

KEY VALLEY  
SCHROEDER  
MILLS AND  
TIMBER  
COMPANY

PAKESLEY,  
ONTARIO

to it. boom, and has been equipped with a new Ontario boiler, 125 lb. pressure, by John Inglis Co., Toronto.

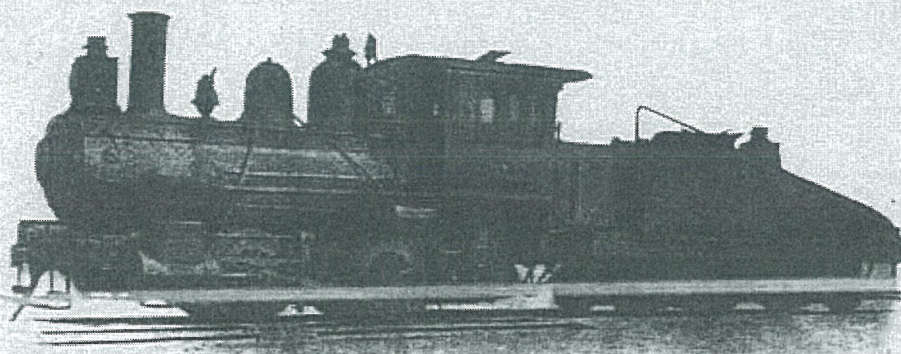
Schroeder Mills and Timber Co., Pakesley, Ont., has bought a second hand, 40-ton, 4-wheeled Pennsylvania switching locomotive, from Canadian Equipment Co. It has a separate tender, is of standard gauge, cylinders 17 x 24 in., 18,865 lb. tractive power, 80,200 lb. in working order.

Granville Crushed Rock Co. has bought

June 1923

## 40-Ton Four-Wheeled Switching Locomotives

BUILT AND REPAIRED IN PENNSYLVANIA RAILROAD SHOPS.



CYLINDER, 17 INS. x 24 INS.  
DRIVING WHEELS, 50 INS. DIA.  
WHEELBASE, 7 FT. 0 INS.  
WEIGHT ON DRIVERS, 80,200 LBS.

BOILER, BELPAIRE TYPE.  
WORKING PRESSURE, 160 LBS.  
TANK CAPACITY, WATER, 2,700 GAL.  
TANK CAPACITY, COAL, 4 TONS.

**CANADIAN EQUIPMENT COMPANY, Limited**  
TRANSPORTATION BUILDING



# Pakesley, Ontario

From Wikipedia, the free encyclopedia

**Pakesley** is a ghost town in the Parry Sound District of Ontario, located on the Bolton to Sudbury line of the Canadian Pacific Railway in Mowat Township. It is named for the Pakeskag River, that drains the local area north to the Pickerel River. Formerly a station and passing track on the CPR, this portion of the line from Bala to Sudbury was opened to traffic June 15, 1908.

From this point, Lauder, Spears and Howland, built a logging railway to their sawmill at Lost Channel in 1917. Owing to financial difficulties, the Key Valley Railway and the sawmill at Lost Channel was taken over by the Schroeder Mills & Timber Company, for whom James Lauder, Joseph Spears and L. B. Howland, had originally contracted to do.

At Pakesley, a lumber storage yard was established. The wood was stacked with spaces between the boards to allow air drying of the lumber, for 3 months to a year before it could be shipped. The lumber yard was said to have almost seven miles of railway siding.

At the site a post office, store, hotel, restaurant and an Ontario Department of Lands and Forests fire headquarters was erected. This was a watchtower and rangers station.

The original railway station was an old wooden box car, removed from its wheels and set on blocks near the tracks. As business grew, this was replaced with a two story railway station also of wood construction, where the agent and his family slept. By 1924, the population stood at approximately 150 people. As there were more travellers, the CPR expanded their facility to a seven room train station.

In addition, three boarding houses, two office buildings, stables and a warehouse were built. Not all workers lived in the boarding houses. Some workers built homes near the railway for their families. For the children, a school was built.

Like many one industry towns, it was boom and bust. When the pine was all gone, Schroeder, Mills & Timber Co. sold the Lost Channel mill to James Playfair & Co. of Midland. The operations continued, under the name Pakesley Lumber Company, producing hardwood lumber. Schroeder continued to operate the railway for the new firm, however, when fire destroyed the original Lost Channel sawmill in 1928, the flames quick spread to the adjacent engine house, taking with it two of the locomotives. A new smaller sawmill was constructed, which continued production during the depression.

With more than 40,000,000 feet of seasoned lumber stockpiled at Pakesley in 1933, all operations of the lumber company and the railway ceased. The lumber was disposed of and the rails of the Key Valley Railway were lifted by 1935 and the sawmill was removed by 1938. The only building that stands today is the old school house, still used as a hunt camp and cottage. It is located on Highway 522, east of Highway 69.

## External links

- Ontario Abandoned Places - Pakesley  
(<http://www.ontarioabandonedplaces.com/pakesley/pakesley.asp>)

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Categories: [Ghost towns in Ontario](#) | [Communities in Parry Sound District](#)

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# Lost Channel, Parry Sound District, Ontario

From Wikipedia, the free encyclopedia

**Lost Channel** is a ghost town in Parry Sound District, Ontario.

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## Establishment

**Lauder, Spears and Howland** of Toronto began producing lumber under contract to the **Schroeder Mills & Timber Co.**, of Milwaukee, Wisconsin. In the spring of 1917, they built a large sawmill on Kawigamog Lake, a widening of the Pickerel River. The firm intended to transport the lumber with horses, along a rough road to Pakesley, on the CPR, 10½ miles to the west.

Initially, Messrs. Lauder, Spears and Howland, had established their operation in 1913 at Palmer's mill, on the CNR at Mowat, after John Schroeder had acquired standing timber in the townships of Mowat and Blair. Another mill near Mowat, was Cole's, up on Key Lake, some twelve miles (19 km) from the railway.

In the Summer of 1913, Schroeder made arrangements for logging in the townships of Wilson, Ferrie and Brown. He then contracted James Ludgate to take out the timber. Ludgate made his headquarters at Salines, later known as Drocourt. It was not until the autumn of 1916 that Schroeder Mills & Timber Co. purchased outright, the 138 square miles (360 km<sup>2</sup>) of timber berths in Mowat and Blair, from the Victoria Harbour Lumber Co. It was following this purchase, that Lauder, Spears and Howland began construction of the new mill at Lost Channel.

## Railway construction

After the mill was completed, Mr. Howland persuaded his partners to build a railway, to carry the sawn lumber to the CPR at Pakesley, although James Lauder and Joseph Spears thought the operation would run just as well without that additional expense. Lucien B. Howland was the former General Manager of the Irondale, Bancroft and Ottawa Railway, built by his father-in-law, the late Charles J. Pusey. The relationship of these three men can be traced back to 1909, when Lauder and Spears, leased the mill of the Wilberforce Lumber Company, at Wilberforce a station on the IB&O.

The first locomotive on the Key Valley Railway, from Pakesley to Lost Channel, was CNR 4-4-0 #50, (formerly IB&O #3), acquired from Canadian Northern in 1917. Arrangements were made to purchase a second locomotive from Canadian Northern, also of the 4-4-0 wheel arrangement, former Central Ontario Railway #39.

## Financial issues

Before the railway was completed, however, Lauder Spears and Howland were experiencing financial difficulties. It seems the railway cost several times more to build than had been estimated. When they applied to the bank for additional funds to complete the project, a representative was sent up to make a report on the situation.

The bank representative was impressed after examining the whole operation, and advised the partners his report would be favourable, and would definitely recommend that their line of credit be extended. During the long wait for the southbound train at Pakesley, an executive of Schroeder Mills & Timber Co. advised the banker that his company would assume responsibility for the loan, if in turn the bank would transfer to them all of Lauder, Spears and Howland's assets, held by the bank as collateral. A few days later the bank informed Lauder, Spears and Howland that their line of credit would not be extended. In addition they were ordered to repay a sizeable portion of their bank loan within 30 days. The partners tried frantically to raise enough money to satisfy the bank. Unable to do so, Lauder, Spears and Howland, were swept aside - ruined men.

## New management

Schroeder Mills & Timber Co. subsequently took over the sawmill and the railway, promoting James Ludgate as manager. In addition to the mill and railway, Lost Channel grew to contain a bunkhouse, cookery, hospital, school and single dwellings for the workmen.

The Key Valley Railway was more than a logging railway as it carried mostly lumber from the mill, out to Pakesley, much of that was stored there to dry, before shipping. There was said to be almost seven miles (11 km) of siding in the lumber yard. They hauled camp supplies in from the CPR by the carload. The railway also served Cole's mill, about a mile out of Lost Channel and carried lumber produced at George Bruce's mill and others, brought to the Channel from up the lake. About 8 locomotives were used on the railway at different times and there was a truck mounted on flanged wheels, outfitted with bench seats to transport the workmen.

Logs from the township of Brown, on the Still River, and Ferrie, on the Magnetawan, were either boomed and towed to Victoria Harbour, from Byng Inlet, or placed on flat cars and delivered by the CPR to Pakesley. Schroeder had also purchased the #3 mill at Victoria Harbour and lumber was produced and marketed from there.

## Fire damage

By 1927 the pine in this region had been depleted when **James Playfair & Co.** of Midland, along with **George Bruce**, acquired the mill from Schroeder. The Pakesley Lumber Co. resumed the operations at Lost Channel, manufacturing hardwood lumber. Heat from the saws of a mill originally designed to cut



softwood, is blamed for the 1928 fire that consumed the mill and quickly spread to the adjacent engine house, taking with it two locomotives and a stationary boiler.

A new smaller mill was erected and the operations continued. When the depression struck, Pakesley Lumber Co. decided to continue to operate and ride out the market slump. With more than 40,000,000 feet (12,000,000 m) of seasoned lumber stockpiled at Pakesley, the mill was forced to shut down in 1933. The stock was sold off at less than wholesale prices. The mill was dismantled and sold and the rails of the Key Valley Railway were lifted in 1935.

## External links

- Ontario Abandoned Places - Lost Channel (<http://www.ontarioabandonedplaces.com>)

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Categories: Communities in Parry Sound District | Ghost towns in Ontario

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