

cruelly disappointed. In point of fact none of these loans ever received a cent from the railways, and the municipalities were seriously involved. The town of Brockville with 4,000 inhabitants lent \$40,000 on the Brockville & Ottawa Railway. Port Hope and Cobourg each with the same population as Brockville advanced \$680,000 and \$500,000 respectively to the short railways terminating at these points, only seven miles apart and competing for the same traffic. The result was decreased value of property and diminished demand for investments in these towns.

This general failure made railway building unpopular. Hence the long pause in the construction of new lines, previous to Confederation.

373. Immediately after that event, a new departure was made which assisted in restoring confidence in the benefits of railways and added largely to the railway mileage of the country.

The new departure included, first, a new gauge, and second, a new system of municipal bonusing. Toronto started the idea of building cheap colonization railways to the north-east and north-west of the city on the $3\frac{1}{2}$ foot gauge—adopted with good results in Norway, principally on the score of economy. The agitation over the Toronto, Grey & Bruce, and the Toronto & Nipissing had an important influence in again directing attention to the advantages of railways after the long period of neglect consequent on the calamities of 1856–58, and the revived confidence was indicated by the voting of \$795,000 of bonus to the first named and \$386,000 to the last, besides subscriptions for \$500,000 of stock. These were followed by a number of narrow gauge railways.

The second point in the new departure was the introduction of a regular system of municipal bonuses, the direction taken by the railways being largely governed by the amount of municipal support voted by the townships on the route. Down to the present time, June, 1894, the municipalities have voted bonuses of \$16,155,901 to the railways.

The provincial governments also aided the development of the railway system, some of them in consequence becoming seriously involved. To 30th June, 1894, the Ontario government had contributed \$7,113,538 in bonuses to a score of railways; the Quebec government has given \$12,116,790; the New Brunswick government, \$4,333,482; the Nova Scotia government, \$2,710,545; the Manitoba government, \$770,678; the British Columbia government, \$37,500; and the North-west Territories, \$25,000.

Other amounts had been given in the form of subscriptions to shares or of bonds, and loans, by the provincial governments and by the municipalities. These with the bonuses added make up a total of municipal and provincial government aid equal to \$49,143,325.