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Lotbiniere and Megantic Railway Bought by Dominion Government.

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The Dominion Parliament passed an act in 1918 authorizing the Governor in council to acquire, under the provisions of the statutes of 1915, chap. 16, upon such terms as might be approved the Lotbiniere and Megantic Ry., together with such equipment and properties as might be deemed necessary for its operation. The consideration to be paid for the line and for the "equipment and appurtenances" to be the value thereof as determined by the Exchequer Court. In explaining the bill, which provided also for the purchase of the Quebec and Saguenay Ry., and the line known formerly as the Quebec, Montmorency and Charlevoix Ry., also from the Quebec Railway, Light, Heat & Power Co., the Minister of Railways gave the following information relating to the L. and M.R. The capital cost of the line was \$349,208.85; and the price at which it would be taken over, subject to the finding of the Court of Exchequer, was to be \$330,000. Parliament at the same session voted \$300,000 to acquire the railway.

"(a) The line of railway commonly known as the Quebec Montmorency and Charlevoix Ry., extending from St. Paul Street in the City of Quebec, to St. Joachim, a distance of about 43 1-5 miles.

"(b) The Quebec and Saguenay, extending from its junction with the Quebec, Montmorency and Charlevoix Ry. at St. Joachim, in the County of Montmorency to Nairn Falls, in the County of Charlevoix, a distance of about 62 8-10 miles.

"(c) The Lotbiniere and Megantic Ry., extending from Lyster, in the County of Megantic, to St. Jean des Chaillons in the County of Lotbiniere, a distance of about 30 miles.

"That the authority given by the said act of 1916 was not exercised, owing to certain legal difficulties which arose in connection with the Quebec and Saguenay Ry., which line has since, however, been taken over by the government under authority of the appropriation acts passed during the first session of parliament this year. The Minister, on the advice of the Deputy Minister of Railways and Canals, recommends that, in pursuance of the above mentioned act, 1915, chap. 16, authority now be given for the purchase of the Lotbiniere and Megantic Ry. at the price of \$330,000, such price to include the whole of the company's undertaking, including all real estate, tracks, buildings, franchises, rolling stock and tools, and all other property whatsoever of the company, free and clear of all encumbrances, and to be paid only after the amount has been appropriated by parliament for the purpose, and upon receipt of a deed of conveyance to be obtained through and satisfactory to the Justice Department, such conveyance to cover all the aforesaid property, free of all encumbrances and claims whatsoever; the extent of right of way including station grounds and terminals to be conveyed, to be such as may be satisfactory to the Railways and Canals Department, the said railway to be transferred to the Crown on Dec. 1, 1919, and, pending settlement, interest to be paid on the purchase price at the rate of 5% per annum from such date of final payment; the said railway to be operated as part of the Canadian Government Rys. System by the Canadian Northern Ry. board of directors. The Minister observes that the Lotbiniere and Megantic Ry. connects with the G.T.R. at Lyster Junction,

December 1907

January, 1920.

CANADIAN RAILWAY AND MARINE WORLD

11

with the Canadian Government Rys. at Villeroy, and with the Quebec, Montreal and Southern Ry. at Fortierville.

"The committee concur in the foregoing recommendation and submit the same for approval."

The Quebec Railway, Light, Heat & Power Co.'s directors ratified the sale at a meeting in Montreal, Dec. 10, 1919.

The Lotbiniere & Megantic Ry., which was built under a Quebec charter, extends from Lyster on the G.T.R. to St. Jean des Chailions, 30 miles. The results of its operations for the year ended June 30, 1918, were as follows:

Earnings—	
Passenger earnings	\$ 6,167.78
Freight and switching	35,824.22
Other earnings	15.00
Total	\$41,507.00
Expenses—	
Maintenance of Ways and Structures	\$11,824.11
Maintenance of equipment	4,279.26

Traffic expenses	411.00
Transportation	13,817.79
General expenses	5,575.40
Total	\$35,907.56

Net operating earnings.....\$ 5,599.44

Deductions—

Taxes

.....\$ 900.00

.....\$ 4,699.44

Corporate Income—

Rentals

.....\$ 2,106.96

Net income

.....\$ 2,592.48

The railway carried during the year under June 30, 1918, 11,370 passengers, and 62,867 tons of freight. The company was reported to own 4 freight locomotives, 2 first and 2 second class passenger cars, 1 box, 24 flat and 1 other car in freight service, and one caboose. The company received subsidies from the Dominion amounting to \$96,000; and from Quebec, \$126,994. In 1907, the Quebec Legislature incorporated the Quebec

Eastern Ry. to build a railway from Sherbrooke to the site of the Quebec Bridge, with power to arrange for the operation of the line into Quebec; a branch line to Lyster, with power to acquire the Lotbiniere & Megantic Ry.; a branch to Lime Ridge, and unnamed branch lines. Extensions of time for the building of the lines were granted from time to time, but nothing was ever done. Several years ago the L. & M.R. was acquired by the Quebec Railway, Light, Heat and Power Co.

The Exchequer Court held several sittings towards the end of 1916, at which evidence as to the cost of the railway and its property was given.

The L. & M.R. has been operated for several years under the Quebec Railway, Light, Heat and Power Co.'s officials, G. W. Robins being the Superintendent at Lyster, Que.

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