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THE GRAND TRUNK AND OTHER RAILWAYS OF CANADA.

OUR railway legislation, at first necessarily experimental, has never been systematized and brought into harmony with subsequent experience. Some of the early Canadian charters evince the jealousy of the Legislature of the prospective profits of the corporators; and provide for the confiscation to the state of a part of the excessive returns which imagination pictured as the fruit of the enterprise. One company was to hand over a moiety of its earnings, after the shareholders had pocketed ten per cent., and others came under a similar obligation. When these anticipations, which seem to have been seriously entertained, are contrasted with the reality, the result tells a sad story of disappointment. Taken in the bulk, our railways have not been financially successful. But few of them have yielded a fair return to the stockholders. The Great Western, in spite of the heavy load of capital it has to carry, has generally, though not always, paid a dividend. The Grand Trunk never paid one, except out of capital, during construction; the same may be said of the Northern; and the minor roads are, generally, in a similar condition.

The reasons for the failure are various. The roads were built on too expensive a scale; some of them were probably built before there was traffic enough to have made even a cheaply constructed road profitable. There is, in most cases, a fatal divorce between the proprietary and the practical management. The property is mainly owned in England, and the roads must be worked in Canada. The working expenses, often enhanced by improvident outlays, negligence and misconduct of servants, are excessively large. Whatever gauge railway engineers may finally select as the best and most economical, if it be possible for any gauge to be so under all circumstances, it is now universally agreed that the selection of the provincial gauge of five feet six inches, to which all companies were long obliged to conform, was a blunder which led to an enormous waste of capital. Before the Grand Trunk Company was chartered, there was a law in existence under which any Company who would undertake to construct a railroad anywhere, in Canada, of not less than sixty miles in length, was entitled to receive from the Government in