

The Politics of the New Brunswick and Prince Edward Railway, 1872-1886

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The Politics of the New Brunswick and Prince Edward Railway, 1872-1886¹

THE RAILWAY EPITOMIZED PROGRESS in 19th century Canada. Communities large and small vied with one another to secure the new technology of steam and steel. But while virtually everyone acknowledged the advantages of railways, few desired to risk the tremendous amounts of capital necessary to build and equip a line. Since railways would serve the wider public interest, government was called on to undertake their construction, or at least to subsidize the efforts of private companies to do so. Railways meant development and then, as now, development was good politics. A great deal has been written about the important role of railways in Canadian history, and recently historians have begun to take a closer look at the process whereby the goals of individual railway entrepreneurs became those of the general public.²

In New Brunswick a flurry of railway building followed the completion of the main line of the Intercolonial Railway in 1876, accompanying a rapid expansion of secondary industry in centres such as Moncton, Saint John and St. Stephen. Railway mileage within the province increased by more than 50 per cent between 1880 and 1890, reaching 1,132 miles of track by the end of the decade.³ The history of one of the branch lines built during this decade, the New Brunswick and Prince Edward, offers an opportunity to explore the activities of railway promoters in the Maritime Provinces. The backers of the NB & PE Railway, a line stretching 36 miles from Sackville to Cape Tormentine in southeastern New Brunswick, sought to build this road in order to directly benefit their exten-

- 1 I would like to thank Dr. Gerald Tulchinsky, Dr. L.D. McCann, and Dr. William Godfrey for their comments on an earlier draft of this paper. The research was funded by grants from the Social Sciences and Humanities Research Council of Canada and the Bell Foundation, Mount Allison University.
- 2 Brian J. Young, *Promoters and Politicians: The North-Shore Railways in the History of Quebec, 1854-85* (Toronto, 1978), Gerald J.J. Tulchinsky, *The River Barons: Montreal Businessmen and the Growth of Industry and Transportation 1837-1853* (Toronto, 1977), Peter A. Baskerville, "The Boardroom and Beyond: Aspects of the Upper Canadian Railroad Community", Ph.D. thesis, Queen's University, 1973. For an overview of recent works on Canadian railway history, see Baskerville, "On the Rails: Trends in Canadian Railway Historiography", *American Review of Canadian Studies*, IX, 1 (Spring 1979), pp. 63-72.
- 3 Railway mileage calculated from "Railway Statistics of Canada", House of Commons, *Sessional Papers*. 1880-81, vol. 4, 1891, vol. 11. The industrial expansion of the Maritime Provinces in the decade following the introduction of the National Policy of tariff protection has been documented in T.W. Acheson, "The National Policy and the Industrialization of the Maritimes, 1880-1910", *Acadiensis*, I, 2 (Spring 1972), pp. 3-28.

sive business interests in the region. By virtue of their political influence on the federal and provincial levels, these businessmen succeeded in blocking rival schemes and securing massive government assistance for the project. The building of the NB & PE Railway illustrates the intimate relationship between politics and private business in 19th century railway promotion.

During the 1870s Sackville emerged as a small but active outpost at the head of the Bay of Fundy. A total of 26 vessels — representing almost 9,000 registered tons — were launched at Sackville between 1870 and 1880.⁴ Employment for these ships was readily available; the products of the fertile Tantramar marshes and nearby forests found a ready market in Britain, the West Indies, and, in particular, the United States.⁵ Local merchants exported staples such as lumber, hay and other farm produce in exchange for manufactured goods from abroad. But an indigenous manufacturing base was beginning to take root. In 1871 the output of sawmills, forges, tanneries, and carriage shops in Sackville parish was valued at more than \$190,000.⁶ Another symbol of the industrial age had reached Sackville the year before when the town became a station stop on the Intercolonial Railway. As one observer noted at the time, “the Sackville people can now begin to realize the fact of steam communication with the world”.⁷

And realize they did. Some Sackville residents were alive to the possibility of forging a second transportation link eastward to capture the trade of Prince Edward Island. In the spring of 1872 W.C. Milner, editor of the local newspaper, the *Chignecto Post*, proposed the construction of a branch railway from the ICR at Sackville to Cape Tormentine on the Northumberland Strait, a distance of 36 miles. “Of the practical utility of such a road there can be no doubt”, Milner claimed: “It would pass through a country already well settled and developed in an agricultural point . . . The construction of this road is however a necessity to Prince Edward Island. The distance from Cape Tormentine to Cape Traverse, P.E.I., is but eight miles. In the summer season, freight, passengers and mails, could be ferried across almost hourly, and in winter this is the only route by which P.E. Island maintains communication with the outside world”.⁸

The prospects for such a line improved the following year when P.E.I. became

4 Calculated from “Tables of Trade and Navigation of the Dominion of Canada”, House of Commons, *Sessional Papers*, 1871-1880.

5 In 1871, for instance, 24 of 28 vessels landing at Sackville came from American ports, while 16 of 22 clearances were to U.S. destinations: House of Commons, *Sessional Papers*, 1872, vol. 3, #3, statements 17 and 18. The development of the port of Sackville in this period is covered in greater detail in Dale C. Alward, “Down Sackville Ways: Shipbuilding in a Nineteenth Century New Brunswick Outport”, B.A. thesis, Mount Allison University, 1978.

6 Schedule 6, Industrial Establishments, 1871 census manuscripts, Public Archives of Canada [PAC].

7 *The Borderer and Westmorland and Cumberland Advertiser* (Sackville), 2 September 1869.

8 *Chignecto Post* (Sackville), 28 March 1872.

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Canada's seventh province. Under the terms of Confederation, the federal government agreed to provide year-round communication with the Island by steamer, a pledge which became increasingly important as the markets for P.E.I. produce shifted from Britain to the mainland in the 1870s.⁹ The route from Cape Tormentine, the closest mainland point, to Cape Traverse appeared to be the likely choice for the institution of such a service. Small open dories called "ice boats" had been making the winter crossing for decades, ferrying passengers and mail over the hazardous ice floes of the Northumberland Strait.

Sackville soon made a bid to become the mainland centre for Island communication. In April 1874 the New Brunswick Assembly incorporated the New Brunswick & Prince Edward Railway Company, with an authorized capital stock of up to \$950,000, to build a line from Sackville to the Cape. The provincial government offered the company a subsidy of \$5,000 per mile under this charter, on the conditions that surveys be undertaken within two years, construction begun within four, and the entire line completed by 1880. The list of incorporators included Sackville's most prominent citizens: Josiah Wood, J.L. Black, Amos Ogden, John Fawcett, Edward Cogswell, Richard C. Boxall, and Milner.¹⁰

For the most part these men controlled business interests that stood to benefit from a branch line to Cape Tormentine. Wood, just 31 years old in 1874, was undoubtedly the wealthiest man in Sackville. Having inherited his father's wholesaling firm of M. Wood & Sons, he carried on a thriving import and export trade employing a small fleet of company ships. In addition Wood operated a private bank, sawmills, and a 500-acre farm; his total assets were reputed to be in excess of \$200,000.¹¹ Black, who carried on a smaller wholesale and retail business valued at upwards of \$40,000, was one of the area's largest lumber producers. The firm of J.L. Black & Sons controlled thousands of acres of timberland in the eastern section of Westmorland County adjacent to the proposed route of the railway.¹² Ogden too was interested in lumbering and, in

9 Mary K. Cullen, "The Transportation Issue, 1873-1973", in Francis W.P. Bolger, ed., *Canada's Smallest Province: A History of P.E.I.* (Charlottetown, 1973), pp. 233-6.

10 *Acts of the New Brunswick Assembly*, 1874, pp. 185-92. The railway was originally intended to be named the New Brunswick & Prince Edward Island, but the word "Island" was dropped at the insistence of MLAs who thought it misleading. When the line was incorporated by federal statute in 1889, the name was changed to NB & PEI: *Proceedings of the New Brunswick House of Assembly*, 9 March 1874, p. 48; "An Act Respecting the New Brunswick and Prince Edward Railway Company, 1889", File 24, Wood Family Papers, Provincial Archives of New Brunswick [PANB].

11 Dun, Wiman & Co., *The Mercantile Agency Reference Book for the Dominion of Canada* (January 1882), pp. 784-5. For a biography of Wood, see Dean Jobb, "Josiah Wood (1843-1927): 'A cultured and honoured gentleman of the old school'", B.A. thesis, Mount Allison University, 1980. To his business credentials, Wood later added a public career spanning more than 30 years as a Member of Parliament (1882-1895), Senator (1895-1912), and Lieutenant-Governor of New Brunswick (1912-1917).

12 I. Allen Jack, ed. *Biographical Review: Province of New Brunswick* (Boston, 1900), p. 239; W.B.

partnership with Wood, owned at least two sawmills in the same area.¹³ Fawcett and Cogswell, proprietors of the town's two stove foundries, shipped their products throughout the Maritimes and probably welcomed improved access to the Island market.¹⁴ Boxall, an English architect and engineer, and Milner, the newspaper proprietor, apparently had no business interests associated with the proposed route. As the company's chief engineer, however, Boxall soon became one of its most ardent supporters, while Milner actively supported the scheme in his editorial columns.

Local interest was high, and within a month the company reported stock subscriptions totalling \$66,000. The bulk of these shares were taken up by Boxall and Amasa Killam, a lawyer who had promoted several branch lines in the Moncton area. Black subscribed for \$2,500 and Wood, Milner, and Senator Amos E. Botsford for \$1,000 each.¹⁵ Because of his influence in political circles, Botsford was chosen to be the company's president. The patriarch of one of New Brunswick's most prominent Loyalist families, Botsford's "tall, unbowed, soldiery figure" belied his 70 years. Active in provincial politics as a member of the Legislative Council for nearly 35 years, he had been appointed to the Senate at Confederation.¹⁶

Backed by this show of local support and the promise of provincial assistance, the company pushed ahead with surveys and secured a contractor to build the line. At this point the promoters decided to approach the federal government to subsidize the project by supplying the rails. In 1876 a committee of the company, headed by Wood and Killam, met with the member of parliament for Westmorland, Albert J. Smith. As Minister of Marine and Fisheries, Smith was attempting to fulfil the terms of union with the Island by means of an ice-breaking steamer, the *Northern Light*, on the route between Pictou, Nova Scotia, and Georgetown, P.E.I. Should this experiment fail, however, Smith promised the delegation that the federal government would build the Cape Railway itself in order to improve winter communication with the Island.¹⁷ Hopeful that the Dominion government would be obliged to build the line, the

Sawdon, "Joseph L. Black and Sons Limited Celebrate a Century in Business", *Maritime Advocate and Busy East* (October 1947), pp. 5-7; *Mercantile Agency Reference Book* (January 1882), pp. 784-5.

13 *Chignecto Post*, 9 May, 12 December 1878.

14 *Chignecto Post*, 26 December 1889; W.C. Milner, *History of Sackville New Brunswick* (Sackville, 1934), p. 81.

15 List of stockholders in the NB & PE Railway Company, 11 May 1874, File 24, Wood Family Papers, PANB.

16 *Chignecto Post*, 29 March 1883. See also Lorna Milton, "Three Generations of Loyalist Gentlemen: The Botsford Men of Westmorland County", B.A. thesis, Mount Allison University, 1981.

17 *Chignecto Post*, 21 December 1876, 5 September 1878. The federal government later aided at least three branch lines in New Brunswick by supplying second-hand rails: *Chignecto Post*, 18 March 1886.

company cancelled its contracts and awaited the outcome of the steamer experiment.

The verdict was not long in coming. The Northern Light had been designed to operate in the St. Lawrence River and proved incapable of breaking through the heavier ice of the Strait. Winter service was at best sporadic; the steamer was often unable to cross for weeks at a time, forcing the government to revert to sending mail and passengers over the Capes route in the ice boats.¹⁸ The problems of the Northern Light did not go unnoticed in Sackville — the *Chignecto Post* closely monitored the steamer's infrequent trips and soon labelled the steamer connection a failure. In increasingly bitter editorials from late 1876 to early 1878, Milner assailed Smith for his refusal to aid the NB & PE Railway Company and called on the minister to uphold his "solemn assurance" by constructing the line to Cape Tormentine.¹⁹ No action was forthcoming from Smith, however, and there was little the Sackville promoters could do to force his hand. Botsford spoke favourably of the project in the Senate on two occasions, but with his Conservative Party in Opposition he could do no more.²⁰ The company faced the same lack of political clout in the House of Commons. Only A.L. Palmer, Wood's uncle and a Conservative member from Saint John, came to the NB & PE's defence, advocating during the 1878 session that the Northern Light be abandoned and the Cape Railway subsidized in its place.²¹ Despite these setbacks, the company took the precaution of reviving its charter in April 1878. The projected completion date was extended to 1884.²²

In the general election of September 1878 the Liberal government went down to defeat at the hands of John A. Macdonald's Conservatives, but the results only added to the problems of the Sackville promoters. Smith, hardly a friend of the Cape Railway, was re-elected in Westmorland to sit on the Opposition benches. Even more disheartening was the outcome in the neighbouring constituency of Cumberland in Nova Scotia. There the victorious candidate for the Conservatives was Charles Tupper, the former provincial premier and a powerful figure within the party. Tupper was sworn in as Minister of Public Works in October 1878, and almost immediately ordered surveys of possible railway routes to the Cape with a view to improving communication with the Island.

This was not welcome news for the businessmen of Sackville. The largest town in Tupper's riding, Amherst, was only ten miles south along the Intercolonial and virtually the same distance as Sackville from the Cape. A growing industrial and commercial centre in its own right, by 1878 Amherst boasted a

18 Cullen, "The Transportation Issue", pp. 234-5.

19 *Chignecto Post*, 11 January 1877. For other editorials see issues of 21, 28 December 1876, 14 February 1878.

20 Canada, *Debates of the Senate*, 20 February 1877, pp. 56-7, 18 February 1878, p. 48.

21 Canada, *Debates of the House of Commons*, 20 April 1878, vol. 5, p. 2082.

22 *New Brunswick Acts*, 1878, pp. 278-9.

boot and shoe factory, a stove foundry, and a woodworking plant.²³ One resident claimed that a branch to Cape Tormentine would mean “numerous new factories and an increase of two or three thousand in the population” of the town.²⁴ Understandably, Tupper wanted these benefits for his own constituents. The report of the Cape surveys, submitted in April 1879, included estimates of two possible railways terminating at Amherst, but none to Sackville.²⁵ A dejected Milner expressed the mood of the Sackville promoters when he told his readers “we have played our card and lost”.²⁶

The Macdonald government moved slowly on the question of P.E.I. communication, however, and by 1881 no effort had been made to build an Amherst-Cape Tormentine Railway. Late that year, in an attempt to revive interest in the NB & PE Railway scheme, Botsford asked the company’s engineer, Boxall, to prepare a report on the advantages of the Sackville route.²⁷ His report, completed just before Christmas, stressed the commercial potential of such a line to Westmorland County in general and the town of Sackville in particular. Lumber from sawmills along the proposed route, he estimated, would account for 650 carloads of freight annually, with another 1,200 tons of potatoes and 20,000 bushels of grain from local farms. Much of this traffic would pass through Sackville, which had a longer shipping season than the ports of the Northumberland Strait. Of lesser importance were the prospects for freight and passenger traffic to and from P.E.I.²⁸

Boxall’s optimistic report spurred what one observer described as an “eleventh hour movement of our business men”.²⁹ Realizing the extent of the local trade at stake, Wood, Black, Ogden and other promoters of the NB & PE Railway met in February 1882 to discuss the situation. Those present feared “a reduction of business and depreciation of property would follow the diverting of the Railway from Sackville to Amherst”, and called a mass meeting of local ratepayers for the following week to enlist municipal support.³⁰ At the ratepayers’ meeting, Wood explained that the proposed line to Amherst threatened to divert the trade of eastern Westmorland County away “from its natural route to St.

23 A. Robson Lamy, “The Development and Decline of Amherst as an Industrial Centre”, Honours thesis, Mount Allison University, 1930.

24 *Chignecto Post*, 12 December 1878.

25 Canada, *Journals of the House of Commons*, 1883, vol. 17, Appendix 3, pp. 80-4.

26 *Chignecto Post*, 25 November 1880.

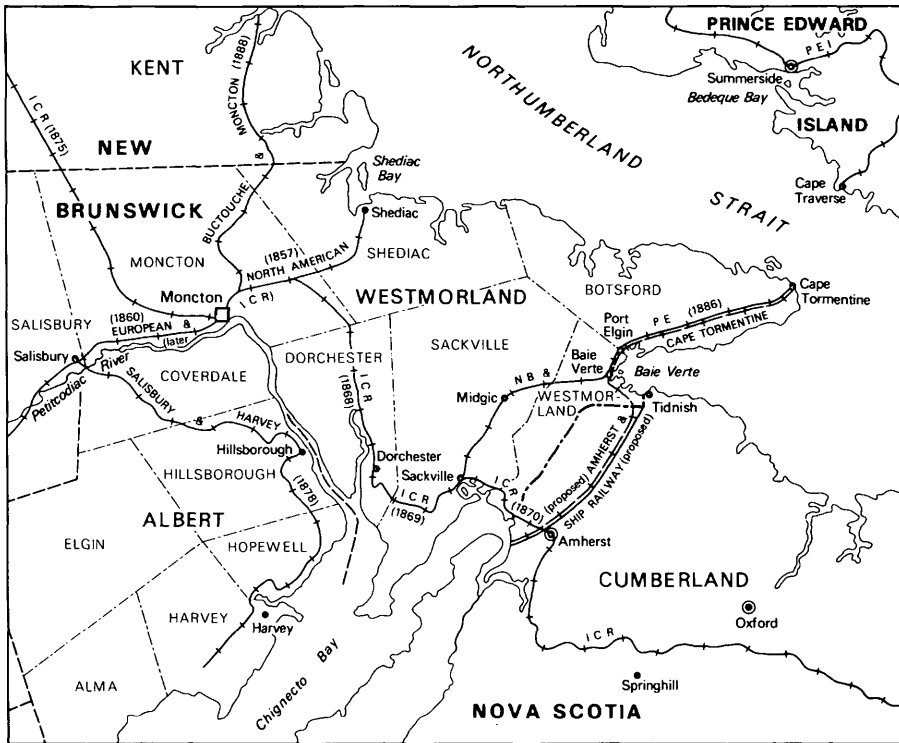
27 In the 19th century it was common for railway companies to solicit such reports from engineers, who would provide an optimistic survey of the potential of the road in order to promote interest among the public and aid in the raising of capital. See the introduction to H.V. Nelles, ed., *Philosophy of Railroads and Other Essays* by T.C. Keefer (Toronto, 1972), p. 23.

28 Boxall’s report appears in vol. 139, pp. 57271-5, John A. Macdonald Papers, PAC, and was reprinted in *Sessional Papers*, 1882, vol. 10, #79, pp. 9-10.

29 *Chignecto Post*, 9 February 1882.

30 *Chignecto Post*, 2 February 1882.

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Urban places	Population	Boundaries	Railway
•	under 1000	----- Provincial	(1869) Completion date
⊙	1000 - 5000	----- County	----- Proposed railway
□	over 5000	----- Parish	----- Proposed ship railway

John” via Sackville. He then moved that a provincial act be applied for to enable the parishes of Sackville, Westmorland, and Botsford, through which the NB & PE Railway would pass, to “raise money by assessment in aid of construction”. When the assembled taxpayers displayed their support by passing the motion, Wood pledged he would devote his time and “any reasonable amount of money” towards making the railway from Sackville to the Cape a reality.³¹

More important than this promise of municipal aid was the willingness of Wood and Black, the town’s most influential businessmen, to work together in the promotion of the NB & PE line. Four years earlier the two men had been rival candidates for the provincial assembly in a campaign marred by the emotional issue of sectarian schools. Black won,³² but the bitterness of the fight

31 *Chignecto Post*, 9 February 1882.

32 *The Borderer*, 3 June 1878. Black polled 2,703 votes, enough to capture one of the four Westmorland County seats at Fredericton; Wood finished fifth with 1,915: *The Canadian Parliamentary*

lasted for several years afterward. By the spring of 1882, however, a common interest in the building of the Cape Railway ended the feud. "The two have had a regular funeral of hatchets — buried on the line of railway survey between here and Cape Tormentine", explained Wood's wife.³³ As an MLA, Black guided two important pieces of legislation through the New Brunswick legislature during March.³⁴ The first bill moved the completion date of the line ahead to 1887, but the original provincial subsidy of \$5,000 per mile was pared down to \$3,000. A further act enabled the parishes along the proposed route to purchase a total of \$9,500 in NB & PE Railway stock, pending a vote by the ratepayers.³⁵ While Black handled these affairs at Fredericton, Wood travelled to Ottawa to deal with a new threat to the Sackville line.

Tupper, now minister for the new Department of Railways and Canals,³⁶ still wanted the Cape Railway for Cumberland County. But by 1882 he had also become interested in an ambitious scheme to construct a ship railway to convey vessels across the narrow Isthmus of Chignecto from Amherst to Baie Verte. The brainchild of H.G.C. Ketchum, an energetic New Brunswick engineer, the ship railway would provide a long-sought link between the waters of the Bay of Fundy and the Gulf of St. Lawrence at a fraction of the cost of a canal. Vessels and their cargoes would be lifted by hydraulic presses onto specially designed flatcars and then shunted overland by locomotives, thus saving hundreds of sailing miles around Nova Scotia. During 1881 Ketchum requested federal subsidies from Tupper, "who was inclined to look favorably upon a project which would bring large amounts of investment" into his own constituency.³⁷ Enthusiasm for the ship railway was high among the people of Amherst, who realized that "the expenditure of several millions in their vicinity would offer opportunities for profit", while enhancing the commercial importance of the town.³⁸ Tupper immediately submitted Ketchum's proposal to his department's engineers for study.

Companion and Annual Register, 1881, p. 343.

33 Laura S. Wood, "Journal of Everyday Affairs" [transcript of diary in the possession of Dr. J.L. Black, Ottawa], 12 May 1882, p. 33.

34 *Journals of the New Brunswick House of Assembly*, 1882, pp. 68, 87.

35 *New Brunswick Acts*, 1882, pp. 70, 114-20. The reduction of the provincial subsidy to \$3,000 per mile was reported in the *Chignecto Post*, 6 April 1882. Possibly as a result of an unfavourable vote by the ratepayers, the promised municipal support was never given: see *Sessional Papers*, 1886, vol. 10, #13, p. 49.

36 Railways and Canals had been made a separate portfolio in May in order to deal with the building of the Canadian Pacific. Hector Langevin took over Tupper's old post of Public Works: Public Archives of Canada, *Guide to Canadian Ministries Since Confederation* (Ottawa, 1974), pp. 17-18.

37 C.R. McKay, "The Chignecto Ship Railway", B.A. thesis, Mount Allison University, 1973, pp. 30-1. For more on Ketchum and the ship railway, see McKay, "Investors, Government, and the CMTR: A Study of Entrepreneurial Failure", *Acadiensis*, IX, I (Autumn 1979), pp. 71-94.

38 J.W. Longley, *Sir Charles Tupper* (Toronto, 1916), p. 172.

The businessmen of Sackville had long favoured the construction of a canal to Baie Verte, and saw the ship railway as a suitable replacement. Wrote Milner: "Sackville, as a vessel building and vessel owning community — the nearest the Bay terminus of the Railway — would be greatly benefitted by the opening of this new channel of trade and new employment for vessels. . .".³⁹ But the promoters of the NB & PE Railway were taken aback by Ketchum's plan to make the ship railway part of a \$4 million "transportation complex", including a conventional railway from Amherst to the Cape and a ferry service to P.E.I.⁴⁰ If this proposal were accepted, the NB & PE charter would be a dead letter. Tupper's chief engineer, Collingwood Schreiber, upheld the feasibility of the ship railway scheme in February 1882 and recommended that the government pay an annual subsidy of \$150,000 for 25 years upon completion. He suggested a further subsidy of \$500,000, payable at the rate of \$20,000 per year over the same period, to build and equip the ordinary railway from Amherst to Cape Tormentine.⁴¹ Not surprisingly, Tupper soon proposed that the government enter into a contract with Ketchum to construct "either or both of the lines suggested" on the terms outlined by Schreiber, reserving the ferry proposal for future consideration.⁴²

Meanwhile, Wood and Botsford met at Ottawa in an effort to salvage the NB & PE Railway. Together they drafted a petition to Tupper in early March protesting that the Sackville company "could not exist as a rival line" if the government subsidized Ketchum's railway from Amherst to the Cape. They had "no objection to the Dominion Government constructing a line of railway from Cape Tormentine to the Intercolonial if they feel under obligation to do so", but insisted this connection be made at Sackville and not Amherst. The timberlands and farms along the Sackville route promised a better local traffic than Ketchum's line, a point which Wood and Botsford emphasized by enclosing Boxall's report of December 1881. Sackville also had the advantage of a good harbour (which Amherst did not) and was better situated to handle the trade of P.E.I. which traditionally flowed towards Saint John.⁴³

Both Wood and Botsford must have realized these arguments would carry little weight with Tupper, but at least their views were on the record. "Have devoted my time when not attending Parliament [to] working up a case for our Railway", Wood wrote home on 9 March 1882, trying hard to sound optimistic. "Make rather slow progress [since] every little thing requires so much labour.

39 *Chignecto Post*, 23 February 1882.

40 McKay, "The Chignecto Ship Railway", p. 30.

41 Collingwood Schreiber to F. Braun, Secretary, Department of Railways and Canals, 4 February, 7, 10 March 1882, reprinted in *Sessional Papers*, 1882, vol. 10, #79, pp. 6-8.

42 Memorandum by Charles Tupper, 11 March 1882, vol. 139, pp. 57248-50, Macdonald Papers, PAC.

43 Wood and Botsford to Tupper, n.d. [submitted before 13 March 1882], *ibid.*, pp. 57267-9, reprinted in *Sessional Papers*, 1882, vol. 10, #79, pp. 8-10.

Members and especially ministers are so pressed with business it is hard to find an opportunity where they will give one the continued attention needed in business like mine".⁴⁴ Certainly the Minister of Railways and Canals had no interest in Sackville's protests. Tupper passed the petition on to Schreiber, who reported back in favour of retaining the Amherst-Cape Tormentine route. Ketchum's line was slightly shorter, he explained, and had the advantage of better grades since it would follow the practically level ship railway route part-way to the Cape. In terms of trade, Schreiber rejected outright Boxall's estimates of the potential for local and P.E.I. traffic. Amherst was closer to the coal fields of Cumberland County, he pointed out, and the shipment of coal to the Quebec market via Cape Tormentine would "largely exceed any business which could reasonably be calculated upon in connection with the Prince Edward Island trade".⁴⁵

The Sackville promoters refused to give up, and tried a different tack. On 21 March 1882 Boxall wrote from Sackville urging Botsford to continue the fight. At stake for the County of Westmorland was an estimated \$500,000 worth of trade annually, he told the Senator, and predicted that "the Conservative party would suffer if this precious scheme of Ketchum's receives their [sic] support. . .". Reviewing Ketchum's proposal, Boxall contended that construction of the ship and Cape railways combined would not exceed \$1.5 million, but the government was being asked to subsidize the project to the tune of \$4 million. Ketchum and his associates would thus pocket a "gift" of \$2.5 million, something Boxall felt was "worth the consideration of thinking statesmen". To further discredit Ketchum, he included detailed projections of the earnings and expenses of the ship railway which Botsford was "at liberty" to use "on your discretion".⁴⁶

Botsford knew at least one man in the cabinet who would be interested in these figures. His association with Samuel Leonard Tilley, the Minister of Finance, went back to the days before Confederation when both had been leading supporters of union.⁴⁷ As the ranking New Brunswicker in the cabinet, Tilley kept a sharp eye on affairs in his home province, particularly those which involved expenditures on public works.⁴⁸ Botsford sent him Boxall's statistics, noting in a covering letter that "if he is correct. . . Ketchum's scheme must prove

44 Josiah to Laura Wood, 9 March 1882, File 27, Wood Family Papers, PANB.

45 Schreiber to Braun, 13 March 1882, reprinted in *Sessional Papers*, 1882, vol. 10, #79, p. 11.

46 Boxall to Botsford, 21 March 1882, vol. 139, pp. 57245-6, 57254-60, Macdonald Papers, PAC.

47 In April 1866 Botsford had introduced a motion that passed in the Legislative Council of New Brunswick favouring confederation. The acceptance of this motion by the Lieutenant Governor forced the anti-confederate government of Albert Smith to resign, paving the way for a new, pro-union administration. Tilley, one of the leaders of the pro-confederate forces, took office in the new government as Provincial Secretary. See *Chignecto Post*, 22 March 1894; W.S. MacNutt, *New Brunswick, A History: 1784-1867* (Toronto, 1963), pp. 446-7.

48 Carl Murray Wallace, "Sir Leonard Tilley, A Political Biography", Ph. D. thesis, University of Alberta, 1972, pp. 369-70.

a financial failure".⁴⁹ Boxall reiterated his charges in a second letter to Tilley, and reported that his business contacts in Saint John would not tolerate the diversion of the trade of Westmorland County southward to Nova Scotia. "Should the railway run from Amherst to Cape Tormentine", he warned, "St. John and New Brunswick must suffer".⁵⁰

It was a warning Tilley could not afford to ignore. As the MP for Saint John he could hardly countenance a project which might prove harmful to the commercial interests of that city. In 1878 he had been elected by an extremely narrow margin — only nine votes — and 1882 was to be an election year.⁵¹ Ignoring the fact that railways were Tupper's domain, Tilley immediately passed Boxall's figures on to Macdonald. "This", he told the Prime Minister on 24 March, "shows the necessity of our naming some definite estimates, before considering seriously the aid we might give" to Ketchum.⁵² In a follow-up letter the next day, Tilley outlined a possible course of action. "State to the House that the Local Government are subsidizing the Road to Cape Tormentine", he suggested to Macdonald, "and that in order to give time to see if this work will be built by a company the Government will postpone a proposition for the building of that [railway]. . . until next Session". To indicate the government's desire to improve communication with the Island, however, Tilley felt \$180,000 should be voted to build a branch line from the P.E.I. Railway to Cape Traverse. Probably thinking of his own seat in the House, he added that "this would tide us over the elections and would not compromise or embarrass any party in Nova Scotia, New Bk. or P.E.I.". Two days later he met Macdonald in person to explain his case more fully.⁵³

Macdonald followed Tilley's advice to the letter. Tupper had long been the Prime Minister's closest political ally and his probable successor, but by 1882 relations between the two had turned sour. Two years before they had had a personal breach over the firing of Tupper's friend, Sandford Fleming, from the post of chief engineer of the Canadian Pacific Railway. As a result, noted one historian, Tupper "was never again the party's great electoral strategist or Macdonald's close advisor and confidant".⁵⁴ Tilley was now the government's leading supporter in the Maritimes, and the Minister of Railways and Canals was overruled. Tupper would have to be satisfied with the ship railway alone — still a massive undertaking — in the interest of placating New Brunswick, where

49 Botsford to Tilley, 24 March 1882, vol. 139, pp. 57252-3, Macdonald Papers, PAC.

50 Boxall to Tilley, 23 March 1882, *ibid.*, pp. 57263-6.

51 Wallace, "Sir Leonard Tilley", p. 334.

52 Tilley to Macdonald, 24 March 1882 (confidential), vol. 139, p. 57244, Macdonald Papers, PAC.

53 Tilley to Macdonald, 25 March 1882 (confidential), *ibid.*, pp. 57240-3,

54 Alan Wilson, "Fleming and Tupper: The Fall of the Siamese Twins, 1880", in John S. Moir, ed., *Character and Circumstance: Essays in Honour of Donald Grant Creighton* (Toronto, 1970), p. 127.

the electoral fortunes of the Conservative Party had been relatively poor.⁵⁵

On 10 April Tupper revised his memorandum on the ship railway scheme, deleting any mention of a companion line from Amherst to the Cape.⁵⁶ This was the basis of the final bill which he presented to the House on 9 May.⁵⁷ The following day, as Tilley had recommended, \$189,200 was voted to build the Cape Traverse branch on the Island. It must have been galling for Tupper to have to rise and defend this motion. "We would have been prepared to bring down an estimate for the construction of the connection between the Inter-colonial Railway and Cape Tormentine", he explained to the House, "but for the fact, that in the meantime that service has been provided for by the Government of New Brunswick, who have renewed the charter of a private company who propose to construct that work with the aid of a subsidy. Under these circumstances we felt that we could not ask Parliament to provide for a service which was apparently provided for by the Local Government".⁵⁸ By virtue of their charter⁵⁹ and considerable political leverage at Ottawa, the promoters of the NB & PE Railway had saved the line to the Cape for Sackville.

During April 1882 the company began to make the best of its new lease of life. A stock list circulated locally had brought in \$80,000 worth of subscriptions by the end of the month. Wood, Black, and several other directors went to Fredericton to finalize subsidy arrangements with the provincial government.⁶⁰ And in May 1882, Wood took a step which was to have a profound impact on the future of the NB & PE Railway. At the request of some prominent New Brunswick Conservatives,⁶¹ he sought and secured the party's nomination in Westmorland County for the upcoming federal election.⁶² Well-educated, trained as a lawyer, and successful in business, Wood was a logical choice to contest the seat against Smith, the Liberal incumbent. But the deciding factor for Wood was his stake in the NB & PE Railway. On 6 June, just two weeks before the election, he succeeded Botsford as company president. With stock subscrip-

55 In the 1878 federal election the Conservative Party had carried only five of 16 seats in New Brunswick, the only province where they were denied a majority of the ridings: J. Murray Beck, *Pendulum of Power: Canada's Federal Elections* (Scarborough, 1968), p. 37.

56 Memorandum by Charles Tupper, 10 April 1882, reprinted in *Sessional Papers*, 1882, vol. 10, #79a, pp. 2-3.

57 McKay, "The Chignecto Ship Railway", p. 32.

58 *House of Commons Debates*, vol. 12, 10 May 1882, p. 1437.

59 Gustavus Myers has suggested that one of the main reasons for securing a railway charter was to block rival schemes: Myers, *History of Canadian Wealth* (Chicago, 1914), p. 165. If this was the intention of the NB & PE Railway's promoters, their strategy worked.

60 *Chignecto Post*, 20, 27 April 1882.

61 Both A.L. Palmer and Senator John Boyd later claimed credit for convincing Wood to run: Palmer to Macdonald, 14 July 1882, vol. 386, pp. 182056-8, Boyd to J.H. Pope, 31 July 1885 (private), vol. 122, pp. 50038-40, Macdonald Papers, PAC.

62 Wood was nominated by the local constituency association on the first ballot over Pierre A. Landry, a popular Acadian lawyer and MLA: *Chignecto Post*, 18 May 1882.

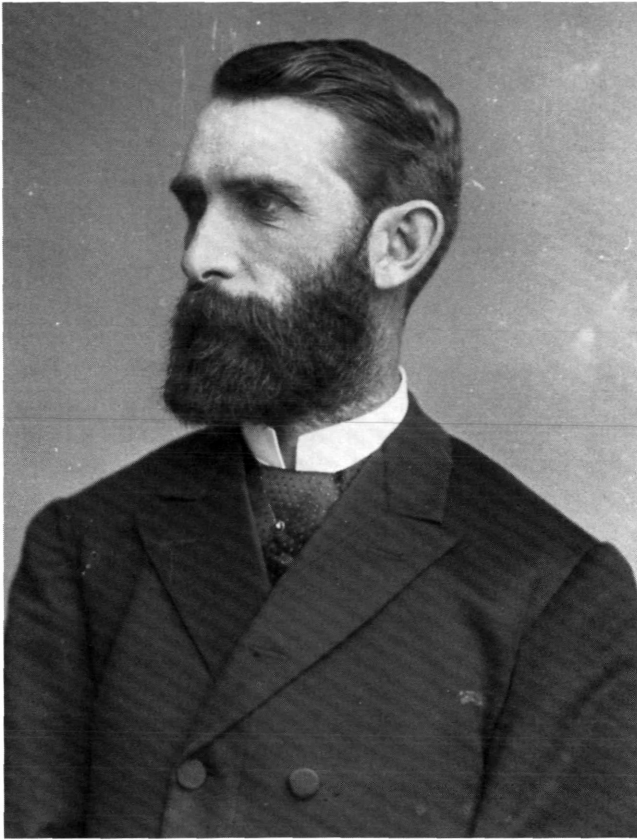


Figure One: Josiah Wood, MP, 1883
(Public Archives of Canada)

tions totalling \$50,000 he was by far the railway's largest backer.⁶³

Campaigning on the Conservative platform of tariff protection, a transcontinental railway, and western development, Wood easily undermined his opponent. Smith, "the Lion of Westmorland", had represented the county since Confederation, but as a member of the Opposition after 1878 he wielded no power at Ottawa.⁶⁴ The most pressing local issue was the Cape Tormentine Railway, and there was no doubt where Wood stood with regard to that project. On June 20 he defeated Smith by over 400 votes, and as the results were announced to the crowd assembled at the telegraph office in Sackville, "cheer after

⁶³ *Chignecto Post*, 1, 8 June 1882.

⁶⁴ Carl Wallace, "Albert Smith, Confederation, and Reaction in New Brunswick: 1852-1882", *Canadian Historical Review*, XLIV (December 1963), p. 310.

cheer rent the air for Wood and the Cape Railway".⁶⁵ "It was the greatest rejoicing Sackville ever saw", Wood's wife remarked proudly.⁶⁶ With the Conservatives returned to power, the NB & PE now had an effective voice in the councils of the government.

Wood immediately began to build a case for the granting of federal assistance to his line. During his first session at Ottawa in the spring of 1883 he secured an appointment to a select committee of the House set up to consider the perennial question of winter communication with P.E.I. At the committee's hearings, Wood elicited favourable comments on the need for a branch railway to the ICR, a wharf at Cape Tormentine, and the merits of the Capes route in general from witnesses familiar with the problems of Island communication.⁶⁷ The committee's report recommended that the government "adopt Capes Traverse and Tormentine as the points of communication for mails and passengers" to and from P.E.I., since travel "during the most severe part of the winter season can only be maintained between those points. . .". The ice boat service operating on that route was to be taken over by the government and upgraded to provide daily crossings in winter. From Wood's point of view, the most important recommendation was that the government improve summer travel by building a pier at Cape Tormentine in connection with the NB & PE Railway.⁶⁸

Actual construction of the line had begun at Sackville in the late summer of 1882, and the contractors took advantage of the winter months to clear the right of way through the woods and begin grading the roadbed. By spring more than 200 men were at work, and at the end of August about two-thirds of the line was graded and ready for rails. But railway iron was expensive, and the federal government turned down a request in April 1883 to supply used rails to the project. The company's stock subscriptions of \$150,000 were insufficient; the provincial subsidy of \$3,000 per mile was payable only upon completion.⁶⁹ The fact of the matter was that by the middle of 1883 the NB & PE Railway was in dire financial trouble. As was the case with so many other Canadian lines facing a shortage of local capital, the solution was seen to be investment from overseas sources. Armed with a provincial act empowering the company to borrow up to £72,000 sterling,⁷⁰ Wood went to England in July "with a view to get rails and open negotiations for the sale of the Debentures of the Company. . .". A London agent was retained to sell the company's bonds, and on his return in

65 *Chignecto Post*, 22 June 1882. The results were Wood 2620 votes, Smith 2188: *The Canadian Parliamentary Companion*, 1883, p. 177.

66 Laura Wood, "Journal", 21 June 1882, p. 44.

67 See, for example, his questions to Samuel Prowse, p. 9, John Jenkins, p. 16, Captain Irving, pp. 45-6, and Senator J.S. Carvell, pp. 77-8, in the committee's minutes of evidence: *Journals of the House of Commons*, 1883, vol. 17, Appendix 3.

68 *Ibid.*, p. 2.

69 *Chignecto Post*, 5 April 1883.

70 *New Brunswick Acts*, 1883, p. 88.

September Wood tried to restore confidence in the project. "I have every reason to believe the company is strong enough to complete the railway and put it in operation next year", he announced, "sale or no sale of bonds".⁷¹

Wood's timing could not have been worse. The world economy was sliding into a depression in 1883, and the failure of the giant Northern Pacific in the United States late in the year shook investor confidence in railway stocks and bonds.⁷² Under these conditions it was unlikely that the NB & PE Railway would be able to float its bond issue in London. Wood seemed to realize this by the end of the year, and began to explore other avenues. In December 1883 he wrote to Tilley to get advance information on the railway companies the government planned to subsidize during the upcoming session, as well as the prospects for funding of the Cape Tormentine pier.⁷³ Wood secured an appropriation of \$150,000 for the pier at the end of the 1884 session, but failed to obtain any assistance for the railway. The stumbling block was still Tupper. Although the federal government gave some \$8.5 million in aid to private railway companies in 1884, Tupper fulfilled an earlier pledge to his Amherst supporters by turning down the NB & PE Railway Company's request for a subsidy.⁷⁴

By the summer of 1884 the Cape railway had a roadbed and bridges, but no rails. Money was still the problem — the company needed an estimated \$160,000 to complete and equip the line. The purchase of a small lot of rails, ten flat cars, and an old ICR locomotive during July and August probably exhausted the company's funds, but at least allowed tracklaying to begin.⁷⁵ By the end of the year, however, the situation had become acute, and at a meeting on 9 November 1884 the shareholders agreed to raise the necessary funds among themselves with a new stock issue.⁷⁶ Four days later Wood bought \$15,000 worth of used rails from the ICR depot at Moncton.⁷⁷ This enabled crews to lay track as far as Baie Verte, a village 17 miles east of Sackville, before winter closed in.

The company's financial position was brighter at the beginning of 1885, and so were the prospects for federal assistance. Tupper had resigned his portfolio

71 *Chignecto Post*, 13 September 1883.

72 W.T. Easterbrook and Hugh G.J. Aitken, *Canadian Economic History* (Toronto, 1963), p. 433.

73 Tilley to Wood, 21 December 1883 (private), File 23, Wood Family Papers, PANB.

74 Alan W. MacIntosh, "The Career of Sir Charles Tupper in Canada, 1864-1900", Ph.D. thesis, University of Toronto, 1959, pp. 271-2. In a speech in June 1883 Tupper stated that the NB & PE Railway Company "had not asked for aid, but would have to, and when they did he would remain firm to his pledges to Amherst": *Chignecto Post*, 14 June 1883.

75 *Chignecto Post*, 15 May, 24 July, 14 August 1884.

76 *Chignecto Post*, 20 November 1884.

77 David Pottinger, Chief Superintendent, ICR, to Wood, 14 November 1884, File 23, Wood Family Papers, PANB. According to G.R. Stevens, Pottinger was selling these used rails for the low price of \$12 per ton. At this rate, some 1,250 tons, or close to half of the rails used in the NB & PE Railway, came from the ICR. See Stevens, *Canadian National Railways, vol. 2: Towards the Inevitable, 1896-1922* (Toronto, 1962), p. 310; Boxall, "Estimated Value of Works to Date, 2 January 1886", File 24, Wood Family Papers, PANB.

and his seat in the Commons at the end of the previous session in order to take up the post of High Commissioner to London. A by-election in Cumberland during the summer of 1884 returned C.J. Townsend for the Conservatives. An Amherst lawyer and businessman, Townsend immediately wrote to Macdonald in an effort to block any bid by the NB & PE Railway for a subsidy. "Very little, if any, private money has been expended in the enterprise", he told the Prime Minister in July 1884, a statement that was patently false.⁷⁸ If Amherst could not get the Cape railway, its representative at Ottawa was prepared to do his utmost to impede the progress of the Sackville line.

Townsend, however, did not inherit Tupper's influence with the government, and the new Minister of Railways and Canals, J.H. Pope, had no animosity towards the Sackville company. On 9 February 1885 Wood informed the House that he intended to apply for a federal subsidy on behalf of the NB & PE Railway. "The work, so far, has been carried on by the private means of the company", he emphasized, "slightly aided by the local Government of New Brunswick . . . If we succeed in getting this [federal] aid the company will be able, during the coming season, to complete and equip their road . . .".⁷⁹ There was little Townsend could do to stop him — Wood had a charter, a half-finished railway, and two more years experience as a government backbencher. When Townsend tried in March to introduce an act incorporating an Amherst line to tap the NB & PE Railway at Baie Verte, Wood had the bill withdrawn on a technicality.⁸⁰

Four months later, on 15 July 1885, the NB & PE Railway Company was awarded the standard federal subsidy of \$3,200 per mile, up to a maximum of \$118,400. In Sackville, the *Chignecto Post* was jubilant: "the people of Westmorland will give due honor and credit to the men — headed by Mr. Wood M.P. — who have successfully engineered this undertaking".⁸¹ But across the marshes in Amherst, Townsend was vehement. The subsidy had been granted to Wood, he complained in an angry letter to Macdonald, "notwithstanding my urgent, and repeated remonstrances" to the contrary. "You certainly must have forgotten your promise to me in writing last Summer that nothing of this kind should be done", he told the Prime Minister bluntly; his constituents were outraged: "How the Gov't can expect me to hold my own when treated in this fashion it is difficult to understand".⁸² Other Conservatives demanded similar consideration for their own lines. Senator John Boyd of Saint John asked Macdonald to grant a subsidy to the Joggins Railway in Nova Scotia, while the promoters of the Moncton and Buctouche Railway were equally disgruntled at being passed over in favour of Wood.⁸³ Given such conflicting political

78 Townsend to Macdonald, 17 July 1884, vol. 122, pp. 50066-70, Macdonald Papers, PAC.

79 *House of Commons Debates*, vol. 17, 9 February 1885, p. 63.

80 *Ibid.*, 4 March 1885, p. 349.

81 *Chignecto Post*, 23 July 1885.

82 Townsend to Macdonald, 23 July 1885, vol. 122, pp. 50072-5, Macdonald Papers, PAC.

83 Boyd to Pope, 31 July 1885 (private), vol. 122, p. 50039, Tilley to Macdonald, 3 October 1885

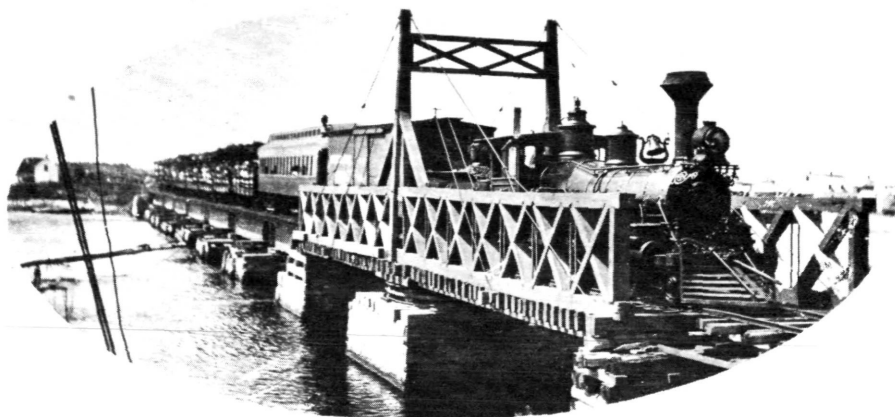


Figure Two: New Brunswick & Prince Edward Railway train
(National Museum of Science and Technology)

pressures, it was a measure of Wood's influence at Ottawa that his railway received any assistance at all.

With federal monies assured to the company, the NB & PE was rapidly pushed to completion. At the beginning of 1886 Boxall estimated that almost \$280,000 had been spent on the 32.5 miles of railway completed to that date, including \$65,000 for rails and two locomotives costing a total of \$11,000.⁸⁴ Construction of the remaining four miles was delayed while the federal government chose the location of the Cape Tormentine pier, but the entire line was in operation by September 1886. The government subsidies were payable upon completion, and Ottawa's share, totalling \$113,440, was forwarded in two installments: \$87,000 in September 1886, and the balance at the end of 1887.⁸⁵ The provincial government had paid the bulk of its subsidy — \$90,000 out of \$99,709 — by 31 December 1886.⁸⁶ Further public largesse was given to the NB & PE with the completion of a 2,500-foot wharf at the Cape Tormentine terminus in 1893. Total expenditure by the federal government for the construction and repair of

(confidential), vol. 277, p. 127177, Macdonald Papers, PAC.

84 Boxall, "Estimated Value of Works to Date, 2 January 1886", File 24, Wood Family Papers, PANB.

85 *Sessional Papers*, 1887, vol. 12, #13, p. 63, and 1888, vol. 9, #8b, p. 62.

86 *Chignecto Post*, 14 April 1887.

that pier had reached \$240,000 by 1899.⁸⁷

The NB & PE Railway quickly fulfilled the expectations of its promoters. As this was a major transportation route to and from P.E.I., passenger traffic was heavy, averaging some 15,500 people annually from 1887 to 1900.⁸⁸ In the summer months large numbers of people in the Sackville area took advantage of special excursion trains to the Cape, which developed into something of a local resort complete with fine beaches and tourist hotels.⁸⁹ The line was also the major carrier for the Island mails.

Freight traffic had been the reason for building the railway, however, and the shipment of local lumber commenced as soon as the first rails were laid in 1884.⁹⁰ During the first 14 years of operation lumber accounted for more than 40 per cent of all freight carried, an average of 7.7 million board feet annually. Virtually all of this traffic originated at sawmills along the line and was bound for markets in the United Kingdom.⁹¹ Railway access to the timber stands along the route greatly facilitated the shipment of this lumber to tidewater. Prior to the construction of the NB & PE, deals had been floated down rivers to Baie Verte and then rafted out to vessels for loading, or else shipped overland by teams to Sackville.⁹² The lumber trade continued to use these outlets after 1886, but large numbers of ships began loading at Cape Tormentine once the pier was complete. The result was a better quality product. "It appears that deals, when shipped dry and clean, command higher prices in the English market, than when wet and bruised in the course of rafting", explained one observer, "The deals shipped at Cape Tormentine are taken from the train directly on board the vessel in clean and bright condition".⁹³

The directors of the NB & PE Railway were themselves heavily involved in the local lumber trade. Black and Ogden, two of the original promoters of the line, were the largest producers in eastern Westmorland County. Together they accounted for half the logs cut in the area during the winter of 1884-5, and produced a similar proportion of that region's lumber in 1892.⁹⁴ The sawmills and timber holdings of both men profited handsomely from the railway. Black, with two mills just north of the NB & PE, had made "extensive purchases" of timberland in 1883, expanding his holdings to 12,000 acres. By one estimate, this

87 *Sessional Papers*, 1890, vol. 8, #9, p. 59.

88 Calculated from "Railway Statistics of Canada", Table 4, *Sessional Papers*, 1888-1901.

89 *Chignecto Post*, 23 June 1887.

90 The first carload of deals was sent over the NB & PE Railway to Sackville once nine miles of track were laid to Midgic: *Chignecto Post*, 23 October 1884.

91 Calculated from "Railway Statistics of Canada", Table 5, *Sessional Papers*, 1888-1901. In 1908, the first year which gave a breakdown of freight traffic by origin, fully 98 per cent of the lumber carried came from points along the line: *Sessional Papers*, 1909, vol. 11, #20b, Table 11.

92 *Morning Herald* (Halifax), 13 June 1885.

93 *Sessional Papers*, 1894, vol. 8, #9, pp. 70-1.

94 *Chignecto Post*, 23 April 1885, 5 May 1892.

was “enough log lands to guarantee an inexhaustible supply of logs for his mills for an indefinite period”.⁹⁵ Ogden was also quick to take advantage of the railway, shipping 130 carloads of deals over the line during 1885 before it ever reached the Cape. W.F. George, an early promoter and a director until 1885, shipped smaller quantities of lumber over the railway.⁹⁶

Wood, the NB & PE’s president, had a variety of business interests that were well served by his railway. His wholesale firm of M. Wood & Sons exported 1.4 million board feet of lumber during 1885 alone,⁹⁷ and probably benefited from access to the P.E.I. market for other goods. Wood was also a major landowner in the area, including a 500-acre farm and other lands along the route to the Cape.⁹⁸ By the 1880s, however, the emphasis of Wood’s business activities had switched to the nearby town of Moncton, where he was a major investor in a cotton mill, a sugar refinery, and other manufacturing concerns. These factories, noted the *Chignecto Post*, were well situated to ship their products to the Island market, only 60 miles distant by way of the Intercolonial and NB & PE Railways.⁹⁹

Two Sackville manufacturers sat on the NB & PE’s board for the same reason. Charles Fawcett, a director throughout the 1880s and 1890s, obtained rail access to the Island market by building a short spur line from the Cape railway to his stove foundry. W.B. Dixon, a director from 1883 to 1886, enjoyed the same advantage but without the effort. He was a managing partner of E. Cogswell & Co., the town’s other stove works, which was located within a few hundred yards of the junction of the ICR and the Cape line.¹⁰⁰

The NB & PE Railway, then, was promoted and built by a group of Sackville’s leading merchants and manufacturers to serve their own business interests. True, the shareholders expended a considerable amount of their own money to finance the actual construction, but they were more than repaid for their efforts upon completion. Government aid totalled just over \$213,000; the various estimates of the cost of building and equipping the line average out at under \$300,000.¹⁰¹ This means upward of \$70,000 was invested locally — a small

95 *Chignecto Post*, 1 March 1883.

96 *Chignecto Post*, 14 January 1886, 19 March 1891.

97 *Chignecto Post*, 17 December 1885.

98 Wood had inherited at least an additional 300 acres of farmland at Midgic, a station stop on the NB & PE Railway, from his father. See deeds in File 50, Wood Family Papers, PANB, especially James Hay to Mariner Wood, 1839 and 1844, and John Patterson to M. Wood, 1843.

99 *Chignecto Post*, 22 November 1883. Wood’s investments in Moncton industry after 1879 are noted in Acheson, “The National Policy and the Industrialization of the Maritimes”, p. 8, and in R.T. Naylor, *The History of Canadian Business, 1867-1914* (Toronto, 1975), vol. I, p. 162.

100 *Chignecto Post*, 12, 26 December 1889. The membership of the railway’s board of directors is drawn from reports of the annual meetings published in the *Post* and *Poor’s Manual of the Railroads of the United States, 1896-1900*.

101 In 1891 the “Railway Statistics of Canada” gave a total cost of just over \$270,000: *Sessional Papers, 1892*, vol. 8, #9b, Table 1. The secretary of the NB & PE Railway Company later

risk for the shareholders considering the benefits which accrued to their other business activities. Moreover, NB & PE Railway stock proved to be a good investment in itself. In its first 14 years of operation the company never failed to show a surplus of earnings over operating expenses.¹⁰² Direct government assistance, including an additional \$240,000 for the pier at Cape Tormentine, enabled the promoters of the Cape railway to construct a valuable and profitable transportation artery with a minimum of private funding.

The construction of the NB & PE Railway was a success story in 19th century railway entrepreneurship. Within a few years of its completion, however, questions were being raised about the role of the promoters in securing government assistance for the railway. In particular, had Wood abused his position of public trust as an MP for private gain? The Opposition Liberals certainly thought so, and raised the matter in the House on 29 April 1890. Halifax MP A.G. Jones charged that Wood, "with the influence he possessed with the Government", had secured an appropriation of \$160,000 for the pier at Cape Tormentine, an "expenditure of money not in the public interest, but in the interest of the small branch [railway] in which the hon. gentleman is a large owner". Wood immediately rose to defend himself, challenging Jones to show "that the road has not been of advantage to the section of the country through which it passes. . .". The appropriation for the pier and the subsidy paid to the NB & PE Railway, he pointed out, were made on the recommendation of a Commons committee in 1883. He did not add, of course, that he had been one of the five members of that committee. When the Liberals' Richard Cartwright repeated the charge of political influence, Wood flatly denied exerting any "undue" pressure on the government; he had received the same federal subsidy as had other railways in New Brunswick and other provinces. Support for Wood's case came from the government benches. Conservative T.E. Kenny of Halifax commended him "for the interest he has taken in securing so important a public work for the county which he so well represents", while the Prime Minister professed he had never heard "a more unwarrantable, a more unjustifiable and uncalled for attack" in his long parliamentary experience. The only influence exerted on the government in subsidizing the NB & PE Railway, Macdonald maintained, was "the influence of its being the right route, the most convenient and the safest mode of communication".¹⁰³

The matter did not rest there. The debate was picked up by the Liberal press, with the Toronto *Globe* leading the attack on Wood's role as president of the

contended the line cost \$288,000 to build: Milner, *History of Sackville*, p. 87. *Poor's 1896*, p. 1029, gave a similar figure of \$286,159. Probably taking into account later expenditures for improvements and rolling stock, a provincial government report in 1908 set the total cost of the line at \$307,744: New Brunswick, *Branch Railway Commission Report 1908*, p. 11.

102 For annual financial statements of the company, see "Railway Statistics of Canada", Tables 6 and 7, *Sessional Papers*, 1888-1901.

103 *House of Commons Debates*, vol. 30, 29 April 1890, pp. 4143-9.

Cape railway. "One of the main objects for constructing this line was to reach some mills owned partly by Mr. Wood", charged the *Globe*. A further \$160,000 had been voted "for a pier at Cape Tormentine not required in the public interest, in fact quite useless to anyone but Mr. Wood and his railways and mills".¹⁰⁴

These were serious allegations, and Wood felt compelled to make a personal explanation in the House on 2 May 1890. The *Globe's* report, he began, "is so much at variance with the truth that I feel it my duty to refer to it": "I own no mill, nor have I any interest in any mill anywhere along this line of railway. I may further say that I have no private property along that line, and I have no private or personal interest to be served in any way by the construction of that line." And yet this statement was clearly false. Wood controlled lands, a wholesaling firm, and factories which were "served" directly by the building of the NB & PE Railway. Concluding his remarks to the House, Wood contended: "I should have neglected my duty as a citizen, and should have been very remiss in my duty as a public man, if I had not done everything in my power to secure its construction".¹⁰⁵

This was a telling point. The NB & PE Railway had been of undoubted value to the eastern section of Westmorland County, and Wood's constituents were well aware of that fact. "If there is a public matter that Mr. Wood can claim the support and confidence of the people of Westmorland, it is the connection he has had with this important public undertaking", the *Chignecto Post* stated in his defence, "It has certainly been a source of strength to him at the polls".¹⁰⁶ The electorate judged its representatives at Ottawa not on their private interests, but on their contribution to local prosperity.

Gustavus Myers would not have accepted this argument. Members of Parliament promoting their own railways "were compelled by the exigencies of politics to put on an appearance of great concern for the public welfare", he charged in 1914, "while engaged in the very act of seeking to enrich themselves. . .".¹⁰⁷ Indeed, such politicians did reap private gain from their activities, but more recent writers have argued that charges of political corruption must be assessed

104 Quoted in *ibid.*, 2 May 1890, p. 4320.

105 *Ibid.*, pp. 4320-1.

106 *Chignecto Post*, 8 May 1890.

107 Myers, *History of Canadian Wealth*, p. 154. Wood himself did not escape Myers' wrath, but for his alleged role in promoting the wrong railway. In the House on 3 May 1886 a Liberal member charged that Wood, as president of the Caraquet Railway in northern New Brunswick, had received some \$76,800 in subsidies for that line in a single year. This was an error — he really meant the member for Gloucester County, Kennedy F. Burns, who was president and chief promoter of the Caraquet line. Myers, however, did not detect the error and reported the charge verbatim. For his activities as president of the NB & PE Railway, Wood escaped unscathed. See House of Commons Debates, vol. 12, 3 May 1886, p. 999, and Myers, *History of Canadian Wealth*, p. 290.

within the context of the times.¹⁰⁸ The voters who returned men like Wood at the polls certainly did not feel the public interest was being sacrificed to private profit. For their part, the railway promoters in Parliament do not appear to have considered their actions as corrupt. Macdonald defended federal subsidies to private railway companies in 1890 as a means of encouraging development.¹⁰⁹ Wood used the same argument when charged with accepting “boodle” during his successful re-election campaign in 1887.¹¹⁰ Nevertheless such assistance went only to railway companies with the requisite political connections.

Politics and railways. In 19th century Canada the two were inextricably linked. The businessmen of Sackville promoted and built a railway to Cape Tormentine because it was beneficial to their private interests to do so. The line assisted the exploitation of the staple resources — particularly timber— of the region through which it passed, and at the same time provided convenient access to the P.E.I. market for local manufactured goods. Despite their personal stake in the railway, its promoters were reluctant to risk their own capital to effect its construction. Considerable time and effort, therefore, were devoted to shifting the responsibility for financing onto the public purse. The NB & PE Railway Company constantly lobbied the federal and provincial governments for aid, particularly in the form of direct cash subsidies or used rails. When these efforts met with only limited success, the promoters turned to direct political action to further their cause. Political power was necessary to secure subsidies and stave off rival lines; as a government backbencher at Ottawa, the company president could do both. Playing by the rules as they then stood, Sackville’s businessmen secured their railway and its attendant benefits for a fraction of the total cost.

108 Kenneth M. Gibbons, “The Study of Political Corruption”, in Gibbons and Donald C. Rowat, eds., *Political Corruption in Canada* (Toronto, 1976), p. 5, makes this very point. Another writer has explained that, in the 19th century, “the public ignored, condoned or was ambivalent towards the moral and ethical problems raised by the conjunction of railroads and politics”: Baskerville, “The Boardroom and Beyond”, pp. 205-6.

109 *House of Commons Debates*, vol. 30, 8 May 1890, p. 4627.

110 *Chignecto Post*, 27 January 1887.