

which pioneered the way into the wilderness financed on borrowed capital, but so were practically all of the towns and cities which sprang up in the wake of the railroad construction. Land speculation, in the shape of indefinite subdivisions and the sale of town and city lots, was at the bottom of most of the rapid expansion of the western municipalities extending far beyond any actual needs of the time.

What disguised from the people of the West the purely temporary character of the prosperity of the newer towns and cities was the very large amount of business being done in these urban centers and the exceptional number of people who found very profitable employment, with much consequent demand for housing, food, clothing, household equipment, and luxuries of various kinds. All this, however, was being supported chiefly on borrowed capital. When the flow of capital ceased the growth of the towns and cities ceased also. Those employed in the building trades must go elsewhere or starve. On their departure they left empty houses and a glutted real estate market. Also when their high wages ceased to flow into the coffers of the local merchants, they too were in distress and must either curtail or close up their establishments. Thus the shrinkage of the prosperity built up on the very construction of the towns themselves led to many unexpected hardships for those who remained and who had only the requirements of the neighboring settlers to sustain their urban businesses, or, in the case of the larger centers, the declining distributing trade for the smaller towns.

This process repeated in varying degrees from the smaller towns to the larger cities throughout a great area such as the Canadian West, linked up by ever-expanding railroad systems, represented many hundreds of millions of additional capital in their construction and equipment and naturally involved an immense stimulus