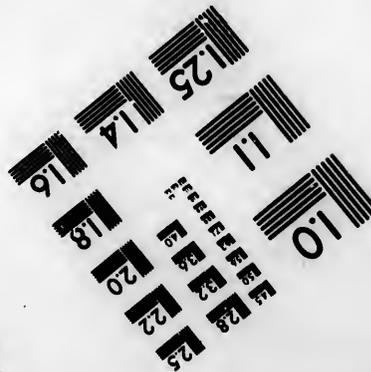
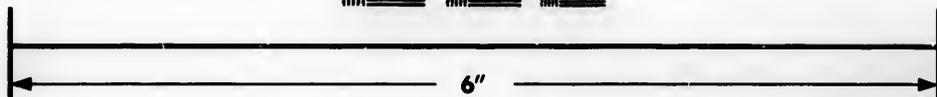


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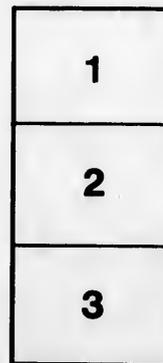
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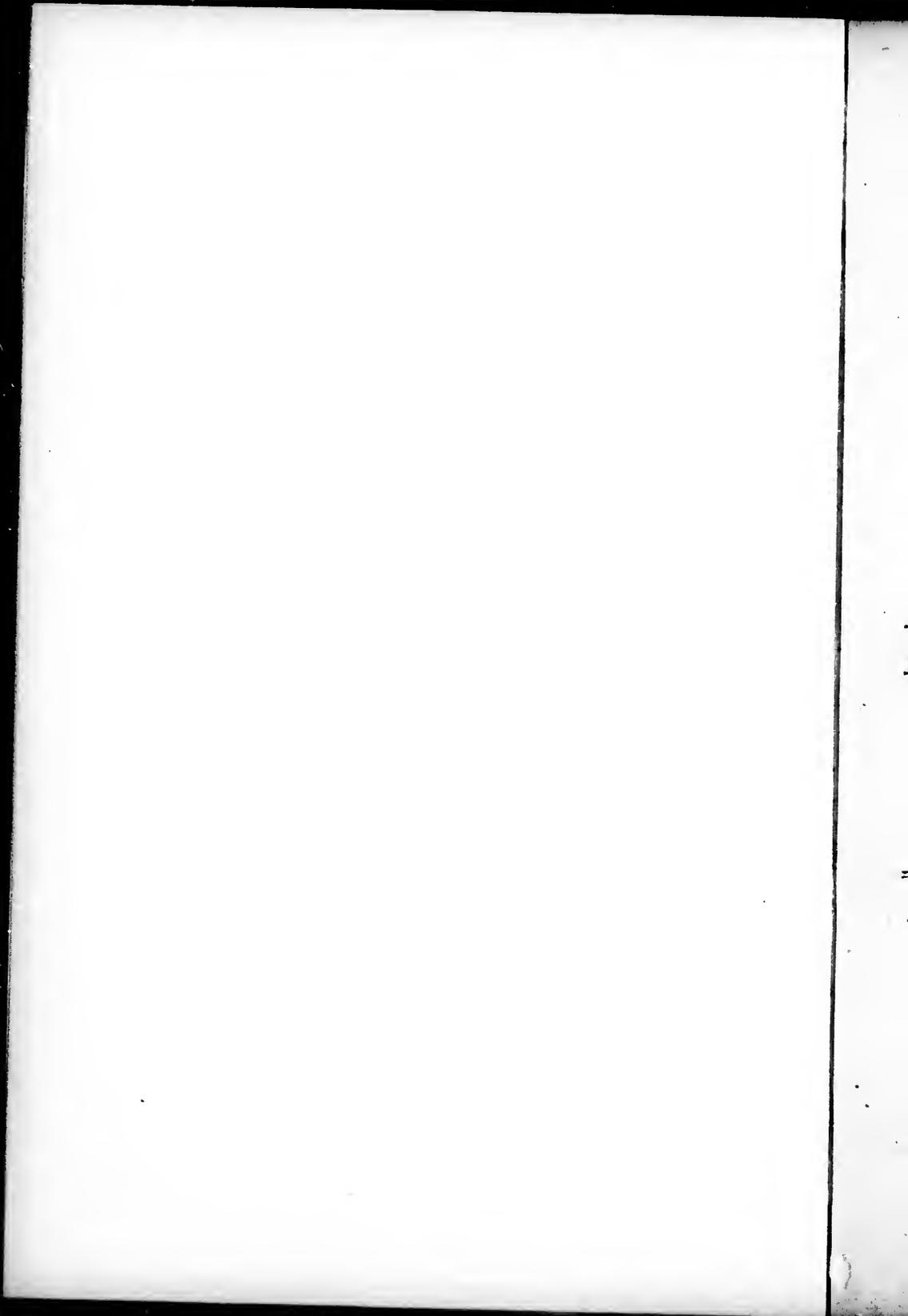
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REPORT

ON THE SUBJECT OF THE

PROPOSED RAILROAD

FROM

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OF THE

SPECIAL COMMITTEE

ON THE SUBJECT OF THE

PROPOSED RAILROAD

FROM

TORONTO TO GUELPH.

TORONTO:

CARTER AND THOMAS, CITY PRINTERS.

1851.

THE UNIVERSITY OF CHICAGO

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REPORT.

Your Committee to whom was referred the communication of J. W. Gwynne, Esq., on the subject of the proposed Railroad from this City to Guelph, deeply impressed with the importance of the subject, and having given the same their earnest attention, respectfully report as follows:

They find that in the years 1847 and 1848, a survey was made by Messrs. Brough and Wells, Engineers of the Toronto and Goderich Railroad Company, under the superintendence of Mr. Gzowski, and that a detailed statement of the cost of the construction of a single track from Toronto to Guelph was made, and the cost estimated at £176,000.

The Report of the Engineers is, that the line of country through which the road is intended to pass is exceedingly favourable, and that the line can be built for £4000 per mile, the total distance betwixt the two places being forty-four miles.

Since the survey was made the cost of iron has been considerably reduced, and under this head a large saving may be effected.

Your Committee, however, are fully aware that in works of this magnitude it is a very rare event to accomplish the work within, or

even at as low an amount as the original estimate. They are however, of opinion, that taking into consideration the respectability and and practical knowledge of the Engineers, they see no reason to suppose that this important work cannot be accomplished for a sum not exceeding five thousand pounds per mile, and a total amount of two hundred and twenty thousand pounds. They have however, to avoid misleading your worshipful body and the citizens at large, taken as the basis of their calculations a cost of two hundred and fifty thousand pounds.

Your Committee are unanimously of opinion that the opening of a railroad from this City to Guelph would be of immediate and vast advantage to the interests of the city; at the same time they see no less distinctly, the injurious effect it would have on the future prosperity of the city to pledge its credit for so large an amount as one hundred thousand pounds, without a reasonable certainty of the success of the undertaking into which it is proposed to enter. Your Committee have therefore given every attention to this subject, and have availed themselves of every source of information in their power. The very short period allowed them to report, renders it impossible to give that full and explicit information they could have desired.

Canada at present, unfortunately, possesses so few railroads, and of such limited extent, that it is impossible to refer to them for data on which to found our calculations as to the probable amount of traffic and profit of the proposed line. Your committee however, have turned their attention to the railroad system of the United States, and especially to such lines as nearly as possible analogous to the proposed road to Guelph, and have taken information from official reports, and the most authentic and reliable sources. They have, in most cases, been able to procure these returns to no later date than the end of 1849; but they have no reason to suppose that the rate of increase has at all fallen off—from many other examples of successful railroad enterprise they have selected the following:

The Mansfield and Sandusky road, commencing at Sandusky City, on Lake Erie, and extending to Mansfield, in Richland County. It is not a through line and its revenue is entirely derived from passengers, and the transportation of agricultural produce and merchandize for the supply of the country on the line of road.

The cost of the road and rolling stock was \$808,560. The number of passengers in 1846 was 9879; in 1847, 20,737.

	1846.	1847.
Wheat,	306,255.....	504,081 bush.
Corn,	4300.....	13,713 do.
Flour,	11,315.....	62,598 bbls.
Wool,	116,883.....	210,903 lbs.
Butter and Lard,	309,742.....	680,248 lbs.
Pork,	86,957.....	1361,624 bbls.
Merchandise,	1847.....	3,110 tons.

The earnings of the road for the first year were \$49,499, expenses \$17,437, nett Receipts \$28,061. Of the second year the earnings were \$85,403, expenses of running and repairs \$23,999, nett receipts \$61,406, or a dividend of about 7½ per cent. Since the first of January 1848 the progress of the road has been equally satisfactory and has had a most important effect in advancing the prosperity of the City of Sandusky,—but Your Committee have not been able to obtain any official reports to a later date. The line has since been extended sixty miles further into the interior of the State with a like satisfactory result.

Your Committee have selected this line, not as a peculiarly favourable instance of Railroad success, but as being peculiarly analogous to our own position. It is entirely supported by local traffic, and does not by any means pass through so fine or so fertile a Country as the line from Toronto to Guelph.

In the second year of the existence of this road, the transport was 604,081 bush. wheat, flour—62,598 bbls. While last year there were shipped from the three ports mentioned below, to the United States, the following quantities of Wheat and Flour alone:

	Flour.	Wheat.
Toronto,	34,348.....	122,321
Credit,	30,000.....	158,063
Oakville	3,679.....	145,839
	<hr/>	<hr/>
	68,027 brls.	426,223 bus.

This large amount having been shipped from these three ports for the United States alone, we may safely infer that at least a similar

amount was shipped for Montreal and Quebec, shewing that the district to be benefitted by the Guelph line produces a much larger amount of Agricultural produce than the Country intersected by the Sandusky and Mansfield Road. There is, moreover, a large section of Country, the produce of which is now shipped at Hamilton, that will in the case the Railroad is completed unquestionably find the best market at Toronto.

The Michigan Central Railroad passes through an Agricultural Country from the City of Detroit to New Buffalo on Lake Michigan, connecting as this road does Lake Michigan with the St. Clair—the returns shew most conclusively that the principal dependence of this road is for the local traffic, as in the last year of which we have an Official Return, the way passengers were 60,778, and the through only 13,409. This road too is an excellent illustration of the effects of Railroads in stimulating production and developing the resources of a Country. The receipts of this line for the month of May in three consecutive years were respectively as follows:

1845.	1846.	1847.
\$15,624.	\$32,819.	\$41,011.

Since that time, the Annual Report says, "From the large accession of business the past year, the Directors have been obliged to increase the number of engines; also the passenger and freight cars; and a greater increase will be required the coming year."

Your Committee find that, as a general rule, the great majority of the railroads of the United States pay good dividends, and are generally considered as good investments; although, from the scarcity of surplus capital in that country, the price of stock is not commensurate with the rate of dividend.

The average return by the railroad in the United States seems to average a little over seven per cent.; *in very few cases is it below six per cent.*, while in others it is as high as fifteen per cent.

In the course of their examination, your Committee have had occasion to remark the amazing effect of railroads, in increasing the number of travellers, augmenting the wealth and developing the resources of a country, in a ratio not to be accounted for by a mere increase of population. A few examples of which we give below, taken almost at random from an immense mass of similar facts.

On the Western Railroad, from Boston to Albany, the following were the rates of increase:—

THE WESTERN (MASSACHUSETTS) RAILROAD.

Years.	Pass.	Merch.	Mails, &c.	Total.	Expenses.	Bal. Receipts
1842.....	\$266,446	\$226,674	\$19,556	\$512,688	\$266,619	\$246,066
1843.....	275,139	275,696	23,016	573,882	303,973	269,909
1844.....	358,694	371,131	23,926	753,152	314,074	439,688
1845.....	366,753	420,717	26,009	813,480	370,621	442,858
1846 (11 mo's)	389,861	459,365	29,191	878,417	412,679	463,738
1847.....	502,321	785,345	37,668	1,325,336	676,689	648,646
1848.....	551,038	745,909	35,120	1,332,068	652,357	679,711
1849.....	561,575	745,304	36,841	1,343,810	588,322	755,488

Number of through and local passengers for each year since the road was opened.

Years.	Through Pass.	Way Pass.	Total.
1842.....	18,571	171,866	190,437
1843.....	26,595	174,370	200,965
1844.....	24,330	195,927	220,257
1845.....	19,192	204,442	223,634
1846 (11 months)	29,883	235,831	265,714
1847.....	34,299	354,011	388,310
1848.....	33,731	371,883	405,614
1849.....	33,751	402,053	435,804
	<u>220,352</u>	<u>2,110,383</u>	<u>2,330,735</u>

Here we see in a road uniting the two great Cities of Albany and Boston passing through an agricultural country not to be compared to that traversed by the Toronto and Guelph Railroad—what an immense proportion the local traffic bears to the whole business of the road.

The New York railroads shew precisely the same results with reference to the increased business of the roads.

RECEIPTS FROM PASSENGERS.

	1844.	1846.	1848.
	\$ 66,293	92,194	113,741
Albany and Schenectady -	306,278	347,535	666,884
Utica and Schenectady - -	181,647	229,708	296,831
Syracuse and Utica - - -	80,533	98,051	132,667
Auburn and Rochester - -	215,246	253,073	358,501
Tonawanda - - - - -	92,639	111,583	169,962
Attica and Buffalo - - -	64,339	72,405	119,446

The same rapid increase appears also to have taken place in every railroad into the statistics of which your Committee has had an opportunity of examining.

It is also satisfactory to observe that the dividends have also steadily increased, as is shewn by the following official return.

	1840.	1848.
Providence - - - - -	7 per cent.	7½ per cent.
Boston and Worcester - - - - -	6 "	10 "
Lowell - - - - -	8 "	8 "
Eastern - - - - -	6 "	8 "
Taunton - - - - -	6 "	8 "
New Bedford - - - - -	3 "	8 "
Western - - - - -	0 "	8 "
Norwich - - - - -	0 "	0 "
Boston and Portland - - - - -	5½ "	9½ "
Nahouse - - - - -	7 "	10 "
Charlestown - - - - -	0 "	10 "
Auburn and Rochester (nett revenue) - - - - -		15 "
Fitchburg, do. - - - - -		8 "
Fall River, do. - - - - -		7 "

This table has not been selected from any numerous list of comparative failures, but because it was the only list that, in the brief time at their disposal they could obtain.

Your Committee can confidently state, as the result of their inquiries into the railroad system of the United States, that as a general rule, the American Railroads have been of immense advantages to the country through which they run; they rapidly increase the population and commerce, and afford a safe investment and an adequate return for the capital so invested.

Your Committee would also further remark their importance to the large towns forming the termini of such lines, and which are especially benefitted thereby.

Such is the result of your Committee's investigation into the success of national enterprise in the United States. In Great Britain the result is if possible still more satisfactory with respect to the influence of railroads in augmenting business and increasing travel especially, taking into consideration the fact that the population of that country,

as compared with Canada and the United States, is almost stationary, two illustrations of which we give below.

"No limit can be assigned to the number of travellers which cheapening and quickening the means of conveyance will create. The introduction of the railway, even where steamboats already afforded a most pleasant, rapid and cheap communication increased the number of travellers between Glasgow and Greenock from 110,000 to 2,000,000—2,000,000 being five times the population of the district. In 1841 the number of passengers per annum between Glasgow and Paisley was only 10,000; in 1842 the number was upwards of 900,000; the population during this period has only doubled itself, while the traffic has multiplied itself ninety-fold—that is to say, for every journey which an inhabitant of Glasgow or Paisley took in 1814 he took forty-five journeys in 1842. The railway system has doubled itself in three years. The importance and value of the traffic in goods and cattle, relative to the passenger traffic, have become more apparent. Whatever falling off in dividends there may have been, is to be attributed to the capitalization of loans and the creation of fictitious capital by the purchase of railways at premiums, and therefore at sums beyond what they cost.

WHAT THEY DO FOR THE GRAZIERS AND DROVERS.

The following are the proportions of Cattle, &c., carried on British Railways:—

	Cattle.	Sheep.	Swine.	Receipts.
1845—	236,000	1,200,000	550,000	£ 102,000
1846—	370,000	1,250,000	850,000	167,200
1847—	500,000	2,000,000	*390,000	183,400

Your Committee are of opinion that it is unnecessary to do more than merely refer to the fertility and excellence of the country betwixt this city and Guelph, passing, as the line does, through the townships of York, Etobicoke, Toronto, Chinguacousy, Esquesing, Erin, Nassagaweya, Eramosa and Guelph, consisting of some of the most fertile and beautiful townships in the Province, and rapidly increasing in wealth and population. They find that, from the Census returns of 1850, the population of the Waterloo District was 46,683, the assessed

* Falling off caused by Irish Famine.

value of property £577,319; that it produced 725,057 bushels of wheat, 33,286 of barley, 38,996 of rye, 531,179 of oats, 137,938 of peas, 10,194 of corn, 482,917 of potatoes, 7379 of buckwheat, forming a total of nearly two millions of bushels of grain and potatoes. There can be no doubt but that, for a very large portion of this country, the Guelph Railroad will be the most eligible outlet.

Your Committee would also especially bring under your notice the rapidity with which this District has increased in population and resources, establishing the importance of securing for this city the supply of that prosperous country.

COMPARATIVE STATEMENT OF YEARS FROM 1842 TO 1850:—

	1842.	1844.	1848.	1850.
Wheat,.....	193,350.....	—	549,557.....	725,057
Barley,.....	46,566.....	—	26,398.....	33,286
Rye,	16,083.....	—	20,871.....	38,996
Oats,	225,683.....	—	365,587.....	531,170
Peas,	53,693.....	—	59,062.....	137,938
Corn,	5,533.....	—	2,699.....	10,194
Buckwheat,	3,567.....	—	12,320.....	7,379
Potatoes,	249,027.....	—	254,485.....	482,917
Maple Sugar, ..	219,379.....	—	232,478.....
Wool,.....	40,853.....	—	80,294.....	125,790
Cheese,	—	—	—	29,498
Butter,.....	—	—	—	193,429
Turnips,	—	—	—	444,556
Neat Cattle, ..	14,579.....	15,273.....	26,285.....	46,552
Rateable Prop. £	234,892....	£258,763....	£477,613....	£577,319

This District has therefore, in eight years, increased its produce of wheat over $3\frac{1}{2}$ times, of rye $2\frac{1}{2}$ times, oats more than double, peas $2\frac{1}{2}$ times, wool 3 times, neat cattle nearly $3\frac{1}{2}$ times, and its rateable property is $2\frac{1}{2}$ times greater in 1850 than in 1842.

Independently of the Waterloo District, there is a most extensive and fertile district to the west and north of Guelph, rapidly settling, which will find the Toronto and Guelph Railroad the most eligible means of sending their produce to market, and the city the most advantageous market in which to make their purchases, affording to our merchants and mechanics a new field for the extension of their business.

It is impossible for your Committee, in the brief period allotted them, to go into a detailed statement of the anticipated income from the line; they are, however, perfectly satisfied, from the fact that numerous lines in the United States, passing through very inferior agricultural districts, and not more densely settled, depending entirely on the local traffic, pay fair dividends, at least equal to, and generally exceeding, the rate of interest the city would have to pay for its debentures. Your Committee are of an opinion that the risk run by the city is of a very trifling nature, and not at all commensurate to the great and certain advantage that the city and citizens will derive from the enterprise, even if, for the first year or two, it should not afford sufficient return to provide in full for the interest of the debentures—a result which, however, they do not at all anticipate.

With reference to the amount, your Committee would recommend the City to subscribe £100,000; that the town and township of Guelph have subscribed £35,000, and that it is probable the townships on the line will make up the sum of £100,000. That it is not probable that even so much as £50,000 will be subscribed by private individuals, they are therefore of opinion that it will not be advisable for the City of Toronto to subscribe less than £100,000, as in the opinion of your Committee it will be impossible to effect the object proposed with a less amount, and that the voting of a smaller sum will as effectually defeat the proposed scheme as refusing all aid whatsoever. Your Committee further have good reason to believe that if this great object is not shortly secured, that the citizens of Hamilton will be called upon to assist in a line from Guelph to Hamilton, and that it is exceedingly probable that we should forever lose the opportunity of securing to this city this large and rapidly increasing market.

Your Committee would further take the liberty to remark, with reference to the objection frequently made to Corporations taking stock in such speculations, and that private capitalists should subscribe the amount, that in a new and comparatively poor country like Canada, where we have no surplus capital, it would be impossible otherwise to effect any great improvements, and that if our capitalists and merchants should unadvisably subscribe such a large amount of stock, the sudden abstraction of such an amount from the active capital of the country, would inevitably produce a most injurious effect in our financial position, and probably terminate in a panic bankruptcy and general distress—

while on the other hand, by obtaining the capital on the credit of our municipalities, we should be enabled to divide the period of payments, and there is a strong probability that a sinking fund may be established for the gradual reduction of the liability—and your Committee have no doubt but that long before the maturity of the debenture, the stock will be readily saleable, without loss, to meet them.

For the above reasons, and many others which it is impossible in the brief period allotted them to report, they would recommend that your worshipful body should issue debentures in support of the Toronto and Guelph Railroad, to the amount of £100,000, with interest payable half yearly, the said amount to be held in the stock of the said company. This Corporation to have such voice in the direction as it will be entitled to in proportion to the amount of stock held by it *pro rata* as the work progresses.

Your Committee have drafted a bill in accordance to your resolution, which they present for the consideration of your worshipful body, and would recommend that the same be presented to the electors of the city with as little delay as possible, for their decision in accordance with the provisions of the Act.

All which is respectfully submitted.

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