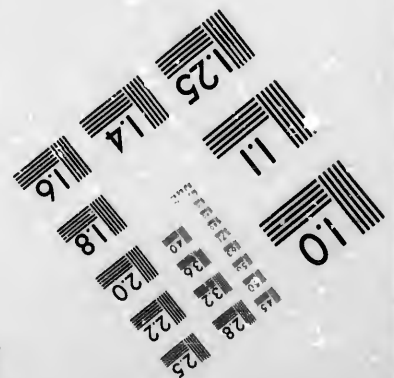
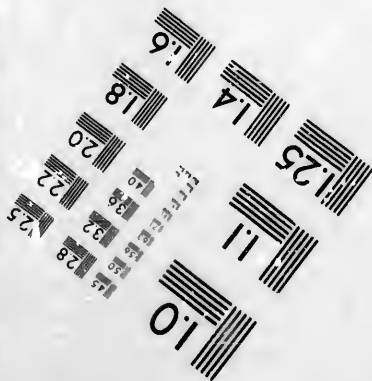
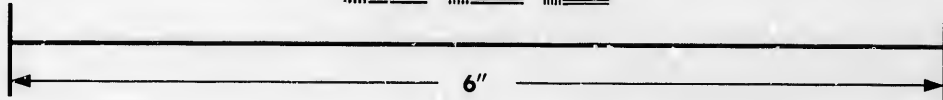
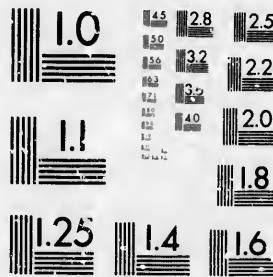


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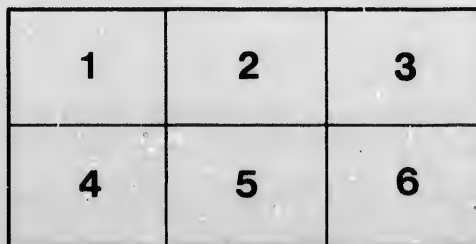
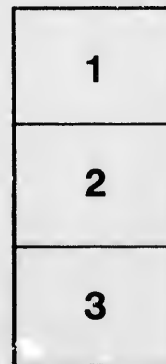
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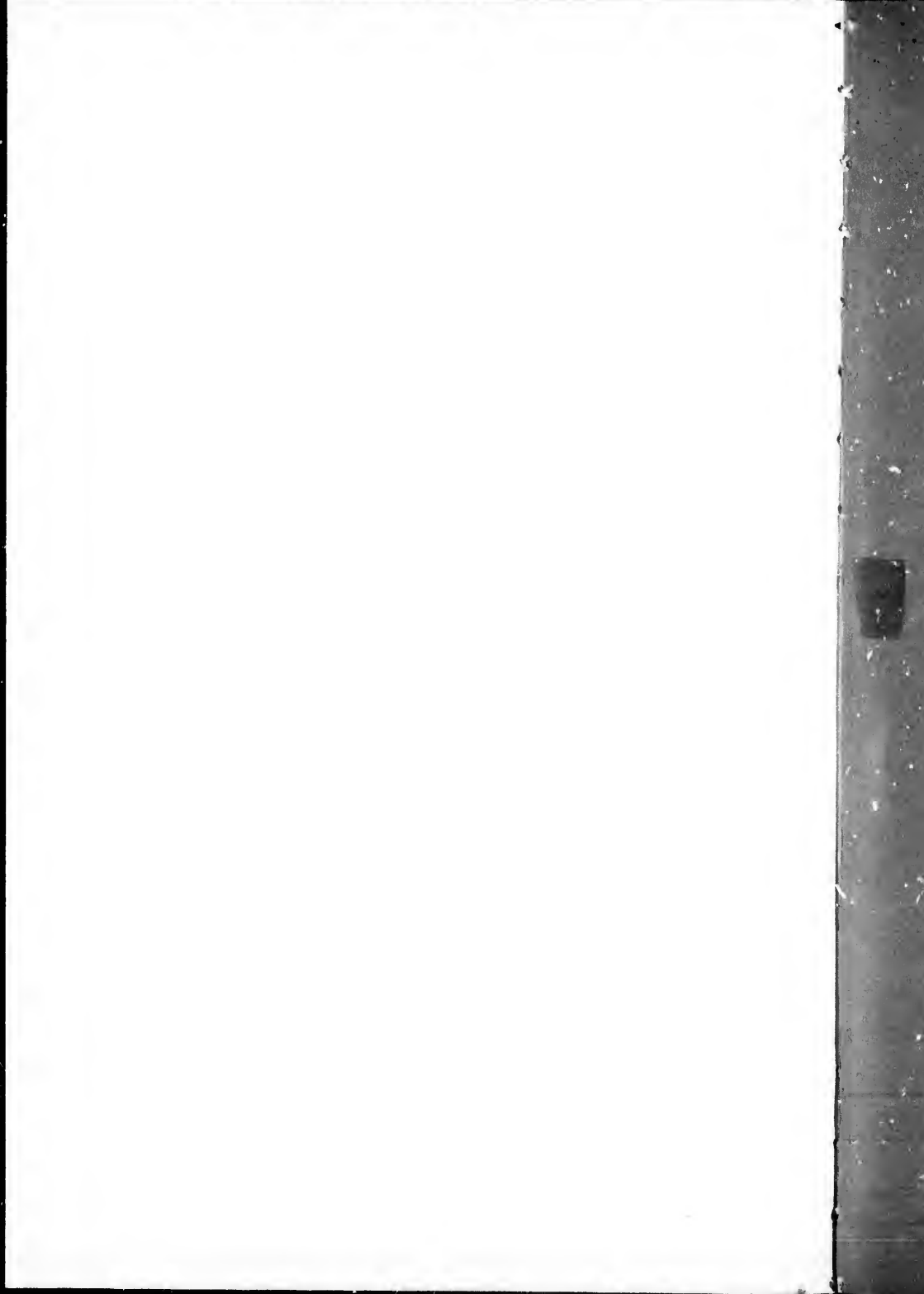
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THE  
CANADA CENTRAL RAILWAY,

—BY—

THOS. C. KEEFER, C. E.

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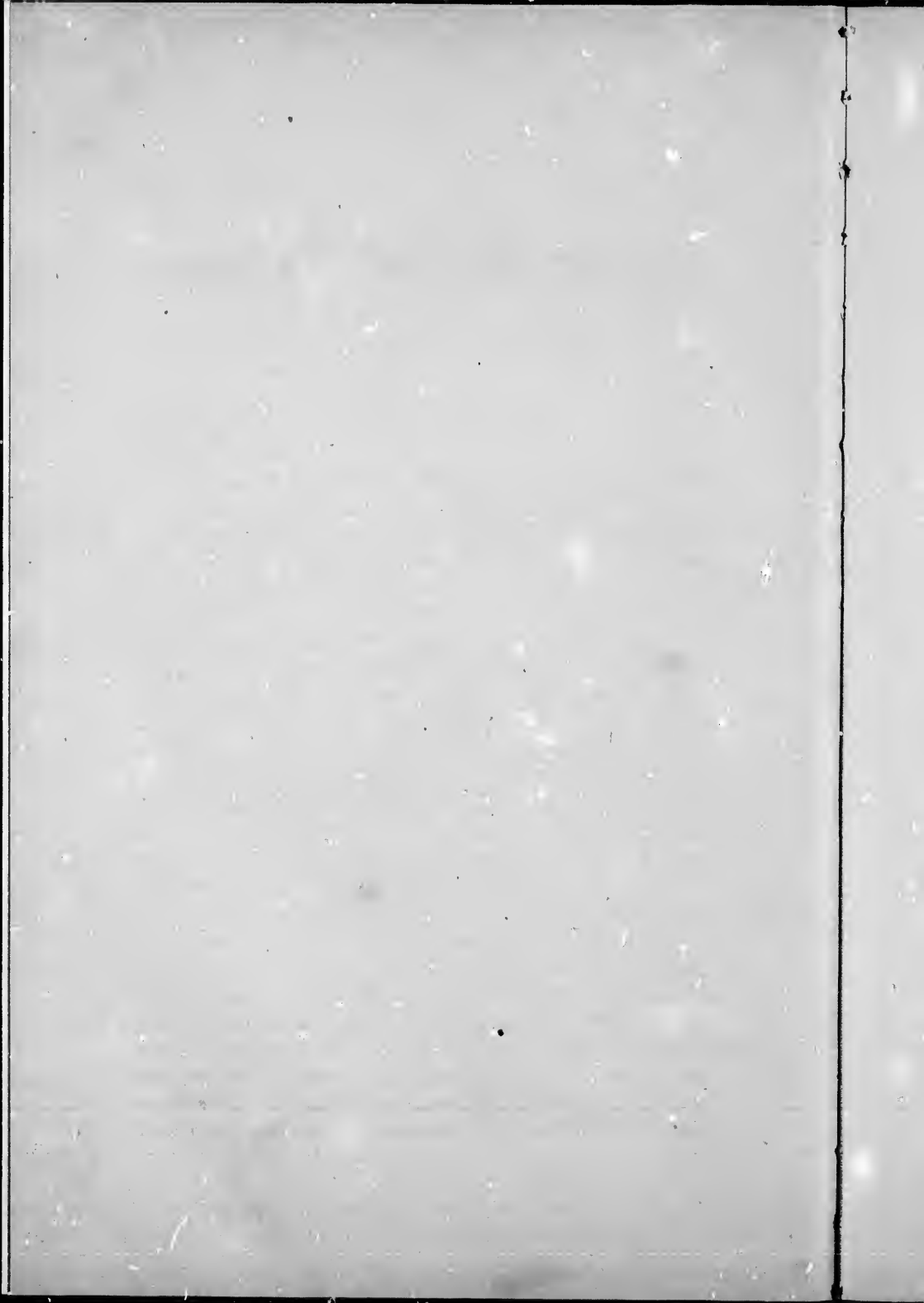
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# Canada Central Railway.

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CANADA has never been deficient in her appreciation of the importance of Railways, however powerless at times she may have been to promote them. As early as 1837—but a few years after the invention of the system—the Legislature of Upper Canada tendered a loan to the Great Western Railway of £3 for every £1 of private stock subscribed, and this to the extent of £200,000. In 1849, the Legislature of United Canada tendered a loan of one-half the cost of any railway seventy-five miles in length—of which law the Toronto Northern is the only railway that obtained the benefit. In 1851, finding that even this liberal legislation was insufficient, and feeling the intolerable position of the country as compared with the United States, without at least one main line of railway, provision was made for the construction of the Grand Trunk as a public work. In 1852 this was changed, at the instance of a private corporation promoted by the Government of Canada, for a subsidy which yielded that Company between nineteen and twenty thousand dollars per mile. The same allowance in cash now would complete every projected line of railway in Ontario. Under the law of 1849, the Toronto Northern received a value of about \$27,000 per mile—certainly the full cash value of the road. This road was originally projected Northward to Lake Simcoe, but as it was soon discovered that under the law of 1849 it was easier to build one hundred miles than fifty, the line was deflected Westward to Collingwood. The Bytown and Prescott Railway, under construction at the same time, was only fifty miles in length, and therefore did not get a penny of Government aid. Had its projectors deflected it up the Ottawa to

Arnprior, it would have formed a parallel to the Northern in direction—and have been paid for out of the public chest. Starting from Toronto, three great lines traverse the Western Peninsula—North, West, and South-West as follows:—

Northern, to Collingwood.....	95 miles.
Grand Trunk, to Sarnia .....	168 “
Great Western, to Detroit.....	224 “

A total of..... 487 miles.

The construction of the whole of these was secured by the public chest.

The legislation of 1851 contemplated combined action by the Government and Municipalities as one of the schemes for securing the Grand Trunk Railway, but the arrangement of 1852 relieved the Municipalities, and left them free to embark in branch railways of local importance. To aid them in doing so, Government became their endorser, or rather “exchanged notes” with them, under the provisions of the “Municipal Loan Fund Act,” and, as in similar cases of close relationship, Government has been called on to pay. In this way it may truly be asserted that the railways built out of that fund were as effectually Public Works as the Grand Trunk, Northern, and Great Western. The Government have only succeeded in getting anything on account of this Loan Fund from the Municipalities, by first voting them a bonus indiscriminately, and then retaining the shares of the defaulting Municipalities.

So long as the Grand Trunk and the Northern are not called on to pay—so long as old and wealthy sections of the country are supplied with railway facilities at the public expense—it is impossible to expect Municipalities which have got hold of public monies for a similar purpose to look upon themselves in the light of debtors. Moreover, in the matter of the Loan Fund the Government stood in the position of guardians, and must share the responsibility where excessive credit has been given. Under this Loan

Fund those sections of Ontario not supplied with railway facilities by the Grand Trunk, Northern, and Great Western, obtained their railways. The City of Ottawa obtained £50,000—loaned and lost it in the Prescott Railway. The County of Renfrew, an Ottawa County united with Lanark for municipal purposes, was concerned in a loan of \$800,000 by which the Brockville and Ottawa Railway was carried as far as Almonte in Lanark, but the funds failed before Renfrew was reached, and the subsequent extension was made, years after, out of the private purse of the English bondholders into whose hands the road has fallen. Renfrew—the only Ottawa County interested in this road—became liable for the loan, but did not get a mile of railway in return.

The amount borrowed from the Upper Canada Municipal Loan Fund, for railway purposes only, was \$5,594,000, of which the City of Ottawa took \$200,000. No other Ottawa Municipality except Renfrew, as stated above, participated. While Ottawa got \$200,000, Port Hope received \$740,000, Cobourg \$500,000, Brantford \$500,000, Brockville \$400,000, London \$375,000, Niagara \$280,000. Whatever the borrowers hoped to have been able to do, time has proved the inability of many of them to pay, and the only solution appears to be some attempt to put all the Municipalities on a par in the matter of railway aid, and treat such aid as a public contribution.

About twenty millions of dollars have been supplied by Government to railways in Ontario since 1853, of which the sum of \$200,000, exactly one per cent., found its way to the Ottawa. This one per cent. of Ontario railway subsidy is all which has given railway facilities in any Ottawa County—and for this loan the City of Ottawa pays the full interest.

As the repeal of the law of 1849, in 1851, deprived the only Ottawa railway of any public aid, so the subsequent repeal of the Loan Fund Act prevented the extension of its benefits to other Ottawa Counties which had been slow to

take advantage of it. The public chest having been exhausted by the Grand Trunk and the Municipal Loan Fund, our railway progress was arrested while yet a large, an old, and important section of United Canada—viz. the North Shore of the St. Lawrence below Montreal, and the Ottawa Valley—was unprovided with any railway system whatever. In January 1854, the writer of this drew attention to the Illinois Central land grant, and advocated in a public lecture at Montreal the opening of the Ottawa Valley by rail, in the following words:—

“The Ottawa possesses within herself all the means necessary for her own development, if we are only just enough and generous enough to give her her own. The public lands are a financial basis broad enough to work out the development of the Ottawa, and it is not asking too much that a portion of them should be set apart for such a thoroughly domestic purpose, when to those which have, all has been given. Public guarantee for railways, plank and macadamized roads, bridges, and canals—all have gone to the St. Lawrence. A grant of public lands would secure a highway through the Ottawa, and would be a necessary inducement to the construction of a railway. The local trade would be confined to the bringing out of sawn lumber until the country was settled, which it would in a measure become by the process of construction; but the means being secured of opening the road through to Ports on Lake Huron, or in connection with the railways around Lake Simcoe, it would have a through traffic which would sustain it until it became productive.”

In 1856, the Legislature of Canada chartered a railway from Lake Huron to Quebec, and the preamble to that Act stated that “It is of the utmost importance to the general interests of this Province that a main line of railway communication should be opened from Lake Huron to the Ottawa and thence to Quebec in the most direct line, and whereas the opening of such a line from Arnprior or some place between Arnprior and Pembroke on the River Ottawa, to such point on Lake Huron as may be found best adapted for the purpose, would secure for the said main

“line so large a proportion of the travel and traffic of the  
 “great West, as to ensure the success of the remainder of  
 “line from the River Ottawa to Quebec, while it would  
 “also open for settlement a most valuable tract of country  
 “now unimproved and waste,—it is therefore expedient  
 “to grant special encouragement and aid to the construc-  
 “tion of such railway.”

Four millions of acres of land were granted to this road  
 —a proportionate quantity being delivered on the comple-  
 tion of each section of 25 miles or more. The charter  
 expired in 1863, but in 1861 it was amended by the incor-  
 poration of the Canada Central, the preamble of which Act  
 states that the construction of the Lake Huron and Quebec  
 Railway was attended with difficulty, “in consequence of  
 the want of a concentrated interest therein,” five separate  
 Companies having participated in the land grant. The  
 Preamble also states, that “the vast country extending  
 through the interior of this Province is wholly without  
 Railway accommodation.” This Act reduced the length  
 of Sections to be completed before any land was obtainable  
 to twenty miles. In September 1865 an Act was passed  
 extending the time for the commencement of the Canada  
 Central to three years, and for completion to five years,  
 from the passing of that Act. The work was commenced  
 within the time prescribed, and the Section in progress will  
 be completed on or before the date specified. The period  
 of two years assigned in the Act between the date of com-  
 mencement and completion for such a road in such a country  
 is manifestly too short. It would be insufficient even with  
 the amplest means, and a further extension of time is,  
 therefore, needed,—which can only be granted by the Par-  
 liament of the Dominion.

The Ottawa Valley had a fair claim to this or greater  
 aid, not only because it needs the railway and the railway  
 needs the aid, but because while its people have borne their  
 share of all the railways and other public works for the rest

of Canada, they have supplied the whole of the means to defray every expenditure of the Provincial Government within the Ottawa Valley and a considerable surplus to the public chest beside. Since the Union in 1841 the total expenditure on the Ottawa, including Parliament Buildings and Rideau Hall, Ottawa River Works, Chats Canal and St. Anne Lock, is about one million dollars less than the receipts within the same period from Ottawa timber dues and slidage. The revenue of the Crown Timber Office at Ottawa, for both Provinces, in 1869, from timber and slidage, exceeded half a million of dollars. The nett revenue from the slides, &c., since 1845, is nearly \$600,000.

The Lake Huron and Quebec was the first and only land grant railway of Canada; and no doubt it is just because this first attempt proved so fruitless that it has been the only one. The fact that the land grant has not in fourteen years secured the construction of the road is the best evidence that it was not too liberal. There are, however, good and sufficient reasons why it has been found heretofore impossible to build this road. While the Grand Trunk was a borrower it was hopeless to seek capital for this enterprise where only it could be obtained, and the ill success of that and other Canadian railways increased the difficulty. The lands were held by the Government at an upset price of a few shillings per acre, or were being given away as "free grants," and, therefore, were no temptation to capitalists. Now, the progress of events has so much improved the situation as to render it practicable to utilize the land grant and secure the railway. Ottawa has become the Capital, and, what is more important to this question, the largest manufactory of sawn lumber in the world. The rapid extension of the lumber trade has given increased value to all the public lands of the Ottawa Valley, whether for timber or agricultural purposes. Over two millions of saw logs, producing between four and five hundred millions of square feet lumber, were cut last year, besides about

twelve millions cubic feet of square timber. The *increase* of this trade is represented by the additional employment of thousands of men and the expenditure of millions of dollars, and thus affords the highest encouragement to the railway. Secondly, the example of Toronto and Western Ontario has aroused the City of Montreal and the Ottawa Municipalities to a sense of the importance of that local exertion which is as necessary as the land grant to secure this road. Lastly, the North-west question, and the progress of the Northern Pacific Railway, have given additional importance to this charter—which will no doubt be of good service to it in England when it is known that any Northern Pacific line, Canadian or American, will find its shortest route to the Atlantic seaboard through the Ottawa Valley.

The land grant policy of Congress and of the Western States, which has been so steadily and extensively pursued for the last twenty years, is the admitted source of the rapid development of the great West. One hundred and fifty-four millions of acres, comprising an area of 232,000 square miles—a quantity double the total surveyed area of the Dominion, and three times the area of our occupied lands—have been granted to secure the construction of railways. Many of the companies have failed to complete within the time prescribed in their charters, but in no instance has Congress withdrawn the grant, or hesitated to extend the time for completion. Territories there have become States, but this has not influenced the railways, except beneficially. Here Confederation should have the effect of hastening rather than retarding the construction of the Canada Central. No existing railway is as important to the Dominion as one which, stretching from Quebec to Lake Huron, would pass through Ottawa, and open a line of communication between the arsenal of the East and the granaries of the West, beyond the influence of a raid, and requiring no army to guard it from interruption. Such a road would communicate with all the railways running



back to the St. Lawrence, and form a base line of operations, by means of which we could advance to or retire from any point of an exposed frontier. As a rapid colonizer, such a road would be equally important to the Dominion, and it would be the first and only effectual means of opening a pathway to the West, and of competing with Wisconsin and Minnesota for European Immigration.

It may be presumed that the Legislatures of Ontario and Quebec will severally sustain the policy with respect to this road which they have so long followed jointly, especially since Confederation has manifestly increased the importance of it. But whether viewed as a national work or not, there is no local railway, nor can there be any, more important to either of these Provinces. But inasmuch as the charter expires before another meeting of these Local Legislatures—and can only be extended by the Dominion Parliament—the first step toward securing the road must be taken in Ottawa. Before the charter expires in September next, and before another Session of the Local Legislatures, nearly a million of dollars will have been expended, and over fifty miles of the railway will have been completed.

In 1850, the “Philosophy of Railways” advocated the construction of railways in general, and of the Grand Trunk in particular as follows:—

“If the liberal provisions of our railroad law prove inefficient shall we not *as a people* take it up *coute qui coute*. We cannot any longer afford to be without railways. Their want is an actual tax upon the industry and labour of a country. Men may talk about the burden of taxes to build railways, but the tax which people pay to be without them is an hundred-fold more oppressive.”

After the Grand Trunk was under contract the commencement of the great Ottawa railroad was urged in January 1853 at Montreal, as a local road then, as follows:—

“The extension to Lake Huron must follow sooner or

later, nor will it stop there. The four great Lakes, Ontario, Erie, Huron and Superior, are separated by three peninsulas—at Niagara, Detroit and Sault Ste. Marie. To these points must all surrounding railways converge, for at these points connections and crossings may be constantly maintained. A railroad terminating on the Georgian Bay would be confined to its local business for four or five months in the year, but if extended to Sault Ste Marie, it could penetrate Michigan peninsula, Minnesota, and the Upper Mississippi, to all of which it would be the shortest route to the East, and draw over it a stream of traffic which can hardly be overrated. This route when made must become one of the great lines of this continent.”

The Northern Pacific, from Lake Superior through St. Paul and Minnesota, is now a fact, and it is known to the writer that the policy of that Company is to extend Eastward from Superior City to Sault Ste. Marie, and seek their Atlantic outlet through the Ottawa Valley.

When no other form of public aid was left to us but land, the writer, as before stated, urged this as peculiarly applicable to the Ottawa Valley—where the public was the chief owner—would benefit most by a railway—and ought therefore to contribute most in this form. If a railway increases the value of wild lands within twenty miles on either side, only to the extent of one dollar per acre, *it would create a value of \$25,000 per mile of route*, and in this way it can easily be proved that an Ottawa Valley railway will pay for itself without reference to dividends; nothing therefore can be more just than a policy which charges a fair portion of the cost to the localities so benefited. The writer has quoted arguments used by him 16 to 20 years ago—when he was not a resident of Ottawa—as evidence that an Ottawa Valley Railway has always been regarded as a national highway. He advocated Municipal and Government aid to railways twenty years ago, because he believed that no railway in Canada, with the exception

of the Great Western from Niagara to Detroit River, offered inducements to capitalists—that without such aid we would not get them—and that without the railway first, the country would never reach that position which would make a railway pay. In all new countries future development must be by the railway, which is now the Queen's highway of former days. Neither immigrants of capital, nor our own young men will settle out of the reach of railways—and no county is fit for a Canadian to live in now which cannot have one; and because they are beyond the reach of local and municipal aid—except in a few favored localities made rich by the railways built at the public expense—the writer holds that it is the first duty of Government to aid in supplying the omitted sections of the country with railway facilities as fast as they show a disposition to help themselves—and ability to pay the working expenses of the road. This was the principle of legislation in 1849—and then we had no railways in Ontario. Now the settled districts unsupplied with railway facilities in all parts of the Dominion are so few, that it is quite within our ability to complete the system—and it will be a disgrace to us if we do not.

THOS. C. KEEFER.

