this could only be done by an extension from the New Edinburgh terminus of the line. At that time the outlook was bright, but in 1875 a depression set in, which was long continued, and it was not until 1887 that the receipts reached as high a point as they were in 1874. When at last the Company were able to earn a surplus for this purpose it was found that much of the track, some of which had been laid as early as 1868, required renewal; more horses, cars and sleighs were required.

In 1885, the City requested us to remove the switches in Sparks and Sussex Streets, and lay a second track therein with a new rail, also to change our line from Duke to Bridge Street, and rearrange our track at the Chaudière terminus. New grades were given for much of this route, and this required the immediate raising of the old track, and (in consequence of its decayed state) its reconstruction. The new Bridges across the Rideau also called for readjustment of our tracks there. These unavoidable expenditures delayed the Rockcliffe extension until the present year, and it would not have been yet undertaken had we not (at the request of the

City) delayed the raising and reconstruction of our tracks in Wellington Street, which is made necessary by the new grade adopted there. This delay is requested in order that the City might first complete its sewer work in that street.

The portion of the Ferry Road which passes between the Government fences, which is now called Princess Avenue, was originally made by the Mackay Estate, and improved by the Government. It is not in any sense a street, and more like a lane than an avenue. The Government own the land upon both sides of it, which forms part of the Rideau Hall grounds; it will not, therefore, be built upon. The greater part of this section of the Ferry Road is in the Township of Gloucester, only about one hundred and fifty yards in length coming within the City limits. The City has never expended a cent upon it, nor is it likely to do so until the city limits are extended to Rockcliffe, because the land pays no taxes. The Government has maintained this roadway since it became the owner of the property upon both sides of it. This is the only portion of the Rockcliffe extension where the highway is occupied, and the only place where this is unavoidable, all the rest being upon private property. It is also the only portion of this or any other city road where the track can be placed with the least inconvenience to the public roadway. Not being a street requiring provision for houses facing upon it, the track has been laid entirely outside of the roadway, and as close as possible to the Government fence.

It is clear from the foregoing description that no city interest will suffer by the completion of the track in Princess Avenue in the same manner in which it has already been laid upon the greater part of it; and it is preposterous, therefore, to suppose that this Company would pay the exorbitant price demanded by the sub-committee for the privilege of making this connection. The terms laid down by the sub-committee propose a surrender of the privileges granted to this Company by its Charter of Incorporation, passed by the Parliament of Old Canada, at Ottawa, in 1866, within a few hundred yards

of the City Hall, and to which the city authorities of that year were a consenting party. A generation has passed away since that date, and, in view of the present attitude of the sub-committee, it becomes necessary to recite some portion of the history of this Company.

When Ottawa was about to become the seat of Government, the city member, the late J. M. Currier, Esq., was sensible of the unfitness of this town for the Capital of Canada. It was a city only in name. It had not a street upon which the grade was established, it had no water-works, no drainage system, no street railway, and its so-called gas-works barely sufficed to render darkness visible. Mr. Currier introduced Bills for the establishment of water-works and a street railway, and aided also in the re-construction of the gas-works. The water company failed because there could be no power of compulsory water rate given to a private company; the gas-works were reconstructed, and the street railway chartered.

This Charter was not hurried through Parliament. It was introduced and passed at Quebec, in 1865, when, in consequence of an amendment in the Senate changing the names of the Directors, it was withdrawn a day or two before prorogation. It was reintroduced and passed at Ottawa, in 1866, after the City Council of 1865 and 1866 had had at least a year to consider it. The Street Railway in Toronto, though laid on King, Queen and Yonge Streets, had failed, and after a ten years' struggle was sold by the Court of Chancery for \$48,000—less than one-third of its cost. It would have been useless to attempt to raise the capital for one in Ottawa upon the conditions of the Toronto Charter. Mr. Currier engaged a legal gentleman to so modify the Toronto Charter as to make it possible to obtain the necessary capital, and the citizens of Ottawa subsequently approved of this action by electing this gentleman as their Mayor, while their approval of Mr. Currier's efforts in the interest of the city was shewn by his re-election more than once as their representative in Parliament.

In 1867, the city was canvassed for stockholders, but notwithstanding the favorable Charter, less than two thousand dollars could be got between the Rideau River and Pooley's Bridge. Of about \$20,000 subscribed, all but \$1,600 was subscribed at the terminal points—New Edinburgh and the Chaudière—by parties who required cheap, frequent and easy access to the city. This amount was not one-third of the sum required, and the effort would have failed had not the late Thomas Reynolds agreed to take \$20,000 upon condition that the Charter was amended so as to authorize connection with the Prescott Road. This connection gave rise to the particular form of rail adopted by this Company—a form then in use in the Dominion and in the United States, as the only one which would take the flanges of steam cars. It was simply a question of that rail or none at all. The public has had an opportunity of judging of this rail as compared with the ordinary tram, as both are side by side in Sparks and Sussex Streets. The only opinions which have reached us as yet are that the old rail is the least inconvenient to street traffic, its chamfered edges making it more easily mounted by wheeled vehicles. To complete the road a loan larger than the amount subscribed by Mr. Reynolds was carried by the Directors, upon their personal security, at bank rates, and as high as nine per cent. mortgage rate, until 1882, when the balance was paid off by the first sale of stock which could be effected. For twelve years the Stockholders received no dividends, and therefore they have paid for the privileges and immunities which Ottawa held out to them to secure their capital in 1866, and have paid for them in advance. The city has had the benefit of a street railway, prematurely built, for twelve years, at the Stockholders' expense.

It is needless to recount the persecution of this Company by various City Councils down to 1881. Almost annually, notice of application to the Legislature to amend the Company's Charter was published, but seldom followed up by any further action. When brought before the Legislature the city failed.

In 1882, the Corporation demands were reduced to a single one, that we should pay for the stone worn out by our horses' feet. The Company, though relieved by their Charter from all street work, had from the outset offered to put the stone upon their tracks, because this frequent application in small quantities was the only additional cost entailed by the existence of the rails. The City put its own price upon this stone and the Company accepted, and have annually paid it since in order that it might not be truly claimed that the City was put to expense in furnishing stone. The sub-committee now propose to repudiate this contract, and future sub-committees may take the same course with reference to any new arrangement which might now be made.

This stone contract of 1882 was made, as expressed in the report of the City Council, "in order to arrive at an amicable settlement and avoid the necessity of applying for legislation," and was the means of securing the peace which has prevailed for nearly seven years.

Early in 1885, Mayor Macdougall, on behalf of the city, proposed certain changes which were accepted by this Company. These, which involved the removal of switches, etc., have already been alluded to. These switches had been put in, at the request of members of the City Council and merchants on Sparks and Sussex Streets, at a cost of several thousand dollars extra, the Company having had on hand at the time the whole of the iron for the double track. In this agreement it was provided that the double tracking of Sparks Street should be postponed one year in order that a sewer might first be laid in that street. The sewer scheme failed, and we were told to lay the second track, and that when Sparks street was sewered it would be by two smaller pipes at the sides, instead of one large one in the centre of the street.

There is a report of the City Engineer, January 26, 1885, giving the comparative cost of two smaller pipes and a large centre one, shewing the increased cost with two 9-inch instead of one 12 inch pipe to be less than \$2,000 for each lot of 66

feet frontage. This Company has the right to expect that the pledges of 1886 be carried out, and that Sparks Street be sewered in this superior manner without interruption to the Company's traffic, or damage to its tracks.

Before the switches were removed, our traffic could have been maintained upon Sparks Street while sewer work was carried on in the centre of the street, which cannot now be done unless temporary switches are inserted. We have no stables or car shed at the Chaudière end, and our cars would be "housed" in the street every night.

There was no demand made for any revision of the stone contract of 1882, in consequence of the double track provided for in the agreement of 1885, because evidently the same number of horses will wear out no more stone on a double than upon a single track, and that was all we were asked to pay for.

This Company has met the Corporation fairly and liberally in every reasonable demand made upon them, and is most desirous to continue to do so; but we cannot assent to the proposition enunciated by your sub-committee, that a single notification of their intentions will have any effect in altering or invalidating the provisions of our Charter. The plea of the necessity of any improvement does not exempt the city from paying the damage done to any gas or water pipe caused by that improvement. Whenever it is necessary to interrupt the Company's traffic, no opposition will be offered by us, so long as we are provided with the necessary switches, and our track protected and restored to its former condition. How little it is necessary to interrupt the traffic of the street railway and inconvenience the large number of citizens who make use of it, is shewn by the fact that, in the nineteen years during which cars have been running, with all the street work that has been done in that time under and alongside our rails, the cars have not lost a trip.

The Directors of this Company reciprocate the wish of the sub-committee for an amicable arrangement, as well as for a

conference, which they regret was not proposed before the sub-committee fixed the terms of your letter.

I have the honor to be, Sir,

Your obedient servant,

JAMES D. FRASER,
Secretary, O. C. Pass. Ry. Co.

OTTAWA, 4th Sept., 1889.

JAMES D. FRASER,

Secretary O. C. P. Ry. Co.

Re-Rockcliff Extension.

DEAR SIR,

Your letter of the 6th of August last, in reference to your application for authority to construct a line of street railway on Princess Avenue, was considered by the sub-committee of the Board of Works, on the 3rd inst., and I am directed by the committee in replying to your letter to draw the attention of the Railway Company to the following considerations :

The committee are not asking the Railway Company an exorbitant price, or indeed any price for making the connection referred to. They are merely suggesting the basis of an agreement which the Railway Company in their Charter have acquired the authority of the Legislature to make, and on the performance of which the municipality will grant the authority asked for. In the opinion of the committee this privilege should be granted by the Corporation after some agreement is entered into by the Company pursuant to the terms of its Charter.

In reference to that portion of your letter in which you draw attention to the fact that the City Council and the citizens of Ottawa did not oppose the granting to your Company the extraordinary privileges contained in the Charter,

the committee instruct me to say that they find that, in the spring of 1868, opposition was contemplated to certain amendments to your Charter, for which application to Parliament had been made; that such contemplated opposition was withdrawn on the faith of a pledge given by the Railway Company in a letter addressed to the Citizens of Ottawa and the City Council, in which it is stated:

"They (the Railway Company) take this opportunity of assuring the Corporation and the citizens that, if the Railway Company could depend upon earning more than the amount necessary to pay working expenses, they would not object to become liable for items assumed by Street Railway Companies in larger cities;" that your reference now to the legislation obtained in this way seems to the committee to be rather severe criticism of the action of the Council of 1868, for relying on the assurances then given by your Company. Had the Council of 1868 the experience in street railway matters that your Company has afforded to subsequent Councils, they would not have erred in the manner indicated.

The committee also submits that the Railway Company entirely misconceives the position of the Corporation in this matter. The committee did not propose that the Company should surrender its Charter, nor do they think that the fact of the Company undertaking to keep in repair the roadways which are almost exclusively used by them for their own benefit would have the serious consequences suggested.

The committee would suggest that the Company has not attempted to redeem the pledge given to the citizens of Ottawa in 1868; that it has failed to comply with the terms of the agreement made with the Corporation in 1885; and that the recurrence of breaches of obligations of this kind, and the noncompliance with the terms of the Charter in other respects, will be more apt to lead to serious consequences to the Company's Charter than the performance of such a municipal duty as the repairing of the roadway traversed by the Company.

The committee cannot assent to the proposition of the Company, that when the municipal authorities undertake the construction of any works for the public benefit, as, for example, the construction of sewers for sanitary purposes, that the Railway Company is to be consulted; nor is it to be assumed that the Corporation doing so without asking the permission of the Company would invalidate the provisions of the Charter.

If the object of your letter is intended to convey to the Corporation of Ottawa that the Company will submit to no conditions, and will make no concessions when applying for permission to extend their railway system to streets of the city, other than those mentioned in the Charter, and that the Corporation can only repair streets and construct sewers with the Company's permission, then the committee can see no end to be gained by a conference. If, however, the Company are disposed to meet the committee, and to discuss the propositions already made, or any other propositions that may be suggested, the committee will be glad to meet the Company, and only regret that the proposal for a conference previously made by the committee was not accepted before the Company adopted the terms and the tone of your letter.

I have the honor to be,

Your obedient servant,

(Signed), EDWARD E. PERREAULT,
City Engineer.

CITY PASSENGER RAILWAY COMPANY,
OTTAWA, 9th Sept., 1889.

E. E. PERREAULT, Esq.,
City Engineer, Ottawa.

Re-Rockcliff Extension.

DEAR SIR,

I have the honor to acknowledge the receipt of your letter of 4th inst., which will be laid before the Directors at their next meeting.

I remain, your obedient servant,

(Signed), JAMES D. FRASER,
Secretary O. C. P. Ry. Co.

OTTAWA, 30th Sept., 1889.

SIR,

I have the honor to acknowledge the receipt of your letter of 4th Sept., in which you state, on behalf of the sub-committee of the Board of Works: (1) That the contemplated opposition of the City Council of Ottawa to the Company's Amendment Act in 1868 was withdrawn on the faith of a pledge given by the Railway Company; (2) and that the Company has not attempted to redeem this pledge; (3) and that the committee has not proposed that the Company should surrender its Charter.

The facts are—as to the first statement, that the Corporation of 1868 did not withdraw their opposition to the Company's Bill, but pursued it to the last:—a reference to the records of the City Council will prove this. On the day the Bill was passed, the city member for Ottawa, in reply to the demands made upon him, telegraphed that he "could not justify himself in destroying the Company's Charter obtained at Ottawa." After the Bill was thus passed, in Feby., 1868, the Corporation, on June 5th, petitioned the Minister of Public Works to prohibit the Company from laying tracks over Sappers Bridge, as Government property, and on same date also petitioned the Governor General to disallow the Act of the Ontario Legislature passed in the previous February. On June 8th, the City Clerk published a notice that the City of Ottawa would apply to the Parliament of the Province of Ontario at its next Session to repeal or amend the Act above referred to.

All these steps were taken at Toronto and Ottawa, after it was known to the City that the Company had contracted for its iron and its timber. In September, 1868, the Company notified the Corporation of their intention to commence track-laying, and asked if any alteration of grades was contemplated, offering to lay their track in accordance therewith, and in such position in the streets as would involve least interference with the sewers. The Corporation replied to this letter by a

By-Law, passed 5th October, 1868, declaring the Acts of the two Legislatures "unconstitutional and void," and prohibiting the laying of tracks "upon any of the streets, squares, and bridges of the City of Ottawa."

Instructions were also given by the City to file a Bill in Chancery against the Company, and the Directors were served with a notice to this effect.

As to the second statement, although the Company were, according to the sub-committee's argument, released from its so-called pledge by its non-acceptance by the City, as a matter of fact it was redeemed, first by the Company paying for the labor from the outset in 1870; and, secondly, by their paying for the stone as soon as able to do so. In this respect they have done more than is required in other cities of equal population, as Hamilton, for instance, where the Corporation supply the material, and the Company only put it on their tracks.

As to the third statement, a reference to the letter which the sub-committee were answering would have shewn that the statement was as follows: "The terms laid down by the sub-committee propose a surrender of the privileges granted to this Company by its Charter of Incorporation, passed by the Parliament of Old Canada, at Ottawa, in 1866."

In the subsequent allegations and suppositions of your letter, the Directors find the sub-committee as incorrect as in those which have already been noticed. This Company has never claimed that it is to be consulted about, or its permission obtained for any civic work. When making such allegations or suppositions, the sub-committee were replying to a letter in which was contained this clear statement of the Company's position—"Whenever it is necessary to interrupt the Company's traffic no opposition will be offered by us, so long as we are provided with the necessary switches, and our track protected and restored to its former condition."

The sub-committee refer to the "tone" of the Company's letter. The Directors are unable to discover anything objectionable in the tone of their letter. It was written in

reply to a letter in which the sub-committee notified them of their intention, in future, to interrupt the Company's traffic and undermine its tracks without compensation or restoration. The Directors do not claim that there is any tone of submission in their reply.

I have the honor to be,

Sir,

Your obedient servant,

JAMES D. FRASER,

Secretary,

O. C. Pass. Ry. Co.