

THE OTTAWA AND GATINEAU VALLEY RAILWAY

Gary Levy

1871—1901

"Mr. Chairman and honourable gentlemen, I am the original projector of this railway; and I was for many years its chief promoter, until I was 'euchred' out of it by a most shabby trick."

J.P.L. O'Hanly before the Senate Railway Committee

The purpose of this essay is to examine the organization, construction and operation of the Ottawa and Gatineau Valley Railway from the time of its incorporation in 1871 until it merged with the Pontiac Pacific Junction Railway in 1901. The history of the Ottawa and Gatineau Valley Railway was typical of many other local railways of that era. It started as an idea among a small group of men. They secured a charter and sought out private capital and public subsidies to begin construction. They soon ran into delays and the company had to be reorganized. Finally construction was completed and operations begun. The line proved profitable for several years but eventually traffic declined and passenger service was abandoned. Limitations of space preclude a full analysis of each of these periods in the railway's history. However, the essay will try to provide some insights into the economics and politics of railway development and also consider some of the human drama implied in the above quotation.

The original charter incorporating the Ottawa and Gatineau Valley Railway was approved by the Quebec legislature on December 23, 1871. The petitioners included some of the best known men in the region: Alonzo Wright, E.B. Eddy, J.M. Currier and 32 others. Perhaps the most enthusiastic supporter was an Irishman by the name of J.P.L. O'Hanly. He was a land surveyor and civil engineer who served as assistant engineer for the Intercolonial Railway in 1869. In 1871, he became interested in the proposed railway along the Gatineau River.

"I spent not only my time, devoting physical and mental energies to the promotion and prosecution of this enterprise, but contributed towards it from my scant means, private funds which I could ill-afford to divert from the needs of my family. I spent over three months in Quebec watching and getting the charter through the legislature. I indited every word in that Act without a single, solitary suggestion from a living soul. I paid a translator for putting it in French, and lobbied it through the several legislative stages. I made not less than a dozen trips from Ottawa to Quebec at my own expense to interview and interest the local government in aid of the enterprise. I attended and addressed the Ottawa County Council on behalf of the undertaking on several occasions. I agitated and advocated it with the several local municipalities immediately and by both editorials and communications I directed attention to its importance as a great developing agent. . . . I made a reconnaissance survey of the whole line with plans and profiles, and reports and estimates of the cost of construction, all at my own expense. . . . A very modest compensation for my time and outlay would not be less than \$30,000."

The charter authorized a company to build a railway on the west side of the Gatineau River from the Village of Hull to the confluence of the rivers Desert and Gatineau. The company was unable to commence construction within the three-year deadline imposed by the charter and after it expired a new charter was issued in 1879. The second charter was virtually identical to the first except that it allowed five years to begin construction and ten years for completion. Although only eleven of the 36 petitioners were the same as in 1871, J.P.L. O'Hanly was again named chief engineer.

It was one thing to obtain a charter and another to raise the capital necessary to construct a railway. The capital stock of the company was set at \$1,000,000 divided into 40,000 shares of \$25 each. The company was also authorized to issue bonds and debentures up to a maximum of \$15,000 (later raised to \$25,000) per mile. The charter prescribed that the company could not be formally organized until one tenth of the capital stock (\$100,000) was sold and one tenth of that amount (\$10,000) deposited in a chartered bank. After two years not only had the Ottawa and Gatineau Valley Railway failed to lay a single mile of track, it had yet to meet the minimum financial requirement.

At this point there arrived in Ottawa an Englishman, J. Murray Mitchell, who claimed to have *carte blanche* from a group of London financiers to invest \$10,000,000 of their money into potentially profitable enterprises. However, O'Hanly was not impressed by Murray Mitchell.

"Anyone, willing to use his eyes, could see by the cut of his jib that he was a fraud, and that the whole story was a transparent fabrication. The very first time I set eyes on him I sized him up for all he was worth. . . . But the satellites who gravitated towards him and revolved in his orbit, like vultures in search of prey, fancied they smelt carrion in the distance. They thought that in him they had found a good fat goose to pluck. . . . But he came to fleece, not to be fleeced."

In 1882 Murray Mitchell and his friend Charles H. Mackintosh, former mayor of Ottawa, took control of the Ottawa and Gatineau Valley Railway Company squeezing out O'Hanly and some of the others.

"In the forenoon of a certain day, a twenty-four hour note was discounted and the proceeds deposited to the credit of the railway in the bank which discounted the loan. In the afternoon of the very same day, a meeting of bogus shareholders was held for the election of directors, and these directors appointed officers. On the morrow, the newly appointed president and secretary, Mackintosh and his brother, withdrew the money deposited and used the proceeds to take up the note. Thus were they installed as the Ottawa and Gatineau Valley Railway Company. Director Murray Mitchell was appointed chief engineer and general manager, although knowing as much about civil engineering and railroad management as does a dog."

As was customary the company sought public funds to construct the railway and in 1882 it received two land grants from the Quebec government; one for 6,000 acres per mile for a maximum of 75 miles from Hull to Maniwaki; the other for 4,000 acres per mile for a 52-mile feeder line from Buckingham to Aylwin. In the House of Commons Alonzo Wright asked that the Ottawa and Gatineau Valley Railway be added to the number of railways receiving federal funds. He said the line would open up vast tracts of country for settlement and colonization. "It will practically add another Province to the Dominion; and it will afford railway facilities to a most active, intelligent and enterprising people." In 1883, the first of several grants was approved by Parliament. It called for a subsidy not exceeding \$3,200 per mile for the first 50-mile section of the railway from Hull. In 1884, a similar subsidy was authorized for the stretch from Kazabazua to Maniwaki.

Take from the altars of the past the fire — not the ashes.

Jean Jaurès 1859-1914

By 1888 the company still had not actually begun construction. O'Hanly pinned the blame squarely on Murray Mitchell.

"He was borrowing left and right from everyone who had the good fortune to get within his charmed circle. Indeed, it was considered no slight compliment to be invited by the benevolent millionaire to contribute toward his splendour . . . What the dupes and satellites should have perceived at first glimpse, at length began slowly and feebly to dawn on their dazed visions. They at last realized that he was a cheat and an imposter who was fooling and fleecing them all along; and that instead of plucking him as they intended, he was plucking them. To assuage their chagrin, to poultice their disappointment, they had him arrested for fraud, false pretences and embezzlement. But, in their cooler moments, they considered that 'discretion is the better part of valour' and dropped the prosecution like a hot potato. He was not only allowed to depart in peace, but as a solace to his wounded feelings no less than \$22,000 was forked over to help him along on his new voyage of discovery."

The departure of Murray Mitchell left the railway in danger of losing its charter once again. At this point, however, the company was taken over by Horace J. Beemer, formerly managing director of the Quebec and Occidental Railway. Beemer was a contractor from Pennsylvania who found the Canadian railway business ideally suited to his entrepreneurial talents. On May 18, 1887 the Quebec legislature confirmed Beemer's control of the company. It also required him to commence construction immediately and to complete at least ten miles during 1887, fifteen miles in 1888, fifteen miles in 1889 and to complete construction to Maniwaki before the end of 1894. At the same time, Beemer began a series of moves which brought the railway under federal instead of Quebec jurisdiction. He first petitioned the federal government for permission to extend the line (which had not even been started) to a point on or near James Bay. The government then agreed to declare the railway to be a "work of the general advantage of Canada" and the company was able to issue bonds on the basis of \$25,000 per mile over a distance of 550 miles instead of just 75 miles. On paper, this made it seem a much grander enterprise than it was.

Beemer's connections and experience brought other immediate results. In 1888, the Quebec legislature gave the company a cash subsidy of \$5,161 per mile for 62 miles of its road. Parliament also voted subsidies for the Ottawa and Gatineau in 1889, 1893, 1894 and 1897, and by 1900 the line had received \$1,180,520 in public funds. Still the company was unable to meet its original deadline and on December 21, 1889, Beemer wrote to Sir John A. Macdonald asking for an extension. Beemer pointed out:

"The Ottawa and Gatineau Railway has expended on rights of way, plans, materials and labour on work accomplished from 8 August 1889 - 30 November 1889 close on \$65,000. They have at present about 200 men engaged in work which is being and will be pushed through this winter. They now have about 50 men employed in rock cuts in 2nd section of ten miles which will advance work in general for speedy fulfillment of building balance of Railway."

After further delays, a northern terminus was finally established at Farrellton in 1892. The following year, it was extended to Kazabazua and in 1895 to Gracefield. The following table gives an idea of the number of miles covered, the passengers and freight carried, the earnings and operating expenses of the railway from 1892 to 1900.

MILEAGE, EARNINGS AND OPERATING EXPENSES - OTTAWA AND GATINEAU RAILWAY 1892-1900

	1892	1893	1894	1895	1896	1897	1898	1899	1900
MILES									
Passenger trains	—	—	6,069	15,871	16,588	20,998	17,320	19,440	19,925
Freight trains	—	—	116	1,086	1,263	941	960	1,258	1,080
Mixed trains	6,086	25,780	23,076	32,233	36,163	34,315	37,560	38,040	38,215
TOTAL *	6,086	25,780	39,261	49,191	54,014	56,254	55,840	58,738	58,820
Passengers carried	10,075	34,298	42,991	41,543	44,262	45,636	45,657	53,230	60,938
Tons of freight(1)	5,421	15,075	15,843	15,907	18,793	16,936	16,655	18,245	24,962
EARNINGS									
From passengers	\$ 4,433	\$17,535	\$26,858	\$25,878	\$25,430	\$24,933	\$24,493	\$30,161	\$34,953
From freight	4,534	18,346	24,520	24,878	25,332	24,167	24,682	28,208	33,955
From mails and express	126	886	1,946	2,504	2,845	2,938	3,004	3,290	3,429
Other	—	241	290	75	327	336	398	387	860
TOTAL * (Gross earnings)	\$ 9,093	\$37,008	\$53,614	\$53,337	\$53,936	\$52,374	\$52,578	\$62,048	\$73,199
OPERATING EXPENSES (2)									
Maintenance of line	\$ 3,153	\$ 7,558	\$11,710	\$10,636	\$10,823	\$12,334	\$11,966	\$14,288	\$14,148
Repairs to engines	2,213	7,630	10,422	15,058	16,096	11,905	13,380	12,829	16,009
Repairs to cars	362	1,212	1,296	1,746	3,628	3,201	3,150	4,451	3,112
General	2,823	12,398	14,591	13,591	14,840	14,130	18,440	22,333	19,836
TOTAL *	\$ 8,554	\$28,800	\$38,020	\$41,035	\$45,389	\$41,571	\$46,938	\$53,903	\$53,107
COST PER MILE	\$140.55	\$111.71	\$ 96.84	\$ 83.42	\$ 84.10	\$ 73.90	\$ 84.05	\$ 91.72	\$ 90.28

* Totals are approximate due to rounding.

(1) Contrary to what one might expect, in most years, the greatest tonnage was in manufactured goods followed by lumber and firewood, flour, grain and livestock.

(2) Includes wages of labourers, engineers, firemen, station agents, conductors, clerks, etc. Also such things as compensation for cattle killed, landslides and washouts, insurance, advertising, etc.



Steaming along the twisty route up the Gatineau

Public Archives of Canada Photo

By 1900, more than 60,000 passengers and 24,000 tons of freight were carried over the line. The company owned 2 engines, 2 first class passenger cars, 8 excursion cars, 1 second class car, 2 baggage, mail and express cars, 6 cattle and box cars, 21 platform cars, 1 conductor's car, 1 snow plough and 1 flanger.

The trip from Ottawa to Farrelton cost \$1.15 in 1892, but three years later, first and second class fares were introduced and the price actually dropped so that a first class ticket cost \$1.20 (75¢ second class) while a trip from Ottawa to Gracefield cost \$2.05 (\$1.50 second class). The fares were not cheap, however, when one remembers that in those days the salary for a labourer was \$1.25 a day for a ten-hour day. Over the next five years, the fares remained unchanged.

The line failed to reach Maniwaki by 1894, but Beemer obtained further extensions. He also dropped the word "Valley" from the company's name, becoming simply the Ottawa and Gatineau Railway in 1894. At the same time, it was authorized by Parliament to join with the Pontiac Pacific Junction Railway Company (also owned by Beemer) to build a bridge across the Ottawa at Nepean Point. The Interprovincial Bridge which opened in February 1901 linked the two lines and on May 23, 1901, the Ottawa and Gatineau was renamed the Ottawa, Northern and Western Railway Company. A year later, it formally absorbed the Pontiac Pacific Junction Company. On November 1, 1902, the Ottawa, Northern and Western was leased to the Canadian Pacific Railway Company for a term of 999 years.

In an age when man has walked on the moon, it is difficult to fathom the railroad fever of the 19th century or the excitement evoked by steam engines. For the residents of Farrelton, Gracefield and other Gatineau communities, however, the railway brought hopes for increased prosperity and offered travel possibilities that had been little more than dreams.

"Steam released man from the bondage of nature. Motion no longer depended upon animals or the wind; nor could the seasons impose a ban upon the movement of goods. When the canals were locked in ice, the carriages and wagons over their hubs in mud,

when storms raged and calm prevailed, the train pressed economically onward, impelled by its own man-made demon. The regularity, control, and speed of the railway vastly improved the capacity of economic man, whether a farmer or merchant, to respond quickly to price fluctuations in distant markets."

Of course the railways also produced land speculators, crooked lawyers, disreputable contractors, corrupt politicians and all manner of wheelers and dealers. The debate whether railways were primarily instruments of economic growth or vehicles for private enrichment has engaged economists and historians for many years. The story of the Ottawa and Gatineau Railway will add little to this debate. It did not transform the Gatineau Valley into an industrial heartland. In fact compared to other railways it had a relatively uninspiring existence. It never toppled a government or sparked a Royal Commission inquiry. Nevertheless, its history does provide glimpses into the passions and politics of the railway era in the Gatineau.

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Footnotes

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FOOTNOTE TO HISTORY

In the 1978 edition of "Up the Gatineau!" we reproduced an 1863 timber agreement. The parties thereto were Patrick Farrell, of whom there was an article in the 1977 edition, and Francis and John Skillen who were father and son. John's son was James Francis Skillen through whose land, near Brennan's Hill, the Ottawa and Gatineau Valley Railway passed and for the building of which he provided gravel from a large pit on his property.