# NEWFOUNDLAND RAILWAY

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ide Reid Newfoundland Ry.'s Difficulties. ivi-St. John's, Nfld., press dispatch, June 26:-Unless negotiations between the Newfoundland Government and the Reid Newfoundland Ry. officials result in an agreement, operation of the system will cease at midnight on June 30. The sys-The tem, comprising all the railway lines in the the colony, has a trackage of nearly one nt., thousand miles. During the war the rail-H. way was taken over by the Government. 7ice Recently it was returned to its owners, ord who assert that expenses so greatly extty, ceed income that it will be impossible to ent, continue operation without Government ent, aid. The Government has proposed to the railway officials the appointment of Ste. a commission to study the whole prob-WS lem, and is negotiating with them in the xed hope of bringing about temporary oper-2 a ation by the company until the commisresion is able to make it sreport. Under rith the plan the commission would be headed are by Sir George Bury, who arrived here on Friday last."

Mail Service Estimates.-The further supplementary estimates for the year ended March 31, 1921, submitted at the Dominion Parliament's recent session, contain the following item:-Mail service by railway, further amount required, \$365,000. The further supplementary estimates for the year ending March July 192)

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#### Newfoundland's Railway Difficulties.

The question of Newfoundland's railway and steamship transportation interests, in so far as they are a matter of arrangement between the Newfoundland Government and the Reid Newfoundland Co., is the most important one at present under consideration in that island Dominion, as it has been for many years past. The late Sir Robert Reid entered the railway construction field in Newfoundland after he had carried out important contracts on the C.P.R. transcontinental line, and then concentrated the whole of his attention on the provision of trans-portation facilities for Newfoundland. The railway lines were built and placed in operation under agreements with the Government; a telegraph line was built, steamships were put in operation to connect the island railway with Canada at Sydney, N.S., and various steamship routes were established, under Government subsidy, to connect various ports in different parts of the island with St. John's. A drydock and ship repairing John's A drydock and ship repairing plant, and electric railway were built at St. John's. All these enterprises were operated by the Reid Newfoundland Co., but it has been almost entirely in connection with the railway that the controversy has arisen. After prolonged discussion an agreement was made with the Reid Newfoundland Co. in 1901 under which the company was to operate the line under lease for 50 years, when the line was to pass into the Govern-ment's possession, and all claims of a financial nature between the two parties mancial nature between the two parties were to be settled. The railway was operated under this agreement, at a loss to the company, until June 30, 1920, when, in consequence of the increasing when, in consequence of the increasing losses, and the necessity of large expen-ditures for repairs, which the company was not prepared to undertake, the Gov-ernment obtained legislative authority to appoint a commission to operate the railway and to supervise the expenditure of \$1,000,000 provided out of a Government loan, on track repairs, additional rolling stock and some new terminal failities at St. John's, and at Argentia, a new port. The commission was to connew port. The commission was to consist of six members, three to be appointed by the Government and three by the Reid Newfoundland Co. Hon. W. F. Coaker, Minister of Finance, was the chairman of the commission.

On April 7, 1921, the Premier informed the Legislative Assembly that the amount paid out by the Government to that time for construction, equipment and operation of the railway from July 1, 1920, was \$1,500,000, and that the further amount required to pay for the work, etc., estimated to be completed by June 30 was approximately \$1,000,000.

The Government members of the Commission on June 15 presented an interim report, promising a detailed financial statement and other information on the winding up of the year's operations on June 30, when they would cease to have control. As this interim report had not been made public, Sir M. P. Cashin on June 24 asked a lengthy series of questions based thereon, from which it would appear that \$300,000 provided for the purchase of fishplates and angle bars, had not been expended; that 100 freight cars ordered had not all been delivered; that work Had not been started on the additional freight accommodation provided for at the St. John's terminals, and that work on the new terminals at Ar-

gentia had not been completed as promised

As the result of the operation by the Commission of the railway, and of certain steamship lines, which were also taken over under an order in council of Aug. 23, 1920, showed an increasing loss, the Government directed the abandonment of the operation by the Commission, its disbanding on June 30, and the return of the railway to the company for operation on July 1. The company then notified the Government that unless substantial aid was forthcoming it could not operate the railway.

#### Sir George Bury's Report.

The Government, early this summer, invited Sir George Bury, ex Vice President of the C.P.R., to visit the island and look into the railway's position, etc., and on June 29 he made the following report:—"I have made a study of the railway situation in Newfoundland, as desired by you, and my suggestions are:

"That a contract be entered into for one year, from June 30, 1921, with the Reid Newfoundland Co., to operate your railway, without prejudice to former agreements. That the company be required to operate the railway with the utmost economy, consistent with safety and reasonable service. That a capable general manager be appointed by the company to operate the railway and that the appointment be subject to your approval. That a commission of three be formed with the powers of the Canadian Board of Railway Commissioners, except where such powers would conflict with any agreement existing between the Government and the compancy. This commission to deal with all public utilities in addition to the railway. That expenditure on capital account be made only upon the written sanction of the Government and that these works be paid for when completed upon a certificate from the Government Engineer.

"The railway since 1904 to date has cost to operate \$5,750,000 more than it earned. Of this amount \$1,650,000 was lost during the past year when the railway was operated by the Commission appointed by the Government, and \$1,335,107.50 the year previous. During the year ending with this month wages of employes were increased, rolling stock, shop force, maintenance men and porters on June 30, 1920, and locomotive men and firemen at the end of September and the station staff and trainmen at the end of the year. The officers of the railway estimated that the loss on the coming year's operations will be over \$2,000,000. The earnings are falling and the railway's traffic officers place the decrease to be expected at almost half the present receipts. I believe their estimate is too pessimistic and have made my calculations on a more hopeful outlook.

"To operate the railway at the minimum cost, consistent with safety and reasonable service, certain changes in operations must follow, which have been placed before the Reid Newfoundland Co. in the form of suggestions. That the Government agree to pay the actual loss from operating the railway during the company year, but that should the loss exceed \$1,500,000 that such excess should be borne by the company.

"The very large expenditure that was proposed, to place heavier rails on the line, should be deferred. The rails on

the Fortune Bay branch (never operated) should be taken up and used for replacing worn rails. For a number of years to come the rails at present on the railway will answer by anchoring them either by substituting angle bars for the fish plates now in use, by rail anchors, or by slotting the rails at the ends to hold the joint on the tie. I recommend that the rails be slotted, which can be done cheaply as they lie, and that only sufficient angle bars for 100 miles of track be bought to substitute fish plates on swamps and such places where the most difficulty is experienced in preventing the rails running.

rails running.

"A series of light snow sheds, through a side hill, to the extent of about a mile should be constructed west of Avondale. Much delay to traffic would be avoided and economy will result.

"So soon as money is available, a coal

"So soon as money is available, to the handling plant should be built at Argentia, one suitable to the present and prospective tonnage to be transferred. "If you are unable to enter into a contract with the Reid Newfoundland Co. or believe it undesirable to do so, there is only operation by the Government left. In view of the unfortunate results which have come from government operation of railways in Canada, the United States, Great Britain and elsewhere, I imagine you would prefer to go to some lengths before embarking upon such an under-

sir George Bury's report has been criticized considerably by the Newfoundland press, one of the chief objections urged being that he did not spend sufficient time there to look thoroughly into the situation. His suggestion for the appointment of "a capable general manager" is particularly resented. In this connection the St. John's News says:—The present General Manager is both capable and experienced, and given the facilities and the backing that Sir George asks for his proposed successor, would accomplish more than any railway man unacquainted with local conditions could hope to do."

The Government's Action.

In the House of Assembly on July 7 the Premier moved it go into committee of the whole to consider a resolution authorizing the Government to enter into an agreement with the Reid Newfoundland Co. for the operation of the Newfoundland Ry. for 12 months, and submitted a copy of the agreement dated June 39. The house went into committee and without any explanation or information being given the committee rose, and the house then adjourned until July 11, to take the matter up further.

matter up further.

A St. John's press dispatch of July 21 says that the House of Assembly passed the bill, after three days debate, by a vote of 18 to 14.

The agreement, which is to run from July 1, 1921, to June 30, 1922, follows largely the suggestions contained in Sir George Bury's report. It provides for the operation of the railway, at the minimum of cost consistent with safety and giving a reasonable service; the service being specified as follows:—Bonavista branch, 88 miles, tri-weekly instead of daily, up one day and down the next; Heart's Content Branch, 42 miles, tri-weekly instead of daily, up and down the same day; St. John's to Carbonear, 80 miles, one train daily each way, except Sunday, instead of two trains; Baie de

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Verde Branch, 52 miles, tri-weekly instead of daily except Sunday; St. John's to Trepassey, 105 miles, tri weekly, up one day and down the next, as at present, except during severe winter months; St. John's to Port aux Basques, semi-weekly instead of tri-weekly, unless traffic picks up to warrant tri-weekly trains during August The following lines are to be closed down during the first quarter of 1922: - Humbermouth to Millertown Jct., 94 miles: Shoal Harbour to Bonavista, 88 miles; Carbonear to Baie de Verde and Gratis Cove, 52 miles; Waterford Bridge

to Trepassey, 105 miles.

Further provisions are as follows:-The company shall secure the services of a competent person from Canada or the United States as General Manager, the appointment to be subject to the Government's approval. Expenditures on capital account shall be made only on the Government's written sanction. Payment for the work shall be made by the Government upon the Government engineer's certificate, the amount to be charged to the company with 6% interest, and to be brought into the settlement in 1951. The Government will pay the actual loss sustained in operation during the year up to \$1,500,000; the loss not to include any claim for interest or provision for depreciation. The Government shall appoint one or more auditors. Except as expressly provided in the agreement, anything done under it shall be absolutely without prejudice to the rights and liabilities of either party under existing contracts and agreements.

Coal Supply .- A press report says that the Reid Newfoundland Co. has bought the Hiawatha coal mine at Foley Bay, N.S., for supplying its railway and steamships. The property was bought by V. J Cavicchi, of Halifax, about a year ago. After some 5.000 tons of coal had been mined the colliery was closed down.

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coal ready for shipment when the ranway is completed. (Aug., pg. 419.)

Reid Newfoundland Ry. - The Newfoundland Legislature has passed an act respecting the construction of the branch line from near Dunville on the St. John's-Placentia line, to Argentia. The act declares that the construction of the line and the payment for it out of the public funds, and everything done in connection with the taking of the right of way and payment for the same are ratified and confirmed. This piece of line, which is not yet completed, is intended to provide a more convenient winter port for trade with Canada, than Port aux Basques, to which point traffic is held up nearly every winter by snow blockades in the Topsails district.

Minto to Chipman.—The New Brunswick Government is reported to have decided to engage an independent engineer to locate a line, about six miles long, from Minto, in the Grand Lake coal mining district, to Chipman on the National Transcontinental Ry. The N.B. Government owns the New Brunswick Coal & Ry. line extending from Norton on the Intercolonial Ry. to Chipman, 58 miles., which is operated by the C.P.R. in conjunction with the Fredericton & Grand Lake Coal & Ry. Co.'s line from Fredericton via Minto to Chipman.

Northern Light Railways Co.-A press

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recently, to see how the work on Wabash locomotives was progressing.

#### The Newfoundland Railway Situation.

The problem of what is to be done with the Newfoundland Ry, has been under discussion for a considerable time between the Newfoundland Government, and the Reid Newfoundland Co. In July, 1921, the Newfoundland Legislature passed an act, confirming an agreement, based upon suggestions made by Sir George Bury, under which the Reid Newfoundland Co. undertook to operate the lines for 12 months from July 1, and to give certain specified services, the Government to pay any loss on operation up to \$1,500,000. A General Manager, from Canada or the United States. was to be appointed by the company subject to the Government's approval. R. C. Morgan, Superintendent, Winnipeg Terminals, CP.R., subsequently went to St. John's in connection with the appointment, having been granted leave of absence for that purpose, but he was reported in February to have finally resigned the position.

It was reported recently that an inventory of the railway property was being made at the Government's instance in connection with the making of a new arrangement with the company. That some new arrangement is to be made is evident from the fact that the Governor in his speech at the opening of the Legislature, on March 14, said that proposals for operating the railways would be presented for consideration. Mr. Morgan's report to the Government was submitted to the Legislature on March 20. One press report states that he has recommended that the Government take over the system and operate it by a commission, and another report states that ine lines may be leased by the Government for an indefinite period.

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April 1922

#### NADIAN RAILWAY AND MARINE WORLD

the river it is said has a total length of 640 ft., and the weight of the steel in the whole structure is estimated at 7,500 tons. (See Michigan Central Rd., May, pg. 237).

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Newfoundland Ry .- A press report states that the new management has decided to take up the rails on the Fortune Bay branch and that the work will be put in hand at once. This branch line was one of those projected in 1910, and was to extend from Northern Bight to Fortune, 79 miles. About 30 miles of track has been laid, and R. C. Morgan, now General Manager, in his recent report to the Government, recommended that the rails be taken up, and used to replace worn track on the main line. The work was never completed on the mileage of track laid on the branch, and the rails and ties have been lying exposed to the weather since they were put in position in 1913-14.

from Scotts Jct., and the Canadian National Rys., which was built in Oct., 1921, to enable the Q.C.R. to run its trains into Ouebec. (Nov., 1921, pg. 583.)

Quebec. (Nov., 1921, pg. 583.)
Timiskaming & Northern Ontario Ry.

—A recent press report stated that rails and other material were being delivered at Cochrane, Ont., for the extension to opposite New Post on the Abitibi River, and that it was expected to start track laying during July. (June, pg. 287.)

Vancouver Harbour Ry.—A press report states that work is expected to be started shortly on the section of the projected harbor terminal railway between the Great Northern Ry. interchange track near the Ballantyne pier, and the Government dock at Vancouver. Plans for the work have been sent to Ottawa for approval, and it is expected that when they are received the work will be put in hand. It will be a single track line.

Railway Earnings.

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#### Humber River Development Project in Newfoundland.

The project for the development of the water power on the Humber River, Nfld., together with the pulp and other resources of the land drained by the river, which was under consideration in 1921, has been revived. As originally outlined, the Reid Newfoundland Co. was to put into the company its lands and power concessions; the Armstrong-Whitworth interests of England were to provide for building the development plants, and it was anticipated that the Newfoundland Government would guarantee a bond issue. This the Government refused to do, and the project fell through. According to recent reports the Armstrong-Whitworth interests will buy out the Reid Newfoundland Co's interests in the area, and the proposed \$20,000,000 bond issue will be guaranteed by the British and Newfoundland Governments. The report states that the British authorities are favorable to the proposition, and that Sir Richard Squiers, Premier of Newfoundland, is in England, to confer with them upon the matter.

Coming or Going.—Passenger—Please, guard, will you help me to get out of the train? Guard—Certainly, ma'am. Passenger—You see it's this way. Being ra-

August 1922 Newfoundland Railway and Other Development Plans.

NOTE OF

The Great Lakes, Newfoundland & Atlantic Co. is reported to have been formed at St. John's, Nfid., with authorized capital of \$10,000,000, to acquire the franchises, property, and assets of the Newfoundland Railway and Train Ferry Syndicate, and to carry out that com-pany's undertaking. The incorporators of the company are: J. O. O'Neill Conroy, W. J. Wallace and John Fenelon. H. B. Thompson, who represented the original company in Newfoundland, is stated to be connected with the new one. The Newfoundland Railway & Train Ferry Syndicate was incorporated in London, Eng., in 1914, to build railways in Newfoundland, and operate train ferries to connect them with Louisburg, N.S., and Gaspe, The railways which it was proposed should be built were to be from Rantem Bay, Trinity, to Little Southern Harbour, Placentia Bay, in connection with the proposed ferry to Louis-burg; and from South West Arm, Green Bay, and from White Bay, to Humbermouth, Bay of Islands, in connection with the proposed ferry to Gaspe. The then Newfoundland Government granted the company a number of concessions conditional upon the carrying out of the plans. However, the war come on and the big project, like many others, fell in-It is now being to the background. brought forward again, at a time when the Reid Newfoundland Co. is endeavoring to do somthing definite in the way of developing its great Humber River Valley concession. (May, 1914, pg., 214.)
In connection with the project for the

development of the Humber River Valley concession, in which Sir W. G. Armstrong Whitworth & Co. are interested, H. R. Reid, President, C. O'Neil Conroy, Gen-eral Counsel, J. P. Powell, and J. N. Forbes, directors, Reid Newfoundland Co., went to England recently. The Pre-mier of Newfoundland, Sir Richard Squires, also went to London at about the same time. It is stated that the obSeptember

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September 1922

### The Newfoundland Railway's Future.

The temporary arrangement for the operation of the Newfoundland Ry., and the allied steamships, made between the Newfoundland Government and the Reid Newfoundland Co., details of which were given in Canadian Railway and Marine World for July, pg. 348, will expire Nov. 15. Under this arrangement, R. C. Morgan was appointed General Manager, and the Government undertook the financing of the railway and steamships. It was stated that a new arrangement was to be discussed and that any agreement reached would be laid before the legislature, which is expected to meet about Nov. 1, so as to ratify the agreement before Nov. 15.

St. John's press reports state that during the recent visit of the Premier and some of the Reid Newfoundland Co's directors to London, Eng., the whole situation was discussed and an agreement arrived at. The arrangement, it is said provides for the taking over by the Government of the steam railway, the St. John's Electric Ry., the drydock at St. John's, and the steamships, and the closing out of all Reid Newfoundland Co's interests connected therewith. It is also said that the Government will abandon all its claims against the company, and pay it \$2,000,000, and that the company, will abandon all claims against the Government.

G.T.R. Strikers of 1910 Get Rights

1922

was bought from the promoters, together with surveys, etc., for \$250,000 in 1914.

Newfoundland Ry.-A recent press report stated that work had been started on a branch railway from near Grand Lake, mile 363.25 from St. John's, on the transinsular line, to Junction Brook, in connection with the proposed Humber River power development plant. It is stated that the branch will leave the main line about 3.5 miles east of Grand Lake station, and continue across Junction Brook. This Junction Brook, or River, carries the waters of Grand Lake and Sandy Lake into the Humber River. The report also stated that 4 pile drivers had been delivered at Grand Lake for use on the work. Other work in connection with the project is also reported to have been started at Deer Lake, about 10 miles west of Grand Lake. (Aug., 1922, pg. 440.)

January 1923

foundland Co. The man tles all outstanding differences between the two in respect to the operation of the Newfoundland Ry, by the abandonment by both parties of all claims, and the payment to the Reid Newfoundland Co. by the Government of \$2,000,000 in 51/2 % bonds. As a result of this the Government enters into full possession of the railway property and will control and manage it, possibly by a commission. This includes the transinsular railway and its branches, the telegraph, the express company, the steamships and the St. John's drydock. The Reid Co. retains its lands, except 200,000 acres granted in 1904.

The second act confirms an agreement for the development of a water power on the Humber River, the establishment of a paper mill and other industries in connection therewith, which was made with the Newfoundland Power & Paper Co. Ltd., behind which is Sir W. G. Armstrong, Whitworth & Co. Ltd., of England. The company is to issue £4,000,000 of bonds, half of which is being guaranteed by the Imperial Government at 54%, and will be secured by mortgage. A sinking fund is to be provided to clear off the bonds in 25 years. Half of the money will be expended in Newfound-land on the erection of buildings, etc., and the rest in England for machinery and other plant.

In presenting the matter to the Legislative Assembly on June 14, the then Premier, Sir Richard Squires, who has since resigned, stated that the Armstrong, Whitworth Co. would not touch the Humber development project without having the railway situation cleared up, hence the necessity for the agreement with the railway. The bills were subsequently introduced and were put through their various steps, with some minor amendments, by July 5.

The Northern Construction Co., of Vancouver, B.C., has, we are officially advised a contract for the excavation of a canal, as a part of the Humber River development.

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#### The Newfoundland Railway Situation.

The Newfoundland Legislative Assembly as constituted at the general election in May, when Sir Richard Squires' government was sustained by 23 to 13, met on June 6. The chief business of the session is the agreement made between the Newfoundland Government and the Sir W. G. Armstrong Whitworth & Co., London, Eng., the Imperial Government being a party as guarantor of bonds, for the development of a power plant on the Humber River, and the establishment of pulp and paper mills on a large scale, with the carrying through of which it is understood that a complete settlement of all outstanding matters connected with the Newfoundland Ry., will be effected with the Reid Newfoundland Co.

The Humber River development project will, it is reported, involve the expenditure of from \$20,000,000 to \$25,000,000 and to aid in raising the necessary capital the Imperial Government is guaranteeing £2,000,000 of 25-year bonds, and the Newfoundland Government agrees to guarantee \$9,000,000 of 20-year sinking fund bonds. The proceeds of the Newfoundland guaranteed bonds are to be expended in construction in the Humber River Valley, and the proceeds of the Imperially guaranteed bonds are to be expended in Great Britain, on plant and machinery. Work has been started on the construction of a spur line to the site of the development, and a contract is reported to be in process of arrangement, with Major General J. W. Stewart, Vancouver.

A press report stated that in connection with the introduction of the legislation confirming the agreement for the power plant construction, on June 14, it was announced that the Government and the Reid Newfoundland Co. would withdraw all claims against each other in respect to the Newfoundland Ry., and that in consideration of the payment by the Government of \$2,000,000 the company would transfer to the Government all its rights in the railway, its 8 coastal steamships and its drydocks at St. John's, together with other property.

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#### Newfoundland Railway Taken Over by the Government.

An act amending the Newfoundland Railway Acts, and another act confirming the agreements for the Humber River development project, were assented to by the Governor in the Newfoundland The passing of Legislature, July 11. these two measures is the culmination of negotiations which have been going on for several years past, between the Newfoundland Government and the Reid Newfoundland Co. The first of the acts settles all outstanding differences between the two in respect to the operation of the Newfoundland Ry. by the abandonment by both parties of all claims, and the payment to the Reid Newfoundland Co. by the Government of \$2,000,000 in 5 1/2 % bonds. As a result of this the Government enters into full possession of the railway property and will control and manage it, possibly by a commission. This includes the transinsular railway and its branches, the telegraph, the express company, the steamships and the St. John's drydock. The Reid Co. retains its lands, except 200,000 acres granted in 1904.

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In presenting the matter to the Legislative Assembly on June 14, the then Premier, Sir Richard Squires, who has since resigned, stated that the Armstrong, Whitworth Co. would not touch the Humber development project without having the railway situation cleared up, hence the necessity for the agreement with the railway. The bills were subsequently introduced and were put through

August 1923

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Reid Newfoundland Co.'s Ry.—We are officially advised, in reference to the reported building of a branch line from Junction Brook to Grand Lake station, that it is really a diversion of the present main line avadered present with the ent main line, rendered necessary by the putting in of a permanent dam at Grand Lake. This dam will raise the level of the lake and flood the present main line track. (Jan., pg. 8.)

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requiring a stop. (March, pg. 117.)

Newfoundland Government Ry. — The Colonial Secretary, answering a question in the Legislative Assembly recently, stated that a contract for the supply of 15,000 tons of rails, angle bars, spikes, etc., had been given the Barrow Hematite Co., London, Eng., at a total cost of \$670,000. The price of rails and angle bars was £5 a ton; nuts and bolts, £20 11s 6d a ton, and track spikes, £20 16s 0d a ton. We are advised officially that the new rails will be 70 lb. to the yard, and will be laid between St. John's and Clarenville, 132 miles. The bolts to be used will be 6 in., and 34 in. angle bars will be used instead of fishplates. (March, pg. 118.)

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withdrawn. (March, pg. 118.)

Newfoundland Government Ry .- Th Finance Minister, in his budget speech i the Legislative Asesmbly on April 8, i referring to the railway, said that th General Manager had reported that 21 broken rails had been discovered be tween St. John's and Clarenville, 13 miles, within the last 6 months, and the the relaying of this mileage is extremel urgent. It is for this section now lai with 50 lb. rails that the 70 lb. rail were bought in England recently. Th increased freight traffic demands mor cars; some new sleeping and first-clas cars are being built, and some first clas cars are being converted into second clas It is also proposed to provid self contained steam cars for suburba traffic and the Corner Brook area, ar to try them on some of the branch line It is proposed druing the coming yes to improve and recondition the roadbe in addition to relaying the mileage a ready mentioned. (April, pg. 177.)

Jane 1925 of the Bathurst Co., Bathurst. (June,

Newfoundland Government Ry.—The relaying of track between St. John's and Clarensville, 131.6 miles, with 70 lb. rail in place of the old 50 lb. rail, was started May 29, and it was reported, June 11, that 25 miles had been done. The work was started at Brigus Jct., mile 41.75, and was proceeded with towards St. John's. Extra gangs are assisting the regular section gangs with the track relaying and ballasting, so that they can be done without any interruption of traffic. Other betterments are being done along the main line and at other points. Ballasting the South Shore Branch is

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