

MR. EMMERSON'S SPEECH.

Able Argument of the Minister of Railways

IN MOVING RESOLUTION FOR GOVERNMENT

Acquisition of Canada Eastern Railway.

(Hansard Report.)
In the House of Commons on Wednesday Hon. H. R. Emmerson, in moving the resolutions authorizing the government to acquire the Canada Eastern Railway and the Fredericton railway bridge, said:

In presenting these resolutions I shall endeavour to be as concise as possible. I invite the attention of the committee to the railway in question and to the conditions which prevail in connection with it. The Canada Eastern Railway connects the waters of Miramichi Bay at Loggieville with the River St. John and Fredericton. The whole distance of the line, including the branches, is 136½ miles. The main line of the railway is 125 miles. There is a branch known as the Nelson branch, and another known as the Blackville-Indiantown branch, in length 9½ miles. The first portion of the railroad built was known as the Chatham branch, which connected the town of Chatham on the Miramichi river with the Intercolonial Railway at Chatham Junction. That was built in 1875 and was subsidized by the Dominion government to the extent of \$24,439.84 worth of old rails. There was no subsidy granted by the provincial government to that portion of the road.

Mr. R. L. Borden.—What was the amount of the subsidy?

Mr. Emmerson.—When that road was built, it was the policy of the Federal Government to aid the construction of railways by granting so many tons of rails per mile, and in this case the value of the rails granted was \$24,439.84. That company was known as the Chatham Branch Company, and it was operated from 1875 to 1884 by a company the principal member of which was Mr. Alexander Gibson, of Marysville, N. B., a gentleman widely known in his own province and indeed throughout the Dominion. Mr. Gibson organized a company known as the Northern and Western Railway Company, to build a line of railway from the Intercolonial Railway at Chatham Junction to the river St. John at Fredericton, a distance of 108 miles. They built that road and they also built a branch line from Blackville to Indiantown, connecting at Indiantown with the branch of the Intercolonial Railway known as the Indiantown branch which runs from Indiantown to Derby Junction on the line of the Intercolonial Railway. This Blackville-Indiantown branch was built in 1886 and the distance is 8½ miles. The distance from Chatham Junction to Gibson on the banks of the River St. John, is 108 miles and was built in 1884 and 1885. For a certain period, while the Chatham Branch made connection at Chatham Junction with the Intercolonial Railway and also with the Northern and Western, these railways were run as separate corporations and separate railways. In 1890 or thereabouts, the Chatham Branch Railway amalgamated with the Northern and Western, and the Messrs. Gibson, who were interested with the Northern and Western, united their interests with Mr. Snowball and his Chatham corporation, and they formed what was known as the Canada Eastern Railway Company. Then the whole line, included the Chatham Branch the Blackville-Indiantown branch and the line from Chatham Junction to Gibson and across the Fredericton Bridge to Fredericton.

These forces were united for a number of years when, through some disagreement as to the management, Mr. Snowball retired from the corporation and sold out his interest in the Chatham branch, 9½ miles long, for \$200,000. In 1894 the Nelson branch, or Nelson loop, as it was called, was built, and it was 5½ miles in length. In the same year, 1894, the line was extended from the town of Chatham to the terminus at Loggieville, which is a fishing town, in which large fishing and canning interests are established. That made the total length of the line 136½ miles and there are connected with that line sidings to the extent of 8½ miles. The assistance given by the several governments to the construc-

tion of these several roads is as follows:—The Dominion government gave in cash subsidy to these several lines \$350,400 in all; they also gave old rails to the value of \$24,439.84, making a total subsidy contributed by the Dominion government of \$374,839.84. The provincial government subsidized the line from Chatham Junction to Gibson to the extent of \$400,000 as a total subsidy. It was then known as the Northern and Western. It therefore follows that what is known as the Canada Eastern Railway, the railway which it is proposed to purchase and make part of the Intercolonial Railway, was subsidized by the federal and provincial governments to the extent of \$774,839.84.

In 1875, when it was proposed to construct the Chatham Branch, the municipality of Northumberland voted a bonus of \$20,000 for that branch; but for some reason or other which I know not, the bonus was never paid and was never collected from the municipality. The section of this line between Blackville and Chatham Junction, a distance of about twenty miles, was never subsidized by the Dominion. The Blackville Junction branch to Indiantown, a distance of eight and a half miles, got a subsidy from the Dominion only, and not from the province. That is to say, the Dominion subsidized from Gibson, on the bank of the St. John river, to Blackville, and thence on to Indiantown, but did not subsidize the Northern and Western line from Blackville to Chatham Junction where it made connection with the Intercolonial Railway. As I have stated, the Canada Eastern Company, becoming possessed of all these lines, operated them very successfully. It operated the line in connection with the Fredericton bridge. I am sure that all the members of this committee are familiar with that bridge. It was a bridge constructed over the St. John river connecting the city of Fredericton with the town of Gibson. It was built by the Fredericton Bridge Company. The government of Canada made a loan to that company of \$350,000, with interest at 4 per cent, and a mortgage was taken on the bridge. The Fredericton Bridge Company entered into a contract with the Canada Eastern Railway Company, whereby the latter secured running rights over the bridge, and connected their terminus at Gibson with the city of Fredericton by constructing an additional mile or thereabouts of railway.

Mr. R. L. Borden.—Was it built as a railway bridge?

Mr. Emmerson.—Yes.

Mr. Sproule.—It did not get a subsidy; it only got a loan?

Mr. Emmerson.—It also got a subsidy later on from the Dominion Government of \$30,000. I think the Canadian Pacific Railway also secured running rights over the bridge, and operated it in connection with what is known as the Gibson line, from Fredericton to Gibson to Woodstock on the northern side of the St. John river.

Mr. Haggart.—Who owns the bridge?

Mr. Emmerson.—The Fredericton Bridge Company, and the government has a mortgage against it. There has been no interest paid on that indebtedness from the time the loan was made down to the present, so far as I am aware.

Mr. Sproule.—When was the loan made?

Mr. Emmerson.—The bridge was a steel bridge, built in 1888, and it connects by rail the Canadian Pacific Railway at the city of Fredericton with the Canada Eastern Railway at Gibson across the St. John river. I may state for the information of the committee that the bridge consists of six spans of 242 feet in length, or 1,452 feet in all; two spans of 165 feet, or 336 feet in all, and one swing span of 45 feet; making the bridge over 2,000 feet in length. The loan was made in 1888, and before the bridge was completed the subsidy of \$30,000 was granted.

Mr. Kemp.—What amount is now due in interest compound yearly, or half-yearly?

Mr. Emmerson.—I have not made the calculation. Hon. members will find, in the return brought down, a copy of the mortgage of the government of Canada given by the Fredericton and St. Mary's Railway Bridge Company.

Mr. Gourley.—Are they practically the same people in interest as the railway company?

Mr. Emmerson.—Not identically so. The total cost of the bridge is said not to have exceeded the amount of the loan and the subsidy, although I am not in a position to state that to the House as a fact, because I have not taken pains to find out particularly whether the bridge company did actually contribute something to the cost of the bridge or not.

Mr. R. L. Borden.—Has the income from the bridge not been more than sufficient to keep it up, or why is the interest altogether in arrear?

Mr. Emmerson.—It is claimed that the income from the bridge has not

been more than sufficient, if indeed sufficient, to keep the bridge in thorough repair.

Ms. A. L. Borden.—What is the income?

Mr. Emmerson.—I have not the return, and have not yet received from the company any return.

Mr. Kemp.—Who had the right to fix the income?

Mr. Emmerson.—The bridge company, subject to the Governor in Council, as regards the tolls.

Mr. E. D. Smith.—In what condition is the bridge?

Mr. Emmerson.—It is a very good condition. One of the piers was injured some few years ago by a very severe ice pressure and that has been repaired, and in other respects the bridge is in a very sound condition. The business of the road, during the first few years, when these several roads were operated separately, was not very great. Indeed, for the first year or two after the amalgamation of the several railways under the corporate name of the Canada Eastern, the earning power of the road was not very satisfactory. But in 1894, in consequence of the growing importance of the towns which that railway serves and of the attention which was paid by the management to the business interests of that section, the road seemed to make very considerable progress. The gross earnings of the road and the expenditures and net earnings were as follows:

Year.	Gross Earnings.	Expenses.	Gross Earnings.
1894.....	\$ 96,000	\$65,000	\$31,000
1895.....	108,000	68,000	40,000
1896.....	122,000	77,000	45,000
1897.....	127,000	85,000	44,100
1898.....	127,000	86,000	41,000
1899.....	127,000	91,000	36,000
1900.....	137,000	93,000	38,000

These expenses included the expenditure generally, comprising the betterments. There had been established some pulp industries, one particularly at Chatham, a cotton mill also was established at Marysville, and

several large saw-mills were built along the line of the Canada Eastern all of which very materially swelled the earning power of the road. A difficulty arose, however, in connection with the traffic, and it became a question as to whether that traffic, say from Marysville, should seek an outlet to the market by way of the Canada Eastern to Chatham Junction and thence to Montreal and the Ontario market, or whether it should cross the river and take the Canadian Pacific Railway. In the latter case, the earnings for the Canada Eastern would not amount to very much at all; but as the traffic went by way of the Canada Eastern and sought connection with the Intercolonial, the earning power of the road increased.

Mr. Kemp.—The hon. gentleman did not give us the earnings after 1900.

Mr. Emmerson.—No; I propose to give you the earnings after that. A great proportion of the traffic then went by way of the Canadian Pacific Railway, and the results were as follows:

Year.	Gross Earnings.	Expenses.	Gross Earnings.
1901.....	\$133,400	\$121,000	\$12,400
1902.....	116,000	125,000	*9,000
1903.....	116,000	113,000	3,000

*Deficit.

I may say with respect to this that the company, having constructed the road, operated it quite successfully up to a certain period, and it is a question for our consideration as to the causes which brought about the changed result. The road had been built with wooden bridges, the culverts had been wooden, and the earnings of the road had not been, to any very material extent at least, expended in the maintenance of the standard and character of the road. The result was that gradually down to 1901 the condition of the bridges became such that it was necessary for the company to spend practically all its earnings on the betterment of the road and the improving of its character. In 1902 this was done. In

1902 the company not only expended all its earnings, but \$9,000 in addition, in improving the railway. I invite the attention of the committee at this point to the report of the engineers of the Intercolonial, who made a very thorough examination and report on the condition of this road. It will be observed from their report—and I need not weary the committee with the details—that they have stated very distinctly the bridges that were rebuilt and reconstructed and the betterments that were made all along the line during the past three or four years in connection with this road.

Mr. Haggart.—What was the amount expended each year for the last three or four years on betterments of the road?

Mr. Emmerson.—I have not the actual amount.

Mr. Haggart.—It is in the returns, I have it here.

Mr. Emmerson.—There is a return—however, I shall come to that as I proceed. It arises in the order of my remarks. I have spoken of the route of the road the country it

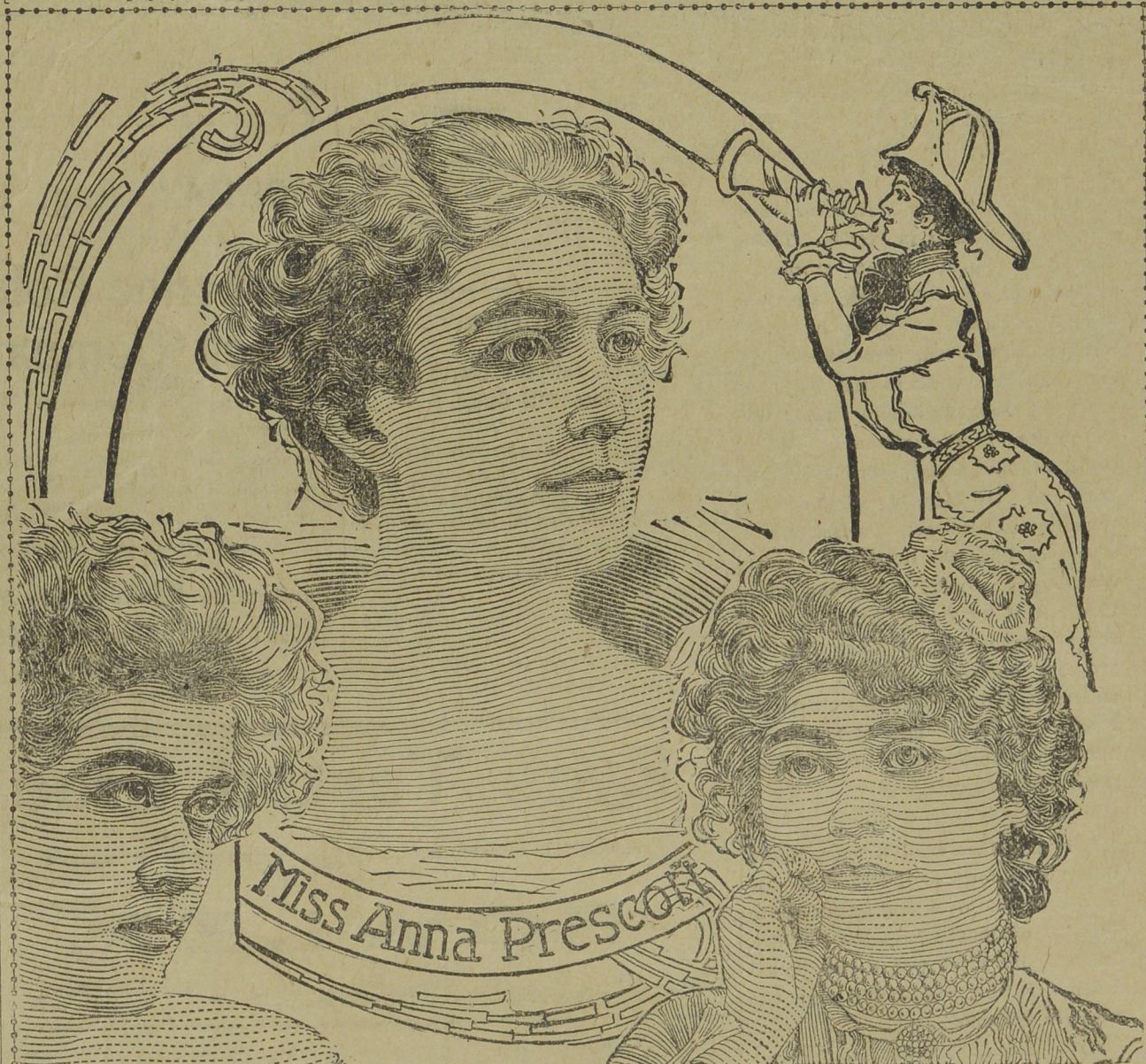
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Putting food into a diseased stomach is like putting money into a pocket with holes. The money is lost. All its value goes for nothing. When the stomach is diseased, with the allied organs of digestion and nutrition, the food which is put into it is largely lost. The nutriment is not extracted from it. The body is weak and the blood impoverished.

The stomach can be cured. The stomach can be cured. That sterling medicine for the stomach and blood, Doctor Pierce's Golden Medical Discovery, acts with peculiar promptness and power on the organs of digestion and nutrition. It is a positive cure for almost all disorders of these organs, and cures also such diseases of the heart, blood, liver, and other organs, as have their cause in a weak or diseased condition of the stomach.

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Miss Louise Matt.

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