

weary years of struggle under such burdens the Grand Trunk has never given the people of Port Hope or Cobourg the slightest consideration in low rates in recognition of the borrowed money so confidently placed in the company's hands. The proceeds of these bonuses have, of course, gone into the general expenses of the company and have been necessarily distributed all the way from Portland, Maine, to Chicago, some of them going to pay the princely salaries at headquarters in London.

Under the fallacies propagated at that period the municipalities in what was then known as northern Ontario yielded their necks to the yoke of heavy bonuses to the Hamilton & North Western Railway to get what they felt to be needed competition, but before the road was in actual operation the line had been absorbed by the Northern Railway and melted into the Grand Trunk.

To make the municipal gold bricks more tempting the railway interests secured the passage of an act creating a municipal loan fund on which municipalities might draw for needed public works. Once the fund was created, there was nothing easier for these railway touters to show than that of all public works the first need was a railway at their doors; and the councilors were persuaded that in borrowing money at 6 per cent, with 2 per cent added for a sinking fund, they would get a return of 10 or 12 per cent from the railway, and thus they would make a profit out of the loan besides reaping the vast prosperity due to the railway. Under such illusions the city, town, and county councils of Upper and Lower Canada were talked into taking from this fund in the decade of 1857-61 a total of \$6,520,340 for railway purposes alone, and at the end of that period arrears of interest were \$2,700,000. Then \$3,000,000 more were raised by municipalities which did not draw from the fund. Their defaults in interest were due at that time less to inability to pay than to the connivance of government. As Thomas C. Keefer, president of the Canadian Society of Civil Engineers, before quoted, said: "To press a municipality to pay was to drive it into opposition; and railway corruption had so thoroughly emasculated the leaders of the people that they had not virtue enough left to do their duty."

In the official *Railway Statistics of Canada* for 1915 it is shown that the municipalities of the various provinces have given cash