

supplies of pine and other kinds of timber will afford a business durable and profitable. Unlike the railroads now in operation, the Toronto and Nipissing cannot expect to share in the North-west lake trade, but this disadvantage is compensated for by the lumber trade, which the latter will have control of in the absence of competition. A Government grant should and will, undoubtedly, be forthcoming when the road reaches the boundary of Eldon. A grant of alternate lots of 200 acres each would be sufficient to sell the bonds of the Company at par, so that with the proceeds the railroad could be built, within three or four years, to the shores of Lake Nipissing.

There are two principles involved in the scheme for the construction of these railways, which are somewhat novel in Canada. The first is that the gauge is limited to 3 feet 6 inches, such as has been worked in Norway, which is alleged to have a carrying capacity of over 800,000 tons per annum, and a speed of 20 to 30 miles per hour. The highest traffic returns of the Northern give a total of 200,000 tons, thus apparently showing that both the capacity and speed of the 3 ft. 6 in. gauge are ample for the local Canadian business likely to be secured. The other novel feature is the system of bonuses which the people have adopted and sanctioned.

The financial programme is founded on the receipt of bonuses to the extent of \$5,000 per mile. \$5,000 per mile will represent the amount to be paid for iron and a first mortgage on the road will be given to secure its payment. The proposal to confine the expenditure to \$15,000 per mile rests mainly on the division of the work into very small contracts, economy in the purchase of the right of way, checking commissions on the purchase of iron, the construction of timber bridges with stone abutments, the possession of plain and efficient rolling stock, the erection of stations inexpensive and simple, and the obtaining of nothing on credit but the iron.

The object which Toronto has at heart, and which is worth every legitimate effort she can put forth, is to attract to herself a perpetuity of the traffic of the districts which these lines are designed to serve and in a secondary sense, to do this with the least possible burden to herself. To meet these conditions she should see that the location is made so as to command new traffic throughout (or as nearly as possible throughout) the entire length of new construction. It is not her interest or her object to compete with lines already doing her business and promoting her trade; it is her object to get new trade and new customers by connecting herself with new districts. To intrude com-

petition upon lines already engaged in her trade is to divert her strength and means to less profitable purposes. It is, moreover, certain that new enterprises demanding large investments are much more easily and quickly handled if backed, rather than opposed, by existing and powerful interests. The Hamilton people in seeking the support of the Great Western Railway have illustrated this principle, indeed, without such aid, it is probable they could scarcely move at all. For the benefit of all interested in the success of these roads, we advise a careful consideration of this view of the case. It is said that both roads will come direct into Toronto. If it is essential to their independence that it should be so, the proposal is quite legitimate. But two railways may use one track just as freely as two stages can traverse one road, and to multiply railways with a mere view to independence is simply a fallacy and extravagance. The first 25 miles of a railway out of a city, as is well known, are unproductive of local traffic and the multiplication of such unproductive mileage is a palpable folly, unless it is absolutely unavoidable—more especially so when we have to pay out of our own pockets for the gratification of the propensity. It is peculiar to the schemes about to be subsidized that no 'professional guidance' has been appealed to in placing them before us in detail. We want to know, and we suppose every tax-payer would like to know if twenty-five or thirty miles of the most unproductive and difficult portions of these roads might be saved by adopting King as a common point of departure, utilizing the Northern Railway to that extent under the security of Parliamentary enactment, giving independent running power on an equitable payment or toll for the privilege. It is asserted that such a saving in mileage would be more than equivalent to the whole contribution that Toronto is invited to make, and the companies in such case would be enabled either to use the subsidy in constructing that twenty-five or thirty miles into absolutely new territory (in Bruce or Victoria) or at any rate so as to strengthen their financial position as by such a saving of length they would be enabled to make the construction of their lines a positive and immediate certainty. To our minds twenty-five or thirty miles additional of railway in Bruce and Victoria would be vastly more profitable in new trade to this city than the like length in the townships of York, Peel, and Ontario, which are now in as complete connection with this City, as is possible. If we have money to give we, at least, have none to waste; and while we should exercise a wise liberality towards legitimate enterprises promoted in our interest, we should be jealous to see that it is applied to the best purpose and with a

certainty of the best returns of which it is capable. It can be of little advantage to Toronto to put a fourth railway through the townships of York and Peel. To do it unnecessarily or under the mere influence of hostility to the three existing lines is a thriftless and unprofitable appropriation of money which, at the least, will represent a serious burden upon our resources, and which, if applied in new districts as yet beyond our reach would ensure us an earlier and larger compensation for our efforts. Whatever the ultimate decision may be on the points we have raised, no one will venture to say that they are not worthy of every attention.

Leaving this part of the subject, however, to the criticism of experts and contenting ourselves with simply directing public attention to its importance, it becomes our special duty to look somewhat more closely into the financial operations arising out of these new enterprises. It is proposed that Toronto shall issue debentures in aid of these railways, amounting in the aggregate to \$400,000. Assuming that the city can do this without over-weighting its resources and assuming also that it may be done with legal force there can, we fancy, be no question as to the advantage and propriety of the measure. We are all agreed on the immense benefits that would accrue from the construction of the projected railways. Though unanimity prevail on that point, it is the duty as well as the interest of every citizen to examine into and understand the financial position of the city before agreeing to assume further burdens. Truth will out, and it is better it should out at the beginning than be dragged out at the end to our discomfiture.

The debt of Toronto, on the 1st of January, 1868, as returned by the Chamberlain, was \$2,114,853 44. To meet the liability upon that debt and to provide for current expenses an annual income is necessary to the amount of \$404,500, in addition to receipts from other sources, to raise which, the assessed property being \$24,614,000, would dictate a gross rate of 1½ cents in the dollar, when a moderate allowance for probable losses is made. By law it is rendered obligatory on the city to levy rates in each year sufficient for the payment of all accruing interest and (by a sinking fund) for the ultimate redemption of the debt at maturity. During the past six or seven years a considerable portion of the City's liabilities has been postponed and the sinking fund is said to have run in default from \$320,000 to \$400,000. If the city was able to pay and yet did not do so, faith has been broken with the city's creditors. If there was absolute inability, how is the city going to face its creditors with a new burden voluntarily assumed. We have before us as a statement of the Sinking Fund