

THE RAILROAD BUBBLE, OR THE ROAD TO RUIN.

REASONS

Why the Tax-payers of Toronto should Vote Down the Gambling Hoax:

It will overwhelm the City with a treble rate of taxation, or about 4s. in the pound rental, for the next 20 years; it will present a barrier in the way of all other public improvements; and it will enrich the worthless speculator and land-jobber, at the expense of the industrious inhabitants. But there are other and sufficient reasons for rejecting this wild proposal; namely, the immorality and deception which have characterized the scheme from the beginning, and the strong probability that it would prove in the end a most ruinous investment. The following objections and reasons are worthy of general consideration by the citizens, before they commit themselves at the Polls:

Firstly, on account of the lottery or tirage scheme, which is objectionable, because it is immoral and repugnant to the public opinion of the age: and because of its folly—the folly which renders the obtaining of prizes a disadvantage rather than an advantage to the winners of those prizes. A disadvantage because the winners are to pay to Mr. Capreol 12 per cent upon and over and above the amount of shares he may win! And because, it is evident, that in any investment in an undertaking which will not pay—and no man in his senses expects the road will ever pay—it is evident that the more shares a man owns in the undertaking, the greater will be his loss. The folly of this scheme, therefore, lies in the fact that the nominal winners will be the real losers: and the losers the winners!

Another objection to the undertaking is, the absence of all correct information, and of any defined plan on the subject. No one knows where the road is to terminate or what route it is to take. It is true we know that whatever route the road may take the absurd condition is annexed to it, that we must go to *Barrie*!!! Thus, however distant from *Barrie* the best line of route may prove to be, we must turn out of that route, and go round by *Barrie*!!! a condition that can only be ascribed to a futile attempt to convert a petty village into a large city at the expense—and

to the disadvantage of the whole community!

In the absence of any survey, and of all practical information on the subject, it is quite impossible to say whether the proposed communication may be opened by *seventy or one hundred miles* of road: it is quite true we have received the assurance—an assurance founded on a guess!—that this road will cost exactly *five hundred thousand pounds*! An assurance which may turn out to be just as correct, as the many other assurances built on a similar foundation, to which we have already been treated. For ought that any man of sense and honour can determine, the road may cost £700,000, or may, peradventure, be built for £300,000!

The proved fallacy of all the assurances heretofore given to the public upon this question, constitutes one of the chief objections to the project, and weakens the confidence required to be reposed in the parties who are entrusted with its management. For instance, at first we were assured that all the people of Toronto were required to do, was to sign a petition to the Legislature to pass the proposed act of Incorporation: and that the influence of the projector in England (?) would enable him to procure the whole fund there, and that no money would be required from the people of Toronto! We were next assured that the funds would be easily obtained from the United States! These assurances proving fallacious, we were next told that all that was necessary to render the attainment of funds for that purpose in the United States, was that the people of Toronto should demonstrate their confidence in the undertaking, by resolving to take £100,000 of the stock. That then the other £400,000 would be easily subscribed for in the States, and that our £100,000 might be disposed of readily—perhaps at a premium!!!—and that in fact no real advance of funds would be required from the City!

This too proving fallacious, then came another assurance, to wit, that if this city would advance £100,000 of debentures, and Simcoe £50,000, certain contractors in the States would take the remaining £350,000, and go on with the work. To shew the fairness of this scheme, and to induce the citizens to accede to it, we were assured that the Directors would secure the City investment of £100,000 by a lien upon the Road, and that the contractors would advance their proportion of

the stock as the work progressed, and that the City should only be required to advance its debentures in proportion of *one to four* as the work progressed. That is, that so soon as £5,000 worth of work was done on the Road, the City should pay over debentures to the amount of £1,000, and so on; and no more! At a recent interview with the proposed contractors, however, those gentlemen, it seems, positively declined to agree to either of those propositions. They would not consent to give the City security on the Road for its £100,000, nor would they bind themselves to advance their proposed amount of investment, in the same proportion that the City should advance its amount of investment.

So much for the various assurances which we have received, and for the fallacy of those assurances.

It is evident that if the proposed contractors undertake the work, they expect to be able to accomplish it for a much less sum than that estimated: that they will depend on our £100,000 chiefly to sustain them in effecting the construction of one half the road; and that then the Directors are to call on the government to advance the other half, and to take the whole Road in security for their part of the investment, under the provisions of a recent Provincial statute. If the contractors can construct the Road for £300,000 or £350,000 at most, and receive £500,000 for it, they, and the managing Director, will be amply indemnified for their investment and their services in the undertaking. If the work be undertaken, it ought to be done as all men of sense and discretion do their own business. First let a survey be made of the best and cheapest route. Then an estimate of the cost of making it. Then provide the means. First by offering your own investment of £100,000, then call on the municipalities through which it has been determined the Road shall pass, to contribute a corresponding proportion. Then get private stock taken up, and, if possible, raise enough money to effect the object; but if you cannot get the whole, get half, and call on the government yourselves to advance the other half.

Let the work be put out by tender, and in all human probability, the whole may be accomplished for £300,000, or, at most, for £350,000, instead of £500,000. And let the Legislature be applied to, to give the municipalities the necessary powers to effect the work in this way.