

CREDIT VALLEY RAILWAY – THE THIRD GIANT

I. The Credit Valley Railway: Charter, Promotion and Financing

On February 15, 1871 the charter of the Credit Valley Railway was secured from the Provincial Government for the construction of a railway from Toronto to St. Thomas there connecting with the Michigan Central Railroad and running north from Streetsville Junction to Orangeville. With a further branch line from Cataract to Elora Named as officers in the original Act of Incorporation, George Laidlaw, C.J. Campbell, Frank Shanley, John Burns, H.P. Dwight, J.S. McMurray. Robert Hay, H.L. Hime and W.H. Beatty, became its provisional directors until the first meeting.

Having obtained the necessary Charter it became the task of George Laidlaw and his fellow promoters to gain interest and support from influential persons 'of means' in the area of the railway's route. In Toronto it was obvious that Laidlaw should enlist the aid of his past employers and of friends made in the grain business. The railway was planned into the Streetsville and Milton areas where fellow promoter William James Gooderham of the Gooderham and Worts group, had large mills and holdings. Gooderham was also a reeve of Streetsville. Taking office in 1869 after a nine year tenure in office by John Street; Gooderham's influence was of immense importance.

In the Orangeville "Sun" of 1871 are several articles concerning the methods of promotion. A chronological listing of a few news reports indicates the success of the promoters and in some instances the apprehension of the voters It is obvious from these articles that at this time the "Sun" was backing the railway and its promoters as best it could.

May 18. 1871... The Credit Valley Railway is obtaining pledges of support from several of the municipalities interested in its construction. Streetsville is pledged to aid it to the extent of \$20,000 and the town of Milton is to grant it a bonus of \$30,000 Mr. Laidlaw is advocating the construction of the line with his usual ability energy and perseverance and 'having put his hands to the plow' he is not likely to turn back until he has secured the construction of the road.

June 1, 1871 - STREETSVILLE BY-LAW -
\$20,000 GRANT PASSED COUNCIL:

RATIFICATION EXPECTED AT THE POLLS ON JUNE 22, 1871.

June 22, 1871 - RATEPAYERS CARRIED STREETSVILLE BONUS.

June 29, 1871- RATEPAYERS CARRIED MILTON BONUS.

On August 31, 1871 an excursion of Reeves, Councillors and others interested in the construction of the Credit Valley Railway took place on the Toronto and Nipissing Railway. This, another of the Laidlaw interests, was intended to give the excursionists an opportunity of testing for themselves the capacity and merits of a narrow-gauge railway, for it must be remembered that Laidlaw was still promoting the Credit Valley as narrow-gauge at this time. According to the "Sun" report, "the party enjoyed the trip highly and expressed itself well-satisfied with the narrow-gauge system. The trip made some supporters for the Credit Valley."

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Not all was as rosy as the preceding would indicate for on June 13 1872, the electors of the township of Caledon, Chinguacousy and Toronto (later Mississauga) rejected the granting of a bonus of \$80 000 toward the construction of the C.V.R. The “Sun” stated that “the majority of the ratepayers do not understand the value of railway communications or understand their real interest.”

Undaunted, the promoters plunged onward, and on November 28, 1872 a report appeared in the “Sun” of a “large and influential meeting of the ratepayers of Caledon”, held at Alton in the interest of the C.V. R. with addresses in favour of the project being delivered by Messrs. G. Laidlaw, K. Chisholm, A. McLaren, R. Weeks and Dr. Riddall, after which a resolution was unanimously passed pledging the support of the meeting at large to the granting of a bonus to aid the railway.

Andrew Taylor of Galt wrote that “The promoters of the road had little money but it was through a district in dire need of better transportation that the railway was built. Bonused from end to end built around hills instead of through them to save money and often with not even the men’s wages in sight, the railway was built through the townships of North Dumfries, including Galt and Ayr.” Taylor’s book, *Our Yesterdays*, further relates a story wherein one Scottish settlement had decided to vote down a bonus. “Mr. Laidlaw was went for in hot haste” (since he could speak Gaelic)” and speak it he did with such force at a little country schoolhouse that every good Scottish vote went in favour of the bonus.”

Whatever can be said of the style of promotion it proved successful in the end, for the railway received bonuses (as reported in the *Engineering Magazine* August 20, 1880) which totaled \$ 1,035,000 as follows:

City of Toronto.....	\$350,000
County of Oxford.....	\$200,000
County of Wellington.....	\$135,000
A section of Waterloo.....	\$110,000
A section of Halton.....	\$ 70,000
A section of Peel.....	\$ 75,000
Town of Milton.....	\$ 30,000
Town of Brampton.....	\$ 20,000
Town of Streetsville.....	\$ 20,000
Town of Ingersoll	\$ 10,000
Town of Orangeville.....	\$ 15,000

Besides these gifts, the towns of Ingersoll and Orangeville and the villages of Fergus and Elora agreed to exchange their municipal debentures for the bonds of the railway, Ingersoll to the extent of \$30,000 and the other three to the amount of \$95,000 each. As well as these sums, over \$100,000 had been received as interest on these subscriptions the amount being payable from the date of its being granted, while the sums could not be claimed excepting as the work was actually performed. The government subsidy of \$3,000 per mile raised an additional \$420,000 so that a total of \$1,630,000 was subscribed of practically free donations.

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Thus the cost per mile of approximately \$14,300 was reduced by \$10,300 per mile in donations. The other \$4,000 per mile had to be made up in extended credit from suppliers and investors, later to be paid back out of earnings. The original charter called for capital stock to the value of \$140,000 made up of 1400 shares at a par value of \$100 each.

The bonuses of some of the communities carried a conditional clause that the new railway should never amalgamate or work in connection with either of the old lines in the area. the Grand Trunk and the Great Western. Indeed, such want of consideration exhibited by these two English companies for their Canadian interests caused some entire struggling communities to read and pledge voluntarily their monies to any person who had the courage to oppose the rich companies who had the monopoly of the carrying trade.

The man with this courage was George Laidlaw.