

aid of the work £3,500, or \$14,000 a mile. This aid was to be given by way of loan, and was to form a first charge on the work. The general law was repealed in 1851, in favour of the Grand Trunk; but that Company was dealt with on these terms. The first lien was in most cases soon forced back in favour of new creditors, without whose aid the companies could not continue to carry on their business; and the government advance, which in the case of the Grand Trunk the Finance Minister of the day regarded as merely nominal, came in time to represent a complete loss; but for this direct loss to the exchequer the indirect gain to the Province, from the existence of the road, made ample amends. Still there was a very great and unnecessary loss of capital; loss to the shareholders; loss, or hopelessly suspended payment, to bondholders; besides loss to the public treasury. The Great Western probably affords the only instance in which the Provincial guarantee, as it was called, did not prove a total loss; and even against that Company an amount estimated to be equal to £180,000 stg., was written off.

We have learnt, after a very costly experience, that railroads, which would have answered every purpose required of them, could have been built for a trifle more per mile than the amount advanced by government in aid of those that were built. The recent experience of the narrow gauge roads—three feet six inches—clearly proves this. A fortuitous, almost trivial circumstance, led to the adoption of the five feet six gauge as the one to which all Companies must conform: a small section of the road which would form part of a main trunk line, from the sea-board to the west of Upper Canada, had been built on that gauge. The weight of the evidence before the Railway Committee of 1851, though not greatly preponderating, was against it. The Great Western Company had arranged to construct its road on the four feet eight and a half

gauge; and it was only at the solicitation of the Government that its plans were set aside in favour of the five feet six inch gauge. After a great increase of cost, and the lapse of eighteen years, that Company fell back on its original design, and changed the gauge to four feet eight inches and a half. With a servile spirit of imitation, which scorns to look at the adaptability of a thing, the demand at that time was that we should reproduce in Canada, as nearly as possible, exact copies of first-class English railways. But it can hardly be said that the aim was realized. Within six and a half years of its construction, a large part of the Great Western road had to be relaid with new rails, owing to the bad quality of those originally used. And other roads suffered in a similar way. Making every allowance for the difference of climate—the greater liability of rails to break in winter—the life of these rails was too short to justify the comparison with those used on first-class English railways.

If our railways had been built on the gauge to which the Great Western has found it necessary to change, to which the Northern is about to change, and to which the Grand Trunk would change, if it were not for the expense of the operation, there need have been little or no loss to any class of investors in them. A sacrifice of part of the government guarantee would have been all that was requisite. If ever experience was dearly paid for, it has been in this case. It is even doubtful whether the Canadian public has been so well served as it would have been, if roads of so much less cost, and less capacity, had been built. A consequence of the construction of expensively built roads has been a supposed necessity of bidding low for foreign traffic, to give full employment to the apparatus on the cost of which so much capital has been employed. To compete for this traffic has answered the purpose of the Great Western; for that line is but a short section of an iron band that con-