



4.33 *Fox Marsh Siding* by Christopher Pratt, print, 1991

*Experiencing The Arts*

To see more of Christopher Pratt's works, turn to page 634.

## TOPIC 4.2

# The Railway

Apart from travel, what advantages could the railway bring to Newfoundland?

What were the risks, if any, to establishing a railway in Newfoundland?

## Introduction

Newfoundland was not alone in its quest to build a railway. With major improvements to the steam engine during the early nineteenth century, transportation became faster, more reliable, and less expensive. Rail brought raw materials, factories, labour, and consumers together. For countries such as the United Kingdom – a pioneer in rail construction – railroads were key to rapid industrialization.

Railroads were also unifiers and nation builders. The first transcontinental railroad was completed in the United States in 1869 and in Canada in 1885. Given this backdrop and the need to access resources in the interior, the Newfoundland government decided in

1878 to build a 550-kilometre narrow-gauge railway from St. John's to Halls Bay.

In April 1881, the Newfoundland government awarded a contract to the Newfoundland Railway Company to build a line from St. John's to Halls Bay. There was not unanimous support for the project. Some citizens in Conception Bay, for instance, feared that their land might be confiscated to make way for the railway. Others feared the cost, predicting that the railway would place a strain on the colony's finances. And there were those who thought that the government should be concentrating on the problems of the fishery, rather than opening up the interior.

**“The railway was not only a force for unifying Newfoundland and a symbol of national pride, it was also a link to Canada and a source of North American attitudes and ideals.”**

– Newfoundland and Labrador Heritage Web Site

*The Newfoundland government originally wanted to build a railway across the island from St. John's to St. George's Bay. But the British government refused to allow this location since it was on the French Treaty Shore. Thus Halls Bay was chosen as the terminus as it was not on the Treaty Shore, would provide access to the mining district of western Notre Dame Bay, and would link the northeast coast to the Avalon Peninsula.*



CARBONEAR, April 15, 1882.

## Railway Matters.

ST. JOHN'S, Nfld.,  
April 19th, 1882.

Editor Evening Telegram.

DEAR SIR,—

I wonder if any of your readers have any adequate conception of how much is

**5,000 Acres of Land!**

the modest little "farm" that Mr. BLACKMAN asks us to give him for each and every

**One Mile of His Railway!**

Multiply that 5,000 acres of land by the 250 miles of proposed Railway across the country, as follows:—

250 miles (of Railway)  
5,000 acres (of land.)

1,250,000 acres.

say, ONE MILLION, TWO HUNDRED and FIFTY THOUSAND Acres of Land! Add to this the TWO MILLIONS of acres which Mr. BLACKMAN already holds under his existing Railway Contract, as follows:—

2,000,000 Acres (old Contract)  
1,250,000 Acres (now asked for)

3,250,000 Acres of land.

say THREE MILLION and a QUARTER of Acres! Why, Sir, there is not land enough in the Island to satisfy this cormorant.

Yours, &c.,  
TERRA NOVA.

THE CHORAL SOCIETY'S CON-

### 4.34 At any cost?

A letter to the editor of *The Evening Telegram*, April 18, 1882, expressing concern over railway costs

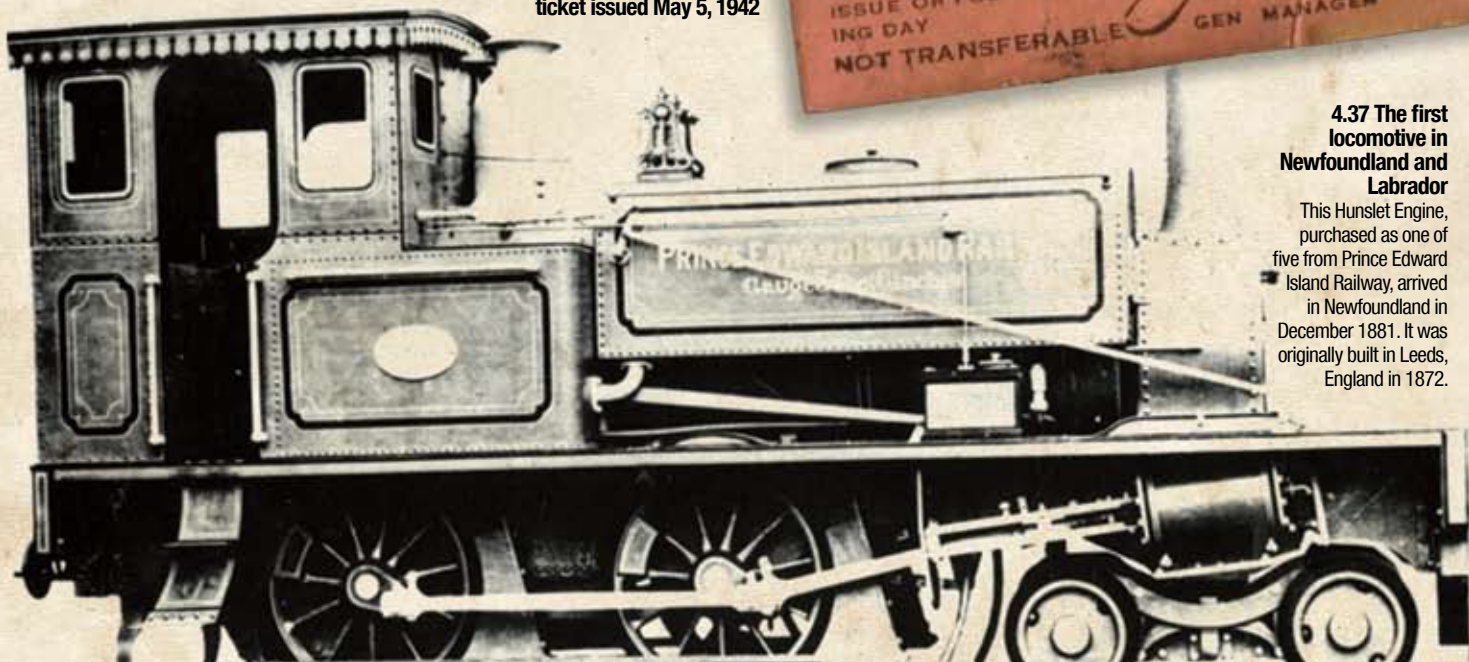
In August 1881, construction began on the line in St. John's. However, the Newfoundland Railway Company went into receivership just as it was completing the line to Harbour Grace Junction (present-day Whitbourne). The government built a branch line to Placentia and then contracted Robert Reid\* and George Middleton to continue construction of the line to Halls Bay.

*\*In 1865 Reid left his home in Scotland to look for his fortune in the gold mining industry in Australia. (He met his wife to be, Harriet Duff, along the way.) Reid returned to Scotland in 1869, but relocated to Canada in 1871. There he became involved in the construction of railway bridges.*

4.35 Workmen repairing the railroad line, c. 1900



4.36 Second-class Newfoundland Railway ticket issued May 5, 1942



4.37 The first locomotive in Newfoundland and Labrador

This Hunslet Engine, purchased as one of five from Prince Edward Island Railway, arrived in Newfoundland in December 1881. It was originally built in Leeds, England in 1872.



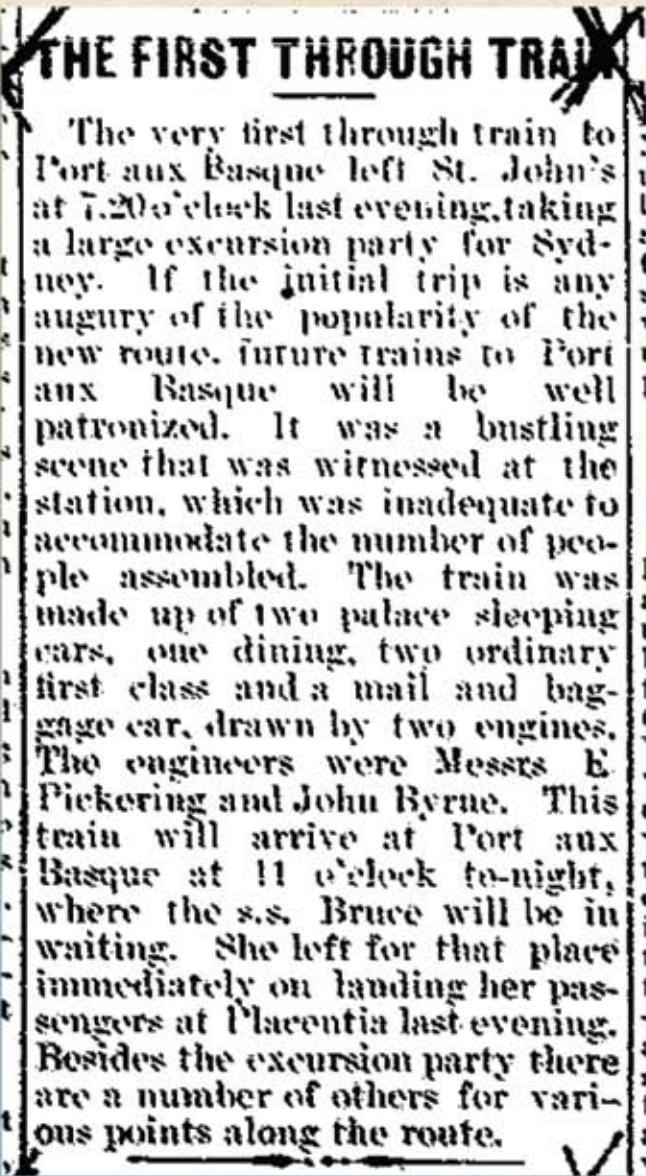
This area of high open land posed many challenges during the winter.

## Building the Railway

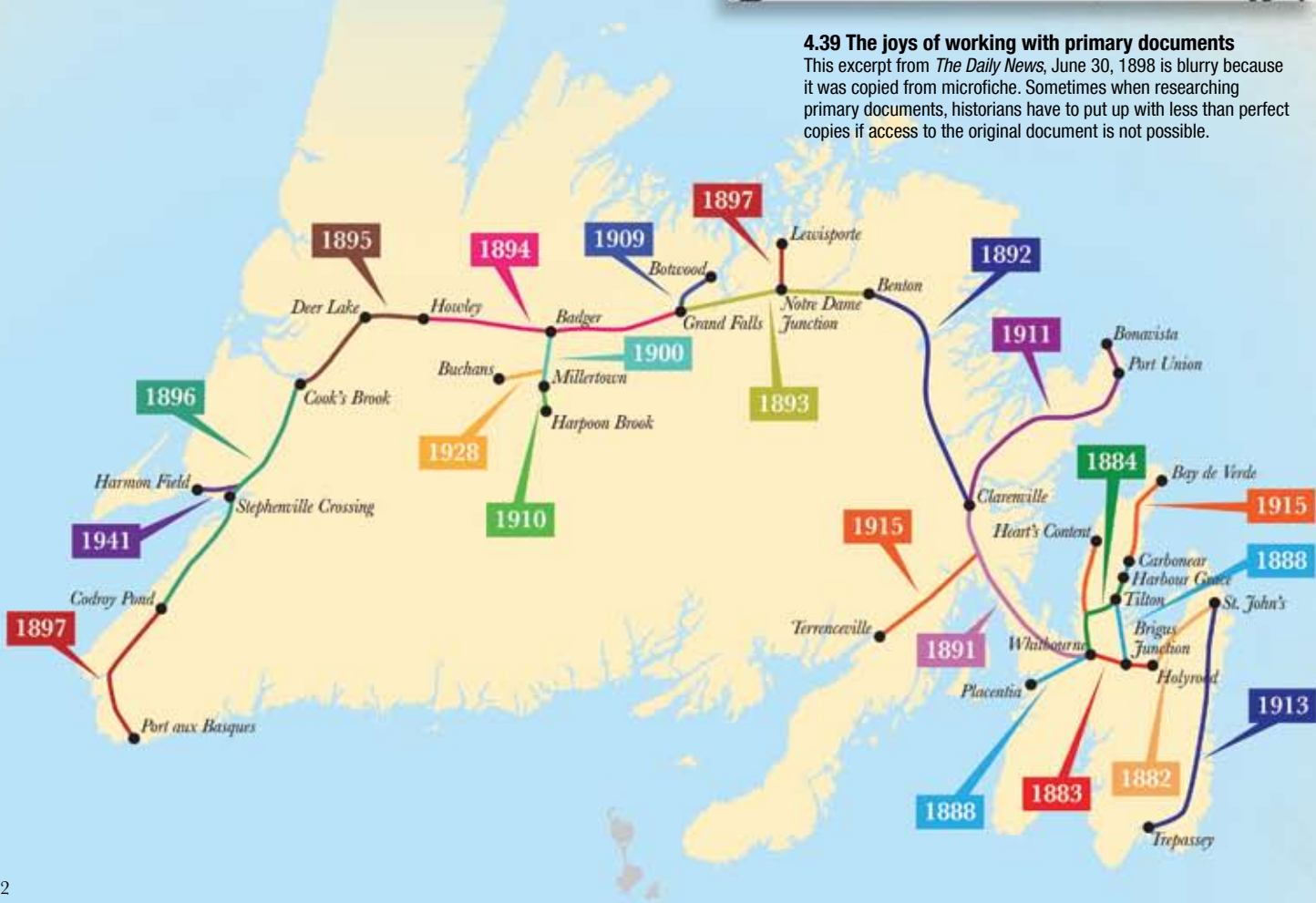
At its peak, approximately 2200 workers were employed building the line and supporting structures – such as a roundhouse and machine shops at Whitbourne, as well as trestles and station houses across the island. In 1892, the Newfoundland government decided to re-route the line away from Halls Bay to take a more direct westerly route over the **Gaff Topsails** to Grand Lake and the west coast. The government awarded a contract to Reid\* in 1893 for this second phase – the construction of a 460-kilometre (285-mile) line from the Exploits River to Port aux Basques, which had been selected as the western terminus because it was not on the French Treaty Shore. In 1897, the line reached Port aux Basques. The first passenger train to complete the trans-island trip left St. John's at 7:20 p.m. on June 29, 1898 and arrived in Port aux Basques the next day at 10:45 p.m.

\*Middleton left the partnership with Reid in 1892.

The operation and construction of the railway proved to be a costly venture. By 1898, the government had spent \$10.7 million on the construction of the railway, which accounted for approximately 60 per cent of the public debt. In an effort to rid itself of further expense associated with this project, the Newfoundland government entered into an agreement with Reid to operate, and eventually own, the railway.

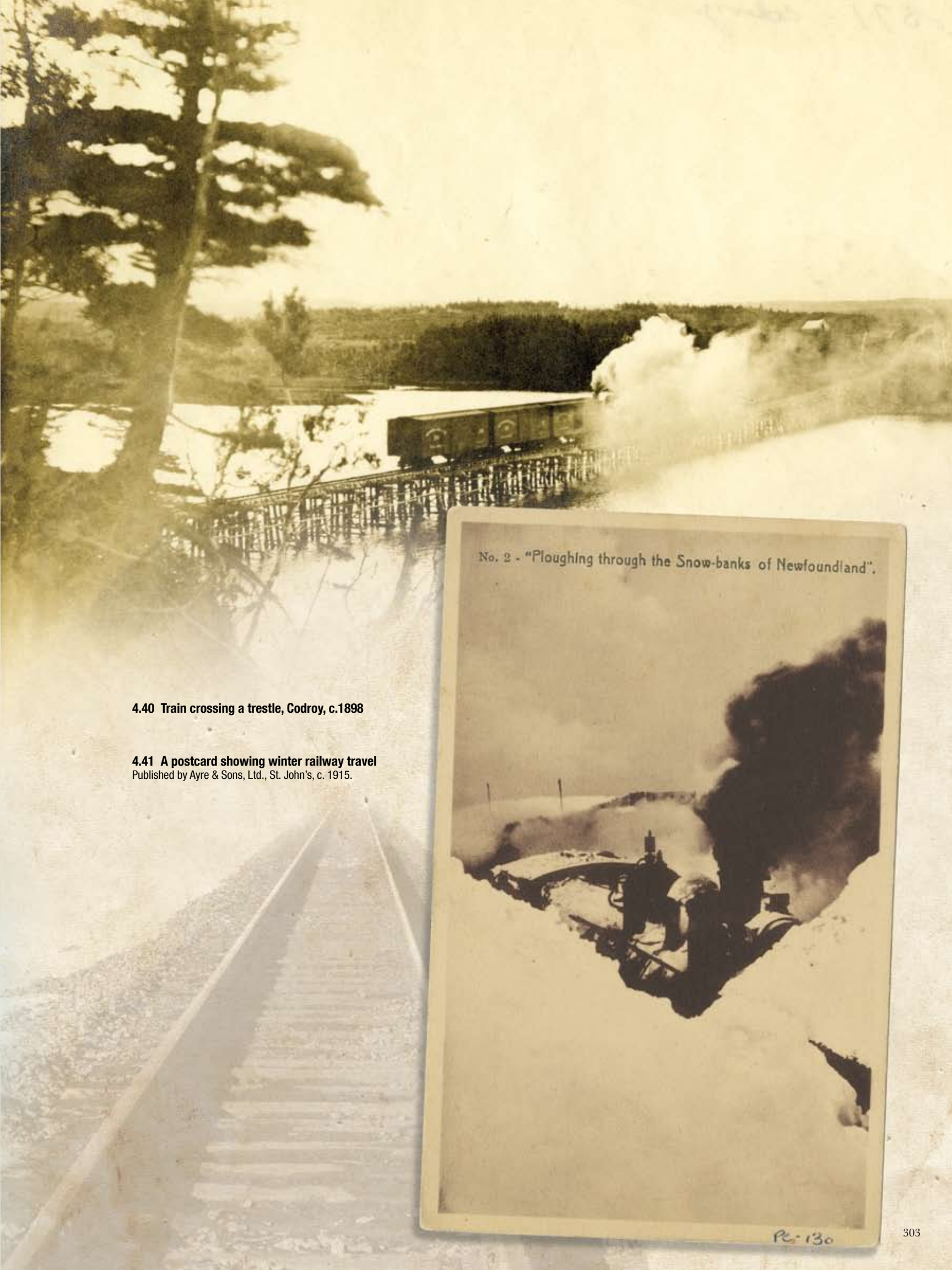


4.38 Growth of main and branch lines in Newfoundland



4.39 The joys of working with primary documents  
This excerpt from *The Daily News*, June 30, 1898 is blurry because it was copied from microfiche. Sometimes when researching primary documents, historians have to put up with less than perfect copies if access to the original document is not possible.





**4.40** Train crossing a trestle, Codroy, c.1898

**4.41** A postcard showing winter railway travel  
Published by Ayre & Sons, Ltd., St. John's, c. 1915.





# DIMENSIONS OF THINKING JUDGMENT

## Was it a sell out?

*When a decision is being made, the parties involved must carefully weigh the information they have available and then make a judgment. As time passes, people have an opportunity to look back at the consequences of the decision and make an assessment.*

The 1898 contract between the Newfoundland government and Robert G. Reid raised a fundamental issue: at what point do the concessions thought necessary to attract developers and economic investment become a sell out?

Reid agreed to operate the railway for 50 years (after which time it would become the property of his successors); operate a coastal steamship service and the ferry to Nova Scotia (both subsidized by the government); take over the telegraph system and the St. John's dry dock; and build a streetcar system in St. John's. For this he would receive land grants which, when added to grants received under the 1893 operating contract, would amount to a total of 4 124 200 acres (approximately 16 690 square kilometres, or 15 per cent of the island's total land area). In return, Reid would at once pay the government just under \$1.5 million (roughly equivalent to one year's revenue). He also wanted to transfer all his Newfoundland holdings to a limited company.

Those who supported the deal argued that the immediate cash payments were badly needed, and that the government was prudently unloading unprofitable operations onto a private contractor. Moreover, Reid would have to develop his land holdings in order to maximize income and create railway traffic. The deal would therefore provide immediate financial relief and long-term economic development.

The deal's opponents thought differently. In their view,

the government was giving away many of the colony's important assets, some of which had cost a great deal of money. Reid was being allowed to become a monopolist. There was no guarantee that his property would be developed for the good of the colony or that the railway would be efficiently operated. Reid would possibly control all potentially valuable resources (outside the fishery), a situation which would discourage the entry of other entrepreneurs and take the colony's future out of the hands of its people. Newfoundland could become a "company colony."

The result was a compromise, settled in 1901. Reid gave up ownership of the telegraphs and future ownership of the railway (with compensation), and agreed to reduce his land entitlement. In return, the Reid Newfoundland Company came into existence to manage Reid's assets.

The argument over the 1898 contract was to be more or less repeated during debates over the agreements which brought the Anglo-Newfoundland Development Company to Grand Falls in 1905 and Newfoundland Power and Paper Company to Corner Brook in 1925. After Confederation, there was controversy over the concessions granted to the "new industries" (many of which failed) during Joey Smallwood's term as Premier (1949-1972). Likewise, lively debate still continues over the Churchill Falls hydro development, which sometimes is seen as the greatest sell out and missed opportunity in the economic history of Newfoundland and Labrador.



# The Reid Purchase

Reid was to be paid \$15 000 for each mile completed and 5000 acres of land per mile operated. The terms of the agreement to acquire the railway also allowed Reid to:

- purchase the St. John's dry dock
- operate eight coastal steamers at an annual subsidy
- operate the government telegraph for 50 years
- develop the first hydroelectric power in the country (at Petty Harbour)
- establish a streetcar system in St. John's



Sir M. Pleashin turning first sod of Southern Shore Railway. P.R.D. on Right

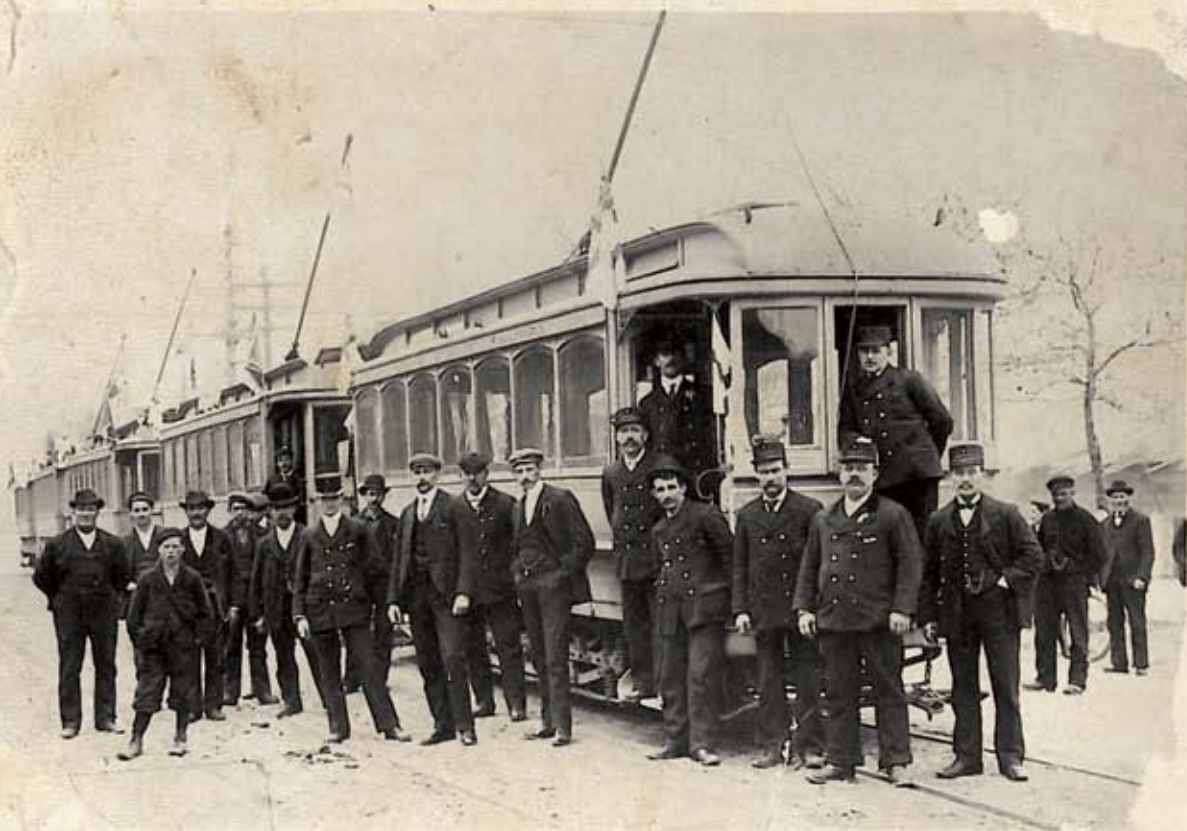
4.42 Sod turning for the Southern Shore Railway, May 9, 1911

*At what point do the concessions thought necessary to attract developers and economic investment become a sell out?*

## Questions:

1. What were the perceived benefits to the Government of Newfoundland in the deal with Reid? Which was the most compelling?
2. What were the perceived losses to the Government of Newfoundland in the deal with Reid? Which was the greatest loss?
3. Considering both sides of the argument, was the 1898 contract signed with Reid a sell out?





#### 4.43 Teamwork

The Reid Newfoundland Company began operating streetcars in St. John's in 1901. The streetcars were sold to another company in 1920 and remained in use until 1948. In this photograph, supervisors and operators pose in front of St. John's streetcars, c. 1901.

## The Railway and its Consequences

The record of the Reid era is one of continuous losses despite efforts to operate at a profit. After the company completely shut down the railway for a week in May 1922, the government agreed to provide operating funds to July 1923, when it took over the railway through the *Railway Settlement Act*. Under this act, the government acquired the railway, coastal boats, and dry dock from the Reid Newfoundland Company for \$2 million. Operation of the railway continued to be costly. By 1933, the Newfoundland Railway had cost the government \$42 million and is estimated to have accounted for 35 per cent of the public debt at that time.

Despite the economic challenges associated with the railway, it did have positive results. Its construction and operation created much employment, providing cash wages\* to workers. It tied together regions with a transportation link and made it possible for some workers to travel for seasonal employment; in other cases it served as a pull factor where individuals, and sometimes entire families, relocated for permanent jobs. As well, it can be argued that the building of the railway was an essential step in Newfoundland's strategy to diversify the economy. The opening of the island's interior created new industries related to forestry, minerals, and, to a lesser extent, agriculture. As a result, new communities were established where Newfoundlanders and Labradorians could now work – outside of the fishery.

\*Why would cash wages be significant?

Such as Whitbourne, Grand Falls, and Bishop's Falls

#### 4.44 Streetcar ticket strip

This ticket dates from 1901-1920 when the Reid Newfoundland Company owned the streetcar system in St. John's.



## CAP. II.

An Act For The Settlement Of Certain Disputes Relating  
To The Newfoundland Railway And Other Matters.

(Passed July 13th, 1923.)

## SECTION

- 1.—Confirmation of Agreement.
- 2.—Governor in Council may raise Loan of \$2,000,000.
- 3.—Loan subject to "Colonial Stock Acts, 1877-1900."
- 4.—Agreement with bank for inscription of stock and other purposes.

## SECTION

- 5.—Powers of Governor in Council as to management of loan.
- 6.—Stocks available for Sinking Fund under the Act 58 Vic., Cap. 13.
- 7.—Exemption of stock from taxation.
- 8.—Short title.

**WHEREAS** His Excellency the Governor in Council Preamble, has entered into the Agreement with Reid Newfoundland Company, Limited, set forth in the Schedule to this Act, and it is desirable to confirm and give effect to the said Agreement:

Be it therefore enacted by the Governor, the Legislative Council and House of Assembly, in Legislative Session convened, as follows:—

1. THE Agreement between the Governor in Council and the Reid Newfoundland Company, Limited, set forth in the Schedule to this Act, is hereby confirmed and given effect to.

**4.45 The railway today**

Newfoundland's cross-island train system ceased operations in 1988. Since then, the Newfoundland Railway Council has been converting the former railway line into a multi-use, all-season recreational trail which is also part of the 22 000 km Trans Canada Trail connecting Canada from sea to sea. The Fischells River rail bridge on the island's west coast now accommodates trail enthusiasts from many countries.

**4.46 The Railway Settlement Act, 1923**

This legislation returned the railway to government control.

**“The saga of the line’s construction ... figures in our history much as the building of the great trans-continental lines does in the history of Canada and the United States: as both a milestone in the march of progress and an exercise in nation-building.”**

— Robert Cuff, historian

## Questions:

1. Did the railway influence your community or region? If so, how?
2. The building of the railway was claimed to be an “essential step” in the Government of Newfoundland’s strategy to diversify the economy. Explain.
3. The railway contributed to the creation of new communities and tied regions of the island together with a transportation link. Speculate how this would affect the culture/character of Newfoundland and Labrador. (For example, after two generations of working inland, how would descendants relate to the notion of the “fishery”?)
4. In 1895 D. W. Prowse noted that “A railway policy is always a progressive policy ...” Explain.
5. Today the railway lines on the island have been dismantled, and the path it created serves as a source for recreational activities. What impact does this have on the culture of the province?