

## 21 The Northern Railway of Canada Group of Companies

### Preamble

A portage railway had been coffee house talk when Toronto was still York (before 1834). The early trails to Lake Simcoe and Georgian Bay had defined logical lines of communication; and the availability of wheat and firewood were domestic necessities. Early pioneer railways were predominantly built with one of two objectives: either to shorten a circuitous water route by overland transportation; or for a burgeoning and ambitious community to bring resources to its port for consumption or for the spin-off profits of reciprocal onward transportation. As it happened, Toronto's railway vision satisfied both of these criteria.

### A False Start

The precursor effort was the incorporation of the Toronto & Lake Huron Railroad on April 20, 1836. The railway was to run from Toronto "to some portion of the navigable waters of Lake Huron within the Home District [originally the counties of York and Simcoe]". However, the political and economic climates in Upper and Lower Canada caused this project to be shelved.

### Turning Point Legislation

In 1849 the Province of Canada passed the Railway Guarantee Act with the stimulus of loan interest guarantee on the construction of railways not less than 75 miles in length. This was "the green light" for Toronto's ambition.

### The Ontario, Simcoe & Huron Union Railroad

With initial support from the Toronto establishment, the prime mover of the first steam railway in Upper Canada was the imaginative and energetic Frederick Chase Capreol. The OS&HU was first incorporated in 1849 as the Toronto, Simcoe & Lake Huron Union Railroad, but the bill contained some unusual features, the most controversial being an innovative scheme for fundraising by means of a stock lottery, which was not received well by "Toronto the Good" and it was dropped from the bill, the railway being re-named the next year as the Ontario, Simcoe & Huron Union Railroad.

The construction contract was awarded to M.C. Story & Company (an American firm), and the first sod was turned by Lady Elgin, the wife of the Governor-General, on October 15, 1851. The road's first chief engineer was H.C. Seymour, whom Capreol had recruited from New York State. Immediately before the sod-turning, Capreol had been summarily dismissed from his post of office or general manager of the railway for reasons never officially divulged, but believed to have been a personality clash between the "Family Compact" Board of Directors and Capreol who was a colourful Reformer. Chief Engineer Seymour subsequently resigned, at which time Toronto architect Frederic Cumberland was called upon to take his place. Cumberland immediately made a number of changes to the survey to straighten the route. The road opened to Machell's Corners (now Aurora) on May 16, 1853, and Allandale by late 1853. At that time the location of the northern terminus had not yet been decided upon, but was subsequently confirmed in early 1853 by a survey expedition to a place to be subsequently named Collingwood.

The Allandale-Collingwood portion of the line was then completed and ready for traffic in June 1855. (A branch to Belle Ewart, significant for the capture of the steamer traffic on Lake Simcoe, had been built in 1854.) With the road now "up and running", Cumberland returned to his successful and busy architect practice and Sandford Fleming became Chief Engineer in 1855. In 1856, Alfred Brunel resigned as Superintendent and William Hockett, the master mechanic who had arrived with the road's first engine from Portland, Me., the *Lady Elgin*, moved on to a career in vaudeville.

The OS&HU was at that point fortunate to acquire three key men from the upstate New York Rome & Watertown Railway: Lewis Grant as Superintendent, James Tillinghast as master mechanic and L.S. Williams as chief locomotive engineer. The three most defining financial issues were unprofitable freight contracts (volume before profit), express trains that did not pay and a fleet of steamships that could not turn a profit on the traffic they brought to the road at Collingwood. By 1858, the OS&HU was in serious trouble.

### The Northern Railway of Canada

After return to his architect practice, Cumberland continued to keep in touch with the railway's affairs, and in 1859 he returned to the railway, effectively embarking on a new career. The OS&HU had been formally reconstituted as the Northern Railway of Canada in 1858. Cumberland's immediate focus was to transform the Northern into a viable economic proposition. He developed a policy that freight would only be carried at a profit, substituted stopping "accommodation" trains for the unprofitable expresses and disposed of the money-losing steamship fleet. While the timber traffic continued to be lucrative and became the source for capital improvements, remarkably perhaps the new emphasis on local convenient passenger trains was the bread-and-butter that met the payroll during the 1860s. For the Northern, the 1860s

were a decade of consolidation, but two pressures began to manifest themselves:

The first was growing public resentment. In Toronto this manifested itself over the Northern's firewood monopoly, a commodity crucial to Toronto's economy in all aspects. Further afield, it was "take it or leave it" freight rates and the inconvenient distances from the communities in the railway's catchment area.

Inevitably, this produced competition. The Toronto distillery of Gooderham & Worts proved to have some key influence in railway politics in the day. They had hired a wheat buyer by the name of George Laidlaw who was an ardent and eloquent advocate of the economies of 3' 6" narrow gauge railways. The distillery not only needed firewood, but grain to feed its stills. Laidlaw was an entrepreneur at heart and persuaded his employer to underwrite two such narrow gauge lines, one northeast to Lake Nipissing, and the other northwest to Owen Sound. Relief was at hand for the northwest with the incorporation of the Toronto, Grey & Bruce Railway in 1868 and its completion to Owen Sound in 1873. The Northern had started to lose its stranglehold of being "the only game in town".

An additional circumstance that contributed adversely to the Northern's image in the 1860s was certainly the celebrated fight over "the Barrie Switch", a local campaign for the construction of a spur from Allandale to downtown Barrie. The issue was finally settled in 1865, but the ill-feeling continued to rankle.

All in all, however, Cumberland had restored financial respectability and operational viability to the Northern, but the 1870s proved to be even more challenging and turbulent. The advent of the Toronto, Grey & Bruce Railway proved to be only the foretaste of what was to come. There were four factors that were to change and influence the policies of the Northern for the next two decades:

1. The conversion of wilderness into settlements that clamoured for their share of prosperity.
2. The exhaustion of the initially easily-reached timber stands, the railway's prime source of revenue, resulting in obligatory extension further to the north.
3. The emerging prospect of the transcontinental railway that transformed local competition into a much larger vista of potential prosperity.
4. In southern Ontario, the emerging dominance and influence of, and intertwining dependence on, the behemoth Grand Trunk Railway. By virtue of its acquisition of every pioneer railway that did not fall to the eventual entry of the Canadian Pacific Railway into southern Ontario in the mid-1880s, it reinstated a transportation monopoly throughout much of southern Ontario by the end of the 1880s.

### **The North Grey Railway**

The Northern's eventual response to Grey County's clamour for railway service was the sponsorship in 1871 of the North Grey Railway which was incorporated to build from Collingwood to Owen Sound. The 22 miles from Collingwood to Meaford were speedily completed in 1872, but Laidlaw's Toronto, Grey & Bruce Railway had arrived in Owen Sound in 1873, effectively satisfying Grey County's need for railway service. The section from Meaford to Owen Sound never was completed.

### **The Toronto, Simcoe & Muskoka Jct. Railway**

In the meantime, by 1869, some prominent Toronto families but also some Simcoe County business and civic interests were agitating for an extension of the Northern Railway from the end of its line at Barrie to Orillia, which resulted in sponsorship by the Northern and incorporation in late 1869 of the Toronto, Simcoe & Muskoka Junction Railway to build from Barrie to Orillia and beyond to a terminal on Lake Muskoka. The line to Orillia was completed in 1872, crossed the Narrows between Lakes Simcoe and Couchiching at Atherley, reached Washago in 1873, Severn in 1874, Gravenhurst in late 1875 and was at Muskoka Wharf in 1876 to open up the Muskokas to a new era of holiday resorts for the well-to-do.

### **The North Simcoe Railway and the Flos Tramway**

The North Simcoe Railway had been incorporated in 1874 by Toronto business interests "from a point on the Northern Railway" (Colwell) to Penetanguishene, was leased to the Northern and built and opened in 1878, just before the Northern & North Western merger (see below). Its principal target was the rich timber stands in Flos Township, resulting in the incorporation and opening of the **Flos Tramway** in 1880. This spur ran from Elmvalle to Hillsdale, south of Orr Lake, and was acquired by the Northern & North Western Railways (see below) in 1882. Lumbering operations are believed to have ceased in the 1890s, but the track was not lifted until 1917, a portion of it as late as 1927.

### **The Northern & North Western Railways**

All this activity had not escaped the business community of Hamilton, which in 1872 had chartered the Hamilton & North Western Railway to build through Simcoe County to connect with the forthcoming transcontinental railway. The challenge from the Hamilton & North Western proved to be the major event of the

1870s for the Northern. What began as competition for traffic in Simcoe County crystalized in and then focused on a connection to the forthcoming transcontinental railway.

The Northern already had a springboard to the North with its Toronto, Simcoe & Muskoka Junction Railway, but the initial issue was the prospective competition for business in Simcoe County. The Northern viewed this prospective inroad into its preserve with great concern, and endeavoured to stave it off with its counterproposal of the South Simcoe Junction Railway, a line projected to branch off at King City in York County, and to serve the western portion of Simcoe County by way of Beeton, Alliston, Angus and Penetanguishene. Meanwhile a Simcoe County delegation was putting pressure on the Hamilton & North Western to build a branch from Beeton to Collingwood to serve the western part of Simcoe County. This was a competitive response to a longstanding grievance against the Northern, whereby the westerly part of Simcoe County had for two decades had a long trek to the railway for mail and transportation. The outcome was that Simcoe County, chronically fed up with the Northern monopoly and still smarting from such injuries as the Barrie Switch, voted its bonuses to the Hamilton railway. The South Simcoe Junction Railway was never built, although its proposed northern portion more or less planned the same route to Penetanguishene as the one followed by the subsequent North Simcoe Railway (see above).

Behind the skirmishes for Simcoe County's business, the reality of the transcontinental railway hovered in the wings. It was after all the founding purpose of the Hamilton & North Western Railway and an object that the Northern could not afford not to be part of, now that a move was being made to have a connection from southern Ontario become a reality.

In taking stock of themselves, the two railways were both strapped for capital with the adverse financial climate of the 1870s; and revenue to make the railways pay was an ongoing struggle. In summary, for the Hamilton & North Western, getting into Simcoe County had been "touch-and-go", and maintaining a respectable financial profile had continued to be a challenge for the Northern. Moreover, it was clear that two competing railways slogging through the rugged and forbidding terrain of the Canadian Shield could not be justified and would likely not get the necessary Dominion or provincial support.

For the Northern, there were two additional issues:

1. Its visionary driving force and manager Frederic Cumberland was in declining health by the late 1870s - the travails of the Northern had taken their toll.
2. The Northern was still on the "Provincial" Gauge, whereas the latter-day Hamilton & North Western had been built to the Standard Gauge. The Grand Trunk had started to convert to the Standard Gauge by 1872, and the Midland Railway had followed by 1874, so it was only a matter of time for the Northern to be compelled to follow suit. The Northern knew that this impending necessity had been the downfall of the Buffalo & Lake Huron Railway, and was "the elephant in the room" for the substantial Great Western, let alone for the lesser Laidlaw narrow gauge lines.

So the Hamilton & Northwestern reached Barrie in late 1877, and struggled to build its branch through Alliston, Lisle, Creemore and Duntroon to reach Collingwood in mid-1879 (not counting the construction train that squeaked in at the end of 1878 to satisfy the bonus requirement). For a few short months, Simcoe basked in its second railway, and then for Simcoe County, the bad news broke.

The Northern and the Hamilton & North Western had merged under a joint management agreement to form the Northern & North Western Railways. As discussed above, the main reason for this merger was financial necessity arising from the ambition of both railways to make a connection at North Bay with the proposed transcontinental railway.

Predictably, a storm of civic anger erupted in Simcoe County, but the inevitable had arrived and was not about to be undone. The anger was palpable in Collingwood, somewhat more restrained in Barrie / Allandale, and the rest of the county settled down into acceptance of reality. After all, the Northern still ran as it always had, Tottenham, Beeton and Cookstown now had a railway, and Alliston over to Duntroon had just managed to squeak in with a line that the Hamilton & North Western had not really wanted to build in the first place, but had been obliged to in order to gain the necessary financial support in Simcoe County. Arguably if the merger had happened two years later, the Beeton branch might never have been built at all, engineering nightmare that it was over the Blue Mountain ridge.

### **The Northern & Pacific Jct. Railway**

As for the merger, the two railways' corporate cultures were never the same anymore. The Northern, its Board always somewhat aligned with the philosophies of the Grand Trunk Railway, found itself embroiled and wrestling with Hamilton politics, the impending change of gauge and all of the implications of that with respect to financing, equipment and rollingstock. And the one man who had been the driving force and had held the various interests and factions together was on the point of expiry.

At the Hamilton & North Western's Board, four directors were "sympatico" with the Grand Trunk, and the other four leaned towards the Canadian Pacific Railway - an interesting mix for the projected combined thrust to reach the CPR. And closer to home, there was the immediate issue of abandonments at Collingwood and at Allandale/Barrie as the duplicate installations were promptly rationalized in the resulting strained local civic atmospheres, and of course it was the Hamilton & North Western facilities that were about to be sacrificed. The merger was intended to be an arrangement between equals subject to the proportionate contributions of revenue, but the Northern was inclined to behave as if it had taken over the Hamilton & North Western, and mutual suspicions and resentments were rife.

It was with this backdrop that the immediate issues of operating the Northern & North Western were set aside in favour of the focus on reaching the North to connect with the prospective transcontinental railway. The joint Board, now bereft of Cumberland, did not heed his policy of meeting slumps in revenue with new economies. The first stab at the object of reaching the North was the incorporation in 1881 of the Northern, North Western and Sault Ste. Marie Railway to build from Gravenhurst to Callander. Its supporters were many well-known names from the two progenitor railways, but also of a number of politicians, a mixture that had not sat well in the memory of the Northern. Nevertheless, in 1882 the project was held to be "for the general advantage of Canada" and received a Dominion mile subsidy. In 1883 the name was changed to the Northern Pacific Junction Railway, and a contract for the 111 miles was let to Hamilton's Hendrie construction firm. Surveys were completed and the line reached Callander (just south of North Bay) in early 1886. Its financing created a political scandal in the House of Commons with the additional need for public subsidy, and Cumberland's Northern Empire was now rife for take-over.

### **The Grand Trunk Railway takes all**

In the meantime the Grand Trunk Railway had been quietly buying up the shares of both progenitor companies, and had also been skilfully nurturing their mutual distrust. By late 1887, the Grand Trunk was in control, and by Deed of Union of January 24, 1888, took over the 497 miles of the Northern & North Western Railways. The Grand Trunk now had its access to the CPR from southern Ontario, thus forestalling the CPR's own southern Ontario connection to the transcontinental for another two decades.

Even before World War I and the advent of the automobile, amalgamation, and hence rationalization of the spiderweb-like railway network was inevitable. This had already begun in 19th century southern Ontario, when the Grand Trunk took over a major Ontario rival, the Great Western Railway, in 1882. As it happened, for Simcoe County, this process was already under way in 1879 with the Northern & North Western Railways merger, followed by the Grand Trunk's acquisition of the N&NW in 1888, and its outright acquisition of the Midland Railway of Canada in 1893.

The Grand Trunk Railway in turn, caught in its expansionary Grand Trunk Pacific Railway and the downturn in immigration with the advent of World War I, finally became bankrupt, and on January 31, 1923, was absorbed into the Canadian National Railways System.

### **Major Sources and some recommendations for further reading:**

- Andrae, Christopher: *Lines of Country: An atlas of railway and waterway history in Canada*, The Boston Mills Press, Erin, Ont. 1997 (Then an Affiliate of the Stoddart Publishing Co.)
- Brown, Robert B.: *Ontario, Simcoe & Huron Railway*, Railway & Locomotive Historical Society Bulletin No. 85, USA 1952
- Cooper, Charles: *Hamilton's Other Railway*, The Bytown Railway Society, Ottawa, Ont. 2001
- Currie, A.W.: *The Grand Trunk Railway of Canada*, University of Toronto Press, Toronto, Ont. 1957
- Dictionary of Canadian Biography Online: <http://www.biographi.ca>
- Dorman, Robert: *A Statutory History of the Steam and Electric Railways of Canada 1836-1937*, Canada Department of Transport, Ottawa, Ont. 1938
- Gilhuly, Brian: *The True Story of the Provincial Gauge*, Branchline (May/June 2017), Bytown Railway Society, Ottawa, Ont.
- Green, Lorne: *Chief Engineer*, Dundurn Press, Toronto, Ont. 1993
- Hopper, A.R. and Kearney, T.: *Synoptical History of Organization, Capital stock, Funded Debt and other General Information* CNR Accounting Department, Montreal, Que., 1962
- Hunter, Andrew F.: *A History of Simcoe County*, The Historical Committee of Simcoe County, Barrie, Ont. 1948
- Lavallée, Omer S.A.: *The Rise and Fall of the Provincial Gauge*, Canadian Rail (February 1963), CRHA, St. Constant, Que.
- Leitch, Adelaide: *The Visible Past*, The County of Simcoe, Minesing, Ont. 1992
- Mika, Nick and Helma: *Railways of Canada, A Pictorial History* McGraw-Hill Ryerson Ltd., Toronto-Montreal, 1978.
- Riff, Carl H.: *The Northern Railway of Canada Diary*. Unpublished. Hamilton, Ont. 2013
- Russell, Victor L.: *Mayors of Toronto Vol I 1834 - 1899*, Boston Mills Press, Erin, Ont. 1982
- Smith, Jeffrey P.: CNR Ontario Research <http://cnr-in-ontario.com>
- Stevens, G.R.: *Canadian National Railways, Volume I*, Clarke Irwin, Toronto, Ont., 1960
- Trout, J.M. and Edw.: *The Railways of Canada*, Toronto Ont., 1871 (reprinted 1970, 1974)
- Walker, Dr. Frank N.: *Four Whistles to Wood-Up*, Upper Canada Railway Society, Toronto, Ont. 1953
- White, James: *Altitudes in Canada: Commission of Conservation*, Canada. Second Edition, Ottawa, Ont., 1915.
- Worthen, S.S.: *Referred to the Committee*: Canadian Rail (May 1976), CRHA, St. Constant, Que.