

Government Aid to Railways

With Special Reference to the British Columbia Situation

By JOHN V. BORNE

THE British Columbia general election throws into considerable relief the whole question of Government assistance to railway builders and accentuates the difference between the situation between the Rocky Mountains and the situation between the Rocky Mountains and the Pacific Coast.

Premier McBride is appealing to the province to endorse two agreements, providing for the construction of railways. The first guarantees the bonds of the Canadian Northern Railway at the rate of \$35,000 per mile for a line to be built from the Yellowhead Pass to Vancouver, New Westminster and the mouth of the Fraser River; and for the construction of a line from Victoria to Barkley Sound on the west coast of Vancouver Island.

The second agreement is with the Kettle River Valley Railway and provides for the building of about 260 miles of railway, connecting Midway in the Boundary district with Nicola. This railway is to receive a subsidy of \$5,000 per mile; but whereas the Canadian Northern line is to be exempt from taxation for ten years, the Kettle River Valley line is to pay taxes. The expectation is that the interest obligation of the province will practically, by this method, be reduced to \$9,000 per year.

The election is really being fought on the Canadian Northern main line guarantees. The Victoria-Barkley Sound arrangement and the scheme for the extension from Midway to Nicola, while they are important enough in their way, are, it is said, introduced mainly because it is desirable to give special local interest to the election in districts where many voters reside.

Last winter the Legislatures of Saskatchewan and Alberta guaranteed bonds for \$13,000 per mile for the construction of several hundreds of miles of Canadian Northern railway in each province, but it was done so quietly, so much as a matter of course, that little notice in the east was taken of the action of either legislature. The British Columbia guarantees are much greater per mile, because construction in the valleys of British Columbia, and especially through the Thompson and Fraser canyons, is exceeding costly.

The negotiations for the Canadian Northern were carried on by Vice-President Mann, who has a unique reputation as a constructor. He had a considerable share in building the Canadian Pacific mountain section, and has been thoroughly accustomed to controlling railroad building in such heavy pieces of country as the rugged sections of Maine and the Superior-Rainy River watershed. Mr. Mann's estimate of the cost of coming down the Thompson and Fraser valleys will not be criticised.

Neither is there any question of the reasonableness of the Canadian Northern's desire to extend to the Pacific coast. Its lines in the prairie provinces are so extensive, and are guaranteed to become still more extended, that the undertaking to reach the Pacific has got behind it an achieved record of steadily increasing earnings, which is quite unique among pioneer railways—the receipts during the last fiscal year were over ten and a half million dollars. Criticism of the McBride-Mann arrangement has attacked the manner, rather than the substance of the assistance promised to the Canadian Northern. The Opposition leader, Mr. Oliver, who is showing admirable aptitude for dealing with the public and for making the best of his case, admits the necessity for a provincial railway policy. But he says the McBride guarantees too greatly jeopardise the province's credit, and suggests that the more excellent way for British Columbia is to make friends of the powers at Ottawa, and secure a cash subsidy from the Dominion, as the counterpart of a cash subsidy by the Province, instead of the guarantees, which, he would have the electors believe, obligate the Province to pay in perpetuity over \$800,000 yearly in interest.

To the truthful assertion that although the Canadian Northern has received guarantees from the Dominion and Provincial Governments it has always earned more than its fixed charges, Mr. Oliver replies that while that is true, it may not always be true. But as far as a fairly wide reading

of the British Columbia papers discloses, there is not very much vim in the opposition to the McBride railway policy. The two ministers who resigned, avowedly because they could not support their chief, have not turned a loaded gun upon his policy. The antagonism of Sir Charles Hibbert Tupper is believed to have a double origin in his individual hostility to Premier McBride, and in an affection for the Canadian Pacific Railway.

For those not directly concerned in the election,

is, that they were for branch lines only, which had no earning potentiality in connection with bigger railway systems in more productive country.

Great railway building in British Columbia must be conditional upon the extent to which it can secure for British Columbia markets beyond its own borders. The province which made the first transcontinental railway the price of remaining in the Federal Union has developed far beyond the present service. The real key to the situation, there-

fore, is in the prairie provinces, rather than in British Columbia itself. The provincial elector has, in a very unusual degree, a reason for considering himself a participant in the faith and works of the provinces of Ontario, Manitoba, Saskatchewan and Alberta in connection with the railway which he hopes to see extended into his own territory. He is not pledging himself alone, but is attaching himself to those other four great entities, for it is their development as well as his own which is his indubitable surety.

The Dominion Government has never granted land to the Canadian Northern Railway. The lands which that company controls come to it through the purchase of charters, the originators of which could not finance them. The Province of Manitoba was the first to assist what is now the Canadian Northern. Its example was followed by the Dominion Government and by the Province of Ontario, in order to give the prairie country a

second route to the Great Lakes. It has since been emulated by the provinces of Saskatchewan and Alberta in the construction of branch lines, such as the Brandon-Regina and Saskatoon-Calgary lines, which are giving to the southern prairie country new alternative fast routes from Winnipeg to the Rocky Mountains.

The Ontario Government last winter declined to guarantee Canadian Northern Ontario bonds, but offered two million acres of land to secure construction from Sellwood to Port Arthur—a method which, in a region much less attractive to farmers than the easily cultivated land of the West, is understood to be of little or no assistance in dealing with the cold, hard money-changers of London.

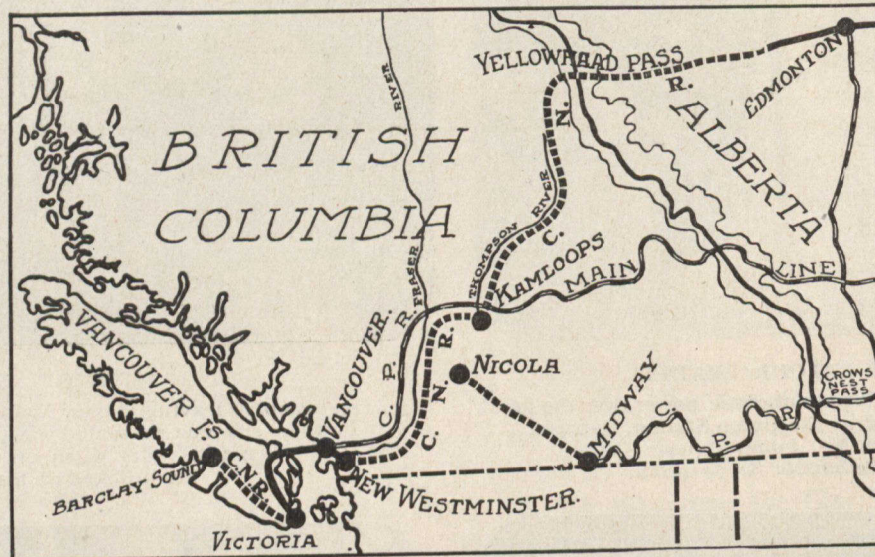
In Manitoba, Saskatchewan and Alberta this year the Canadian Northern has been constructing fourteen different branches all under Dominion and Provincial guarantees of bond interest. The British Columbia Government is following its neighbours; and, if a prophecy may be hazarded, the return to power of Mr. McBride will go far towards making this method of promoting the commercial expansion of Canada a permanent institution.

Edward the Seventh, Confessor

At a country house some years ago King Edward was led, in his good nature, to comply with a friend's request for his "confessions." To the question, verbally given, of "If not yourself who would you be?" the King laughingly replied, "Why not my nephew, the German Emperor?" A year or two later, however, the King had changed his mind, and declared that, after all, there was no life comparable with that of a Scottish laird.

A book exists in which the late Duke of Clarence wrote his confessions as a small boy, and in which the simplicity and amiability of his character are touchingly shown. And that he was a very small boy at the time may be believed when it is known that he spelt his favourite motto, *Ich digne*. His favourite writers were "Captain Marryat and Charlotte Yonge," his favourite qualities in woman, "Truthfulness and Love," and to the question, "If not yourself who would you be?" came the answer, "Papa."

For that matter there are a good many Canadian youngsters who don't mind being identified with "papa"; except that when they grow up "the governor" seems to be the idea; about which time it depends a good deal on how much "papa" is making in his business as to how much the average small boy cares to resemble him.



Map showing projected lines of railway in B.C. The C.N.R. will run from the Yellowhead Pass to Vancouver and New Westminster. The Kettle Valley is projected from Midway to Nicola.

the situation is chiefly interesting because it marks a stage in the railway expansion of Canada, both as a commercial enterprise and as a development of public policy. Mr. Mann undertakes to begin construction on the Yellowhead-Vancouver line—the surveys on 80 per cent. of which have been completed—within three months after the passing of the Act implementing the provisional agreement, and to have trains running to the Pacific coast within four years. It may reasonably be hoped that by that time, the connection of Port Arthur with Sudbury and with Ottawa, which is required to give the present Canadian Northern lines in the prairie provinces their own access to St. Lawrence tide-water, will also be completed. The Canadian Northern ambition to become a transcontinental line is within measurable distance of being realised.

The attitude of British Columbia to railway expansion would seem to indicate that the policy of giving financial assistance to railways has become permanently embedded in our body politic—at least as far as opening up comparatively unsettled territory is concerned. The Kettle River Valley understanding contemplates a cash subsidy to the railway company apparently because the company had previously obtained a similar promise elsewhere. There is no land grant in either case, excepting the right of way over provincial lands with permission to cut the timber required for actual construction.

To the objection that for 250 miles the Canadian Northern will only be across the river from the Canadian Pacific, and to that extent, therefore, will open up no new territory, it is an effective answer that the province is after a new transcontinental line which, by bringing great business from beyond the mountains and beyond the seas, will create new commerce just as surely as if it were being built across fertile and unpopulated plains of infinitely greater extent than the valleys of the Thompson and Fraser Rivers.

It is not authentically stated whether, as a means of covering the difference between the McBride guarantee and estimated total cost of the railway, the Dominion Government will be asked for any assistance. Possibly Premier McBride, who has no conciliatory feelings towards Ottawa, would prefer to be without collateral support of this kind, being confident in the certainty of a justification of, to quote the conclusion of the McBride-Mann agreement, "the intention of both parties * * * that such railway lines shall be built without any cost or expense whatsoever to the province of British Columbia."

British Columbia is paying several small sums yearly as the result of certain railway guarantees which did not turn out well. The difference between them and the chief guarantee under consideration