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AND

LAKE HURON RAILWAY

Mr. John M. Nicol, of the city of Detroit, one of the promoters of that vast enterprise, has exposed his views on the subject in the following terms, before the Quebec Board of Trade :

Mr. President and Gentlemen of the Board of Trade,

I had not thought of addressing your honorable body when I came to your city, but having prepared some little data which I thought might be of service to the Railroad Committee, before whom we confidently expect our Bill will come during the present month, and desiring the cooperation of every intelligent citizen of this Province, from whom we certainly should have the heartiest support, it was suggested by some of my associates that perhaps it would not be out of character for me to address you briefly, to the end that you might perhaps become better acquainted with the objective features of this enterprise. With the Quebec & Lake Huron Railway as my theme, I could weary you with what I might say, regarding the great advantages which will accrue to the Government and people of Canada, and particularly the Province of Quebec, by the construction of this road. So I shall be as brief as possible, presuming that you are already quite familiar with the subject.

I will preface my remarks with the statement that we intend to build a road with which it will be an honor for any Canadian to become connected, a road that in our judgment will come nearest the solution of the great problem of cheap transportation than anything that has yet been suggested, a road that will become one of the great highways between the East and the West. The enterprise is one of the utmost importance to the Dominion, if she hopes to maintain the prestige of the shortest route from the Great Lakes to the sea, and with Georgian Bay and Quebec as terminal points of an East and West road, it must be acknowledged that such a thing actually exists. You are face to face with the great problem of cheap transportation, and it is a matter of a few years only when you will be called upon for a solution of it. I am not here to warn you of what you are liable to lose, if this road is not built, but rather to state what I believe you will gain if it is constructed.

Passing lightly over the subject of deep water ways, namely the ship canal from Lake Erie to tide water, now being agitated by the Government of the United States, and the enlargement of the Erie Canal, which is being seriously considered by the State of New York, either, or both of which, must ultimately become a great factor in the cheapening of the rates of freight between the East and West, you will have to contend with a mightier factor in the great trunk lines which are rapidly getting into position to meet this question by the enlargement of their facilities for caring for the rapidly increasing traffic, and for its economical handling, thus

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insuring the continuity of their business, and maintaining the reputation they have justly earned of being the cheapest and fastest means of transit. And what is being done by the great trunk lines must of necessity be done in Canada. These roads have seen the necessity of increasing their facilities by enlarging their equipment, and instead of hauling thirty cars of twenty tons capacity each, they are expecting, within a few years, to haul trains of fifty cars of fifty tons capacity each. But in order to accomplish this, they must lower their grades, lay heavier rails, and more ties, strengthen their bridges and culverts, do away with their light engines, substituting therefor engines of not less than ninety tons. This means an expense which will stagger some of the roads, and of course it is impossible for any of them to reach this perfection point, excepting by easy stages, as it means the re-building and re-equipping of their lines.

The Vanderbilt lines (New York Central, Lake Shore and Michigan Southern), have already commenced this work of reconstruction, and will, no doubt, within five years, have reached the goal. And trouble will come to the line or lines which do not speedily follow in their footsteps, for so sure as they neglect, or fail to do so, so sure will they become a back number. It is along these lines that we desire to attract your attention towards our projected road.

We intend to build an up-to-date railway—with ninety pound rails, ninety ton engines and fifty ton cars, with which, if the grades will permit (and we are sure they will), we can haul fifty loaded cars, or a train of 75,000 bushels of wheat, and with such a road in connection with steamers of 7,500 tons capacity, on the lakes, and the most modern elevators at both terminal points, we believe it will puzzle any of the lines to compete with us, and with the advantage of 500 miles of lake and 500 miles of ocean navigation saved, it must be apparent to anyone that we may become the rate-making power on foreign shipments.

As to canals and the figure they cut in cheapening transportation rates, it is generally admitted that the railroads cannot compete with water transportation. This certainly is true, so far as the great natural waterways are concerned, but it is not true as regards the artificial canals, as evidenced by the following figures, gathered from the reports of the New York Produce Exchange.

In 1868 the total receipts of grain and flour at New York were 61,000,000 bushels. Of this 75 per cent. was received by canal and 25 per cent. by railroads. In 1873 the total receipts were 92,000,000 bushels, of which 53 per cent. was received by canal and 47 per cent. by railroads. In 1878 the total receipts were 153,000,000 bushels, of which 41 per cent. was received by canal and 59 per cent. by railroads. In 1888 the total receipts were 106,000,000 bushels, 32 per cent. of which was received by canal and 68 per cent. by railroads. In 1898 the total receipts were 193,000,000 bushels, of which only 10 per cent. was received by canal, while 90 per cent. was received by railroads. The percentage of grain and flour received by canal fell from 75 per cent. in 1868 to 10 per cent. in 1898, and the percentage received from railroads rose from 25 per cent. in 1868 to 90 per cent. in 1898.

Is it then very marvellous why the friends of the canal are so anxious that the State of New York shall bond itself for \$60,000,000 for improvements which must be made in order to compete with the railroads, or otherwise be forced out of business entirely? It must not be overlooked that while New York is the only city in the United States which enjoys direct competition from the canal on its through traffic, it is not the only one which is affected by this competition. The total receipts of grain and flour at the principal sea-ports, viz: New York, Boston, Philadelphia, Baltimore, Portland and New Orleans, were, in 1898, 473,000,000 bushels, of which New York received 195,000,000 bushels, the rate on which governed the rate on the whole, and the rate on all of which was directly or indirectly in competition with the canal rate, and of this total of 473,000,000 bushels, less than five per cent. reached the sea—board via the canal.

With these statistics before us (and they are authentic, having been gathered from the report of the Committee on Canals of the State of New-York), is it not apparent to any one familiar with the subject of transportation that the railroads, and not the canal, are responsible for the great reduction in the cost of transportation?

Now let us see what the effect of increased facilities have been on the rate of freights, during these years from 1868 to 1898.

In 1868 the rate on wheat, per bushel, from Chicago to New-York, via lake to Buffalo and rail to New-York, was 20.76-100 cents, and the rate via lake and canal 17.33-100 cents, a difference in favor of the lake and canal rate of 3.43-100 cents. In 1898 the rate via lake to Buffalo and rail to New-York, was 5.40-100 cents and via lake and canal 4.82-100 cents per bushel, a difference of only 58-100 cents per bushel, which is equalized by the cost of insurance on the canal and the extra time the grain is *en route* via canal. Hence it will be observed that the rates are equal via rail and canal, and at equal rates, "the railways will take the business. This fact accounts for 95 per cent. of the grain being shipped by rail and only 5 per cent. by canal. We must then enquire what has brought about this great reduction in rates. Surely

it was not the canal, the facilities of which have not been increased, but it was the railroads, which have kept up with the procession and by increased facilities and economic management, have reduced the cost of transportation to a minimum.

But you may enquire : how does all this affect Quebec, and what can and must be done to enable her to recover her old-time prestige as a sea-port ?

Far be it from our intention to pluck a leaf from the laurel of any of the sister cities, but we claim the right to make use of the natural advantages which the Almighty has laid at your feet, and to this end we propose to raise a barrier to prevent what rightfully should come to Quebec, from being diverted into other channels. If you will look at your maps, you will be reminded that Quebec is in a direct line east from Duluth, the outlet of the products of the great Northwest—from which port in 1898 were shipped 89,000,000 bushels of grain and nearly 8,000,000 barrels of flour. From the ports of Chicago and Milwaukee, in 1898, were shipped 278,000,000 bushels of grain and nearly 9,000,000 barrels of flour. In 1898 the amount of grain exported was, of corn and corn meal, equal to 177,650,000 bushels, and of wheat and wheat flour 222,600,000 bushels, or a total of 400,000,000 bushels of corn and wheat. It is her full share of this enormous amount of export stuff, that we expect within three years from to-day, to be laying at the door of Quebec, and at about the same time your bridge is completed.

Our road, as projected, as many of you know, will traverse a wilderness covered with forests of hardwood, spruce and pine for nearly its whole length. These forests, until a road is put through them, cannot be made to yield up their treasures ; the rivers are precipitous and rocky, and the timber, if it ever comes out, must come out by rail.

The road, and I want to emphasize this fact, will necessarily be distinctly a Quebec road. Our line will not come within 75 miles of either Toronto, Ottawa or Montreal, and every stick of timber, every foot of lumber, every bundle of staves, laths and shingles, must come to Quebec to be exported or distributed over the Eastern States ; every bushel of grain and every barrel of flour, must come to Quebec to be distributed or exported ; every pound of provisions, every car of live stock, must come to Quebec. As the country along the 500 miles of road is settled up, and it will be settled in a few years, every article used by the settlers will be purchased at Quebec, thus opening up a great territory, tributary solely to the city of Quebec, and affording her also an opportunity to compete, on even ground, with other Canadian cities for the trade of the great Northwest, she being no longer at a disadvantage in being a little farther east, as this short cut will bring her practically as near to the western markets as any of her sister cities.

Elevators will be built, second to none in the world, docks will be constructed to which the ocean liners will come for loads, warehouses for the storage of immense quantities of flour will be erected and Quebec will begin to assume metropolitan airs. It would be superfluous to add that this state of things is devoutly to be wished. For who can point to a city with such natural advantages, with a harbor where a steamer or vessel of any draught of water may come, day or night, with perfect safety, which has been so long neglected ?

Will this be a competing line? some have already asked me. My answer is—most assuredly it will. And it is this which breaks down barriers, and builds up cities ; without it you are a cypher, and must continue to represent nothing. We shall meet competition on this through business from all quarters : the C. P. R., the Grand Trunk, the Great Northern, the New-York Central, the Erie, the Baltimore & Ohio, the Delaware & Lackawana, the Lehigh Valley and last but not least, the great Pennsylvania railway. These roads are all competing lines. Neither is that all by any means. In this grain business, we have to meet competition on the wheat from India, Russia, Australia and the Argentine Republic, and if we cannot sell our wheat laid down in the ports of the United Kingdom at as low a price, transportation included, as it can be purchased from these countries, we have simply to go out of business.

I want to say in conclusion that if the Government of Ottawa grants us a charter favorable to the construction of this road, we will not only complete it, ready for business, by January, 1905, but will see to it that we are not the first to retire from business.

After that speech, the Board of Trade adopted unanimously the following resolutions ;

Moved by Mr. Thos. Davidson, seconded by Mr. Auguste Carrier,—That the proposed Quebec Lake & Huron Railway is one of the most important enterprises in connection with the carrying trade between the West and Atlantic sea-board, and therefore it ranks amongst the enterprises of national interest ;

That running, as it will, through millions of acres of the best arable lands of the Province of Quebec, the construction of this road will give a most powerful impulse to colonization, thereby contributing to a substantial increase in the population and wealth of this Province and of the Dominion of Canada ;

That the building and operating of this road in the most modern and improved style will impart to it a handling capacity that will enable it to successfully compete with the great

American trunk lines carrying trade between Boston, Philadelphia, Baltimore and the great trade centres of the West ;

That this road will obviously be one of the main factors in building up the trade of the port of Quebec and drawing Western traffic to the St. Lawrence route ;

That it will also bring to Quebec an immense local trade, and thereby largely contribute to increase in population and wealth of this city ;

That by means of the Quebec bridge, which will soon span the St. Lawrence, the Quebec & Lake Huron Railway and its intended extension eastwards will be by far the shortest route between the American and Canadian North West, and the fine winter ports of the Maritime Provinces, especially Halifax and St. John ;

That by means of the Quebec bridge, the proposed road and its connection with the Quebec Central and the Boston & Maine Railways, will procure one of the shortest and cheapest lines of transportation between the North West and the New England States ;

That for all these considerations, the proposed Quebec & Lake Huron Railway is an enterprise which imposes itself on the most favorable consideration of the Government of Canada, which should grant to it the privileges, facilities and help which it is customary to grant to enterprises of this nature.—Adopted unanimously.

GEORGE TANGUAY,

President.

TH LEVASSEUR,

Secretary.