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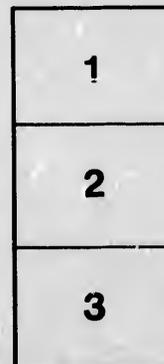
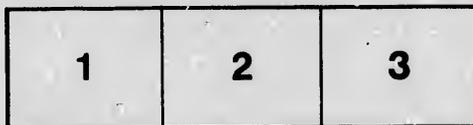
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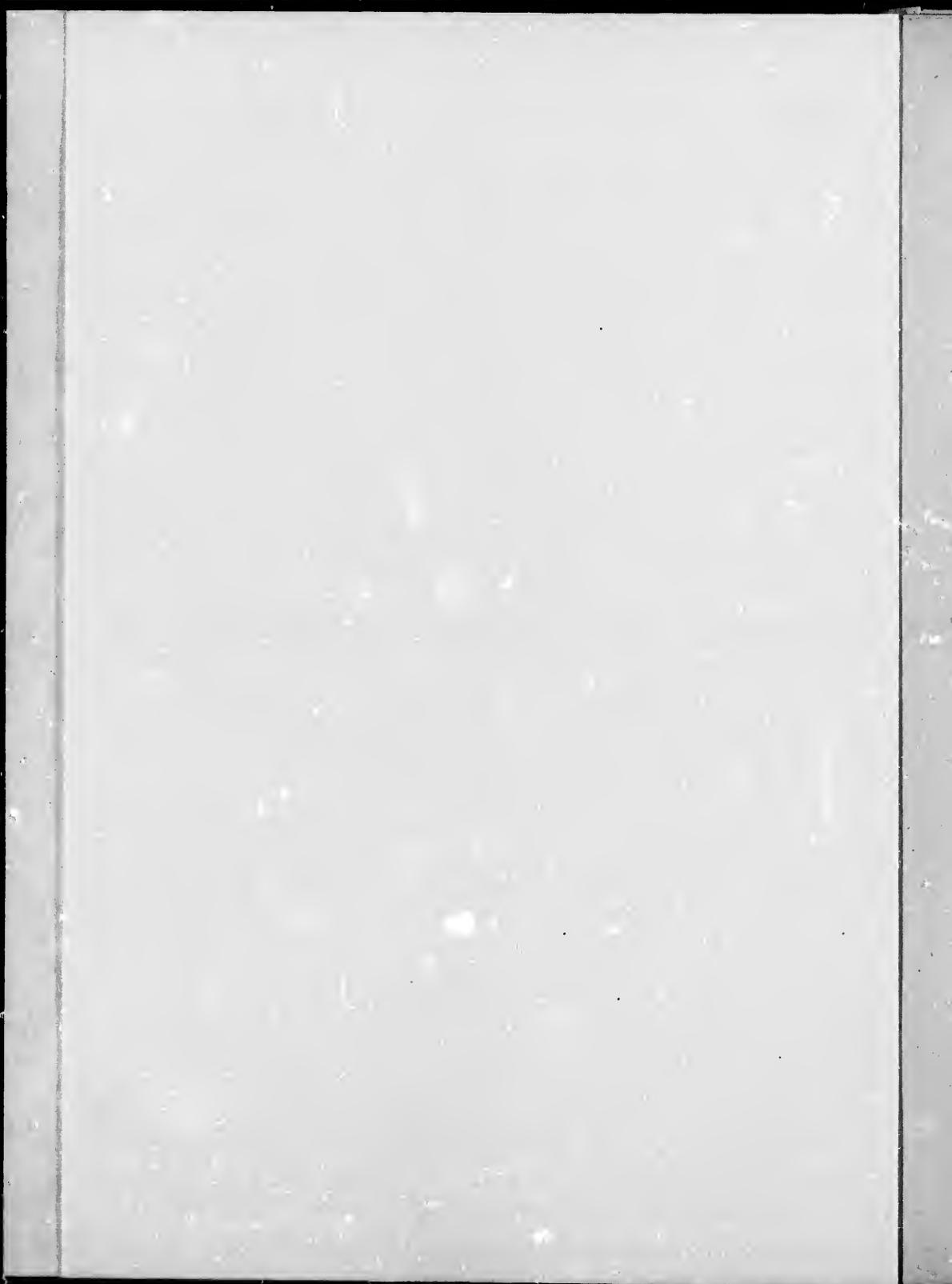
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GRAND TRUNK VERSUS NORTH SHORE.

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A REVIEW OF THE

GRAND TRUNK RAILWAY COMPANY'S

PROTEST AGAINST THE CONSTRUCTION OF THE

NORTH SHORE LINE

BY THE

PROVINCIAL GOVERNMENT.

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By SILAS SEYMOUR,

COUNSULTING ENGINEER OF THE

NORTH SHORE RAILWAY.

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DECEMBER 6, 1875.

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1-4005

## GRAND TRUNK VERSUS NORTH SHORE.

*A REVIEW of the Petition of the Grand Trunk Railway Company, against the Construction of the North Shore Line, by the Provincial Government.*

The following remarks are respectfully submitted for the consideration of the Government, the Parliament, and the People of the Province of Quebec, respecting the extraordinary Petition, signed by Richard Potter, President of the Grand Trunk Railway Company; and presented to the Legislative Assembly, on Friday last; in which that Company protests against the Construction and Management of the North Shore Line by the Government.

### ARGUMENT OF THE PETITION.

The main points, as contained in this Petition, may be briefly stated as follows :

1st. The large number of individuals (being upwards of ten thousand five hundred) who are interested in the Securities of the Grand Trunk Railway, *are Foreigners*; and hence their interests should be protected in preference to those of the Citizens of Canada.

2nd. The North Shore line passes, for a distance of

“ three hundred miles, through a district sparsely populated, a district in which there is little or no traffic, one which at all events is quite incapable of sustaining a Railway out of its own resources ; and which is at present fairly served by the St. Lawrence River, and by the Trunk and branch Lines of your Petitioners Railway ; ” and hence the Railway should never be constructed.

3rd The Grand Trunk Railway was constructed with money obtained under a guarantee of a “ quasi Government character, ” given about a quarter of a century ago, which was contained in a *Prospectus*, and “ promised to the ordinary share-capital, a high per-centage return ” &c. ; and hence the Government is forever precluded from constructing any other lines that will be likely to interfere in the least with the traffic that was then assured to the Grand Trunk Railway.

4th. The money thus obtained “ has been *practically lost* ” ; and “ their enormous expenditure is at present *absolutely unproductive* to the ordinary Share-holders, and to the whole of the original preference stock-holders ” ; and hence it would be very unjust for the Government to do anything that would be likely to *impair the value* of these securities.

5th. Having thus satisfactorily (to himself at least) established the facts ; that the rights of Foreigners are paramount to the rights of Canadians ; that there is no railway traffic through the region traversed by the North Shore line ; that the Government is bound, during all time, to protect the interests of the Grand Trunk Railway ; and that these interests are now entirely valueless, the petition proceeds to demonstrate that the construction of this line

will *detract largely* from the business of the Grand Trunk line ; and “ must necessarily be *prejudicial in the highest degree* to your Petitioners undertaking ” ; also, what is really more alarming than all, “ that it must necessarily cripple your Petitioners power and means to afford *the best possible accommodation* to the general public of Canada, whom it is their duty and their interest to serve ” &c. And hence, the good people of Canada, and more particularly those who are so unfortunate as to reside in the barren and desolate region traversed by this North Trunk Line, must not expect hereafter to receive those great benefits which have been heretofore vouchsafed to them by the Grand Trunk Railway.

6th. After reminding the Government, that inasmuch as “ your Petitioners pay large sums for rating and municipal taxation, it will be an excessive hardship upon them to apply funds thus derived from themselves by such taxation, in promoting and fostering schemes which will *vitaly injure their property* ; ” the petition closes with the following *very modest demand*. “ Your Petitioners therefore humbly pray that no measure receive the sanction of your Honorable House, having for its object the promotion of any Railways on the North Shore of the St. Lawrence, which will *run in opposition to your Petitioners, OR INTERFERE WITH THEIR RIGHTS* ” ; and hence it is to be inferred that this most Honorable Government of the ancient Province of Quebec, will be summarily obliterated, or *wiped out*, unless it accedes to the demands of the Grand Trunk Railway, as set forth in this Petition.

## FURTHER HISTORICAL FACTS.

Having thus stated, as briefly as possible, the case of the Grand Trunk Railway Company, as presented by themselves, it may be well, before proceeding further, to call attention to some *historical facts* which are not mentioned in Mr. Potter's Petition.

It is very well known that, during the past four years, no effort has been spared by the Grand Trunk interest, either in Canada or in Europe, to throw discredit and ridicule upon the efforts that were being made by the Government, the municipalities, and the people of this Province, to secure the construction of the North Shore Line. Whenever the securities of this line have been offered abroad, the representatives of the Grand Trunk interest there, have made it their special business to discredit them, and thus prevent their negotiation and sale.

With an array of "upwards of ten thousand five hundred individuals, comprised not only of many Peers of Parliament, and Members of the House of Commons; but Bankers, Merchants, Lawyers, Brokers, Tradesmen, Clergymen and Widows, resident not only in London, but in almost every considerable City and Town in England and Scotland," as stated in the Petition, this task has been comparatively easy; and it finally became necessary only to procure the insertion of a few disparaging sentences, either in the *London Times*, (which was probably also in the ring), or in some other influential paper, in order to rid the London Money Market of these hateful securities.

The President of the Grand Trunk Railway Company, Mr. Potter, has declared repeatedly, during the past two years, both in Quebec, Three Rivers and Montreal, that

he had done, and should continue to do everything in his power to prevent the sale of these securities, and the construction of this Line of Railway. His zeal and anxiety in this good cause had become so great, that during the Fall of 1874, he actually visited some portions of the line between Quebec and Montreal, with his staff, in order to ascertain the progress that was being made in construction. And upon being told by one of his officers, that the progress thus far, indicated a determination to complete the line, he sneeringly replied, that the Company and the Contractor had probably expended their last dollar ; and that he would take very good care to see that no money was obtained from Europe to complete the line, *even though by doing so he destroyed the value of every Railway Security in Canada.*

Is it not somewhat unaccountable, that this kind hearted and most *disinterested* man should have taken so deep an interest in preventing the waste of money upon a line passing through " a district *sparsely populated*, a district in which there is *little or no traffic*, one which at all events is *quite incapable* of sustaining a Railway out of its own resources ", as stated in his petition. If this barren and unproductive region affords *no traffic* for a Railway, it is quite difficult to see why the construction of a railway through it. can in any degree affect the interests of the Grand Trunk Railway Company.

It is also very well known that, but for this *dog in the manger* policy, which has thus far been so successfully pursued by Mr. Potter and his friends, the entire line between Quebec, Montreal and Ottawa, would probably have been opened for business before the close of the pre-

sent year ; provided always that the Provincial Government, the City of Quebec, and the Contractor, had each promptly fulfilled their part of the undertaking ; as would unquestionably have been done, if the present state of things had not existed.

But inasmuch as the Grand Trunk Railway interest has succeeded in preventing the construction of the line *with the aid of private capital from abroad*, and through the legitimate agencies of the Companies who had the matter in charge, the Provincial Government, in order to render available the past expenditures upon the line ; and also to meet the commercial necessities of nearly one half of the most densely populated portion of the entire Province, has found itself compelled to assume the entire responsibility of constructing the line ; and thus to place itself for the time being, in an attitude apparently hostile to (or at least one which is claimed to be so by) the Grand Trunk Railway interest.

It must therefore be admitted as quite apparent, that the present attitude of the Government in respect of the North Shore Line, is attributable entirely to the policy which has heretofore been pursued by the persons representing the interests of the Grand Trunk Railway Company. And also, that if these parties have at last so far emerged from the fog through which they have been sailing during the past few years, as to enable them to discern *breakers ahead*, they have to thank only themselves and their selfish stupidity, for their present position.

#### POLICY OF PRE-EMPTION.

It may also be very proper to inquire in this connection, if the doctrine of *non-interference* by the Government, as

laid down in Mr. Potter's petition, is to prevail at the present time, why has not the principle been promulgated and enforced heretofore, when the Provincial Government was granting most liberally of its lands and its credit, in aid of these very roads, the construction of which is to become so ruinous to the Grand Trunk Railway.

And again, it is stated in the petition that : " Notwithstanding the efforts of your Petitioners, *owing mainly to the competition of the water carriage along the St. Lawrence River in the open months* ; and of American and Canadian Railways, their enormous expenditure is at present *absolutely unproductive, &c.*" Why therefore has not the attention of the Dominion Government been long ago called to the fact, that every dollar which it has expended in improving the Navigation of the St. Lawrence ; and in perfecting its unrivalled system of Canals ; and in the construction of the eastern portion of the Canadian Pacific Railway, has been in direct violation of this same ancient compact, under and by virtue of which, as is now claimed in the petition, the money was originally obtained for the construction of the Grand Trunk Railway.

And again, if as above stated, the securities of that Company have already become "*absolutely unproductive,*" either from the above named causes ; or, as is much more generally understood, by reason of the grossest extravagance and mismanagement, how can these same securities be rendered any more unproductive and valueless, by the construction of the North Shore Line through a country that affords no Railway traffic ; or from any other cause ?

It is generally understood that, when a security has become "*absolutely unproductive,*" particularly after a

trial of a *quarter of a century*, it is safe to assume that its normal value is *Zero*; and that it may as well be destroyed at once. It would certainly be regarded as the height of folly and injustice to keep the material developement of an entire country at a stand still, during a longer period than a quarter of a century, even to gratify the feelings of the very large and respectable list of the Foreign owners of the Grand Trunk Railway.

Assume for a moment, that this newly discovered policy of granting *pre-emptive* rights to the railway traffic of particular districts, had been followed during the same period, by Europe and the United States, in all the original Railway Charters; and in every *Prospectus* issued by the original promoters of, or speculators in these schemes; and it is quite easy to imagine the state of commercial developement that would now have existed in these countries under such a suicidal policy. The idea is simply ridiculous, although quite in keeping with the source from which it emanates.

#### GROSS MIS-STATEMENTS

There are several gross mis-statements in Mr. Potter's petition, which should not be allowed to pass unanswered and uncorrected; and though they have been reiterated so often on the other side of the water, that even Mr. Potter himself may have come to believe in their truth.

The country through which the North Trunk Line passes, instead of being "sparsely populated" and "affording little or no traffic for a Railway" is very well known in Canada, to be one of the most productive and thickly settled districts in America; and also, that it is not equalled

in these respects, by any similar distance along the line of the Grand Trunk Railway.

It is quite safe to say that there is to-day, no similar extent of country in America, or even in the civilized world, that is so capable of affording ample support for a Railway, if economically constructed and properly managed, and that has not a railway running through it, as the country lying along the North Shore of the St. Lawrence River between Quebec and Montreal, and extending back a distance of from twenty to fifty miles, to the almost interminable Forests.

The local business alone, if properly conducted, will afford a handsome remuneration for the cost, and operating expenses of the road; and the through business, when the line shall have been extended to Ottawa, Toronto, Georgian Bay, Sault Ste. Marie, and eventually to the Pacific Ocean, all of which extensions are now under way, and some of them are near completion, will therefore, under proper management, be a source of *clear profit*; or an absolute *bonus* over and above the working expenses, and the interest upon the capital required for its construction.

I have used the term "*proper management*" for the purpose of so far qualifying my prediction respecting the future success of the road, as not to be committed, either to the past or present management of the Grand Trunk Line; or to any management which may hereafter be under the *direct control* of the Government.

I take for granted, however, that the Government will have no difficulty in leasing the line to responsible parties, who will be very glad to pay the entire interest on its cost, and provide for redeeming the principal at maturity.

And if this be done, at least one, and the most alarming of the features of the Railway policy of the present Government, complained of in the petition of the Grand Trunk Railway Company, will be fully met and obviated.

It is also stated in the petition, that the region of country traversed by the North Trunk Line, "is at present fairly served by the St. Lawrence River, and by the Trunk and branch lines of your Petitioners Railway." All of which may possibly be believed by the "ten thousand five hundred" *foreign* owners of the Grand Trunk Railway, who may have never visited this region; but the Government, and the people of Canada, particularly those who reside, or transact business in Quebec, Montreal, and intermediate points, know full well, and have abundant reason to feel almost every day in the year, that the statement is very wide of the truth.

It is admitted that during the season of navigation, the St. Lawrence River affords a somewhat tardy, but tolerably comfortable and economical means of transit between Quebec, Batiscan, Three Rivers, Sorel and Montreal; particularly since opposition boats have been running, during the past two seasons.

But during the six months of November, December, January, February, March and April, the people are left entirely to the tender mercies of the Foreign owners of the Grand Trunk Railway; and the result is, that by paying seven dollars for passage, including a place to sleep, and a quarter extra for crossing the River, if the ferry boat is running, or a dollar extra to a carter for driving across the River on the ice, or two dollars extra for crossing in a canoe, if neither ferry boats nor carters

dare cross, a passenger may start from Quebec at the close of one day, and feel reasonably certain of reaching Montreal sometime during the next day, provided he does not miss a connection with the Main Line trains at Richmond Junction, and is not detained more than an hour in crossing the Victoria Bridge. But if his destination is Three Rivers, or any other intermediate point on the St. Lawrence River, he would make a much quicker, cheaper, and more comfortable passage by *Hough's old stage line*, if it was still in existence, than he could reasonably expect to do by the "*fair service*" rendered to this district of country by the Grand Trunk Railway. It is claimed, however, in the petition, that if the Government Policy prevails, "it must necessarily cripple your Petitioners power and means to afford *the best possible accommodation* to the general public of Canada, whom it is their duty and their interest to serve."

Will not the Government pause a moment, just to consider before taking this fatal step, what a dreadful calamity it is entailing upon its devoted constituents, by depriving so large a portion of them for all time, of these "*best possible accommodations*" ?

#### THE DECISIVE STRUGGLE.

Fearing, however, that neither the Government nor Parliament will heed this warning; and that the citizens of Quebec, as well as those more unfortunate, whose fate it is to dwell in the desolate region so graphically described by Mr. Potter, will still persist in demanding the immediate construction of their favorite, though long delayed North Shore Line, I must warn them most serious-

ly, that the present petition emanating from the Grand Trunk Railway, is only the first decisive step of that selfish and heartless corporation, to defeat the construction of the North Shore Line by the Government; and that it will be speedily followed by the most *persuasive*, or the most *threatening* measures at their command, in order to attain their avowed object.

When the decisive struggle comes therefore, as it surely will, between this unscrupulous and powerful foreign organization, and the Government and people of the Province of Quebec, it will be for the latter to decide at once and forever, whether Mr. Potter and his friends in England and Scotland, are to dictate as to what Railways are to be constructed in Canada; and as to what securities are to be placed upon the money markets of Europe; or whether, by a firm and united effort, the Government and people of this Province will assert their independence of such selfish influences and cowardly threats; and thus place their most important public works upon a footing that shall meet the just requirements of the people of the Province; and at the same time compare favorably with those of her sister Provinces, and neighboring Country.

Having, as the servant of the Railway Company, during the past few years, devoted my best energies to the development of this North Shore Line; and having in the mean time, encountered, both in this country and in England, the pernicious influences, and the deadly hostility of the representatives of the Grand Trunk Railway, in connection with its success, all of which have thus far been too potent for either the Railway Company or the Contractor to withstand; and knowing full well that now,

when the undertaking is about to pass into the more powerful hands of the Government, this warfare will be renewed with even greater virulence and determination, I shall watch the result of the contest with more than ordinary interest; and I shall feel more than gratified if the bold and enlightened policy upon which, with the approval of Parliament, the Government is about to enter, shall result in the speedy construction of the Road; and thus afford an early opportunity of either verifying or disproving the predictions which I have so often made respecting the future success of one of the most important Railway and Commercial enterprises of the present day.

## CONCLUDING REMARKS.

I have only to remark in conclusion, that, however well Mr. Potter may succeed, by sophistry and mis-representation, in hood-winking his *foreign* constituents, the simple facts, as universally understood in this Country, are;

That the Grand Trunk Railway is at present managed entirely in the interest, and for the benefit of the President and a few chosen friends in London, who are constantly speculating and gambling in its securities; and in the large loans which are placed periodically upon the London market, for the avowed purpose of making the enterprise a financial success; and all this at the expense of the "widows" and *orphans* who are the unfortunate holders of a large proportion of its original securities.

That instead of now being a *Canadian Enterprise*, as was originally intended in its charter, and set forth in the "*Prospectus*" referred to in the Petition; and thus having a *just claim* upon the Canadian Government for protection,

and upon the Canadian People for support, its chief business is now, and has been for years, to carry on a *ruinous competition* with the Railway Lines of the United States, for the *through traffic* between one portion of that country and another.

That in its vain efforts to accomplish this object successfully, although passing through a large intermediate portion of Canadian Territory, it has entirely ignored, or at least regarded as only secondary, its *local traffic*, and the proper accommodation of the People of Canada; which of themselves, if properly fostered and encouraged, would have afforded it an ample revenue; and have made it, if properly conducted, one of the best paying Railways in America. Instead of which, it now finds itself *bankrupt* in means and credit; *detested* by the People of Canada; a *laughing-stock* to all intelligent Railway men and capitalists, both in Canada, and the United States; and a *stench in the nostrils* of the money markets of Europe. And yet this corporation now has the extraordinary assurance to *dictate* the legislation, and the *Railway Policy* of the Province of Quebec.

Persistently following the dazzling, but deceptive light of this *ignis-fatuus*, THROUGH TRAFFIC, at the sacrifice of everything *local*, the foreign managers of the road have made their deluded followers believe; first, that the substitution of *steel*, for iron rails, (which had been worn out in the race for this *through traffic*) would secure the coveted prize. This being accomplished at a cost of several millions, and failing, the next inspiration was, that an *International Bridge* at Black Rock, (thus shortening the distance through Canada, and entirely avoiding the Province

of Quebec), would certainly effect the object. This being accomplished at a cost of several more millions, and failing, it was suddenly discovered that the *gauge was too broad* for a large *through traffic*; and that it must be immediately reduced, the old equipment thrown away, and new rolling stock substituted. This having been accomplished at an additional outlay of several millions, and having failed, it has at the last moment been discovered, that the *Shadow of this North Shore Line*, is the only obstacle to success; and hence the recent *Petition to the Parliament*, which I have felt it my duty to pass in Review.

All of which is most,

Respectfully submitted,

SILAS SEYMOUR,

Quebec, December 6th, 1875.

