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BRYCE, McMURRICH & CO.

Toronto, 15th February 72

## THE MONETARY TIMES, AND TRADE REVIEW.

TORONTO, CAN. FRIDAY, FEB. 23, 1872

### THE CANADIAN PACIFIC RAILWAY.

When British Columbia consented to join the Dominion of Canada, one of the conditions of union was that the general Government should procure the construction, within ten years, of a railway to connect the Pacific Ocean with the railway system of Canada. The Government renounced the option of constructing the road itself, and undertook to have it built and worked by a private company. A bonus of land and money is to be given. The length of the road is roughly given at 2,500 miles. From British Columbia the Dominion purchases, at the cost of \$100,000 a year, twenty miles of territory on each side of the Pacific section of the line. If all this were given, and an equal quantity along the rest of the line, the total land grant would reach 64,500,000 acres. But it is an undetermined question whether this quantity, or only half as much, will be given. The rule will have to be, the more land the less money; the more money, the less land. But these proportions will not admit of indefinite variation. A certain money basis will be necessary: probably about \$15,000 a mile, or thirty-seven millions altogether. The road and the land would then form a sufficient basis for the issue of such an amount of bonds as might be necessary after the money grant was expended.

If there had ever been any doubt of the practicability of the work, it may now be considered to have been removed. The

most difficult section to construct was that which runs through "the sea of mountains," from the Rocky Mountains to the Pacific. Intelligence from the Western Surveying Party is favourable; the section north of Lake Superior—which is not at all likely to be built till a Pacific line located elsewhere has been long in operation—is said to be practicable, and a good route for the intermediate section over the prairies has been found. This is favourable to an early commencement of the work, and there is a general expectation that the necessary measures will be passed next session to grant chartered powers and provide the necessary ways and means.

An undertaking of this magnitude is altogether beyond the reach of any but a very powerful company. But that circumstance will not prevent incompetent parties from appearing as competitors. It is undoubtedly true that no English company that would have any prospect of raising the capital necessary to carry on the work will be found in the field. Indeed, it is an ascertained fact that it is useless to look to England for the means of carrying out this work. And we greatly fear that no merely Canadian company would be at all equal to the task. But this consideration will not prevent mere speculators parading all sorts of offers. We have only to refer to the Parliamentary notices, in the *Canada Gazette*, to get a glimpse at the coming struggle to get control of the work. Several companies have put in an appearance for the whole or a part of the line. The Western Canadian Pacific Railroad Co., dating from Victoria, British Columbia, is willing to be content with the section between the Pacific and the Rocky Mountains. A names company asks authority to build a section from the U. S. boundary line to Lake Winnipeg, with branches or extensions to Lake Manitoba; and it has a competitor in two members of Parliament, who are obviously in no position to make a contract with the Government of the kind contemplated by the nature of the aid to be rendered, and three or four other gentlemen, whose names are given. The Sault Ste. Marie Railroad and Bridge Co.—which obtained a charter last year to construct a road north of Lake Huron—asks authority to build a bridge at Sault Ste. Marie. Another company, which sent off its application before it had time to give itself a name, offers to construct a railway from Thunder Bay to Fort Garry. There are three companies that ask charters over the whole line: "The Canadian Pacific Railroad Company," which dates at Ottawa, and gives no further sign; "The Interoceanic Railway Com-

pany," which presents no names to the public; and the Canadian Pacific Railway Company, for which Mr. Alfred Waddington stands sponsor. This latter proposes to start from Lake Nipissing or some other point in Ontario, and to make Bute Inlet the Pacific terminus. It also proposes to build branches from the River Winnipeg to the Lake of the Woods, and from Fort Garry to Pembina or such other point on the boundary line on the Province of Manitoba as may connect with the railroad system of the United States.

A road of this magnitude cannot be built, except at an enormous disadvantage, in sections, under the control of different companies. The distances to be gone over are fatal to any piecemeal plan. The carrying of separate sets of plant and apparatus would add enormously to the cost. But the objection which is strongest of all and which would of itself prove fatal, is that, if the sections which are nearest civilization, some of them easiest to construct, and which offer the greatest certainty of profits, were peddled out to weak companies—which would probably, after all, never complete the work—no powerful association of railway men and capitalists, with whom alone it would be safe to deal, could be found willing to undertake the remaining, more distant, and most difficult sections, including that through the Rocky Mountains. If this work is to be really done, all mere pretenders, or men of limited experience and resources, must be swept away with as little ceremony as so many cobwebs. Some of those sectional schemes are out of the question. A railway from Thunder Bay to Fort Garry stands, in some respects, on an independent footing; for, though it need not necessarily form any portion of a Pacific line, it might be useful as affording access to the interior through our own territory in an emergency which experience teaches may arise.

It is understood that one company, comprising a large representation of the more experienced American railroad men and capitalists, associated with Canadians, will seek incorporation with a view to undertaking the whole work; and it is very improbable, should the *Gazette* be filled with speculative notices, that any other company will be organized to which any prudent government would commit the work. No English Company is likely to offer, and none purely Canadian of adequate strength can probably be formed. Men with the minimum of capital and experience have generally the maximum of rashness and presumption; but these qualities are poor guarantees for the completion of a work involving probably a cost of a hundred million