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THE
PROBLEM OF CANADA

—BY—

MALCOLM McLEOD,

AUTHOR OF "PEACE RIVER," "BRITANNICUS" ON PACIFIC RAILWAY,
ETC., ETC.

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PRINTING AND PUBLISHING COMPANY, CORNER SPARKS AND METCALFE STREETS.
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ERRATA.

- Page 24. line 29 -for "4,000" read 1,000.
" 30. " 25--for "Also as the" read *Also as to the*.
" 31, " 29--for "given" read *giving*.
" 44. " 3--for "800" read 80.
" 44, " 43--for "4,450,000" read 450,000.
" 72, " 24--for "possible" read *possibly*.
For "*Hudson Bay*" read *Hudson's Bay*, wherever it occurs.
For "*Britannicus*," in front page, read *Britannicus*.

PREFACE.

I have been moved to write these few hurried pages, under a sense that in the present juncture—I might almost say *crisis*—of the relations of Canada to Britain, something should be done in this direction, viz :

First.—To remove that “cloud” of title to the utmost public confidence which still, it must be said, rests in some measure over the matter of the Canadian Pacific Railway, as taken up *ab initio* and since administered by the Government of Canada.

Second.—To urge the duty and necessity (necessity for continuance of *nexus*) of the Imperial Government to contribute to the work in question in the measure of *Imperial* interest *per se*.

Third.—To restrict, so far as may be possible, the disposal of public lands to purely national purposes, *viz*, actual settlement, national defence, economic development in due subservience to the laws of natural growth (gradual) and progress.

Fourth.—To relieve Canada of the necessity—super-imposed by Imperial default *ad hoc*—of violating or straining the above principle of sound national polity.

Since this pamphlet has been put in press, and half or more was actually printed, the Government of Canada—I learn through the press—has determined on a “Royal Commission” as to the Pacific Railway. For what specific purpose does not yet appear, but I assume that it is to ventilate the subject in its past and in its present state, as now somewhat complicated by the blunders of predecessors, and, perhaps, by agencies, sinister or prejudicial, in some way, hindering the proper working of the scheme.

It is to be remarked that the subject of such a commission was not—so far as I am aware—mooted in Parliament last session, and it is more than probable that something has since occurred or developed itself with relation to the subject in question, which calls for the exercise of such prerogative. Be that as it may, I take it as an earnest of the fidelity and zeal of the present Government in the work.

The “Problem,” as put, speaks for itself. I call it a “problem,” for—to my mind at least, and I have no reason to consider I am singular in this—the facts and *proposita* involved make it so : Its solution, one way or other, is the question of the hour.

It is not new, but has long, in different forms, engaged the attention of Britain.

The work of consolidation of Empire has ever been, in the main, one of some anxiety on the part of the Home Government.

Of late, disturbing elements, internal and external, have supervened, and hence the "problem," on the board, before us.

The solution, now and for ever, rests with the Imperial Government.

The question is not one of mere experimental "dritt."

It is vital, as one of national existence.

Ignorance cannot void the fact.

I speak as one of millions concerned.

M. McLEOD.

Aylmer, P.Q., June, 1880.



THE

PROBLEM OF CANADA.

“BRITISH RAILWAY FROM ATLANTIC TO PACIFIC.”

“A momentous subject is now brought to the notice of the people of Great Britain—it ought not to be neglected, until, perhaps a voice from her Colonial children may go forth proclaiming ‘*It is too late*’—for then, the opportunity of uniting, in firm and friendly bonds of union, ‘this wondrous Empire on which the solar orb never sets,’ will have passed away for ever. *It is the great link required to unite in one powerful chain the whole English race*”
—Pamphlet by Major Robert Carmichael Smyth, R. E., 1849.

The caption is suggested by the peculiar facts of the case. The “To be, or not to be” of Canada:—

1. In relation to itself, in its solidarity as a Confederation.
2. In its relation to the Empire at large.
3. In its international aspects.

I purpose to deal with the question principally on the second and third grounds, as having been least touched on in public discussion, and as requiring, it seems to me, fuller exposition than has yet been attempted, so far as I know. I don't pretend to be “equal to the great argument,” but, possibly, what I say may be better said, and more potentially advanced by others in a position to command the public ear and evoke effective executive function.

As a British subject, I take the standpoint of central citizenship, and (*civis Romanus*) speak as it were from the heart of London itself. Thus, I take as “text,” the above citations from Major Smyth, and which may, for the nonce, be implied in the term—

THE CANADIAN PACIFIC RAILWAY.

This subject has now passed from the limits of speculation to that of oltrusive fact, and it is now before us—the British people concerned—in a form to call for earnest dealing on the part of the Imperial authorities, in the light of Empire interest.

We have long had our 'Eastern Difficulty,' and, it would seem, we may, possibly, have a *Western* one before long, if we do not at once see to it, and, in advance, prepare for the worst.

The Canadian Dominion Parliament has just closed a laborious session (of three months' standing) in which, it may be said, the principal subject has been this matter of Pacific Railway—making provision for its prosecution with utmost energy without unduly straining revenue. The debates on the theme have been markedly earnest and able—and the *pros* and *cons* of the question—though, properly speaking, the subject in its advanced stage, and as a work to which *both* parties are committed, is beyond the domain of external fact—have been discussed with an ability which does honor to the "assembled wisdom" of the colony. By a decisive vote of 131 to 49, and on another cast on the same subject, viz., particularly on the formulated policy of the Government as to the appropriation of wild lands (Crown domain) to the work, by a cast of 120 to 40, the House, and, by the House, the people of Canada, have emphatically declared themselves as committed to the great work, as one of urgent and immediate necessity. I say *both* parties are committed to it. I do so on the record of the *late* Government as well as of the present one.

The anomaly of a cast of 40 or 49 in a House of 206 members, *against it now*, requires some explanation. It lies in the fact:—

That in Canada, and in the Canadian Parliament, there are, and there has ever been, more or less, on the part of a few, a leaven of discontent with imperial rule, and a disposition to try, *per fas aut nefas*, a change of flag. Fortunately, that "bad ambition" has ever been kept within due bounds by the dominating sentiment of loyalty which evidently pervades the bulk of the Canadian people. However, in the House particularly, such spirits—"Alps" from true allegiance gone—are in the habit of raising the cry of "party" when occasion offers, and then, from sheer cohesive force of party—deaf to reason, blind to exigent fact, and reckless of consequences, weal or woe to their country—they vote as *one*—as a pack.

"Lost to shame, they vilely barter
Honor's name for party's place,
Step by step o'er Freedom's charter,
Leaving footprints of disgrace."

Truly, the politics of Canadians are hard to understand. Their constitution as a mixed people, with intimate connections with the

neighboring great Republic, and their status of *quasi* independence, and other elements and factors in their social and political life, render them of special interest to us—I may say, in view of their importance to the Empire, render them, in fact, an object of jealous regard. *Canada lost to us, would be as a corner stone gone in the mighty fabric: the key stone dropt from out our arch of Empire, which spans the two great oceans, yea, surrounds the globe itself.*

THE WORK--ITS CHARACTER AND BEARING.

The first consideration which suggests itself in taking up the subject, is the question--

HOW DOES IT CONCERN THE EMPIRE AT LARGE?

This, however, involves so largely the examination of the details of the scheme, as well as its character and scope, that we shall first, to sound its *raison d'être*, inquire as to, How it was inspired, How started, How urged, and What its financial and general prospects are, and shall close with a general review of its scope and bearing on national and international interests.

HOW INSPIRED.

In this connection, certain individuals claim special notice, such as the late Major Robert Carmichael Smyth, of the Royal Engineers, who, after some service in Canada, wrote an able pamphlet on the subject in 1819. Lord Milton and Dr. Chaddle, the daring (but accidental) pioneers of the true "North-West passage," viz., that now adopted for railway *via* the Yellow Head Pass and the North Thomson--the late Mr. Waddington, an enterprising English settler in British Columbia, who, full of the idea, tried, at the cost of his fortune and his life, to survey a railway route from Bute Inlet (Waddington Harbor) to the gold region, Cariboo, and thence eastward. Malcolm McLeod, of Aylmer, Quebec, (the writer), a Canadian barrister, son of the late chief trader, John McLeod, sr., formerly a partner of the Hudson Bay Company, born in, and familiar, by exceptionally extended travel and intimate communication in Hudson Bay Company's service over the whole country, writer, under *nom de plume* "Britannicus," in the Canadian press, in papers and pamphlets, for many years past, on the subject of Pacific Railway

and North-West development; author, also, of book "Peace River;" and, most prominently of all, Samford Fleming, C.M.G., &c., the Engineer-in-Chief of the work, who alone has shown, and who, probably, alone has, from his special knowledge of the country, and special experience in such-like large and difficult railway construction, the special ability to grapple the scheme in all its immense detail.

Mr. Fleming had special difficulties to contend with at the very outset. Most of the country to be traversed was an utter wild, known only to the fur trader, and by him, in self-interest, ever kept secret—a "preserve." And, worse still, what there was of Imperial report, as to the question of feasibility of a railway across the Rocky Mountains, was adverse—the Hudson Bay Company, by their local guides, having evidently misled the Palliser Expedition on this point; at least, that is my belief.

This Chief Engineer had, as it were, to grope his way through regions of most rugged northern wild, scarcely passable in some parts, even to the fur trade. He, however, seems to have gathered enough to inspire faith in the scheme—its practicability, and its inherent merits for development of the country.

In his reports, full and exhaustive from 1872 to 1880, inclusive—six volumes, with elaborate maps and plans—we have a record of matter which ought to inspire every confidence. Moreover, Mr. Fleming's singular success as Engineer-in-Chief in the construction of the Intercolonial Railway, through about 700 miles of rock-bound, rugged country, second in difficulty to railway construction, probably, only to the Ghats of India, in our Empire; and besides that, his special knowledge and study for years before of the Canadian North-West Territories, as shown by his *brochure* of 1863, in the form of a memorial to the British Government, advocating a system of territorial roads for the development of that vast and plentiful home for our starving millions, had won for him the confidence of the Government and the people for such enterprise. He has since proved himself equal to the occasion.

I have, carefully, (but without any pretension to critical professional skill), examined his work as presented to us in blue book; and I must say he has been most faithful to his task—and that, too, in spite of obstacles of a political nature, utterly beyond his control, and in which, perhaps, both political parties, but especially the late Government, have made the work too much the plaything of "party." But, evidently, there was this great difference between the two parties in dealing with it, viz., That the Conservative party, in taking it up in 1872, was perfectly sincere in the undertaking; while, on the other hand, the other party—Grit, Liberal, Radical, or Reform, or whatever its proper name might be—for the names adopted by it are somewhat puzzlingly varied—

swept the polls under influences (covert at the time, but evident since) bent on the destruction of the scheme. However, the thing, as a means of expediture, and as a means of political patronage, was *too good to kill*, and it (the scheme) was utilized; utilized for the "party!" depleting the treasury, but showing at the end of their term of office little or nothing of practical good or value for the money expended. But, to return to the immaculate subject under consideration, viz., As to how the enterprise was suggested or inspired.

Probably it was the sight of the American trans continental railway as a *fait accompli*, running, and evidently with every prospect of success, within no great distance of our southern boundary, threatening by its mere force of attrition to draw in that the early commerce, and, ultimately, the very political existence of our great North-West and British Columbia, that started, in the new Confederation, the idea of doing something to counteract such influence and to avert such dismemberment. Be that as it may, we now take up the next head.

THE INITIATION OF THE SCHEME.

That, we take it, is to be found in the creation itself of the scheme of Confederation of the British North American Colonies. For Confederation, as a physical necessity—as a bond, and bond of union—a silver cord of national life—some such work was necessary, and though the organic Act (Imperial) is silent as to such, it, in its large scope and purview, seems, it may be said to embrace such "incident." The preamble of the Act shows this in the terms,

"And whereas it is expedient that provision be made for the eventual admission into the Union of other parts of British North America."

Among those "other parts," after the absorption of the North West Territories and Rupert's Land, came British Columbia, the New Britain of the Pacific.

Isolated from all other parts of the British Empire by many thousands of miles of ocean, and separated from the nearest British settlement by a sea of mountains and an ocean of prairie, and utterly wild north land, she sought entry into the Confederation on terms dictated by the stern necessities of her case, viz., her position relatively to that commerce with the world which to her, as to every colony, is life.

Therefore, it was that as a *sine quâ non*, this youngest daughter of the far Mother Isle insisted on a railway, and thus, in the "Terms of Union" is the stipulation formulated:—

Clause 11. "The Government of the Dominion undertake to secure the commencement simultaneously, within two years from the date of Union, of

the construction of a railway from the Pacific towards the Rocky Mountains, and from such point as may be selected east of the Rocky Mountains, towards the Pacific, to connect the seaboard of British Columbia with the railway system of Canada; and further to secure the completion of such railway within ten years from the date of the Union."

These terms of Union, Parliament, shortly afterwards,—soon as possible—formally accepted, and thereon passed the necessary legislation to carry them out. I shall hereafter, under its appropriate head, show what that was.

At this particular time there does not appear to have been anything in agitation in Canada or the Home Isle to suggest the initiation of a Pacific Railway across British America, though possibly, as before hinted, the acquisition of the North-West Territories about two years before, and the completion of a northern trans-continental railway by the United States a few months before, may have, in a sense, "furnished food for the thought." A series of letters in the leading Canadian press, under the *nom de plume* "Britannicus," from the present writer, from accidental causes, familiar with the whole country to be traversed, appeared in 1869, defining in descriptive detail of physical features, a feasible route from ocean to ocean, with estimates of section distances, heights, &c., throughout, which, by subsequent survey, were proved to be wonderfully correct, but certainly such matter was, of itself, no ground for Governmental action *quoad hoc*, and we have—I repeat—to look, I think, rather to the fear and jealousy of American effort in this direction as the principal moving cause of Canadian action.

Other considerations may have weighed in the initiation of the scheme, but it is scarcely for the writer to touch on them, and he desires to deal, in this argument, only with public and formulated fact.

But this much I may venture to advance, *viz.*, the conclusions which I think may fairly be drawn from the facts *ad hoc* elicited on the Royal Commission in the matter, so called, of the Pacific Scandal.

That Commission, broad as possible in its scope, and thorough as possible in its scrutiny, was a crucial test, not only of the acts—the "wrong-doing," (so called) "crimes," as the virulence of the moment called them—but of the motives of the accused in the matter.

The result, as a historical fact—endorsed by the mass of the electorate after five years of bitterest prosecution and trial—was, that it cleared the Government charge, from the slightest suspicion of dereliction of duty to the great public interests involved, and showed that they were animated throughout by a faithful and, it may be said, even heroic spirit in the guardianship of the momentous interests involved, from the imminent dangers of the hour that beset them.

It proved that the statesmen then charged with the government of Canada were fully alive to the attack then made—made not only on the material interests of Canada, but on the tenure of British power itself in North America.

The contiguity of those two great fields of most active industry and enterprise (the United States and Canada), and, to apply a medical term, inoculation (from that accidental fact) of their currents of commercial intercourse, especially in the western and southern border of the older Canada, had commingled railway enterprise in such a manner as to extinguish, to some extent, distinctive national sentiment—"dollarism," swaying the field and the home American life—and when I say American life, I mean Canada as well as the United States—is, if I may invent or apply the term—a vital life—full of personal ambitions—in a field, and under institutions of civil liberty, where he who *will*, and strongly tries, may fairly hope to win not only competence but wealth and civil honors, and where, in a sense, every man feels that he is the architect of his own fortune, and is, therefore, apt to give his allegiance to that form of political life which, to him, seems best calculated to serve his aims.

Hence it was that, when the scheme of a Northern Pacific Railway from Lake Superior to the Pacific, through the Northern States and Territories bordering on Canada, west of Lake Superior, was started, the American promoters of the scheme (Jay Cook & Co.) found among the Canadians some leading men in their own particular line of speculation to favor and assist the scheme, irrespective of its immediate effect or tendencies towards change of flag in Canada.

At the same time, the Grand Trunk Railway Company, with its principal ancillary ramifications extended far into the great wheat-field of the North Western States, took alarm at the prospect of the proposed Canadian Pacific Railway, and thereupon, with a *vim* worthy of a hotter cause, opposed the scheme, and it may be said, blocked it at the very outset in the London Money Market.

In fact, against the project there was a combined railway capital, including all roads drawing from beyond the Mississippi to Atlantic ports, equal to, if not far exceeding, our national debt, most actively opposed to it, and it was its influences, no doubt, that swept the polls in 1873-4 under a cry that the test of time and truth has since emphatically proved to have been false and unwise.

To meet the emergency, and as a step of *supreme necessity*, at the time, the Government, supported by Parliament, resolved to commit the work to some responsible company, and thereupon, in due course, a contract for construction was made, with a body of men possessed of means and trained skill for the work, representing in its directory, in fair proportion, the different Provinces concerned.

I refer to the document known as the Allan contract, so called after the great steamship owner, Sir Hugh Allan, at the head of the company.

That contract, after an ordeal of critical examination by the keenest minds in the contest, but proved to have been one most faithfully drawn in the public interest—so far as the facts to be dealt with were then known to the Government, or could well be ascertained, especially as to the physical character of the country, where wild and unexplored, to be traversed. Necessarily, in granting the ways and means, they had, largely, to act on mere predicate, but events since have shown their caution and correctness of forecast in doing so. In this, they acted evidently for the best, and they had, moreover, the example—one which could not well be ignored—of the Government of the United States in this great matter of trans-continental transport route.

Two foreign railways were then accomplished facts, spanning our deeps, as it were, and a proved success even at the start, viz., the Pacama Railway, and the Central Pacific and Union Pacific Railways (joined), giving rail from all Atlantic ports to the Pacific, and also two other trans-continental railways, viz., the Kansas (South) Pacific and the Northern Pacific Railway were fairly under way, the whole, with subsidiary lines, with aggregate land grant of about 200,000,000 (two hundred millions) of acres, averaging \$5 the acre in value, and large subsidies besides in Government debentures, and other forms of national aid.

Those substantial links of the two oceans threatened—and threaten still—to bind and secure to the empire of the Great Republic, the “empire of the seas.” We desire it not—God forbid it!

Another consideration, more immediate, perhaps, pressed on those who had, at the time, the fate or future of the country in their trust, viz., the *necessity of internal development* apace, *pari passu*, with the giant strides in this direction of the power across the way, and to the maintenance of our own, in the race and struggle westward, whither, it would seem, truly, “empire holds its way.”

I have dwelt on these initiatory considerations more at length than I purpose to do as to the other branches of this subject, because I think they ought to weigh with us, also in the Home Isle, especially in their broader national aspects. The battle of empire is not to be delegated to struggling colonists, however loyal, brave and trusty, but must be fought from the seat and centre of empire itself; and there is much in what I have touched on that “comes home” to us—to our own proper sense of duty—in this regard. On this point I defer further remark to another head in this writing.

The next branch of the subject I would take up is—

HOW IT WAS STARTED.

I have before me all the reports of progress by the Engineer-in-Chief, Mr. Sanford Fleming. I have perused, and even studied, them with much interest, as they appeared, for their "story" in the development of the hitherto hidden facts of large and beneficial interest, not only to the Canadian, but to the world at large, and more especially to over-crowded Britain, is one of riveting interest to every lover of nature and of his kind. I flatter myself, from what little knowledge I have of the theory, at least, of railway engineering, that I can follow the writer, and gather enough to see the tenor and scope of his work.

I may add, also, that I have supplemented my study of the subject by reading, *con amore*, and not skippingly, as "blue books" in general are done, and, too often, deserve to be done, the very able and valuable reports—all large and exhaustive—of Professors Selwyn and Macoun, the first on the geological features, and the latter on the botany of the North-West Territories (including the Peace River region) and British Columbia, and, also, of Professor Bell, of the Geological Staff of Canada, as to Rupert's Land—the Hudson Bay regions—and the very able reports of Dr. G. M. Dawson, on the same staff, as to the geology and mineralogy of British Columbia and the Saskatchewan water-shed from the Rocky Mountains to Red River, Manitoba, and part of the Peace River region, and, also, in Mr. Fleming's report of 1880, the very interesting report ("Memorandum," he calls it) of the Rev. D. M. Gordon, of Ottawa, of the physical features and remarkable fertility of the Peace River region, which, with a survey party, he passed through last summer—and of which, a summary appears in "Good Words" of February. Also, some of the rather multitudinous literature as to those *terra incognita* which, of late years, from Milton and Cheshire to E. Hepple Hall, has appeared on the subject. The last-named gives, I perceive, in his really valuable work, my "economic areas" of the North-West Territories, as given by me first, in "Lovell's Gazetteer of British North America," and subsequently in my evidence, reported in "blue book," before the Committee on Immigration and Colonization, in 1876, all subsequently confirmed by official reports, survey and exploration.

COMMENCEMENT OF WORK.

The first report we had from Mr. Fleming was his Progress Report of 1872, in which he tells us that on the very day (20th July, 1871) on which the terms of Union with British Columbia were agreed on, several strongly-equipped surveying parties started

from Victoria (Vancouver Island) for the "Mountains." At the very outset, no less than 22 surveying parties, specially equipped, and with a large supplementary transport corps for the fifteen hundred miles of utterly unknown wild embraced in the 2,500 miles between Lake Nipissing and the Pacific to be surveyed, were started. Mr. Fleming's report (Progress) of 1872, gives an account of the extraordinary energy and success (in face of the difficulties) of the work.

Within nine months, enough was gathered to give assurance of a practical and comparatively easy route throughout.

Thereupon, on 2nd April, 1872, the Government adopted the Yellow Head Pass—a low and easy pass, long used by the fur trade—as the gateway to the Pacific.

On the meeting of the Legislature, Parliament passed (on 14th June, 1872) their Act projecting the scheme.

It, in preamble, gives the keynote of the enterprise. It runs thus, after reciting clause 11 (eleven) of the terms of Union with British Columbia, and the agreement on the part of the Government of British Columbia for land grant to the work.

"And, whereas the House of Commons of Canada resolved during the said now last Session, that the said railway should be constructed and worked by private enterprise and not by the Dominion Government; and that the public aid to be given to secure the undertaking should consist of such liberal grants of land, and such subsidy in money or other aid, not increasing the present rate of taxation, as the Parliament of Canada should thereafter determine; and it is expedient to make provision for carrying out the said agreement and resolution; therefore," etc.

At the same time, two Pacific Railway Companies, each representing capital enough to inspire confidence, were incorporated.

The struggle between the two companies to get the contract is in the domain of internal fact rather, and I need say nothing about it.

One incident in connection with it is, however, noteworthy, viz., that the disappointment of the company which failed to secure the "prize" seems to have added to the elements of opposition—an opposition based not on an adverse opinion as to the scheme, but rather because it was too good to see it in other hands.

The contract for the work was given, as I have said, to a private company. And here the question arises, Why so? Why hand over to *individual* enterprise, as it were, a work of such magnitude?

To this question I have never seen any authoritative answer or explanation from the Government. My own idea is, that from the state of the case—condition of facts to be dealt with—wilds unknown and difficult to be traversed—uncertainty as to financial result, and the absence of *data*—positive *data*—and factors, such as a Government requires in that "fierce light," which ever

surrounds the foot of the Throne, as well as the Throne itself—the Government of the day, in the exercise of a traditional caution, thought it best to limit their responsibility in the form of a “bonus,” for a work obviously in the public interest—leaving to individual daring the “cast of the die.”

In this, they had, at least, the example of the United States Government, whose policy was to encourage Pacific Railways by liberal aid in land and money to individual promoters. Nearly two hundred millions of acres of the public domain and government debentures, and other forms of money aid to large amounts, was what that Government had just given for such works, and the policy of the Government was literally to helt with steel this continent with its two oceans.

In the face of such fact—such menaces, *something* had to be done, and done at once, to counteract the centrifetal force of such expansive energy—for undeniable it is, that in the virgin field of North America, where, in the main, the *Flag has but followed trade*, the “dollar” rules, and political sentiment is *but* sentiment, and that, weak and fast becoming fainter. This phase of the case is not a pleasant one for us to contemplate, and I refer to it now because it comes before us in this connection as a stern reality. But to proceed with our narration of facts

The Government, to meet the emergency, gave, with the contract, a land grant of 50,000,000 (fifty million) acres and \$30,000,000, payable in terms prescribed in the charter.

Shortly afterwards, in general election, they carried the country with them on the scheme, in spite of the formidable special opposition of rival and disappointed parties.

With a fair majority they met Parliament. The contractors—Sir Hugh Allan & Co.—in the meantime had tried the London market, but from the counteracting influences of the Grand Trunk Company and American railway bond-holders there, were unable to raise the necessary funds for work.

In the meantime, also, a sort of conspiracy had been got up, with ramifications of a somewhat extraordinary nature, the result of which was that on a certain midnight vote, the Government of the day were, in a sense, blown to the four winds of heaven by the dynamite of the “Pacific Scandal.” On the ruins, the enemy, with an exultant cry *against* the scheme, marched into the Treasury.

Once in the House, they—the chiefs who had led the move—found, however, that the general sense of the country was in favor of it.

From *necessity*, they adopted it, but in modified form, and to suit their own peculiar views, viz., to expend money and lands ostensibly for a railway, *nomine* railway expenditure, and still have no railway—an “organized hypocrisy,” as the press of the time called them and their work.

At once, under the leadership of Mr. Mackenzie, the new Premier, the so-called "Mackenzie Scheme" was enunciated and formulated in the statute book. Let us glance at it; and, in contrast, also at the first scheme, as laid in the Allan contract. I do so, because, with modifications dictated by the necessity of the case, it is what the present Government have, by way of legacy, on their hands, and, good or bad, we bound to carry out, except on points glaringly prejudicial to the public interest. The Dominion Statute (of 1874) defines it thus:—

"Section 1—A railway to be called the 'Canadian Pacific Railway' shall be made from some point near and south of Lake Nipissing, to some point on British Columbia, on the Pacific Ocean, both the said points to be determined, and the course and line of the said railway to be approved by the Governor in Council."

Section 2—Is rather too long for citation. It divides it into four sections, viz.: the first from Lake Nipissing to the upper or western 'end' of Lake Superior; the second, thence to Red River, Manitoba; the third, thence to some point between Port Edmonton and the foot of the Rocky Mountains, to be determined by Order in Council; the fourth, thence to some point on the Pacific.

Section 3—Provides for two branches, viz.: Pembina and Georgian Bay.

Section 4—Consolidates branches with the main line.

Section 5—Provides for a line of electric telegraph, in advance of construction, along the whole line, *after the location of the line* shall have been determined on.

Section 6—Prescribes gauge (4 ft. 8½ in.), and provides for construction and working under Orders in Council.

Section 7—Ditto, in further detail.

Section 8—Enacts: "The Governor in Council may divide the several sections into sub-sections, and may give the work on contract, subject to the following provisions:—

1. That the works on any section or sub-section of the said railway shall not be given out to any contractor or contractors except after tenders shall have been obtained for the same.

2. That the contract for any portion of the said work shall not be given to any contractors unless such contractors give satisfactory evidence that they possess a capital of at least four thousand dollars per mile of their contract, and of which twenty-five per cent. in money, government or other sufficient securities, approved by the Governor in Council, shall have been deposited to the credit of the Receiver-General," &c.

SUBSIDY (MONEY).

3. That the total sum to be paid to the contractors shall be stipulated in the contract, and shall be ten thousand dollars for each

mile of the section or sub-section contracted for, and that such sum shall be paid to the contractor as the work progresses, by monthly payments, in proportion to the value of the work then actually performed (according to the estimates of the engineers designated for the purpose by the Minister of Public Works), as compared with the value of the whole work contracted for, including rolling stock and all things to be done or furnished by the contractors; and, excepting money arising from the sale of lands, as hereinafter provided, no further sum of money shall be payable to the contractors, as principal, but interest at the rate of four per cent. per annum for twenty-five years from the completion of the work, on a sum (to be stated in the contract) for each mile of the section or sub-section contracted for, shall be payable to the contractors, in like manner and proportion, and on like conditions, as payments are to be made on the principal sum above mentioned; and the tenders of the works shall be required to state the lowest sum per mile on which such interest and guarantees will be required.

LANDS.

4. That a quantity of land, not exceeding twenty thousand acres for each mile of the section or sub-section contracted for, shall be appropriated in alternate sections of twenty square miles each along the line of the said railway, or at a convenient distance therefrom, each section having a frontage of not less than three miles, nor more than six miles, and that two-thirds of the quantity of land so appropriated shall be sold by the Government, at such prices as may be from time to time agreed upon between the Governor in Council and the contractors, and the proceeds thereof accounted for and paid half-yearly to the contractors, free from any charge of administration or management—the remaining third to be conveyed to the contractors. The said lands to be of fair average quality, and not to include any land already granted or occupied under any patent, license of occupation or *pre-emption* right, and when a sufficient quantity cannot be found in the immediate vicinity of the railway, then the same quantity, or as much as may be required to complete such quantity, shall be appropriated at such other places as may be determined by the Governor in Council.

THE MACDONALD-ALLAN CONTRACT

Required that the company should have a capital stock of ten million dollars, rateably distributed, according to population, throughout the Provinces in the Federation, in shares of one hundred dollars, and should, *in limine*, deposit ten per centum into the hands of the Receiver-General (Dominion Treasury), and that they should “within

two years from 20th July, 1871, commence simultaneously the construction of the railway from the Pacific Ocean towards the Rocky Mountains, and from a point in the Province of Ontario to be determined by the Government, towards the Pacific Ocean, to connect the seaboard of British Columbia with the railway system of Canada, viz. : by a continuous railway wholly in Canada—the whole to be finished within ten years from 20th July, 1871.

The subsidy was thirty millions of dollars, payable according to work done, monthly, on certificate.

THE LAND GRANT.

Fifty millions of acres of land, in blocks alternate, on *each side** of the railway, of twenty miles in depth and from six to twelve in width, and where the land "not of fair average quality for settlement," selection to be made elsewhere, *contiguous** to the lands granted along the main line.

The estimate on the land, in the first contract, was two dollars and a half per acre, and the Government bound itself to hold the intermediate blocks at that as an "upset price." In the Mackenzie scheme there was no limit in this regard, and even the valuable coal and other precious mineral lands might, under that *régime*, be had for a dollar the acre under the Dominion Lands Act, as amended by that "Liberal Government."

FINANCIAL POWERS.

In the Allan charter there was a bond power given to the extent of \$40,000 per mile—a limit, it strikes me, which must have been fatal to work in British Columbia, where the average cost is laid at about \$60,000 per mile. In the prairie and western sections generally, the limit was a fair one.

However, the charter was not, as is known to the world, put to the test, but we have the evidence of Sir Hugh Allan, when examined on the Royal Commission, that he found the contract too restrictive—too "hard"—to be practicable. He and the Government were not "one" in the transaction, and he at once threw it up as impracticable, under the circumstances of the case.

But to return to the current of our narrative. The scheme being one thus left untrammelled by prior contract, other than that

* Note.—We italicise the above words, as the grant, in this respect, in the Mackenzie scheme is not restrictive as to selection, and, moreover, gives a railway half of only twenty miles in breadth, whereas the former gives double that—a distribution which, to me, presents very distinctive features, but *cui bono*, or *cui malo*, I do not take it upon me to say.

under the terms of Union with British Columbia, as subsequently modified, according to the Carnarvon Terms, the new Government, *nolens volens*, as a necessity of their political life, assumed to go on with the work.

In the meantime, surveys in British Columbia were prosecuted for the purpose (ostensibly) of finding—if possible—some better route than that first found—the very one now, ultimately, determined on, and which the writer, in his work “Peace River,” page 115, had indicated as an alternative one from the Yellow Head Pass.

The survey, was, it may be said, an exhaustive one—valuable in bringing to light the immense undeveloped, yea, undreamt-of, wealth, in those rude acres of the Empire. This on the *west* side of the Rocky Mountains.

In the meantime, in the east, we find, also, by reference to Mr. Fleming’s report of 1874, that good work was done. He had himself, as given in his journal “Ocean to Ocean,” in the summer of 1872, traversed the continent from Halifax to Victoria, along the line of projected route. Winter and summer, the survey parties from Nipissing to the Pacific, were hard at work, and the result is succinctly stated as to leading points in the east, thus :—

From Fort Garry to Toronto and Montreal :—

	To Toronto. Miles.	To Montreal. Miles.
<i>Via</i> the Canadian Pacific Railway to Nipissing and continuations	1,173	1,288
“Pembina, Duluth, Stc. Marie (American line).....	1,296	1,446
Difference in favor of Canadian Pacific	123	158

In the same report Mr. Fleming gave the following as his conclusion on work of survey so far as then done, viz :—

“That the practicability of establishing a railway communication across the continent is no longer a matter of doubt, etc.” “And it may, indeed, be now accepted as a certainty that a route has been found, generally possessing favorable engineering features, with the exception of a short section approaching the Pacific coast; which route, taking its entire length, including the exceptional section alluded to (meaning the Bute Inlet route), will, on the average, show lighter work and will require less costly structure, than have been necessary on many of the railways now in operation.”

From 1874 to 1877 no specific report on the work was published. In the latter year we have one from the same Engineer-in-Chief, covering the interval, and giving not only the results for railway routes, but the exceedingly extended extracts from the interesting reports from the Geological Staff of the Dominion, and of Professor Macoun, botanist, specially detailed for the purpose, as to the great agricultural, mineral and other economic value of British

Columbia and that further north-west, called the Peace River Region, whereof Major Butler, in his glowing book, "The Wild North Land," page 358, says:—"It will yet be found that there are ten acres of fertile land lying north of the North Saskatchewan for every one acre lying south."

Valuable extracts are also given from the Admiralty reports (Vanconver's principally), as to the coast and harbor facilities of British Columbia.

Mr. Fleming's report of that year ('77) is large, over 400 pages, elaborately got up with maps and plans, and does him and his staff much credit.

The main difficulty—problem to be solved—was, as I have before said, that of access, free in every sense, to some eligible point for port, to the Pacific, through the Cascade (the coast) range.

In allusion to this, and probably other reasons, perhaps of a political nature, such as the distracting or disturbing influence of different parties, each striving for itself, on the "frog-in-a-well" principle, and, perhaps, in allusion to military considerations, Mr. Fleming, in his report in question, page 88, says:—"Although several routes from the mountains to the coast are available, it cannot be claimed that any line has been found upon which, in some parts of its course, no serious difficulties are met. *Besides difficulties of construction, involving a large expenditure, the question is complicated by other important considerations, which lie beyond the province of the engineer.*

"So far," says he, "as an engineer can venture to deal with the various points which call for examination, I have striven faithfully"—and, certainly, his exhaustive reports show the fact—"to ascertain the necessary facts, and present them in a clear manner for the consideration of the Government.

"To assist in drawing conclusions respecting the selection of the terminus, I have submitted the opinions of distinguished naval officers respecting the harbors and channels of the coast. I have, likewise, presented the views of other experienced men on the matters bearing on the subject.

"The inferences to be drawn appear to point conclusively to a choice of two distinct courses—the selection of the two routes which first reach the Pacific waters at Burrard Inlet and at Bute Inlet, or the postponement of a decision respecting the terminus until further examination be made on land and water to determine if a more eligible route can be obtained by the River Skeena."

In the following year (1878) another report was made by him, in which (page 9) he says:—

"In my report of February 8th, 1877, I described all the routes projected at that date, I submitted approximate estimates of cost, as well as naval testimony with respect to harbors on the coast, and I

attempted to narrow down the enquiry by rejecting all projected lines and proposed termini, except the most satisfactory and important.

"I pointed out that there is no harbor on the mainland entirely unobjectionable; that on the outer coast of Vancouver Island there is more than one harbor well suited for the purpose of a terminus; that it was exceedingly desirable to carry the railway to at least one of these harbors; but that they all could be approached from the interior *only at an enormous cost.*"

"By this process of eliminations, I reduced the number of available routes to three, viz. :—

"Route No. 2, terminus at Burrard Inlet.

"Route No. 6, touching tide water of the Pacific first at Buto Inlet.

"Route No. 11, terminating near the mouth of the River Skeena."

"The examinations made during the past season have not materially changed the circumstances under which these separate lines were considered, and the trial location survey to Burrard Inlet, subsequently, confirms the general accuracy of the estimates of the cost.

"The exploration to Pine River Pass is of value in confirming the impression referred to in my report of last year, that a low-lying, available passage exists across the mountains in that latitude; but there is nothing to show that so good a route can be obtained in that locality as by the *Peace River Pass.*"

The exceptional lowness of this pass was, as Mr. Fleming in his report of 1874, page 13, states, indicated by me in my work called "Peace River," published early in 1872, and, as subsequently confirmed by repeated aneroid measurement by Mr. Horetsky, of Mr. Fleming's staff, and by Professor Selwyn, is only about 1,700 feet in height—my estimate, as tabulated in "Peace River," was 1,750 feet—above the level of the sea, while the summit of the only American Pacific Railway which has yet crossed the Rocky Mountains is about five times that height, the precise figures being 8,242 feet, while the Peace River Pass is actually under 1,700 feet.

Page 10.—"I have, accordingly"—says he—"projected a northern line of railway through the Peace River Pass, which I consider preferable." The difference between the height of the Pine River Pass and that of the Peace River Pass is, as since shown, over 700 feet in favor of the latter. This Pine River is a small tributary of the Peace River.

"The correspondence," he goes on to say, "respecting the examinations at the mouth of the Skeena River by the Admiralty, proves the non-existence of a suitable harbor immediately at this point; but our own explorations show that an excellent harbor

exists at Port Simpson, in the neighborhood of the Skeena, and that there are no great obstacles to be met in carrying the railway to it. (Annual Report Public Works, 1877, page 18'.)

I find, also, that Commander Pender has a favorable opinion of Port Simpson."

* * * * *

The deductions to be drawn from the naval testimony at our command, and from our own examinations, may be thus summarized:—

1. That there can be no question as to the superiority of certain harbors on the outer coast of Vancouver's Island.

2. That Waddington Harbor is not favorably situated for a terminus, and may be viewed as a preliminary and temporary station only, the true terminus of a line by Bute Inlet being Esquimalt, or some other harbor on the outer coast of Vancouver Island.

3. That a terminus at Port Simpson would have the advantage of possibly the best harbor on the mainland; and that of all the terminal points projected on the mainland, and on Vancouver Island, Port Simpson is most conveniently situated for Asiatic trade. But Port Simpson is open to climatic objections, which are not experienced to the same extent at points farther south.

4. That of all other points on the mainland, Burrard Inlet is the least difficult of approach from the ocean, and is generally preferred by naval authorities.

5. That Burrard Inlet, equally with Waddington Harbor, is open to the geographical objections mentioned in my last report (page 71).

The principal objections there stated are "that the approach by the north of Vancouver Island to the Strait of Georgia" (within which both Inlets are) "is hazardous and objectionable."

That the approach by the south of Vancouver Island is through passages more or less intricate, between, or at no great distance from, islands known as the St. Juan group.

That the most important islands of the St. Juan group are in the territory of a foreign power, and that from their position, they hold the power of assuming a threatening attitude towards passing commerce."

These considerations weighed much, therefore, and suggested further search for better port. Port Simpson had been selected fifty years before by the Hudson Bay Company for their trade as their principal port in those latitudes and passages—and had been used as such ever since—having, at all seasons, good access, good anchorage, good shelter, and with ample space for even a city. Its latitude is about $54^{\circ} 30''$ about one degree north of that of Liverpool. The writer has the letter from the officer (a Captain Simpson, of the schooner *Cudbora*) to the writer's father, dated 1828, reporting the

selection of the spot for a harbor, and the reasons for it. It was named Port Simpson in honor of Sir George Simpson, then Governor of the Hudson Bay Company's Territories.

The route terminating at Port Simpson had not, however, been surveyed, and thereon Mr. Fleming says :—

" If, therefore, the northern line is to be seriously considered, it is indispensable that a thorough survey be made of it. With our present knowledge"—(*id est*, want of knowledge, *ad hoc*)—" it will be unwise to adopt it as the route for the railway, and to determine on proceeding with construction, without obtaining full and complete information regarding it. My own opinion is in favor of gaining information, and if the Government entertain this view, I beg leave to suggest that, during the present year a continuous exploration be made from Port Simpson easterly to a point of junction with the located line in the neighborhood of Lake Winnipegosis."

That suggestion was acted on, and in his report of 1880, (just published), we have, on page 6, this from him :—

" The examinations made during the past season have established that Port Simpson is a commodious, well-sheltered harbor. It has a large area of smooth-water anchorage ; it is, to some extent, exposed to south-west winds, but the roll of the ocean is broken on the reefs which here form a natural breakwater. It has good approaches, and is easy of access at all conditions of the tide. A railway can be carried by way of Wark Inlet to the River Skeena, and thence by the valley of that river, a distance of 180 miles, to Hazelton, at the Forks. A trial location of 60 miles of the line has been made from the navigable waters of Wark Inlet, plans and profiles prepared, and approximate quantities computed, with the view of placing a section under contract, and a northern route been adopted."

From Hazelton several practical routes can be obtained eastward.

The report describes three as actually surveyed to the main line east of the Rocky Mountains, and he tabulates the result thus :—

	Miles.
" Lake Superior to Port Moody, Burrard Inlet	1,945 (measured)
" " " Simpson, by No. 1 (route)	2,170 (estimated)
" " " " No. 2 "	2,200 "
" " " " No. 3 "	2,135 "
Route No. 1 is <i>via</i> Yellow Head Pass.	
" No. 2 " Pine River Pass.	
" No. 3 " Peace River Pass."	

Accordingly, the shortest of the three northern routes is that by Peace River.—So says Mr. Fleming.

In this connection we would also give the following extract from his report of 1877, page 66 :—

"The proximity of the seven harbors" (seven in question in British Columbia) "to the Asiatic coast, stands in the following order, Yokohama, in Japan, being taken as the common point:—

	Miles.
Port Essington, mean distance.....	3,808
Triumph Foy, Gardner Inlet.....	3,870
	3,083
	4,120
Kinniknot, Dean Inlet.....	4,079
Holla Coolin.....	4,080
North Buntlick Arm.....	4,080
English Bay, Barrard Inlet.....	4,330
Port Moody, do.....	4,356
Howe Sound.....	4,372
Waddington Harbor, Bute Inlet.....	4,470 "

Note by Writer.—I understand the miles to be geographical.

Port Essington is at the mouth of the Skeena, about 30 miles east, and about 40 south of Port Simpson.

While on this subject of relative distances, I may also refer to what Mr. Fleming gives us on page 14 of the same report (1877). He says:—

"With respect to distance, it was estimated that, from Barrard Inlet to Montreal" (seaport), "would be 613 miles less than from San Francisco to New York.

"It was, at the same time, estimated that the Canadian route would bring New York, Boston and Portland, from 300 to 500 miles nearer to the Pacific coast at Barrard Inlet, than these cities now are, with San Francisco as the terminal point of their line through the United States.

"The distance from England to China would be more than 4,000 miles less by the Canadian line than by the line passing through New York and San Francisco."

A governing fact on the question of the world's commerce. But to this advantage of mere linear distance, there is to be added the enormous difference, in the proportion of at least 4 to 1, in the matter of gradients between the American and the Canadian lines, and of which a comparative plan is given in Mr. Fleming's report. The different heights along each route are given, and from that, at a glance, the advantage of the latter is to be seen. The former has to rise from Pacific level to a height of 7,016 feet within 70 miles, and thence for 1,300 miles runs across mountain ranges, deeply serrated, and across a system of canyons at a height varying from over 4,000 feet to 8,242 feet—the height of the summit called "Sherman,"—while the height of the Canadian line (Yellow Head Pass) is only 3,646 feet above the sea, with exceedingly easy approach on each side, with gradients nowhere exceeding 50 feet to the mile. The rule laid down by engineers is that a rise of 19 feet to the mile is equal, in operative equivalent, to a duplication of distance. Making

a liberal allowance in modification of the rule, and which would add over seven hundred miles to the operative length of the American road, and to ours considerably less than two hundred, we might fairly give to the Canadian line an extra shortness on this score of fully 300 miles. I shall refer again to the subject on the general question of through traffic and financial aspects of the scheme.

On this subject of alignment, Mr. Fleming, in his report of 1880, page 12, concludes:—

"In former reports I have contrasted the Canadian Pacific Railway with the line running from New York to San Francisco.

"I now beg leave to submit a comparison with all the lines projected across the United States (diagram produced). Of the four lines stretching across the continent, within the limits of the United States, no one of them is marked by general summits so low or gradients so moderate as the line to Burrard Inlet."

Immediately on the report of the northern routes to Port Simpson, favorable though it is in some important respects, such as extent of fertility of region to be traversed, and remarkable facility for railway route, comparatively, to other transcontinental lines of railway, the Government of the day adopted, finally, the Burrard Inlet, *via* the Yellow Head Pass, and North Thompson and Lower Fraser River route.

On this point, the report of 1880, page 11, says:

"The location of the railway being now definitely fixed, and contracts awarded on the line to Burrard Inlet, in the interest of the railway there is no longer any necessity for continuing examinations in the northern districts. Many years must elapse before the great areas of available lands between Manitoba and the mountains are fully occupied, and by this period the capability of the Peace River District will have been tested. Meanwhile, the character and extent of railway traffic and its requirements will be known. The question will then present itself: how this traffic can best be dealt with? Should it be desirable to construct a branch to Peace River, from some point on the main line east or west of Edmonton, the late examinations have proved that such a line is perfectly feasible."

The contracts referred to cover 125 miles of the most difficult part of the whole work, *viz.*: through the canyon (rent across the Cascade range to river level) of the Lower Fraser, and the rugged and steeply scarped rock bed of the Lower Thompson; and which, when done, will give access to the interior of British Columbia—a region of vast wealth—mineral, pastoral, agricultural and sylvan—and offering in climate and salubrity special attraction to settlement.

EASTERN SECTION.

In the east, from Fort William, Lake Superior, to the Rocky Mountains, the report, 1879, informs us that:—

1. A telegraph line had been "put," though very perfunctorily, from Fort William to Edmonton, 1,200 miles, and that the line had been used as far as Battleford—600 miles.

Strange to say, the work was given out *before* the railway line was located, and, in this regard, was in the teeth of the Statute—money, over a hundred thousand dollars, in effect thrown away.

The second subject touched on is the Georgian Bay Branch and the navigation of French River. Estimated cost of railway, “\$1,900,000”—subsequently abandoned.

3. The subject of Private Railway Bills for Manitoba and the North-West, until a general railway scheme be deliberately and carefully matured, is discussed, and deprecated.

4. The expediency of laying down a comprehensive scheme of railways over the vast wild between the Atlantic and Pacific, with a system of main and subsidiary lines for the future, and at the same time, according to the exigencies of the time, is advocated with a force which must, or at least should, carry. In page 14, Mr. Fleming says on this head:—

COMPREHENSIVE SCHEME OF RAILWAYS.

“The policy followed (or which should be followed) in this matter will, in no small degree, determine the future of the vast territory of cultivable land which has recently come under the control of Canada, and it will affect for good or for evil, millions of British subjects. There are two classes of men to be considered—the investor and the settler. Naturally, we look to the Mother Country for some of its surplus capital to aid in establishing our great continental highways,

“It is now incumbent on us, as far as we can, to make this investment of that capital safe and profitable. *By opening up this fertile territory we provide, on British soil, an outlet for the many who are crowded amid a redundant population.* We find employment for those who suffer from enforced idleness, and we open up the prospect of prosperity to all who are willing to wait for the certain reward of patient toil, frugality and industry. There will no longer be need for such to turn to a foreign soil, however hospitable it may be. The one change necessary will be simply that of locality. To the struggling man of the old world, who has strength and courage, we can offer the means of making for himself a home. To all such we offer land to till that will yield a generous reward to labor, *but that land is far in the interior* of the continent. It must first be made accessible, and the means provided for conveying to market what the soil will produce. . . . If, on the one hand, we feel called upon in the interests of the whole Empire to open up the vast territory for the millions who are to occupy it, on the other hand, it is clearly our duty to follow the course which will accomplish this result in the most satisfactory manner.”

The citation is long, but not too much so, and I give it in its own unanswerable eloquence to meet what appears to me to be rather the jaundiced captiousness of the one solitary gentleman in the whole House of 206 in the Commons of Canada.

The next head touched on is the early establishment of colonization railways in the prairie region—how best to encourage, and then protect settlement, and under what conditions, in public safeguard, powers should be granted to private companies for branch lines.

7. The Western Terminus and route through British Columbia, as to which I have said enough in explanation.

8. The establishment of the Trunk Line between Lake Superior and Manitoba.

On this he says :—

“One of the questions which will undoubtedly force itself on public attention when the Prairie Region begins to raise a surplus for exportation, will be the cheap transportation of products to the east. Looking to this view of the question, the importance of a location which will secure the *lightest gradients in an easterly direction* is manifest.”

“The information obtained” (he is citing from his own report of '74) “suggests that it will be possible to secure maximum easterly ascending gradients between Manitoba and Lake Superior, *within the limit of 26 feet to the mile*, a maximum not half so great as that which obtains on the majority of the railways on the continent.

“I think the line should be located so as to have the best possible alignment, with no heavier gradients than the maximum referred to. But the importance of securing the benefits of an unbroken steam communication at the earliest possible moment are so great that I consider that it would be advisable, in the first instance, to construct the *cheapest line*.”

“The whole of the railway between Fort William and Selkirk—in length 410 miles—is now under contract. It is with no little satisfaction that I am enabled to point to a table of the gradients which have been definitely established in this length (gives tables):—

Ascending easterly,	Feet per mile.	No. of miles.
Rise .10 to .20 per cent.	About 5 to 10	38.52
do .20 to .30 do	do 10 to 16	17.11
do .30 to .40 do	do 16 to 21	42.97
do .40 to .50 do	do 21 to 26.4	30.11
		—178.71
Level.....		108.06
Ascending westerly,	Feet per mile	No. of miles.
Rise .10 to .20 per cent.	About 5 to 10	28.51
do .20 to .30 do	do 10 to 16	10.91
do .30 to .40 do	do 16 to 21	9.74
do .40 to .50 do	do 21 to 26	12.83
do .50 to .60 do	do 26 to 32	6.82
do .60 to .70 do	do 32 to 37	10.65
do .70 to .80 do	do 37 to 42	12.76
do .80 to 1.00 do	do 42 to 52.8	31.01
		—123.23
Total miles.....		410.00

In determining the gradients, the rule has been laid down to equate them with the curvature, so that when the sharp curves were called for by the physical features of the country, the inclinations of the line would in those cases be proportionately reduced.

The practical effect of a sharp curve on a maximum gradient is to make the gradient heavier by reducing the effective power of a locomotive making the ascent, thus preventing the passage of full loaded trains over the line. The object has been, whatever the curvature, to secure a degree of inclination which in no case would exceed, on tangents, 26.4 feet per mile ascending easterly, or in the direction of *heavy* traffic. The contract profiles of the line over the 410 miles from Fort William to Selkirk establishes that this object has been substantially secured. Only at one point (eighteen miles out of Fort William) has the locating engineer neglected to enforce this rule. I deeply regret that such is the case, as it will involve an expenditure to remedy the defect greater than would have been called for in the first place, when the cost would have been comparatively trifling.

With the exception referred to, the portion of the Pacific Railway between Lake Superior and Manitoba is thus finally established with *extremely favorable* engineering features, and it may be claimed that, when completed under existing contracts, it will be available for conveying the products of the soil from the Prairie Region to Lake Superior, at the cheapest possible rates.

As this portion of the Pacific Railway must, for a long time to come, form the great outlet of much of the Prairie Region, the favorable character for cheap transport which has been secured for it cannot be over-rated. Indeed, upon this important condition very largely depends the successful settlement of the vast fertile plains and the permanent advantage of the future settlers.

THE COST OF THE RAILWAY.

As to what now is the state of the work, and what is being done on it, as authority, we have the report—just issued—of Mr. Fleming; an elaborate and exhaustive work of 360 pages. On pages 354, 5 and 6, we find, in answer to a requisition from the Minister of Railways and Canals, then (15th April last) about to address the House on the subject.

He says, addressing the Minister:—

“SIR,—I have the honor to submit the following estimate of expenditure necessary to place the Canadian Pacific in operation from Lake Superior to Port Moody.

“Those who made the surveys and calculations inform me that the quantities are very full, and that in actual execution they can be largely reduced. I am convinced, moreover, that by making an extremely careful study of the final location, by sharpening the curvature in some places, by using great judgment in adjusting the alignment to the sinuosities and sudden and great irregularities of the ground, by substituting the cheaper classes of work for the more costly, wherever it can safely be done, and by doing no work whatever that is not absolutely necessary, a very marked reduction can be made.

" I understand the policy of the Government, with respect to the railway, to be :—

" 1. To construct the section between Lake Superior and Red River with the limited gradients and curves set forth in my reports laid before Parliament, so as to secure cheap transportation, and to provide, by the time the railway shall be ready for opening, an equipment of rolling stock and general accommodation sufficient for the traffic to be then looked for.

" 2. To proceed with the work west of Red River by constructing 200 miles on the route recently established. The roadway and works to be of the character defined by the 48th contract and the tenders for the 66th contract recently received.

" To proceed with the construction of 125 miles in British Columbia, under the 60th, 61st, 62nd and 63rd contracts. The expenditure on the 125 miles to be limited, in accordance with the provisions of the contract, and the views set forth in my report of the 22nd November last.*

" To proceed gradually with the intervening distance. To delay placing additional sections under contract in British Columbia until the 125 miles are completed, or well advanced, thus preventing any undue increase in the price of labor.

" To carry construction westward from Manitoba across the Prairie Region only as settlement advances.

" In my report of last year, I placed the cost of the section between Lake Superior and Red River at \$18,000,000. Since that date the steps taken to keep down the expenditure on the 185 miles between English River and Keewatin have been so far successful as to reduce the length about 3½ miles, and the estimated cost fully \$500,000. The rails for these two contracts have likewise been secured at a considerably lower price than the estimate. Whatever an increasing traffic in future years may demand in the way of terminal accommodation and rolling stock, I am confident the line can be opened for traffic between Fort William and Selkirk, well equipped for the business which may then be expected, at a cost not exceeding \$17,000,000.

" West of Red River, 100 miles have been placed under contract, and tenders have been received for a second 100 miles section. These two sections are designed to be constructed and equipped in the most economical manner, dispensing with all outlay except that necessary to render the railway immediately useful in the settlement of the country. It is intended that the line be partly ballasted, to render it available for colonization purposes, full blasting being deferred until the traffic demands high speed. It is intended to provide sufficient rolling stock for immediate wants, postponing full equipment until the country becomes populated, and the business calls for its increase.

" On this basis and on the other data furnished, the railway may be opened from Lake Superior to the Pacific Coast within the following estimate :—

* Report on the British Columbia Section, 22nd November, 1879.—Extracts—" The total sum of the lowest tenders for the four sections, as above stated, is \$9,167,040. It will be borne in mind that the character of the contract to be entered into is materially different from ordinary contracts. This sum represents the maximum—the expenditure is not to exceed this amount, but it may be very much less (see clauses 5, 6 and 7.)

Fort William to Selkirk (406 miles) with light gradients, including a fair allowance of rolling stock and engineering during construction.....		\$17,000,000
Selkirk to Jasper Valley (1,000 miles) with light equipment, etc.....		13,000,000
Jasper Valley to Port Moody (550 miles) with light equipment, etc. :—		
Jasper to Lake Kamloops, 335 at 43,660....	\$15,500,000	
Lake Kamloops to Yale, 125 at 80,000....	10,000,000	
Yale to Port Moody, 90 at 38,888....	3,500,000	
	<u>\$29,000,000</u>	
Add.....	1,000,000	
		<u>30,000,000</u>
Total miles, 1,956.....		\$60,000,000

"The above does not include cost of exploration and preliminary surveys throughout all parts of the country, north of Lake Nipissing to James' Bay in the east, and from Equimalt to Port Simpson in the west, between Latitudes 49° and 56°, not properly chargeable to construction, \$3,119,618, or the cost of the Pembina Branch, \$1,750,000, or with other amounts with which the Pacific Railway account is charged.

"I have the honor to be, Sir,

"Your obedient servant,

"SANDFORD FLEMING,

"*Engineer-in-Chief.*"

Also as to the Eastern Section, between Thunder Bay, Lake Superior, and Eastern Terminus, Lake Nipissing, he gives the following memorandum :—

"A most thorough survey of the whole region, hitherto totally untouched by survey or even travellers' account, it may be said, between Lakes Huron and Superior and the rim of the Hudson Bay basin or watershed, had been made, and a practicable and even comparatively easy line, in fact two or three lines, had been found, and were reported on in previous reports."

Referring to his last report on the subject, he says :—

"In my report recently laid before Parliament, I have referred to the projected line between South-East Bay, Lake Nipissing, and Sault Ste. Marie. The explorations of this district have established that a location can be had north of Lake Nipissing, which would be common for 60 or 70 miles to the St. Mary's branch and the main trunk line to the North-West. As the St. Mary's Branch will, in all probability, be constructed before the through line is undertaken, the length of the latter will be reduced by the length of the location common to the two lines. The eastern terminus will consequently be advanced some 60 or 70 miles to the west, beyond the theoretical starting-point at Lake Nipissing. The length of the eastern section therefore may be assumed not to exceed 600 miles.

"It is impossible to say what labor and materials may cost some year-hence, when the period arrives for the eastern section to be undertaken. Taking the basis of present prices and present contracts, and adhering to the economic principles of construction set forth in the letters of yesterday, I feel warranted in stating that \$20,000,000 may be considered a fair estimate of the cost of opening the line from Fort William to the Eastern Terminus.

In explanation it is to be observed, that this "Sault Ste. Marie branch" never formed part of the original trunk line as contemplated, the point being considerably—about 100 miles, more or less—south of any projected in those meridians. The north (extreme) shore of Lake Superior (head of Népigon Bay) being a ruling objective point, and the *north* side of Lake Nipissing being found best for railway route, to go to Sault Ste. Marie would be a deflection adverse to the special character and excellence of the line, as one straight and level as possible, the country immediately north of Sault Ste. Marie being of rugged rock and very unfavorable to railway construction. Besides, on military considerations, there was an object in avoiding American gunnery at the Sault.

But, in the race for the commerce of the west, private enterprise seems bent on trying a branch line to that point (only about 180 miles from Nipissing Terminus) and there to connect with a projected line along the south side of Lake Superior with the American systems of railway drawing from the west, a line from 200 to 300 miles at least shorter than any *via* Chicago, to any Atlantic Port, American or Canadian, but which itself (*i.e.* the Chicago line) would be longer to Atlantic ports, from Manitoba, or the centre (say, about Battleford) of the great wheat field of North America, than the Canadian Grand Trunk Pacific. On this particular point we have, from Mr. Fleming's report, giving the relative distances. However, as in the meantime, under the so-called "Carnarvon Terms," the "*confection*" (to use a French word in default of better) of the section between Thunder Bay, Lake Superior has been relegated to the "Greek Kalends"—for that, in effect, would, we feel assured, be the result of deferring construction till *after* "1890"—the Railway "Interest," American, as well as Canadian, from Boston northward, seems bent on thus, at once, tapping the west.

The natural result, as we have so earnestly already indicated, will be a still closer and firmer forging of those links of commerce which bind a people common in language, common in literature and cognate in thought and life. In this sense, we consider a Sault Ste. Marie connection with American railways a political anomaly; and further to obviate such mischief to British tenure of the North American wild we would urge that, at once, in Imperial interest, the Imperial Government either itself make this Eastern Section—for it carries no land, worth mentioning fit for settlement—or offer to aid Canada to undertake the work, *pari passu*, with the British Columbia and Prairie Sections.

I do not think I am singular in these views, for I gather from the resistance of the Canadian Government to the pressure on them by their supporters in the House, or by the many of them who seem to be in the particular interest I have just referred to, that they see the danger I speak of, and, therefore, true to their trust—as they have ever shown themselves in this great matter, vital to the nation's¹ life—they will not swerve from their course, as determined on in 1872, though, at the same time, bending to that internal political expediency, which, in America, and peculiarly to America with its institutions of *ultra* freedom—democracy rampant at times, in fevered sense of fancied right or wrong—is apt to mar, at the moment, the peace and order of good government.

Therefore it was, I presume, that Sir Chas. Tupper (as Minister of Railways, etc.) had, on requisition for aid to the work, conceded so far, as to say, that unable to give other aid, the Government would however, be prepared to construct, soon as may be desired, so much (say about 70 miles) of the Pacific Railway from Eastern Terminus westward, as could be utilized, by running privilege, in their way to Sault Ste. Marie. It is in allusion to this that Mr. Fleming makes the memorandum in his letter, pages 355-6 of Report of 1880 :—

“The estimate submitted is based on the data set forth, and on that data the whole main line, from Port Moody, on the Pacific coast, to the Eastern Terminus, in the neighborhood of Lake Nipissing, may be constructed in the manner and under the circumstances referred to, for about \$80,000,000. But to meet any of the possible contingencies, to which I have referred”—(viz., increase in cost of materials and labor), “I beg leave to recommend that in considering the subject of capital required for the undertaking, a liberal percentage be added.”

HOW URGED.

Since the present Government came into power, which they did by a return of poll of over two to one, in the fall of 1878, they have certainly given evidence of earnestness in taking up the work—such as it was left to them.

On their advent (restoration) to power, there had been much—over \$11,000,000 (eleven millions of dollars) besides, the “\$3,111,617.19” for survey—spent ostensibly on and about the work—but there was little to show for it, and *that*, all in a bad way; as if the policy of the late Government (consistently with that avowed by its chiefs on their entry) was not only to prevent a Pacific Railway on British soil, but to take away, by sheer waste in the seeming effort, the *very means* for it hereafter.

On the 17th, September 1878, when a general election turned the tide, there was not a single foot of Pacific Railway, nor even of the Pembina Branch, laid. During the halcyon days of their five years of enjoyment of the public treasury, the Government did really nothing for the road. During this period, or part of it, Mr.

Mackenzie seems to have ignored the Government's sole Engineer-in-Chief, and, giving him leave of absence in Europe for a protracted period, himself, as Minister of Public Works, undertook to direct the road making through the swamps and rocks of the Kaminitiquia region, going with the work "he knew not where," as Mr. Fleming, on examination before Committee had subsequently to admit. Contracts given out without proper data—the route undetermined in fact. The work given out in *detached* pieces, rendering construction almost impossible, but in the meantime allowing to contractors—by a system known as the "Schedule" one, itself not vicious, but susceptible of abuse—the means of drawing fast and largely from the treasury. The result was that the people's millions were thrown into the Serbonian bog of fruitless, if not corrupt expenditure. The Pembina road bed was left to melt into its original mud. The "three millions' worth of steel rails" bought under circumstances, which, as revealed, bear their own comment, were left rusting here and there, save such as had, in political favor, been given to some other road. And in the meantime, also, in subservience to the same policy of "organized hypocrisy," the Government, irrespective of Parliament, strained its powers to give, in effect, a monopoly of the carrying trade of our North-West to American railways for twenty years to come, and which, of course, would effectually annex the country to the United States.

Now, since the present Ministry, with the primal promoters of the scheme at its head, have re-grasped with master-hand the monster difficulty, the following has been done, as appears by Mr. Fleming's report, pages 29 *et seq.* He reports:—

"In the spring of 1879, the line between English River and Keewatin, 185 miles, was let in two contracts, Nos. 41 and 42, for grading, bridging and tracklaying.

"In the summer of 1879, a section of 160 miles west of Red River, including a branch from the main line to the City of Winnipeg, was placed under contract.

"An additional supply of 39,000 tons of steel rails and fastenings was secured in 1879.

"The grading, bridging, tracklaying and ballasting in British Columbia, from near Yale to Savona's Ferry, a distance of 127 miles, were placed under contract towards the close of 1879.

"The length of line now under contract consists of the following sections:—

Fort William to Selkirk (main line)	410 miles
(This reduced by subsequent survey 3 or 4 miles.)	
Selkirk to Emerson (Pembina branch)	85 "
West of Red River (main line and Winnipeg branch)	100 "
In British Columbia (main line)	127 "

Total under construction 722 miles."

Total under construction (carried forward).. 722 miles."

Since these figures were printed as appears, in addition to the first report distributed during session, just closed, there appears the following on page 326 :—

CONTRACT No. 66.

MAIN LINE—Second 100 miles west of Red River.	
Date of Contract, 3rd May, 1880. Date for completion, 1st October, 1882.....	100 "
Total under contract.....	822 miles

On the same, page 326, and following, the schedule of quantities and prices as to the last 100 miles is given, showing the total amount of tender for the section to be only \$439,914.00—say about \$4,400 (four thousand four hundred dollars) per mile. Elsewhere in his report he says he estimates that the rest of the thousand miles of the Prairie Section can be built at such like average cost, *i.e.*, with trestle-bridges of wood. Add for cost of steel rails, stations and rolling stock, say \$5,600 per mile, and for \$10,000 per mile do we see this last phenomenon in that wonderful energy, human, of our day, which pierces mountains and spans the plain as if they were naught in our hurrying to and fro in these latter days on earth.

By way of contrast in the matter of cost, we have, in the report, also the details of the British Columbia contracts.

CONTRACT No. 60

MAIN LINE, in British Columbia, extending from Emory's Bar to Boston Bar—excavation, grading, tunnelling, bridging, tracklaying and ballasting. Length 29 miles. Date of Contract, 23rd December, 1879. Date for completion, 31st December, 1883.

Tender (on schedule)..... \$2,727,300.00

CONTRACT No. 61.

MAIN LINE, B.C.—From Boston Bar to Lytton. Length 29 miles. Date of Contract, 10th February, 1880. Date for completion, 30th June, 1884.

Tender..... \$2,573,640

CONTRACT No. 62.

MAIN LINE, B.C.—From Lytton to Junction Flat. 28½ miles. Date of Contract, 23rd December, 1879. Date for completion, 31st December, 1884.

Tender..... \$2,056,950.00

CONTRACT No. 63.

MAIN LINE, B.C.—From Junction Flat to Savona's Ferry. Length 40½ miles. Date of Contract, 15th December, 1879. Date for completion, 30th June, 1885.

Tender..... \$1,746,150.00

RAILS LAID—Eastern side :—

Fort William, westward.....	136 miles.
Emerson to Cross Lake.....	161 "
Total.....	297 "

As a summary, concise and eloquent, on this head, of what is now being done in this matter, I give—

EXTRACT FROM THE SPEECH IN COMMONS. ON 15TH APRIL, 1880,
OF MINISTER OF RAILWAYS & CANALS (SIR CHARLES TUPPER).

After having addressed himself to other points suggested by Mr. Blake's motion against the Pacific Railway, he said :—

At the end of five years we came back to power, and what did we find had been accomplished in the meantime? Why, immediately after obtaining office, the late Government made a contract for the construction of the branch to Pembina, and of the first duties that devolved upon the present Government five years later was to lay the rails upon that branch. They then undertook the construction of a railway to Shebandowan, and to carry out and develop the policy, which the hon. gentleman proposed, of utilizing the water-stretches. I say, greatly to the credit of my hon. predecessor, that sometimes he is open to argument; that after two or three years of discussion in this House, we were enabled finally to convince him of the folly of the course he was pursuing, that every dollar spent on the road to Shebandowan on the east, and to Lake of the Woods on the west, would be wasted, as the Duluth Railway would take all the traffic, and not a single ton of freight would go over his water-stretches. We finally convinced the hon. gentleman.

Hon. Mr MACKENZIE—No.

Sir CHARLES TUPPER—But while I gave the hon. gentleman credit for that, I cannot absolve him from the error into which that course immediately plunged him. It was to undertake the construction of a through line, and let two contracts on it, one running to English River on the east and the other to Keewatin on the west, without any survey or estimate, or the slightest means of knowledge either as to what these sections of the railway would cost or as to whether there were two ends at all. (Hear, hear.) It can be established beyond controversy that the hon. gentleman at that moment these contracts had been made had not the means within his power of knowing whether within any possibility the work could be carried to completion. The result has been the enormous cost involved by the precipitate manner in which the work has been undertaken without survey or knowledge of the location. We came into power, and we found a large amount of public money expended on these two sections, the one 228 miles, running from Thunder Bay to Red River, and the other 113 miles, running west from Lake Superior. We find that every dollar that was expended on the work was useless for any purpose in the world unless the common-sense course was adopted of connecting those two ends by letting the 185 miles between them. The hon. gentleman had himself been so convinced, after a little, friendly interchange of opinion between the two sides of the House, that it was utterly indefensible to spend that great amount of money with any advantage to the country unless the intermediate link was made, that, previous to the general elections, he placed an advertisement in the papers calling for tenders for the 185 miles. I am not going to find any fault with that; I gave credit for it when I spoke of

the subject before, but I must withdraw that, for the reason that he intimated in the House the other night that he had not yet decided to build that link. that he had not made up his mind whether he should allow that enormous expenditure on 255 miles of railway to be useless. The hon. gentleman had stated, and on that statement he based a great claim to the confidence of the country, that he was building the Canada Pacific Railway at a cost of \$24,500 per mile. He knew from information that the moment that intervening portions was let it would become apparent that these contracts had been made upon mere guess-work, and that instead of \$24,000 a mile, there was an enormous increase in the construction of 228 miles, which would have been immediately discovered on the letting of the 185 miles. This expenditure to which I have alluded on the Georgian Bay branch and the line from Thunder Bay to Red River, had run up, when we came into power, to over \$11,000,000, and to make that expenditure of any value at all involved the completion of these works, the cost of which could not be estimated at less than \$28,000,000. We expect to effect a great reduction of the cost in these works. Before I had been a week in the office, I called upon Mr. Marcus Smith for a statement of the estimate of the work done upon these 228 miles, and a statement of how much money had been paid and how much money it would take to complete it. I was perfectly astonished to discover that the additional expense had to be counted by millions. I asked if there were any means of accounting for this discrepancy; I asked Mr. Fleming, and he replied that, so far as Section No. 25 was concerned, he could not account for the great increase in the quantities. Of course, he said, there was no location survey or knowledge of details when the contract was let, and therefore we have no means of accounting for this great disproportion between what was supposed would be the cost of the work and what it is now evident it will cost. He sent for the engineer in charge of the work, and he was equally unable to give a satisfactory account as to why so much money had to be paid for the work. In consequence of this, careful re-measurement of the work has been made in order to ascertain where the difficulty lay, and the best means of remedying it. Referring to Section 15, Mr. Fleming stated that we can account for the disproportion, because the plan has been changed. The contract was originally intended for a substantial road, but when the tenders were received, the amount was so enormous that the Prime Minister discovered he could not let a contract at those figures, but that he would have to add fifty per cent. to the cost per mile he was stating he was completing the Canadian Pacific Railway for. Therefore the contracts were not let. They were subsequently let on the system of trestle-work, substituting trestle-work for embankments, and a report was made to the engineer in charge, that the wood being of a very inferior description, as soon as the road was completed, it would in the first instance be burned up, as the road ran through a forest country, and fires were prevalent, and if not burned, it was of such an inferior description that by the time the line was open for traffic they would have to commence rebuilding it. Therefore he advised that embankments should be substituted for trestle-work. That report was shown to Mr. Fleming, and he entirely concurred in the proposition that the work should be changed from trestle-work to embankment, and he discussed that matter with the Minister of Public Works, who also agreed in the propriety of such action. Great as was the increased cost, I have no hesitation in saying that the change was a wise one. I had no hesitation in recommending to the present Government the adoption of the change, especially when I found the contractors led by the Engineer-in-Chief to believe that a change had been made at an expenditure of \$100,000 in a plan which would not have been required if the work had not been changed. We were careful under these circumstances that no more contracts should be let in the loose, irregular and improper manner in

which they had been let up to that time. We required that we should have a full knowledge of the work that was needed on a section on the railway before we would undertake to consult ourselves to its construction, and I postponed the advertisements the hon. gentleman had himself put in the papers for the letting of the 185 miles, because we were not ready with that calculation from surveys and examinations which would enable us to know what the work really was. I am happy to be able to tell the hon. gentleman that I, or rather Mr. Gamsby, the engineer in charge of Section 41, has been able since that contract was let to reduce a distance of 47 miles on that contract by 3½ miles, thus saving to the country \$319,000 in the change of work and the amount to be done. The same process is going on on Section 42. These two sections will not likely be completed within the time stated in the contracts, but a reduction of cost under the sum for which they were taken will be made amounting to over half a million of dollars. I give this to the hon. gentleman as evidence of the value of having a careful examination of the work before contracts are let, and of not rushing blindly into contracts in the manner to which I have reverted. Still, what was our first duty? Finding that this expenditure had been made, we had no alternative but to go forward and carry it out. We then had the great responsibility of dealing with the great cost of the construction of the Pacific Railway as a whole. We did not find it left a legacy to us as the hon. gentleman found it left to him. It was open to him, in the position in which we left the question, if he was not prepared to adopt the policy of the construction of the Pacific Railway, not to undertake it. He adopted quite a different course; he not only provided for the construction of the work, but entered into a treaty with Lord Carnarvon and British Columbia that the work would be completed by 1890. That was the legacy which we inherited from the hon. gentleman; he left us that pledge to carry out. He caused these fresh surveys to be made with a view of locating the line, and having satisfied himself that the most judicious line to be adopted was the line to Burrard Inlet, the hon. gentleman put an advertisement in the paper calling for the construction of 125 miles from Kamloops to Burrard Inlet. I heard with amazement the other night the statement of the hon. gentleman that he had not intended to let that section. I am perfectly aware that it is legitimate for a Government, when appealing to the country under the great discouragement under which the late Government went to the country, to present as attractive a programme as they can, but to say that the First Minister will deliberately call for tenders involving the expenditure of a large sum of money, for the construction of 125 miles of railway through the canyons of the Fraser River, a most difficult and inaccessible country, leaving it to be inferred on the eve of the election that it was an evidence of his good faith in carrying out the pledge made to Lord Carnarvon and to British Columbia that this work should be completed as rapidly as possible, and then state that in asking for the tenders he had no intention whatever of letting that contract, is an admission that cannot be paralleled. I ask the hon. gentleman, if he had not fully made up his mind to the construction of a railway from Yale to Kamloops, why did he make a contract involving a payment of \$32,000 for carrying rails for that road from Victoria to Yale? He was absolutely going to take out of the pockets of the people \$32,400 to move these rails from Victoria to Yale without the intention of striking a blow. I say that is a position which I am satisfied the hon. gentleman will see on reflection is purely untenable. Under these circumstances the Government found themselves brought face to face with the great question of the construction of the Canada Pacific Railway, with the good faith of Canada pledged to it, and no possible escape. The course that has been pursued by the late Finance Minister, of holding up to alarm the country the enormous obligations this work was going to incur, of informing con-

tractors all over the world that it was a work that would be not only utterly ruinous to Canada to undertake, but would be disastrous to any contractor to touch, placed the means of dealing with this as a commercial undertaking in an entirely different position from what it occupied when we, unfortunately for the interests of the country, had to abandon office. Under these circumstances, we reverted as far as possible to our former policy—that the lands of the Great North-West ought to build the Pacific Railway. What did the Ex-Finance Minister say in the address to his constituents in Surrey? He said that it was impossible to attract immigration unless we built the Pacific Railway, inasmuch as the great fertile North-West must remain a barren waste until the Pacific Railway was constructed. We felt warranted in adopting the policy we have adopted of utilizing these lands to construct the road. We came down with that policy, and one would suppose that hon. gentlemen opposite, having committed the country to this question, would have been the first to congratulate us on the policy we have propounded. What did they do? They discovered that it was a mistake altogether. What was the language of the leader of the Opposition to me last winter, when I proposed this resolution? He said the lands were good for nothing.

Hon. Mr. MACKENZIE—I did not.

Sir CHARLES TUPPER—The whole success of our scheme depended on our being able to convince the world that these lands were of enormous value, and would really pay persons who would undertake their management and settlement. We undertook to show that by the construction of the Pacific Railway, by giving easy access to these lands, the country was the most inviting field for immigration on the face of the globe. How did the hon. gentleman meet us? He met us first with the declaration that it was bad policy to lock up the lands. I showed him what he said to the people of Surrey, namely, that these lands were useless without the railway. I ask him to reconcile that with the statement that it is bad policy to utilize these lands by taking only a moderate portion to devote to the construction of the railway. What more did the hon. gentleman say? When the whole success of our policy rested on our success in convincing the world of the great value of these lands, the safety of investing their money in them, and thus giving the means of building a railway without imposing any burden on the country, and, besides, furnish the means of lifting from off the shoulders of the people the burdens that now lie on them, we find the hon. gentleman telling the people of England, from the floor of this House, that we could not get people to settle on our lands in Canada even when we gave them away for nothing. Not content with saying that, the hon. gentleman followed us to England. This House adopted the policy we propounded and gave us authority to dispose of 100,000,000 acres of land for the purpose of securing the construction of the great work, and they authorized a mission to England for the purpose of endeavoring to see if we could interest capitalists abroad and the Government in the prosecution of this work. The hon. gentleman not only declared the worthlessness of these lands on the floor of this House—

Hon. Mr. MACKENZIE—I never did so.

Sir CHARLES TUPPER—He said we could not get settlers in Canada even if we gave them the land for nothing.

Hon. Mr. MACKENZIE—I did not.

Sir CHARLES TUPPER—Will the hon. gentleman read his speech?

Hon. Mr. MACKENZIE—Give us the quotation.

Sir CHARLES TUPPER—I will give him the quotation the moment I sit down. The hon. gentleman did not stop there. He followed us to England, he followed that mission which Parliament authorized to go to England, and he has not contradicted the statement that in one of the leading journals of

England, he published a letter which appeared immediately on our arrival, declaring that there was a renouance in this country against the National Policy. He declared that the Government had lost their popularity, prestige and position. He followed us step by step, and used every argument that could be used in order to render abortive the mission in which we were engaged. I will now read the quotation from the hon. gentleman's speech, as it has been kindly handed to me by my right hon. friend the First Minister:—"If the hon. gentleman is proceeding on the hypothesis that in Canada alone is there any land available for settlement, he will find himself greatly mistaken. It has been very difficult in Canada to promote settlement even where the land was given away by the Government. It was still more difficult to send settlers to the far-off West country, where they have the initial difficulties of a new country to contend with, not less in amount though different in kind."

Hon. Mr. MACKENZIE—"The hon. gentleman said I stated that the land was given for nothing.

Mr. CHARLES TURNER—I find the authority for this assertion in the statement that you cannot promote settlement even when you give the land away. Not content with saying that in Canada you could not even give the lands away, the hon. gentleman stated that in the North-West it is worse than in other parts of Canada, as the difficulties there were greater than in the other portions of the country. He went on with this lugubrious account of the country, that there is a long winter, absence of lumber and building materials, difficulty of transportation, and that therefore we must make up our minds, if we are to settle the country, it will be done only at the expense of a large amount of money in aid of the settlers; therefore, not only, according to the hon. gentleman, they were giving the lands for nothing, but we would have to pay the settlers for coming in. Supposing the mission had failed under these circumstances, would it have been very surprising? As it has been already stated by the First Minister, the communications with the Imperial Government were confidential communications, but I may say this, that after the most friendly and frank discussion of the question with the Imperial Government, and especially with the Colonial Minister, we came away satisfied that we had deeply interested the Imperial Government, and especially the Colonial Minister, in the building of the Canadian Pacific Railway, and for reasons hon. gentlemen opposite will appreciate, the times, perhaps, were not propitious for pressing them for a definite answer, but we came away with the impression that at no distant day we would be in a position to obtain from the Imperial Government all we had asked in relation to the country. That can be substantiated. That it was a question in which the late Imperial Government felt the keenest interest we had no reason to doubt, but I dare say if the hon. gentleman was making an appeal to the country as they were he would not like to be handicapped any more heavily than was necessary. There was another reason why we did not think it necessary to press the Imperial Government strongly in relation to the matter; it was this, that after discussion, not only with the members of the Imperial Government, but with the first men of the Opposition, now the present Government of England, and after having discussed this question extensively with the first capitalists, we found we were in a position, without any fear or doubt, to go steadily forward in the prosecution of this work, knowing that the funds were provided for and available by my hon. friend the Minister of Finance as far as was required, *independently of any guarantee*. I may as well add that our mission was not altogether fruitless from another point of view. If we were going on with the construction of the railway it was not undesirable that we should seize the right moment for the purpose of purchasing a quantity of steel rails, and I may tell the hon. gentleman that, more fortunate than himself, we were there just at the time when iron and freights had reached the

lowest point. We were successful to the extent of purchasing fifty thousand tons of steel mills at a million and a half dollars less than the hon. gentleman paid, and at a million and a half dollars less than they could be bought for to-day. If we had not been on the spot and the negotiation managed just as it was, we could not have purchased a quarter of the quantity at the same price. The instant it was known that there was such a contract in the market, quotations went up at a bound, and have never since fallen back to the price we paid. The price averaged \$24.24, inspection, freight and insurance paid, and delivered in Montreal. I may say to some hon. gentlemen who seem to think that with the defeat of Lord Beaconsfield's Administration the hope of this Government of obtaining anything from England is gone, that we have no reason to mistrust a Liberal Administration of England any more than a Conservative Administration. I would ask any person who knows anything of the political principles propounded by gentlemen on this side of the House, whether there is any man who is likely to sit in the Liberal Cabinet in England under Mr. Gladstone or Lord Granville or Lord Hartington more advanced in Liberal principles than the gentlemen on this side of the House? There is undoubtedly a great change in parties in England, but if the Tory party have lost power, it was only to bring into power an Administration who were not more committed to Liberal principles and policy than the gentlemen on this side of the House. I may tell the hon. gentleman that I am not dismayed at the change. I believe the interests of Canada are just as safe in the hands of Lord Cardwell as Colonial Minister as they were in the hands of Sir Michael Hicks-Beach. Mr. Cardwell was a man who went heart and soul into this great question of the Confederation of British North America: who, when he went out of office, had followed up in the most energetic manner the great question, as much in the interests of the Empire as of Canada. It only remained, when he left office, for his successor to put the seal of office on the work which had been accomplished by a Conservative Administration. After full discussion on the part of the First Minister of this Government with the gentleman who is not unlikely to hold the seals of the Colonial Office, I may say our prospects of guarantee with Mr. Forster are equally as good as they might have been had there been no change of Administration. I will read an extract from the speech delivered at the Colonial Institute by Mr. Forster, who is second to no man in England on his side of politics on a keen and intelligent discussion of the whole question. *He expresses the belief that the importance, power and greatness of England depended largely on the integrity of her Colonial Empire.* Mr. Forster said that Sir John A. Macdonald came over not very long ago to get a guarantee for the Pacific Railway, and he (Mr. Forster) was not sure it was not advisable for the mother country to act with great liberality in this matter. The hon. gentlemen opposite were too sanguine in the belief that at the fall of Lord Beaconsfield all prospects of Canada being sustained in this surprise were scattered to the winds. In that country, to which we owe allegiance, are men of sufficient breadth of intellect to feel that the great national highway across three thousand miles of British territory is not unimportant to the interests of England.

WAYS AND MEANS.

Under this head, we have from the Right Honorable Minister, at the head of the Land Department (Department of the Interior), the Premier (Sir John A. Macdonald), a carefully made up statement of the estimates of revenue from this source.

Sir John A. Macdonald's Speech, 6th April 1880.

In speaking against the resolution, as proposed by a member of the Opposition (Mr. Charlton), against land grants or sales, except to actual settlers, and deprecating the system of land sales adopted by the Government, the Right Hon. Member, as Minister of the Interior, specially charged, departmentally, with the matter of Dominion Lands, after recounting the incidents of the scheme from initiation to date, as elsewhere given by us in this writing, said *inter-alia* :—

"The present Government had decided to build the work as a Government work, as the road from Lake Superior to Red River was through a difficult country expensive for surveys, and a poor country, which would make no adequate return for expenditure. It was clear that the work from Red River to the Rocky Mountains ran through a rich country, which would make its construction easy and remunerative. The policy became a humble imitation of that of the United States, which received the enlog of gentlemen opposite. At the same time it should be stated that though the plan of the American Government in railroad building is the same, still, whenever ours varied, it varied on the side of liberality. In attempting to follow the American system west of the Red River, it was decided to sell for the highest price one block, and to reserve the alternate one. The policy of his hon. friend, in giving away the land to actual settlers, was not the policy of the Government, because, when the late Government laid out the land running from Red River to Selkirk and north of Lake Manitoba, they, by three separate Orders in Council, reserved all the lands running along the railway, excluding emigrants altogether. The policy of the late Government, and that of the present Government had in view the relief of the country at large from any undue burden of taxation in the construction of the railway, and carrying it across the continent. The system adopted by the present Government, however, was complained of as too liberal, and it was told it was too lavish of the lands. He was not able to understand the hon. mover of the resolution, whether he was in favor of pre-emption or not. The hon. gentleman had called attention to the report of a commission in the United States, referring to the abolition of pre-emptions. He (Sir John) was not aware that the American Government had adopted that plan; he rather believed that they had not, from a telegram received from the Land Department at Washington, but that the system was as much in force as ever. Yet the hon. gentleman would have us adopt a system unfavorable to the immigrant, less favorable than the system in force in the United States. We were giving to every immigrant, every head of a family of 18 years of age and upwards, who chose to go and settle in the North-West, 160 acres of land, and if the settler stayed for three years—not five years—he got his deed for that 160 acres, and then he had the right to purchase another 160 acres adjoining at the prices mentioned in the regulations. He thought this was the greatest inducement in the world. He got his 160 acres and the right to purchase another 160 acres, a new farm alongside of him. He gets his homestead for three years. He is not called on to pay in his pre-emption until the fourth year, and then he pays in easy proportions. These were advantages of which he would not like to see the settler deprived. If he were deprived of this chance, the charge that we offered less inducement than the United States would be true. The hon. gentleman said the Government had violated the spirit of the resolutions of last year in regard to the Pacific Railway, and said we had sold land at \$1 an acre, though the regular minimum price was \$2 an acre. The hon. gentle-

man should have remembered that the resolutions of last session provided that the land to be so dealt with should be within a belt on each side of the line of 20 miles; all the land outside of that was not railway land, and by the Dominion Lands Act all lands are sold at \$1 per acre. Not one acre of those lands comes within the terms of the resolutions of last session. Now, the hon. gentleman (Mr. Charlton) said we should make actual occupation one condition. He would like to know who would buy land he could not sell. The fact of selling in fee simple was consistent only with the idea of making no such conditions. We had reserved these lands for homestead purposes and for actual settlement, and for the purpose of relieving the people of Canada from taxation, which the work would otherwise entail, and hence every second lot was offered at an upset price, so that the road might eventually be built without costing the country a single farthing which would not be recouped. He believed the land could be made productive under the terms of the resolution to complete the whole of the road, to open up the whole immense country and give a magnificent railway from sea to sea without increasing the burdens of the people or causing need for increased taxation. This could be done by the sale of lands held as a sacred trust for the purpose of defraying the whole expense of the railway. He could, therefore, disabuse the minds of hon. gentlemen of any anxiety as to the Pacific Railway being a burden to the country or oppressive to the people and discouraging to the future development of the Dominion. The hon. gentleman (Mr. Charlton) said our terms were more generous in other respects than those of the United States. The survey system was the same in both countries; every even number and section was kept as a homestead section and odd numbered sections as railway lots. Here two sections were kept for the Hudson Bay Company, and two sections for school purposes. The hon. gentleman did not like the picture of the isolation, and not being able to have schools and churches in Canada, but we saw churches and schools growing in the United States on our principle. Better terms were offered the settler in the North-West, however, than in the United States. As he had before stated, in the United States \$2.50 in cash per acre had to be paid for pre-emption claims, while Canada, even in the railway belt, close to the railway, where the farmer has the road passing his door, the pre-emption price is only \$2.50 in the most favorable locality; but in the United States, no matter where the land was situated, whether 20, 50 or 100 miles from the railway, the settler had to pay the pre-emption rate of \$2.50 per acre directly he took up his claim. He (Sir John) would ask whether the terms of the United States were more favorable than our own. He thought the answer was conclusively in favor of Canada. (Cheers.) Then came the great "bugaboo," the speculator, who is going to take up all the lands. The system was in the United States, the land speculator had to pay cash, and that was a check to his imagination, but in Canada, he was given the opportunity of paying, because the sale of land would be more speedy and rapid, so as to recoup the Finance Minister the drafts on the Treasury for building the road. It was very important this should be done. Parliament pledged this in 1872, in 1874, in 1878, pledged that the land should be utilized for building the railway, and to use the language of the Act of 1874, the railway was to be built as rapidly as it could be done, so long as it did not unduly increase the burdens of the people.

Hon. Mr. BLAKE—The Act says "without increasing the existing rate of taxation."

Sir JOHN MACDONALD said the hon. gentleman was right. The rate of taxation was raised in 1874, but not for railway construction. It was before the railway policy was commenced, or before Parliament had announced any such policy for the purpose of meeting a number of existing obligations, to which the faith of the Dominion was pledged. It was decided that the rail-

way should go on as rapidly as it could without increasing the burdens of the country by taxation. It was of importance that the road should be built. It was believed from the best information we could get, that 20,000 people went into the North-West last year.

Hon. Mr. BLAKE—Not more than one-tenth of that number.

Sir JOHN MACDONALD said he could inform the hon. gentleman, from returns of the Minister of Agriculture, that 12,000 were known to have gone in, and, from the best information obtained, it was learned that as many more went who could not be counted, who were not under the notice of the Department, but if it were allowed that 8,000 more went in, that made the 20,000. Trustworthy reports stated that 50,000 would go into that section of the country this year. In the United States, wherever railways were to be constructed across the country, large influxes of people could always be counted on, because there was always an increasing rush towards those lands which are opened up by railways. The Government was told that 50,000 would come in, but if the number was put at 25,000—but he was told by everyone and he had spoken to a great number who had come from the North-West and who should have the best opportunity of judging, that that estimate was absurdly small.

Hon. Mr. MACKENZIE—Was it the same person who spoke to Lord Beaconsfield?

Sir JOHN MACDONALD thought it was very likely. He would ask the member for Lambton whether or not he believed that so many would go in.

Hon. Mr. MACKENZIE replied in the negative, and said he did not believe 20,000 went in last year.

Sir JOHN MACDONALD said the hon. gentleman was the first he had heard say so. He had heard that 25,000 was an estimate altogether too small. The number included the baby as well as the adult; in fact, the whole population moving in. In ordinary cases the family numbered five—the head and four others. In the Western States the family is not so large, as young men go in without families, and so the average becomes three and not five. In the future so low an estimate could not be counted, as the number in families would be larger than now, when many had sent on their sons as pioneers. An estimate had been made of four to the family; this was a larger average than had hitherto occurred in Canada or the Western States. If, then, four was taken to a family, the estimate was that of the 24,000 that went in, 3,000 would be heads of families occupying homesteads and pre-emption claims; he got his lot free, and looked forward to having an additional farm from the pre-emption, and that was one great advantage of our system over the American where every man had to pay cash for his pre-emption claim. It was also estimated that one-fourth of the adults, or 15,000, would become purchasers of the railway lands. Men were coming from all parts of the world, and despite the statements of gentlemen opposite, from the United States. There was a large move about to take place from Pennsylvania to the North-West. He had said many would buy the railway lands. Another fourth would be laboring men, with families, but who would not take up land. Some said that a mechanic would take up his lot and work it in such a way as to secure a title to it, but in making his calculation he had tried to keep well within the bounds, so as to make a statement rather under than over the probable

ESTIMATES.

He calculated that 25,000 people would go into the North-West, that 3,000 heads of families would take up free homesteads, that 1,500 would purchase railway lands, and 1,500 not purchase any. That was a moderate calculation. If the estimate was correct, then the rest simply became a matter of figures. Of the railway lands they calculated that the average purchases

would be 320 acres for each head of a family. The average price of the whole lands extending from the S5 section within five miles of the railway, to 60 to 800 miles away, the average price of the lands sold to the 1,500 purchasers would be \$3 an acre, this being under the average. The result would be that at \$1, \$2 50, \$4 and \$5, the average of \$3, lands would be sold in 1880 to the value of \$1,440,000, of which one-tenth would be received now; the fees, \$60,000, would be received, making \$204,000 in cash. Then it was calculated that as 25,000 people would go in this year, to each year might be added an increase of 5,000, so that 30,000 might be expected to go in next year. This was a small percentage of the result of railway enterprise. In 1890 at this estimate, 750,000 settlers might be expected to go into the North-West. This was a moderate estimate, and the revenue in 1890 would probably amount to \$3,879,000 with simple interest. There would also be all the instalments to come in after 1890, so that the land sold in 1890 would be one-tenth paid for nine years afterwards. For each year there would be an instalment of one-tenth paid. The actual value in 1890 of the pre-emption up to that date unpaid would be \$16,440,000. The actual value of railway lands sold up to that date would be \$16,272,000, making in all \$32,713,000. If to that total unpaid the \$38,593,000 to be paid in 1890 was added, a grand total of \$71,305,000 was reached. Deduct from that the cost of surveys for the ten years, \$2,000,000, and of the land offices, \$400,000, and it was reduced by \$2,400,000, so that \$69,000,000 would be had either in money or on good security. The whole estimated cost of the railway, including surveys and construction, through the difficult as well as the prairie country, does not exceed by the most excessive computation \$75,000,000 for the work from Lake Superior to the Pacific Ocean, probably less would build it. Some said the engineer was very extravagant, and so his estimates might be relied on. If the road was built for \$75,000,000 in the first ten years, and only half the lands were sold, where would be the burden on the people? As the road prospered the annual sales would more than be sufficient to meet all the possible cost of the railway. There would also be a larger population (who would not have to clear the soil of the forest, as in Ontario and Quebec), consuming dutiable goods, and contributors to the revenue. In consequence, we should derive a large revenue from the country, independent of the lands. Where, then, was there any danger of the country being over-ridden by taxation and being oppressed? There was none at all: *Under the scheme of the Government the country would be settled; the proceeds of the land sales would meet all engagements as the work progressed, including claims for interest, and he was sure the interest on railway expenditure could easily be defrayed without adding further to the exaction of the country.* I have returns, showing the progress made by some of the Western States during different periods. In Minnesota, the population in 1850 was 6,077; 1860, 172,000; 1870, 450,000. Iowa, 1850, 92,000; 1860, 674,000; 1870, 1,194,000. Missouri, 1850, 594,000; 1860, 1,067,000; 1870, 1,721,000. Arkansas, 1850, 162,000; 1860, 324,000; 1870, 484,000. Nebraska, 1850, nil; 1860, 28,000; 1870, 129,000. Kansas, 1850, nil; 1860, 107,000; 1870, 373,000. Wisconsin, 1850, 305,000; 1860, 775,000; 1870, 1,064,000. Illinois, 1850, 861,000; 1860, 1,211,000; 1870, 2,535,000. The rate of progress of those States was most remarkable, and was due to the liberal policy of the United States Government in granting liberal land subsidies to railways. The right hon. gentleman then pointed to some large accumulations of American lands in the hands of individuals, and declared that such could not occur in the North-West. These speculators could not get more than 640 acres together, and they were checked by the fact that resident settlers would see that a non-resident tax was imposed on land. Before the Land Act of Upper Canada was passed, settlers held large tracts of land for speculative purposes, but no

sooner was the Act passed than speculators were obliged to sell their lands. Adverting to the first regulations respecting land sales, under which lands within five miles of a railway were withdrawn altogether from the homestead privilege, while he thought the homestead system was the correct one and the best possible one for the settlement of a country, no settler could expect to have a railway built almost to his door for nothing. They remembered the difficulties to be overcome by the first settlers of Ontario and the lower provinces. The farmer in the North-West had no such difficulties to encounter. He could commence to sow his crop the next day after his arrival, and while he (Sir John) thought it reasonable that settlers within five miles of a railway should not obtain land absolutely free, yet such was the outcry raised about those regulations driving away emigrants that the Government changed them. It was the unpatriotic course pursued not only by hon. gentlemen opposite, but by their party journals. And so, though I think the first regulations were quite just in themselves, if they had been sustained we would have had more money in our coffers, but we resolved that that unpatriotic attack should be foiled. We rendered our regulations more liberal; we resolved that every one of the conditions should be less onerous to the public and more favorable to the settler, and, Sir, we succeeded. I know that with all well-thinking men they are accepted as just and wise, and I can only say this: that we encourage settlers by offering them fair terms; we give them a free grant of 160 acres of land and the right to pre-empt 160 more, with plenty of time to pay. That secures settlement. Then, Sir, we want to build the railway, and in the manner I have explained to you on the estimate I have ventured to lay before the House, and that is not an estimate made by me, but by experts. These calculations show that we offer such liberal terms to the purchasers of land that we will, in selling our railway lands, which are cheaper and better than those of the United States, secure not only immediate settlement, but a revenue with which to meet our railway expenditure. We thus gain two objects: the settlement of the country within a reasonable period, and the certainty of raising a fund that will relieve this country from the danger of being in a position not to carry out the obligations which we have assumed. On this matter we rely upon the good sense, the candor and consideration of this House, and the country. (Cheers.) These resolutions (meaning those of the Government) must not be opposed. Our regulations demand and will receive the approval of the House and of the country. (Applause.) They are liberal without being lavish; they are well considered; they will encourage the poor man to become rich, and enable the Government to carry out the great object of developing the country and connecting the Atlantic with the Pacific. (Loud applause.)

I have, from the Dominion Lands Office, Ottawa, kindly furnished me, on request, by the Department, an official copy of the regulations of the Department as to the disposal of the Dominion Lands for the Pacific Railway, and find that they are so correctly and fully stated by Sir John (the Premier) in the above statement, that to give them here would be but repetition.

Since the date (14th Oct., 1879) of the Regulations, and since the speech above reported, the following resolution has been passed by the House, in extension of the above provisions:—

Resolved.—That it is expedient to substitute for the seventh of the series of resolutions relating to the Canadian Pacific Railroad, adopted by this House on the 12th and 13th of May last, the following resolutions

1st. That one hundred millions of acres of land in Manitoba and the North-West Territory be appropriated for the purpose of constructing the Canadian Pacific Railway;

2nd. That such lands shall be from time to time selected and reserved by Order of the Governor in Council as railway lands, and shall be of fair average quality for settlement, but in no case at a rate of less than \$1 per acre;

3rd. That such lands shall be sold at prices to be fixed from time to time by the Governor in Council;

4th. That the proceeds of such sales, after deducting the cost of survey and management, shall be devoted exclusively to the purpose of defraying the cost of the construction of the Canadian Pacific Railway.

The resolutions referred to are as follows. We give the whole as an admirable summary of one branch—the chief—of our present argument.

The resolutions were passed on a division of 115 against 37.

RESOLUTIONS OF PARLIAMENT (DOMINION OF CANADA) PASSED 12TH MAY, 1879, FOR PACIFIC RAILWAY.

1. *Resolved*, That engagements have been entered into with *British Columbia* as a condition of Union with *Canada*, that a line of railway to connect the *Atlantic* with the *Pacific* shall be constructed with all practicable speed:

2. *Resolved*, That the *Pacific* Railway would form a great imperial highway across the continent of *America* entirely on British soil, and would provide a new and important route from *England* to *Australia*, to *India*, and to all the dependencies of *Great Britain*, on the *Pacific*, as also to *China* and *Japan*.

3. *Resolved*, That reports from the Mother Country set forth an unprecedented state of enforced idleness of the working classes, and the possibility of a scheme of relief on a large scale being found indispensable to alleviate destitution;

4. *Resolved*, That the construction of the *Pacific* Railway would afford immediate employment to great numbers of workmen, and would open vast tracts of fertile land for occupation, and this would form a ready outlet for the over-populated districts of *Great Britain* and other European countries.

5. *Resolved*, That it is obvious that it would be of general advantage to find an outlet for the redundant population of the Mother Country within the Empire, and thus build up flourishing colonies on British soil instead of directing a stream of emigration from *England* to foreign countries.

6. *Resolved*, That in view of the importance of keeping good faith with *British Columbia*, and completing the consolidation of the Confederation of the Provinces in *British North America*, and for the purpose of extending relief to the unemployed working classes of *Great Britain*, and affording them permanent homes on British soil; and in view of the national character of the undertaking, the Government of *Canada* is authorized and directed to use its best efforts to secure the co-operation of the Imperial Government in this great undertaking, and obtain further aid, by guarantee or otherwise, in the construction of this great national work.

7. *Resolved*, That it is further expedient to provide :—

(a) That 100,000,000 acres of land and all the minerals they contain be appropriated for the purpose of constructing the Canadian *Pacific* Railway.

(b) That the land be vested in Commissioners to be especially appointed, and that the Imperial Government be represented on the Commission.

(c) That all the ungranted land within twenty miles of the line of the Canadian *Pacific* Railway belonging to the Dominion be vested in such Commission ; and that when the lands along the line of the Canadian *Pacific* Railway are not of fair average quality for settlement, a corresponding quantity of lands of fair average quality shall be appropriated in other parts of the country, to the extent, in all, of one hundred millions of acres.

(d) That said Commissioners be authorized to sell, from time to time, any portions of such lands, at a price to be fixed by the Governor in Council on their recommendation, at a rate of not less than two dollars per acre, and that they be required to invest the proceeds of such sales in Government securities, to be held exclusively for the purpose of defraying the cost of the construction of the Canadian *Pacific* Railway.

8. *Resolved*, That the withdrawal for sale and settlement of the lands for twenty miles on each side of the located line of the *Pacific* Railway has, in part, had the effect of throwing settlement south and west of Lake Manitoba.

9. *Resolved*, That, in the existing state of things, it is desirable to combine the promotion of colonization with railway construction on the Canadian *Pacific* Railway west of Red River.

10. *Resolved*, That the Government be authorized and directed to locate a portion of the Canadian *Pacific* Railway from the Red River westerly, running to the south of Lake Manitoba, with a branch to *Winnipeg*.

And, if they deem it advisable, to enter into contract for expending a sum not exceeding \$1,000,000 in constructing the said railway without previously submitting the contracts to Parliament.

11. *Resolved*, That it is expedient to make further explorations in the *Peace River* districts and other sections of the country not yet examined, in order to ascertain the feasibility of a line through the largest extent of fertile territory, before beginning the work of construction in *British Columbia*.

12. *Resolved*, That, in the opinion of this House, the selection of Burrard Inlet was premature.

13. *Resolved*, That it is necessary to keep good faith with *British Columbia* and commence the railway in that Province as early as practicable.

14. *Resolved*, That the Government be authorized and directed to make such further explorations as they may deem necessary for the said purpose, and so soon as they have finally selected and located the line, to enter into contracts for constructing a portion of the same, not exceeding 125 miles, without further sanction of Parliament so that the work of construction may, at latest, be continued during the present season, and thereafter be vigorously prosecuted."

The predicates in the estimate are, we think, warranted by facts, but there is, and must ever be, from the nature of the case, a disturbing uncertainty as to the realization of necessary funds to meet at every moment the exigencies of cash payment. A Government cannot bear time for better times in order to realize in the land market, and if it has only the cash proceeds of land sales to go on with, there will, inevitably, now and then, be deficit and inconvenience and prejudice to the scheme.

On the other hand, if the general revenue be holden for the outlay as required in progress of the work, there will be no hitch or jar in its course, and contracts will naturally run lower.

When I speak of payment out of the general revenue I do not mean, of course, cash payments, but it may be in any proportion or wholly in bonds or debentures, *ad hoc*, by the Government. And as the work is one in a sense for all time, humanly speaking, the longer period they are made to extend over, the better. No generation hereafter would, it may be assumed, from the supreme merits of the work, complain of such burthen.

On the other hand, if we, unmindful of our duty to our future in the life of the nation we belong to, neglect this work before us, on our heads, the memory sad, will rest the blame and the curse.

On this subject of construction from proceeds of land sales, we have no reason to believe, however, that, as has been contended by Mr. Blake (the new leader of the Opposition in the Dominion House of Commons), Sir John's estimates are too high as to immigration or value of lands. On the contrary, we find him borne out by the American returns, *ad hoc*, which show, not only a rapid increase of immigration from Europe, but an improvement in the class of immigrants in the way of means to buy lands, and that in the ten years last recorded wild lands had been sold to the amount of seventy million dollars. The fact, though striking, is not beyond the forecast of those, American and Canadian, who, in promotion of Pacific Railways, have written on the theme. In 1873, writing under the *nom de plume* Britannicus, in newspapers and pamphlets on the subject of the Canadian Pacific Railway, I advanced statements and predicates which have since been proved to have been warrantable. I said, under head.

FINANCIAL BASIS.

NORTH-WEST LANDS—VALUE—IMMIGRATION—TRAFFIC, ETC.

The cost of the work in question, say, even \$120,000,000, or more, is within the financial resources, without risk or strain, of Canada or Britain, and even of Canada alone, with Britain's guarantee, in whole or part, *pro forma*.

How? it will be asked. Thus—I answer.

For basis of operations, Canada, in her North-West Territories, and in British Columbia, as per agreement, *ad hoc*, has fully half a million of square miles (332,000,000) acres of lands* of large economic value, an area requiring but a railway to give current, life and development to its boundless treasures. The moment such highway is made, every acre will average five dollars in value, and in five years after, double that, say \$3,000,000,000 (three thousand million

* VALUE OF LANDS.—The details of my estimates of economic areas in our North-West Territories, "Rupert's Land" and British Columbia are given, in geographic designation, under the heads "North-West Territories" and "British Columbia," in "Lovell's Gazetteer of British North America"—a work published in 1872. The same information, but in more extended terms, and with abundant reference to the sources of information on the subject, viz., the journals, reports, etc., of my father, and other partners and chief officers of the Hudson Bay Company, and correspondence from all quarters of the Hudson Bay Company's Territories with my father, when in charge of central and important posts, is given in the appendix of my work of spring of 1872, "Peace River," published in Ottawa. Besides all this, I could and do speak from personal knowledge of most of the vast region in question. All exploration and report of travel since in those "Wild North Lands," such as the report, full, faithful and exhaustive of Professor Macoun, the Botanist (from Belleville) engaged by Mr. Sandford Fleming to examine and report on the flora and agricultural resources of our North-West, from the shores of the Lake Superior to the Pacific prove this. He and his companion (Mr. Horetsky) "speak," as Mr. Fleming states in the official report of 1874, "in glowing terms respecting the beauty of the country, the fertility of the soil, and the salubrity of the climate over wide areas on the eastern side of the Mountain Zone." When the travellers got on the western side winter had set in, but there was nothing found by them to indicate a less favorable flora, in the same latitudes, on the western side of the Rocky Mountains.

Captain Butler, in his admirable book of travel, "The Wild North Land," writing in 1873, says (page 358), "It will yet be found that there are *ten* acres of fertile land lying *north* of it."

On this subject of fertility, extent and intrinsic value of lands offered in grant for the railway, there was no difficulty in floating the scheme on the London Money Market. I hold evidence of the fact in the private correspondence to myself, from that quarter, in reference to the special information given in my writings on that subject, and the correctness of which it was ever in the power of capitalists in London to check, by reference to the official reports, charts and other archived internal information on the subject of the Hudson Bay Company, in their chief office in London. That Company now comprises about or over two thousand stockholders, and probably embraces a very large majority of "Dealers on London 'Change." Be that as it may—the men with the necessary millions to make the road were satisfied with the consideration presented, in the Land Grant, irrespective of trade speculations, and were ready at once to make the necessary advances—as the Hon. Mr. Abbott stated when examined on the Royal Commission, *ad hoc*, *it was only* owing to the sudden distrust (inspired by agencies opposed to the work) as to the ability of the Government (Dominion) of the day to continue to hold its political power, in face of the combination against it—combinations avowedly to defeat the project as then laid—that they failed to succeed'

dollars), and more, for the coal measures, vast and good, are beyond estimate. Such heritage—heritage of *future* as well as of the present generation, is for settlement in due course, by a proper system of immigration under governmental control and its immediate superintendence, as an important function proper to our new Dominion.

On this land, for its improvement, I would propose an *hypothecation* for payment of Dominion debentures carrying 6 per cent. interest, and 2 per cent. for sinking fund, per annum, and running twenty-five years. From what I know, personally, of the land and its value, I feel assured, that after the first year or two of the work, land sales would amply pay such interest and per centage of sinking fund.

The Imperial Government could not fairly refuse to give its guarantee, at least in some fair measure, to Dominion debentures for *such* a work.

One point more. But first, in supplement to what I have advanced as to hypothecation for railway debt, I would, to the lands (*i.e.*, wheat and pasture lands, with their invaluable coal measures and other mineral wealth) add the *railway* itself, from its initiation, and as finished, in section after section, as a subject for mortgage; the Winnipeg and Pembina and Nepigon or Thunder Bay branches to be considered as integral parts of the main line. Such security ought to be beyond all cavil.

As to the time proposed for payment of principal, *viz.*, twenty-five years, it has struck me since writing that, inasmuch as the next and the following generations will benefit most from the work, it would be but just to the present to leave to such beneficiaries the payment of the bulk of such principal, in so far as that can be done by debentures running beyond twenty-five years, say from thirty to forty years, and with, of course, a corresponding diminution of per centage for sinking fund.

The annual amount required, if the work has to be done within seven years, would (on each of such annual instalments, supposing them equal), be only about a million and a half of dollars per annum—only three times as much as the comparatively little, old and exhausted Province of Quebec has just realized out of her "Crown Lands" during the last year. Dominion Crown Land sales may, in two years after the commencement of our Pacific Railway, be ten-fold—certainly five-fold—that amount. But to come to my last point.

IMMIGRATION.

On this head, under the very special circumstances of the case, it is impossible to advance aught but predicate—which, of course, might be objected to as matter for "financial basis." Still, we have, in the recorded flow of this gulf stream of humanity to our ever

hopeful shores, "something to go by," even for "financial estimate." In that way a minimum, or even a fair medium, may be struck, as to determined results. But that does not, and cannot in effect meet our case—the problem before us of an abnormal, and, probably, super-excited migration of peoples, in considerable masses, from Europe and Asia. Manitoba, of the moment, even though unroaded, isolated, and to general emigration comparatively inaccessible, is evidence of this. Her Winnipeg of 1870—a hamlet of 300—is now a city of 5,000. What will the in-pour of immigration, from East, West and South be when the gates of ready access, by steam ways, are opened? No one can say with certainty; and speculation, on the factors and incidents of the hour before it, on this theme, may well start at its own shadow—its own honest forecaste.

It has been calculated that every immigrant to North America, is, on an average, worth \$1,000 to the State, whose revenue and natural resources and general national development, he contributes to. At that rate, one year's immigration, after our Pacific Railway shall be fairly under way in construction, might, in a sense, pay the total cash cost of the work. However, it would, probably, scarcely be advisable to assume so much in argument for "financial basis." I do so, rather in support of what, I think, would, *indirectly*, but in no small measure, contribute to "financial basis," viz., a liberal apportionment of fairly economic lands—good farming lands, grazing and agricultural—for *Free Land Grants*, along our first highways—say, river ways, and inland "territorial roads" (central), and also along the line of Pacific Railway proposed. Free Grantees, to better themselves, are apt to buy "sale lands." There will, moreover, be ample left, for settlement, in regular course. And in the proceeds of such, with that of the various city, town and village lots, to be laid off by Government, and in the proceeds from our valuable coal lands—which, by the way, appears by one of his Acts of Parliament of last session, the Hon. Mr. Mackenzie seems so anxious to throw away for comparatively nothing, to wit, "one dollar an acre," to anybody that will buy them—there will, I presume, be abundant to pay interest and sinking fund on railway cost, and that, without the sale or grant of a single acre of the Crown, the people's domain, to the railway company, save the strip, and perhaps adjoining wood lots (for fuel, ties, and road maintenance) along their narrow line-way of rail.

PROSPECTS.

The facts, on which the success of the scheme in a financial point of view, are urged, are the following:—

1. The capability, as already established, it may be said, of Manitoba and the continuous fertile region beyond on the line of route to the foot of the Rocky Mountains, of yielding enough to "run the

road"—paying working expenses, and leave much to margin of construction account, not only on the Prairie Section (about 1,000 miles) but much of the woodland section, viz., between Red River and Lake Superior.

2. The volume of immenso natural resources of the enormous extent of country, *north* of the line of railway—larger and richer than ten Britains—which must, from necessity, take the railway for "out-put."

3. The remarkable facility of transport from great distances to the railway at certain well chosen objective points, such as the Red River crossing at Selkirk, at the head of Lake Winnipeg navigation, and crossings of the two Saskatchewan, and at Battleford. This facility arises from the general loveliness of the country, and the fact of its being permeated by a system of rivers in the main of gentle current and lacustrine in many parts, affording easy navigation, while on the other hand the prairie is ever excellent roadway with horse feed (natural—grass, hay and vetches) all along, and woodland is a comparatively open one traversable in all directions and at all times.

4. British Columbia, in her unexampled natural wealth—land and marine—will assuredly more than pay interest and sinking fund on the present outlay within her borders, viz., \$2,400,000 per annum, and even on double that when the canyon of the Fraser shall have been roaded with rail.

5. The Pacific Trade, north and south, including the Australian Colonies, with Britain, Europe and the United States, according to record of exports and imports, may be estimated at fully one thousand millions of dollars, of which, Britain has over one-half, and the rest may be assigned to the United States and Europe in about equal shares, each one-quarter.

On this head, I give, as most readily accessible, the following extract as made up, with some labor from the rather diffusive reports of our Imperial blue book, the whole given in some detail and summarized in one of my pamphlets on this subject of Pacific Railway. Quoting from Imperial Returns for the year 1873—the last then at hand—I gave, after full details as to each colony and country, the following:—

"General summary of the British Pacific Trade:—

China, including Hong Kong and Macao.....	\$151,126,975
Japan.....	45,877,500
Islands in the Pacific.....	861,625
Straits Settlements.....	38,681,595
Australian Colonies and New Zealand.....	366,739,710

\$503,287,405

United States Trade Returns (1873-4) Summary :—

Japanese Free Ports.....*	50,322,547
China and Japan (Note,—There is no separate entry under head "China," but there is "China and Japan," besides "Japanese Free Ports.").....	51,221,551
Sandwich Islands.....	2,013,461
British East Indies and Australia.....	25,147,807
Dutch East Indies.....	7,512,088
Bullion—China and Japan.....	15,305,181

Total.....\$154,012,438
Add British Trade.....503,287,405

Total aforesaid in 1873-4.....\$658,100,843

* Add for Europe—France, Germany, Spain, Portugal, Italy, Sweden, Norway, Denmark, etc."

The rate of increase of the Pacific Trade is markedly rapid, say at least 50 per cent. in five years as to the Australian Colonies, with every prospect of continuance steadily of such increase.

As to China and Japan, the development in extent and character is phenomenal, beyond calculation, and assuredly giving every continued prospect of larger and larger increase.

In this connection, I repeat a few remarks of my own as "Britannicus" which seem to have been confirmed since by what has transpired as to the American trans-Pacific trade between San Francisco and the Japanese and Chinese ports. Writing in January, 1875, I said, "At the present rate of progress of the Pacific Trade, it would, in five years (before which, of course, the railway could scarcely be built) probably rise to a thousand millions of dollars. On that, less than one per cent. would 'run' the road; 2 per cent. pay cost; and 3 per cent. give good dividends on stock, verifying my estimate, *ad hoc*, in Britannicus' Letter 8 of 1869.

But the best evidence on this head is the result, so far as made known to the general public—for there seems to be a studied effort of concealment in this regard by the parties interested in the "happy" speculation—result I say—of the working of the trans-continental railway between Omaha and San Francisco.

Notwithstanding the enormous cost of the work—three times or more, mile for mile, what ours is likely to cost—it proved at once a brilliant financial success. In the very first year after completion, one half of it, viz., the Central Pacific, paid off over \$2,000,000 on Government debentures, and the other, when afterwards pressed by Government, paid, or at least was pressed for, and, we presume, paid in 1875, five millions on like account.

The official report of the Government directors *in re* The Union Pacific Railroad (about half of the road from Omaha westward—Omaha corresponding in distance from the Pacific, with Fort William, Lake Superior) reported as follows :—

"The gross receipts for the year ending 1875, were \$11,522,021; operating expenses, \$4,788,630; reduction of debt last year \$678,000, and a total of \$2,600,000 land grant bonds paid off since the completion of the road. 'Increase of revenue,' the directors estimated 'could be run to \$20,000,000 per annum without any increase of its bonded debt.' Finally, they conclude, '*The road is a vast and valuable property, well cared and well maintained and capable of returning to the Government the investment it has made therein.*'"

As to the other portion of the "American Pacific," viz., that known as the "Central Pacific Road," its length from San Francisco to point of junction with the Union Pacific is 900 miles—Began in 1865, it was finished in 1870.

I give also the following from the pamphlet of promoters of the Northern Pacific Railroad Company, whose contemplated field the Canadian Pacific by southern feeders and by its main line is likely to draw from very largely. Their Western Termini are literally in the same great natural harbor, the Georgian Gulf.

FUTURE BUSINESS OF THE ROAD.

The Northern Pacific Railroad will centrally traverse and draw its traffic from a fertile belt of country 1,300 miles long and at least 700 in width, which is now wholly unsupplied with railroads or other adequate means of transportation. For the carrying trade of this vast region the Northern Pacific Railroad will have no rival. The existing line to the Pacific has an ample field for a prosperous business of its own; and, owing to insurmountable difficulties of surface and climate between Lake Superior and James' Bay, a transcontinental road through the British Possessions, north of the Northern Pacific route, will not be seriously contemplated by practical people."—So says the American, but not so he of Canada.

Will a country of this extent and character furnish a sustaining business to one line of road? The question answers itself. But the case does not rest on this general inference alone. The States, Territories and Provinces dependent upon the Northern Pacific Railroad as their thoroughfare of travel and traffic are already populated to a very considerable extent, and enjoying fully organized local governments. The country directly tributary to the Northern Pacific Road contains quite as many people as did the States and Territories traversed by the first Pacific Road when it was built, while the producing capacity of the Northern belt is at least five-fold greater than that of the Central.

It was predicted that years would elapse before the Union and Central Pacific Roads could reach a paying business. I look at the facts: Although built by the longest line between the Lakes and the

Pacific Ocean, through a belt of country much of which cannot be occupied, and over a mountain region presenting great elevations and most difficult grades, these two roads, which for commercial purposes may be regarded as one, earned enough in their *first full year of through business*, over and above running expenses, to pay six per cent. interest on a fair estimate of their cost. How many roads in any part of the country can make a better showing? The official statement of the earnings and expenses of the Central Pacific Road during six years is as follows :—

	Miles operated.	Gross Earnings.	Operating Expenses.
1865.....	31 to 56	\$401,941 92	\$121,669 53
1866.....	56 to 94	864,917 57	200,710 61
1867.....	94 to 137	1,470,653 50	330,913 33
1868.....	137 to 468	2,300,767 17	843,166 54
1869.....	468 to 742	5,670,822 25	2,993,523 19
1870.....	742 to 900	7,920,710 39	4,060,564 95
Total.....		\$18,629,813 39	\$8,550,548 15

During the same period of six years the net earnings, the interest on bonded debt, and surplus of net earnings over interest liabilities were as follows :—

Net earnings	\$10,079,265 24
Interest on bonded debt.....	4,184,221 00
Surplus of net earnings over interest	\$5,895,044 24

The financial representatives of the Road make this comment on the above figures :—

From the foregoing tables it will be seen that the Central Pacific Railroad has earned, in six years, more than \$10,000,000 *Net* over operating expenses, and nearly \$6,000,000 *over operating expenses and interest on its Bonds*; while, during *four years and a half* of that time, the road was under construction, without through business, and, for the first three years, with less than 100 miles in operation.

It would have been difficult, before the construction of the present Pacific Road, to say of what would consist the enormous traffic it at once obtained and now enjoys, yet sagacious men knew the business was awaiting the road. The builders of the Union and Central Pacific Roads deserve much credit as the pioneers of a great movement. They took the risk of a vast experiment, and their demonstration of the feasibility and profitableness of a trans-continental road by a most difficult route, has rendered comparatively easy and wholly safe the construction of a second road, on a short line, with easy grades, and through a country of singular mildness, fertility and variety of resources. The success of the first being already proved, the success of the second, under the circumstances, is doubly assured.

To enumerate some of the sources of traffic which now awaits the completion of the Northern Pacific Railroad :—

1. The Road will command the vast interior trade that now supports nineteen steamers of the Oregon Steam Navigation Company, which navigate the lower Columbia, the upper Columbia, Clark's Fork, the Snake River, Lake Pend d'Oreille and Puget Sound. The dimensions of this traffic in Oregon, Idaho, Washington and Montana may be judged by its profitableness. The Company was organized in 1860, with a capital of only \$172,400. Up to June, 1869, it had expended over \$2,000,000 in the construction of steamers, railroads around the Dulles and Cascades, wharves, etc., and paid its stockholders, besides, over a million of dollars in gold as dividends.

2. Of the existing Lumber trade of Puget Sound, westward by sea, we have given a glimpse. The Railroad will create a proportionate trade eastward. The shipments of lumber, by vessel, from Puget Sound in 1870 equalled 18,000 car loads, or 900 trains of 20 cars each. And this traffic is yet in its infancy. What must it contribute to the business of the Northern Pacific Railroad ?

3. It will take the bulk of the large business now done all over the North-West by pack-animals and waggon-trains. It will perform the most profitable part of the mail service of five States and Territories, and will ultimately carry the Chinese and Japanese mails.

4. Where the Road crosses the Red River of the North it taps 1,500 miles of inland navigation, down the Red River, through Lake Winnipeg, and up the Saskatchewan to the foot hills of the Rocky Mountains. Light draft steamers have long navigated this route. Among the greater part of this water-way the soil is good, the climate like that of Minnesota, and the settlements numerous. The trade of this vast region beyond the national boundary, including the transportation of supplies for the Hudson Bay Company, will at once and permanently form part of the business of the Northern Pacific Road.

The Hudson Bay Company and Winnipeg settlers have hitherto shipped their supplies over the St. Paul branch of the Northern Pacific Road to its present terminus, and thence transported them with teams 150 miles to the nearest steamboat landing on the Red River.

5. The tide of emigration, already pouring into the country now opening to settlement, with the thousand needs of new and thriving communities, will contribute a large revenue to the Road.* For

* A late number of the St. Paul *Pioneer*, speaking of the tide of population already pouring to the line of the Northern Pacific Railroad, says :—

“ The Roads leading to the Red River Valley are literally covered with emigrant waggons, with their usual accompaniment of families, furniture, and stock of all kinds. The waggon roads from Sauk Centre to St. Peter

many years the transportation of settlers, their families, goods and supplies (though done at low rates) to all parts of the Fertile Belt adjacent to the Northern Pacific line, will form a constantly increasing source of income of the Company. As a route for tourists the Northern Pacific must always be popular. The summer pleasure travel over the line will be increasingly great.

6. The shipment of cattle over the Northern Pacific Road promises to equal that upon any line in America. The grazing lands of the Fertile Belt are admittedly unsurpassed in character and extent. The "bunch grass" covers valleys and mountains. It is grass in summer and cured hay in winter. No drouth kills it—no heat diminishes its nutritive qualities; wherever it grows cattle require no other food throughout the year, and thrive without shelter. Stock raising will continue to be, as it now is, one of the most lucrative branches of business in the North-West, and with this great thoroughfare furnishing quick transportation to a ready market, this interest cannot but reach enormous proportions. The experience of the Kansas Pacific and Union Pacific Roads, in suddenly developing an extensive trade in cattle from the south-western plains furnishes a suggestion of what may be expected by the Northern Pacific Road.

7. The grain-producing capacity of Minnesota is well known. The Northern Pacific Road and its branches will drain two-thirds of the wheat lands of Minnesota, and the trunk line will traverse on its way to the Pacific, many million acres of equally good soil. Indeed, the Road may be said to traverse, and open to the world's markets, that region which, at a very early date, is to furnish the bulk of the surplus wheat crop of the United States. How much business must the grain-product of the North-West, present and future, furnish to the Northern Pacific Road? With one-fiftieth part of her lands under cultivation, Minnesota alone exported grain enough in 1870 to load 2,500 trains of 20 cars each.

8. The many navigable rivers crossed and recrossed at convenient intervals by the Northern Pacific Railroad, will contribute to it a large traffic by bringing in the trade of the country for many miles on both flanks. For example, on the Pacific slope, the waters of Puget Sound, the Cowlitz river, the Willamette, the lower and upper

show daily accessions to the caravan wending its way to the fertile regions of Northern Minnesota. The extent of the great incoming tide of humanity can be best estimated on the main road from Alexandria to Pomme de Terre. Two hundred waggons per day pass over this portion of the route north-west, and the camp fires are seldom allowed to go out—a fresh train of emigrants arrive almost as soon as its predecessor has resumed its march. A noticeable feature of this year's emigration is its quality—the waggons come loaded with household goods and farming implements, and are followed by herds of cattle and other stock which in quality would do credit to any country. Fully twenty thousand settlers have located on the line of the Northern Pacific Railroad in western Minnesota during the first half of 1871."

Columbia, the Snake, the Clark and Lake Pend d'Oreille—all will serve as feeders and outlets for the concentration and distribution of freights and passengers upon and from the great central thoroughfare, the Railroad. From the head of navigation on the Columbia's branches it is only 230 miles across the mountain country to the navigable waters of the Missouri on the east. This stream and the Yellowstone drain large tracts of fertile country, and both will bring their tribute of trade to the Railroad where rail and river intersect in Dakota. Two hundred miles further east, the navigable Red River is crossed, bringing to the Road, as elsewhere stated, the trade of 1,500 miles of valley lands. At their eastern termini, the two arms of the Northern Pacific Railroad connect with the commerce of the Mississippi at St. Paul, and the commerce of the great Lakes and the St. Lawrence at Duluth on Lake Superior.

This lake and river system of the Fertile Belt is obviously an important element in the assured success of the Road, giving it the practical advantage of eight or ten side branch lines, without the expense of building them. But the Central and Union Pacific Road has proved a business success without having a single navigable stream tributary to it between Sacramento and Omaha—1,775 miles.

9. The Mining interest of Montana, Idaho and Washington will at once furnish a large share of traffic to the Northern Pacific Road (the same may be said of British Columbia as a gold region), and, with cheap transportation and the introduction of improved machinery, this branch of business will steadily increase. The fact, elsewhere noticed, that the product of the Montana, Idaho and Washington mines was over twenty million dollars in 1870 indicates the richness of the deposits and the permanent nature of this industry. The shipment of supplies for the mining population, and the transportation of their product eastward, will in all probability render the mountain section of the route more profitable to the Road than any equal extent of agricultural country.

What the coal traffic is to many eastern roads, the transportation of ores promises to be to the Northern Pacific. Already the Union and Central Pacific line derives a very considerable revenue from this trade—carrying the ores of the precious metals from the mines to the smelting works at San Francisco and on the Atlantic seaboard. Ten thousand tons of ores, assaying from \$200 to \$1,200 per ton, now pass over the Central and Union Pacific Roads monthly. The authorities of these roads estimate that when the smelting works are enlarged to the proper capacity, not less than 1,000 tons of ore per day will be shipped over their line. The well-known richness and extent of the mines adjacent to the route of the Northern Pacific Road give assurance that it will derive as great a traffic as the Central from this source.

10. Too much importance is not attached to the matter of through business between the ports of Asia and our Atlantic Coast, experience having shown that Local Traffic must always be the main reliance of all great thoroughfares. But, whatever shall be the future volume of the Asiatic trade by rail across this continent—and it will unquestionably be large—the Northern Pacific Road is sure of its full share. Its advantages in this regard are as conspicuous as in others. It spans the continent from the great Lakes to the Pacific by a line 500 miles shorter than the present finished road, and, owing to the less distance and the prevailing winds and currents of the Pacific Ocean, the sailing time between Puget Sound and the ports of China is four to seven days less than between San Francisco and China. The Northern Pacific Railroad is in the direct line of the “highway of nations.”

That was written in 1871 or 2. The facts have not changed since, and what has been there advanced as to the immense natural resources of the regions in question, and the trade of the ocean beyond, has been since fully confirmed.

The enterprise of the Northern Pacific Railroad, chartered in 1871, has, however, not been fully carried out, and its fate as a *through route*, at least for some time to come, depends much on the “to be or not to be” of the Canadian line, whose over-shadowing merits in advantage, in shortness, alignment, field of route, and natural resources for maintenance and working seem to have staid progress on the part of its would-be rival.

Reverting to the other road, viz., the one terminating at San Francisco, it has, we find, done this viz., created within five years a trans Pacific Steamship Line, at a cost of some twenty million dollars, and that its profits were so large, that before five years, the company had to spare, and spend in mere lobbying in Washington, a million of dollars—a fact that, escaping the arcana of Congress, has found wings in the press, and tells its own tale.

This matter of Pacific Trade, as now being developed, is too rich a *trouvaille* for the American, who, by his astuteness and enterprise, has discovered and utilized it, to say more than need be about it to the world. That trade has already created for it a merchant marine in those new world waters, before which Britain may have, beforehand, to lower her “Jack” there. But there are special reasons why it should not be so, viz.:

1. The physical facts are really in her favor. The “highway,” i.e., natural “highway of the seas,” between North America and China, is that great gulf stream, known to Japanese nomenclature as *Kuro Siwo* (the great Black River) which, as laid down in Maury’s charts, slowly rises in mid-ocean from round the “Sargasso Sea,” of the Northern Pacific, somewhere in the lower latitudes, and thence

sweeping northward and eastward with augmenting speed, along the coasts of Japan, and passing across the northern latitudes, strikes the British shores of our Columbia.

The true (shortest and best) sailing arc from Yokohama, the new emporium of the East (lat. 35 deg. 40 min.) to the American continent, is to Vancouver Island.

Vancouver Island is itself the grandest harbor of harbors. Thence to Burrard Inlet, itself a good harbor, is a short ferry of some 30 miles. Distance from Yokohama to Burrard Inlet, 4,336 miles.

Of the whole Pacific coast, from Behring Strait to Terra del Fuego (the "Horn") British Columbia offers the best harborage except Puget Sound, but which last we share in some measure.

2. The other main physical fact is that Britain and British Columbia are in the same latitudes, and that in the Atlantic also, a like Gulf stream, as a river, from west to east, crosses that ocean.

That between those two ocean highways, the Canadian Pacific is a connecting link, *precisely in line*, and the shortest and easiest, and in every way best possible for inter-communication, as already shown.

3. That further, we hold the commanding points for the world's telegraphy across the great waters in the path of general commerce.

On this head Mr. Fleming's report gives the facts in such array as to carry conviction.

We give his words and also Mr. Gisborne's memorandum. On this subject there is no higher authority than Mr. Gisborne, and his views, expressed from matured experience, and without any bias, certainly commend themselves to our special regard.

THE PACIFIC RAILWAY TELEGRAPH.

The telegraph has become a necessity in the working of railways, and when, eventually, the Pacific Railway shall have been constructed, the addition of the telegraph would follow as a matter of course. But, under the circumstances which obtain in the present instance, it appears to me essential that the construction of the telegraph should precede the railway. From the vast distances which intervene between the seat of Government and the points where railway expenditure is to be made, the telegraph may be viewed as one of the main auxiliaries in controlling the outlay. Even under this one aspect, apart from the other benefits which it would confer, the completion of the telegraph should not, in my judgment, be long postponed.

The construction of the railway in British Columbia, some of the heaviest sections of which are now under contract, and the many questions which will constantly arise during the progress of the work, will make frequent telegraphic communication between the Pacific coast and Ottawa a necessity. The non-completion of the telegraph in Canadian territory, will, therefore, cause inconvenience and serious expense. All telegrams will have to be sent by California. Foreign companies will reap the benefit of the traffic, while the portion of our own line in operation to Edmonton will remain for the most part unemployed and unremunerative, as the merely local traffic is limited and insufficient to meet the expenses of operating and maintenance.

There are, therefore, strong reasons for the connection of the telegraph at Edmonton with the system in operation in British Columbia. In its present incomplete condition, the capital so far expended in its construction remains unproductive, and brings no proportionate benefit. Developed and placed upon a proper basis, the line would be of great public service. With the connections to which I shall presently refer, I believe that it would ultimately become highly remunerative.

I have discussed in former reports the different modes of establishing telegraphic communication between Fort William, Lake Superior and the seat of Government.

One method is to submerge, north of the Counties of Grey and Bruce, cables across Lakes Superior and Huron to Tobermory in the Indian Peninsula, with intermediate land lines across the peninsula at Sault Ste. Marie, and over Manitoulin Island; a land connection from Tobermory being made with Southampton or Owen Sound.

Another plan is to establish the line for the railway from the north side of Lake Superior to Lake Nipissing, and to construct a land telegraph on that line, making a connection at Lake Nipissing, by the extended Canada Central Railway from Ottawa.

Another means of obtaining continuous telegraphic communication, without passing through a foreign country, is afforded in connection with the projected railway to Sault Ste. Marie. The telegraph may be carried along the route of this railway to the eastern end of Lake Superior, with a submerged line across the lake to the telegraph at Thunder Bay.

In my report of last year, I submitted for consideration two modes by which the Pacific telegraph line might be completed and rendered useful:—

1. To complete it as a Government work, and operate it directly under a Department, as in Great Britain, France and other countries, with uniform low scales of charges.

2. To transfer the 1,200 miles constructed to some company which would undertake to complete and operate the whole line on conditions to be determined.

If it be deemed expedient that the Government should be relieved of the work, there would possibly be but little difficulty in organizing a company which would assume the task of completing the desired connection on terms acceptable to the public.

SUBMARINE EXTENSION TO ASIA.

The telegraph completed and in operation from ocean to ocean, opens up a prospect of extended usefulness, and promises advantages which do not alone concern Canada.

A map of the World, setting forth the great telegraph lines in operation, shows that Canada is situated midway between the masses of population in Europe and Asia, and establishes the peculiarly important geographical position which the Canadian Pacific telegraph line will occupy.

Europe is connected with Asia by four main telegraph lines. One by way of Portugal, Spain, Malta, Egypt and the Red Sea. A second passing through France, Italy and Greece, also follows the Red Sea. A third traverses Germany, Austria, Turkey and Persia. A fourth passes through Russia, and follows the River Amoor to the Sea of Okhotsk. The two first touch at Aden, at the entrance to the Red Sea, from which point a submarine line extends to Zanzibar, Natal and the Cape Colonies. From Aden the main lines are extended to India. From India two separate lines have been carried to Singapore. From Singapore connections are established north-easterly to Hong Kong and Japan, and south-easterly to Australia and New Zealand.

The rapidity with which the telegraph cables across the Atlantic have been multiplied, and the construction of more than 400,000 miles of land and submarine telegraphs over the globe, afford evidence of the work which they are called upon to perform. The few years in which these results have been attained, indicate the rapidly growing magnitude of telegraphic traffic, and circumstances conclusively point to a demand for vastly increased facilities of communication between the great centres of population and commerce of the world.

While, on the one hand, the telegraph has extended easterly across Europe and Asia, and, on the other hand, westerly across the Atlantic, the *Pacific Ocean remains untraversed*. The explanation may lie to a great extent in the fact that the character of the bed of a great part of the ocean forbids the attempt. In more southern latitudes, the great central areas of the Pacific Ocean is marked by sub-aqueous rocky ledges and coral reefs, the existence of which has deterred any telegraphic enterprise from being carried out. Submarine cables have at different times been projected to cross the Pacific, one of which was to have started from San Francisco, to touch at the Sandwich Islands; but on account of the broken and unsuitable character of the ocean-bed, the project after considerable expense had been incurred was eventually abandoned.

The chart of the United States surveys of the northern part of the Pacific Ocean (1877), shows that a line from the north end of Vancouver Island to the Aleutian Islands, and from the Aleutian Islands to Japan *via* the Kurile Islands, has a depth averaging from 2,000 to 2,500 fathoms, and the soundings reveal a soft, oozy bottom, presenting similar conditions to the north Atlantic Ocean, on the plateau of which cables have been successfully laid.

From her geographical position, Canada has unusual facilities for taking advantage of these favorable conditions, and the belief is warranted that when a submarine telegraph is laid from America to Asia, its location will naturally be in connection with the Canadian overland telegraph to the Pacific Ocean.

The cable may start from one of the deep-water inlets at the north end of Vancouver Island, and be sunk in direct course to Japan, or it may touch about midway, Amli, one of the Aleutian Islands. At Yezo, in Japan, the connection would be made with the Asiatic telegraphs. As an alternative route the submarine line may land on one of the Kurile Islands, north of Japan, and thence extend direct to Hong Kong. Either course would complete the connection with the whole eastern telegraph system, and effect important results.

1. It would connect San Francisco, Chicago, Toronto, New York, Montreal, Boston, and all the great business centres of America with China, and the principal ports of Asia, much more directly than by the present lines of telegraph by way of Europe.

2. It would open a new means of communication between America and Asia, to be employed for purposes of general commerce at much lower rates than by existing channels.

3. It would obviate the objection to lines which pass through countries where different languages are spoken, a circumstance which often causes error in the transmission of messages. The new line would be employed for the most part by the English-speaking people of both hemispheres, and consequently one language only need be used by the telegraph operators. Thus a fruitful source of mistakes would be avoided and the charges for transmission would be freed from all incidental additions, and reduced to the lowest remunerative rates.

4. It would complete the telegraphic circuit of the globe, and would be available for highly important scientific investigations.

5. It would bring Great Britain, Canada, India, Australia, New Zealand, South Africa, indeed all the outer Provinces and the colonial possessions of Great Britain in unbroken telegraphic communication with each other, in entire independence of the lines which pass through foreign European countries.

It could scarcely fail to prove of very great advantage for purposes of State as the line might be so established as to remain under Government control, to be immediately serviceable on any emergency.

I append correspondence in which the importance, practicability, cost and remunerative prospects of the Canadian Pacific telegraph extended to Asia are considered.

I respectfully submit that, whatever arrangements may ultimately be made for carrying out the undertaking, it is obvious that much of the advantages, political and commercial, which undoubtedly must result, will accrue to Canada.

LETTER FROM MR. GIBBORNE.

TELEGRAPH AND SIGNAL SERVICE.

OTTAWA, 13th June, 1879.

SANDFORD FLEMING, Esq., C.M.G.,
Engineer-in-Chief, Canadian Pacific Railway.

DEAR SIR,—I fully appreciate the kind and complimentary manner in which you have requested me to report officially upon the feasibility, commercial value and importance of telegraphic communication between Europe, America and Asia, *via* the Dominion of Canada.

As already explained, it is a subject to which I have given much consideration for some years past, and, with yourself, I am of opinion that the time has now arrived when public attention should be directed to an enterprise of so much moment to Imperial and Colonial interests.

It is evident that the Government, which possess the exclusive privilege of controlling the Canadian Pacific Railway route for telegraphic purposes, must occupy a position of great national importance, inasmuch as they will not only hold the shortest, most feasible, and therefore the most economical line of communication between the commercial emporiums of North and South America and the Empires of China and Japan, but also that such route will be equally available and preferable for telegraphic intercourse between Great Britain, those Empires and her Australian, New Zealand, and other eastern possessions, the present routes, *via* the Red Sea or Persia, entailing the repetition of despatches through various nationalities and in different languages.

The route advocated is, by land line, from Halifax, Nova Scotia, *via* Ottawa and Manitoba, to the Pacific terminus of the Canadian Pacific Railway system, and thence by submarine cables, from the north-west point of Vancouver Island, to Yesso, Japan, where it would connect with lines now running to Hong Kong, China, Australia, New Zealand and elsewhere.

First, as to the feasibility of the project, admitting without unnecessary argument the extraordinary advantages of the proposed land route along the line of Canadian Railways, not merely for construction, but also for maintenance and speedy repairs, *time* rather than *cost* being the essence of telegraphic success, you will notice upon referring to an Admiralty chart of the North Pacific Ocean, that the soundings between British Columbia and Japan are of an exceedingly uniform character, varying from 1,000 fathoms inshore to 3,000 fathoms in mid ocean, the bottom being invariably

overlaid with black sand, clay and the ooze of defunct infusoria peculiar to those latitudes; also that in comparison with the deep portion of the bed of the Atlantic between Ireland and Newfoundland, the maximum difference in depth is under 300 fathoms.

Again, the distance between France and St. Pierre, following the route taken by the first French Cable Company, is 2,327 miles plus 706 miles between St. Pierre and Massachusetts, the length of the direct cable between Ireland, Nova Scotia, and the United States being some 200 miles longer; whereas the distance between British Columbia and Japan is about 3,300 miles, with a mid-station, if necessary, upon one of the Aleutian Islands, which would thus sub-divide the cable into two nearly equal lengths of about 1,650 miles each.

With the improved electric cables and signalling apparatus of the present day, it has already been demonstrated that communications can now be as readily and speedily transmitted through 3,000 miles of cable as was formerly practicable through a 2,000 mile conductor. Neither will the route indicated be liable to serious competition, for between the parallels of 30° north and 30° south of the equator the vast number of volcanic islands and coral reefs entirely precludes the successful accomplishment of cable enterprises within those limits. It was for such reason that the projected line in two sections of 2,000 and 3,000 miles in length between San Francisco and Japan, *via* the Sandwich Islands, was abandoned, and I may also observe that a departure from British Columbia will insure a line 500 miles shorter than by any route starting west from San Francisco.

It is not anticipated that there will be any difficulty in obtaining landing rights from the United States Government upon one of the Aleutian Islands, if deemed advisable to divide the distance. The Japanese Government, on the other hand, I have reason to believe, will be most desirous to co-operate with and assist an enterprise of so much consequence to their Empire.

Secondly, as to the commercial value and importance of the undertaking.

It is extremely difficult to furnish any reliable data upon which to estimate the future amount of business which must pass over the line now contemplated, for all cable companies are reticent relative to sectional or special sources of revenue; but, taking the present tariff rates for messages *via* Europe, at \$3.75 per word, considerably less than half that rate would yield a handsome profit on the route *via* Canada and the Pacific.

Again, from London or Paris to Japan, *via* the Red Sea route, the present charge is \$3 per word, while little more than two-thirds of such rate would yield an equally profitable return between the same points *via* Canada.

It is not unreasonable to suppose, therefore, that the great and fast increasing telegraph business, not only between all America, but also between Great Britain and other European countries and the far east, would, in great measure, be diverted to the new route.

I may here note that the Pacific cable might be laid direct to one of the smaller islands north of Yezo, which island could probably be acquired or purchased from the Japanese Government, and thence laid to Hong Kong, whence by an alternative route it might be continued direct to Australia thus securing a through line of communication, which, whenever required, could be placed under the immediate control of the Imperial Government.

The cost of the Pacific cable to Japan, including the completion of the Canadian land lines, I estimate at £800,000 sterling (\$1,000,000), and business equal to one-half the capacity of the first French cable between Brest and Massachusetts (the relative cable distances being very nearly the same), would render it a paying investment.

I have, therefore, no hesitation in expressing a decided opinion as to the complete practicability of the enterprise herein referred to, and from the consideration which I have given to the question of cost and traffic, I feel assured that the undertaking, as a whole, would be as successful and remunerative as it is important to the general interests of Great Britain and her dependencies.

I am, dear Sir,

Your most obedient servant,

F. N. GIBBORNE, Govt. Supt.,

Telegraph and Signal Service.

Thus, under Providence, we hold, as it were, the supreme highway of commerce amongst the nations of the earth. It is for us to see to it that we continue to do so.

But before concluding on this head of Pacific Trade, its volume, momentum, and special bearing on British interests, admitting that my estimates may be somewhat arbitrary, I must plead that they are so from the nature of the case—one *sui generis*—a problem of vast elements, unparalleled, with quantities somewhat indefinite, factors necessarily somewhat arbitrary.

Still, we have some authenticated statistics to go on, and they speak the logic of their arithmetic. But did these fail us entirely, is—it may be asked—all political movement, every national act for present or future good, to be determined by a simple rule of arithmetic? If so, then truly indeed are we but “a nation of shopkeepers,” and foolish at that. No! It is not so—Thank God! England is mistress of the seas—of the highways, heaven laid, of human intercourse and progress. For human good we, of her, believe her to be so; and so we believe she, under Providence, will ever be, till time be no more on earth. Her ocean throne is at the present moment, by accident, riven, in a sense, it is true, by a foreign iron rod suddenly struck.

It is for her to counteract that, and more firmly to wield her power. True also, that at present, prospectively in menace, if not actually, that the *short ways*, the opening highways of the earth, viz., the Isthmus of Suez, and that of Darien are virtually in foreign, rival hands, and that to her are left but the old roundabouts, the “Cape” and the “Horn,” but that also, by the same means, she can fully meet and remedy. Before her, inviting, she has against all these a save-all, a guard-all, a defy-all. In the gorge of railway—the Fraser Canyon—port-hole to the Pacific, gunned and charged from her inexhaustible arsenals at home, she still can rule that further greater Britain.

AREA AND PHYSICAL CHARACTER OF COUNTRY TO BE TRAVERSED.

On this head—after reading the very full and exhaustive reports of the Geological, Botanical and Survey Staffs of the Dominion—I find the following passage in one of my “*Britannicus’s*” pamphlets on this subject of Pacific Railway so thoroughly borne out that I feel tempted, for brevity, to cite it. It is in a letter headed by me

“OUR HERITAGE IN JEOPARDY!”

Taking any true map of British North America, we may remark first, the compact *unity*—a feature itself an element of strength in a country—of the whole vast terrain.

In area, we find from best authority, that it is three and a quarter millions of square miles, or within about one hundred thousand square miles of that assigned to the United States. Of this total of Canada and Newfoundland, no less than 2,206,725 square miles, according to the official report [1872, page 14] of the Surveyor-General of Dominion Lands, fall under the head of “*Dominion Lands*,” and which, of course, are exclusive of Provincial lands.

To this Dominion land total let us add, for our present argument, the 350,000 square miles of British Columbia, and we have a grand total of over two millions and a half of square miles, north and west of us, and which, for the nonce, we may term our new grand heritage of the North-West.

From the silver gleaming shores of Lake Superior to the furthest golden mountain heights and isles of British Columbia, a stretch of 2,000 miles, with an average cereal breadth of 500 miles, is the grandest and richest virgin field for homesteads on earth. I know the land. On its far, northern border I was born, and in early life, side by side with my father, thence traversed it from Pacific to Atlantic, and have touched its three oceans.

Let us glance at its boundaries, for they also, I hold, are elements of strength unto the country. On the east, we see, as to any effort in war, a broad and impassable belt of hyperborean ice-hill and field, and a rock-bound, ever tempest-tossed coast. On the west (British Columbia) a vast mountain, mural, rock coast, deeply fiorded, with abounding sheltering harbors, but utterly unassailable to any naval force, save, in the immediate coast (a very limited one) of the Georgian Gulf, under the guns of our lost San Juan. On our north is the intangible Arctic. On the south we have from Puget Sound to the Rocky Mountains, a system of vast and unsurmountable mountain ranges running in varied directions. *Ossa* on Pelion piled, and with passages so few, narrow and difficult, that no aggressive force could cope with any military resistance in such a

Thermopylae. From the Rocky Mountains to Pembina we have, in defence, the so-called "American Desert," the Prairie of the Southern Saskatchewan, the home of the ever (to Britain) loyal Bedonkobs of the Plains—men of utmost fight and ever foremost lists against their traditional "enemies"—the "Boston Long Knives," or, briefly, "The Long Knives." With such native army of Sikhs, "true to their salt," the British North-West could well hold its own. From Pembina to Lake Superior is a region of swamp and high rugged rock impassable to military movement. Arrived at Lake Superior we find ourselves on what, practically in every point of view, are American (U.S.) waters, for that Power, in and by virtue of its Saint Ste. Marie canal, *alone holds* the means of placing war craft on this inner and thus dominating "sea." On its death-still northern boundary ("the British") shores, no British arsenal, port nor jetty, can furnish aught for fight. To transport material thither, for vessel construction, or gaboon of even smallest type, is utterly impossible without a railway from the nearest Atlantic port, say Montreal, Quebec or Halifax, to, say, the sheltered head of Nopigon Bay.

As to Lake Huron, on its northern shores especially, the same misfortune and difficulty, but in a modified degree, would occur.

In this—the immense unbridged, unrounded, untouched wild between us of settled (older) Canada, and our younger self in Manitoba—is our fatal weakness. Military authorities tell us so. We see it.

But worse still. While neglecting to open a military roadway (rail) for our defence and commercial convenience, by our unassailable North, we construct one from the very fort gate of our enemy on our southern border to within the very portals—unguarded—of the capital of our heritage. In other words, a Pembina and Winnipeg railway, without one wholly on our own ground from the railway system of Eastern Canada, would be a thing ever of menace or, in case of war, of destruction to our national interests throughout all the North and West of our Dominion. On the other hand, with the latter, with its countervailing power and effect, it would, in war, be comparatively or perfectly harmless, and in peace be but useful.

Hence the "necessity," as has ever been urged by the original promoters—necessity *Imperial* as well as Canadian—that the scheme of a British American Pacific railway should be one from seaport to seaport, *continuous*, straight, strong, and short as possible, but touching, on military and commercial considerations, certain objective points.

On the subject of military considerations referred to, there is, no doubt, much to urge on the attention of the Imperial authorities.

CONCLUSION.

EITHER THE LAND IS, TO THE EMPIRE, WORTH KEEPING, OR IT IS NOT.

In face of the evidence—and when I say evidence, I allude to Canadian record, rather than Imperial record, now, evidently an insufficient and somewhat delusive one, as to the extraordinary economic value of the Northern America wild within British latitudes—in face of the evidence I say, of the fact that the country in question *is* a fit, and a most suitable home for the millions of the British people, who need such new field of action and usefulness, it is unquestionably the duty of Great Britain to *secure*, by means necessary and proper, the holding of so valuable a possession, and not, and has hitherto been too carelessly done, literally to throw away British heritage in America as something worthless and burdensome.

Britain spends, with lavish hand, her millions of money on African and Asiatic fight with wildest savagery, in the most distant and inaccessible parts of the earth, where there is not a particle of obvious commercial interest nor even sentiment of pure humanity to justify the deed of blood, and grudges, forsooth—refuses, in fact—to aid her struggling colonists when, in their own brave way, life in hand, and with sweat of brow in honest industry, they fight the battle of *her* flag in America.

I do not know, and have no means of knowing, what effort has been made on the part of the Government of Canada (if any) to obtain aid from Britain for the great work.

At the outset, a paltry dole of “*guarantee*” was given, of two millions and a half pounds sterling, ostensibly towards the work, but really, it may be regarded as only a compensation in some measure to the people of Canada for the assumption on their part, to the relief of the Imperial Treasury, of their military defence; and possibly in consideration of what Canada might suffer and lose for peace’s sake in Empire interest, in the matter of the Washington Treaty. Be that as it may, it is a fact, proved by public record, that in this work Canada has already expended over fourteen millions of dollars of her money, and that not one farthing has come from the British Treasury.

That Treasury has spent in Indian railways, comparatively, if not utterly profitless, in her ever-starving, over-populated East, over sixty millions of pounds sterling—three times the amount required for the Canadian work. The money of England is given without stint to Russian railways and Russian loans, to arm, in fact, the enemies of her people to her own destruction. But when appeal is made, in honest and deserving tone, and with every assurance of adequate return, by the colonist of Canada, it is, I humbly hold, but

duty on the part of the Home Land to parentally heed it. As I wrote in 1869, in press, so I repeat emphatically to-day, and with all loyalty.

The *magnitude* of the cost necessary, is a ground of *Imperial* assumption, in considerable part, in measure, at least, of obvious Imperial interest in the matter. On this point I hold a very strong opinion.

The gigantic task is beyond the power of this nascent Dominion. Already its debt is considerable, and it has yet much to expend, and that, forthwith, in the establishment of *internal* means of development, and more especially in the opening and utilization of her water ways. Her staple products are of a nature to call for the *cheapest* transport. Why should the produce of the Far West be subjected to railway rates, high and destructive of its legitimate commerce? It wants outlet—canals and economic navigation—life channels.

But neither for these, nor for railways, nor for any object whatever, let there be such *Land grants en masse*, I would say. Land—our “mother earth”—is for cultivation; not for speculation in the marts of Mammon. We have had enough of that already.

The wild is the heritage of every son of Adam who, by the law of his nature, first seeks to till it. By the “sweat of his brow” he consecrates it as *his*, and as his, *his nation's*. 'Tis thus that British freemen in America live, and alone *can* live. Every man is, in a sense, his own sovereign in this free broad, uncastled land of ours. No “lordship” is sufferable with us. As is our God-given “free-will,” so, with co-ordinate responsibility do we desire to live. In this, as proved, is the cure, the specific for all political discontent, disloyalty or even Fenianism itself. The Irishmen of Canada—freeholders—resisted, to a man, every attempt to tamper with their loyalty. All in our untrammelled workfield are loyal. Even with the savage of the wild, the “King George man” as he, with child-like confidence calls himself, loyalty to the British Crown has the force of an instinct—is a holy thing with him. Touch it not! Foster it, I would say to England; and no less so to her young fiduciary, the Dominion of Canada. People the fertile waste with husbandmen—freehold husbandmen—FREE LAND GRANTS—MUNICIPAL INSTITUTIONS, of Upper Canadian mould—A FREE POLL—A FREE PARLIAMENT—These are the bases we desire to build on—build on, into nationhood; and so, under Providence, will it be, else faith deceives.

I speak as one of the soil; and with a paramount, a nostalgic desire for the establishment of a Government there, under the British flag, of the utmost civil liberty; untrammelled by any of those

imperium in imperio created by such land grants. True, it is said, that "my argument is very inclusive," inasmuch as "I cannot show that 'our British constitution' has been imperilled by a grant of wild lands for the promotion of any public enterprise." How could I? There has been no case in point throughout the whole British realm. Canada, in her general policy, has refused such grants, as to Upper Canada. Millions of acres of wild lands in Lower Canada have, it is true, in a way, but ever most reluctantly, and on very special grounds, been *promised* conditionally for certain railway enterprises; none of which, however, were carried out, nor, in fact, effectually begun. Not a single rail of railway has been laid in virtue of any such grants (Land Grants *en masse*).

There is an instinct, it seems to me, in the British heart, which repugns such policy on British grounds; a something stronger, purer, and wiser than a Provincial Parliament hard pressed, with its play of party, and internal *grûtes à pens* (stand and deliver). But it is not for me to give good and sufficient reasons for such uniform failure, nor to probe the esoteric thereof. The fact is significant. But if the contrary had been the case; and that those millions of acres had passed into the hands of these railway companies, it would not have raised that danger, which I deprecate, as to the entirely *new* land in question. The North Shore Railway Company, of Quebec, and the "St. Maurice Railway and Navigation Company," and all such "land granted," or rather land promised corporations, might have taken all, and still have been no appreciable power, no disturbing element in the Government of the country. They could not, by landed railway navvies sweep more than a few polls, along their line of privilege; they could not have carried out any *class* legislation in furtherance of their own special interests—unless, in case of dead lock of parties, as an "Irish brigade" in the House; they would, in fact, be comparatively harmless in the bulk of other general countervailing interests in the country. As to a country *wholly new*, like the North-West Territories, where the very rudiments of the social fabric have yet to be made and laid, the case is very different. The former was, for the nonce and the hour, a mere supervenience. The latter is the creation of a lasting reality, a people; mayhap a nation. Such a proprietary as that proposed would, at the very outset, hold the country in its grasp, and keep its most fertile parts a waste, till prices should rise; would be a combination of capital whose sole principle would be the reproduction of itself—such is its law—at any and every sacrifice of *individual* interest, or public interest, save its own. The *experiment* would, I fear, be fatal to British connection, in those borders; and a cruel one to those whose lot might be cast there, at the mercy of such a body, soulless and money-mad.

The principle is not a *British* one—at least not yet—nor do I believe will it ever be so. It is an American one—of *Dollardom*—

of most recent inception ; and, even there, *yet* to be tried and tested in its results ; the fruition has yet to come. *

The fundamental principle on which I take my stand is the *inalienability* of the public domain, *save* for a "manifest public advantage, or in case of pressing necessity"—these are the words of Vattel. That domain (*dominium directum*), though nominally in the "Crown" is the property of the Nation, not only for the day, but for *all time* in the prospective existence of that nation. The holding, by Crown or Government, is in *trust*—in administration, for national life only. The proposition opens a large question, but I cannot, in present limits, enter into it.

In this there is danger to the continuance of British connection. The mere gravity of commerce, self-interest and magnetism of association will naturally force the new people into national association. That tendency—"drift"—can only be counteracted by a British railway, a national highway, the work of the *nation*, and not of its youngest progeny. In *this*, I hold, is there an *Imperial necessity* for Britain to make *her* road from the Atlantic to the Pacific, for *her* own special interests, not only in America, but the world over. It is not for us, poor, struggling colonists, with poor servitude, to build roads and give of our own, in crushing measure, besides imposing debt on posterity merely to enrich still more the England that, in very plethora of wealth, lends to her enemies, her greatest, bitterest and most dangerous. Loyalty is a contract of *mutual* right and duty. We will, as ever, do our duty to her ; but she must do hers to us. In all loyalty I say this.

In theory and in true principle of political economy I feel I am right ; but the *factum* of Imperialism, "law of necessity," is supreme, and the logic of events thus rules the hour to us. Simply stated, as I have before, in effect, said, the proposition is this :

Canada, for conservation and progress, *needs* the railway.

Too poor in money, she must give of her land to make it.

To make enough out of the land for the purpose, she must, forestalling natural demand, speculatively *force* sales in a measure, and sell at a sacrifice to the public interest, and at the same time,

* *Nota*.—Since these pages were in type, it has been declared by the Republican Party, which, at the Convention in Chicago the other day, nominated the Hon. Mr. Garfield for the Presidency of the United States, that, as a principle of national government, they are *now opposed* to the system of "Land Grants" (in mass) for even railways. That "plank" in the "platform" of the party is to be found in the speech of Mr. Garfield when proposing General Sherman as the candidate for the party. Mr. Garfield is the acknowledged head of the party, owing his position to his pre-eminent ability as a statesman, and in the matter now, with that large and advanced aggregate mind he represents, retracted in this matter, from—I assume—observed results of the viciousness of the system, as tried.

trench unduly into the public domain, one which ought to be held sacredly for *gradual settlement* and national development for *future* generations as well as the present.

The road, as linking the two oceans, obviating, in case of emergency (in the Pacific Ocean—the next great battle ground) the circuitous route by the Capes—for the transport of war material and military force, and also as serving vital military objective points on the route, is clearly of large Imperial concern—certainly to the extent of one-half. In the measure of that interest, we repeat, it certainly ought to give aid, or itself make the road in parts where, from the nature of the country, as between Nipissing and the western shore of Lake Superior, and the mountainous part of British Columbia, there is little or no land along the route available for settlement, and where sale for mineral value would be prejudicial or impossible.

The aid might be in more guarantee of certain interest on bonds, or in direct grant, or in any other way, but in any case should be material enough to give a proprietary or *quasi*-proprietary interest and voice in the work to the Home Government.

If that be not done, there is an alternative indicated by earlier remarks in this writing, when speaking of the annexation tendencies of some of the people of Canada, and of the causes (natural and reasonable in some measure) of that defection, which might—probably would—cost the British Empire and name more loss than she could possibly suffer by the aid invoked.

Besides, there is involved in it something more than a mere question of shekels. There is the element of national duty, which, if ignored, will, in course, bring its own Nemesis in national dissolution.

I am no Calchas nor son of a Calchas, but as one, though humble, of the British people, involved in this momentous problem of British life in America, I would, in face of these rising facts around us, which threaten “our national *nerve* and our life as of the British people,” protest against such deadly neglect.

