

# THE WEEK.

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## OUR MORAL OBLIGATIONS TO THE C. P. R.

WHEN forced to abandon the contention that the Canadian people are legally bound to render further assistance to the Canadian Pacific Railway, by continuing monopoly in old Manitoba, its friends or rather its interested advocates—for all are its friends—are in the habit of urging that they are morally constrained to do so. It is only necessary to pass in review some of the facts, historical and otherwise, in order to estimate this contention at its true worth.

When the Canadian people gave \$25,000,000 and 25,000,000 acres of land to the Company in the first place, did they do so with the expectation that they would be required to contribute additional gifts in the future? On the contrary, they were assured, not only that they had done all that could fairly be asked of them, but that the \$25,000,000 and all other expenditures which the Government might have made upon the railway, would be recouped to the Dominion. In 1880, for instance, Sir John A. Macdonald said:—"For the purpose of relieving the people of Canada from the burden of taxation which the work would otherwise entail, we have offered every second lot at an upset price, so that the road may be eventually built without costing the people one single farthing which will not be recouped." The people of Canada voted the \$25,000,000 of money and 25,000,000 acres of land to the Company on the representations made by the Government that the sale of public lands would repay them every cent expended. In the same year in which the above statement was made, the First Minister estimated the cash proceeds from the sale of lands between then and 1890 at \$38,600,000. Besides this amount there would then, he said, be due but not payable, and in the shape of mortgages upon the lands, \$32,700,000, and as that would be as good as cash, the aggregate received and due would be \$71,300,000. Deducting from this his estimate of the cost of surveys and administration, the people were to have a net result of \$68,900,000 from the lands by 1890, and that amount was to recoup all public expenditure upon the railway. Such were the representations which led Canada to assist in the construction of the Canadian Pacific Railway.

It is needless to say that these predictions have not been fulfilled. The total receipts on account of Dominion lands, under the various heads from 1873 to October the 31st, 1886, thirteen years, have been \$4,831,283, and the receipts for the six of those years, from 1880 up to date, have been much less. It is claimed that the accounts from 1880 to 1885 show net receipts of but three or four hundred thousand dollars over and above the cost of surveys and the administration of the lands from head and local offices, without making any allowance for the expenditure upon Indians, Mounted Police, and immigration. In the boom years the receipts do not even cover the cost of administering the lands alone. So far are the net receipts from the lands from repaying the principal, that they are not sufficient to liquidate the interest, which is already in arrears to the extent of several millions. So much for the net receipts of \$68,900,000 from the lands by 1890; so much for the promise that the road would be "eventually built without costing a single farthing which will not be recouped."

Not only have the burdens, which were declared to be placed but temporarily upon the shoulders of the people, not been removed, but others have been added. The grants for the road from Callender to Port Moody from time to time included the following: Government works and surveys, \$35,000,000; cash subsidy, \$25,000,000; cash lent the Company and abandoned last session on the return of lands, \$10,000,000; and proceeds of sales of the Company's land grant bonds and town sites, also local bonuses, \$11,000,000. Already these figures have reached a total of \$81,000,000, but there is still to the good of the Company 14,000,000 acres of land remaining from the public gift, and available for sale, which, if sold at \$1 per acre, would realize \$14,000,000 more, thus swelling the public gift to the Company to \$95,000,000. Even this is not all. If the amounts given, or promised to be given, in cash in connection with other portions of the line are capitalized, a further sum of \$17,000,000 is reached, and if that is added to the other expenditures, the public outlay mounts up to \$112,000,000. Further, if the 14,000,000 acres of land remaining in the hands of the Company were valued at \$1.50 per acre—the price allowed by the Government in taking back lands in settlement of the \$10,000,000 loan—the total public expenditure would be \$119,000,000. The above are the figures given by Mr. Blake at Listowel, and they have not, I believe, been questioned. They are, as he pointed out upon that occasion, equal to considerably more than half a million for every electoral district in Canada, "equal to a yearly charge for interest and charges, calculating the cost at 4½ per cent. of over \$5,000,000, or for each electoral district about \$24,000 a year. They are equal to over \$120 for each head of a family in Canada." Such was the contribution made by the public towards the building of the railway; how much was contributed by the Company? It claims, I believe, that the right of way, construction, and equipment cost less than \$80,000,000, and the administration of the land grant some \$300,000 more. If that is the case, the people of Canada have not only paid the whole cost of the railway and presented it as a gift to third parties, but they have overwhelmed them with a gift worth twenty, thirty, or forty millions besides. Yet it is said they must do more; they must do away with free trade in railways, take commerce by the throat, wrest the Constitution out of shape, give cause for persistent agitation, and create continual discontent in order to fulfil some mysterious moral obligation which they have incurred towards the Company.

Canada is not open to reproach because of her treatment of the Canadian Pacific Railway. She has behaved neither unkindly nor ungenerously, but, on the contrary, the magnificent subventions which she has placed at the disposal of the railway are the wonder of the world. It is possible to imagine conditions under which she would do even more. As the Canadian people have learned to regard the transcontinental road as a national undertaking, they would, no doubt, come to its assistance once more, if they really believed that it was threatened with poverty and collapse. But nothing of that kind is dreamed of. Its net earnings for years past have amounted to considerably over two millions per annum, and so far from poverty stricken has it been, that we find it from year to year launching out upon splendid enterprises and magnificent undertakings not contemplated when it was projected in the first instance. It has placed a fleet of steel steamers upon the lakes. It has bought, leased, or otherwise gained control of a dozen other railways, including the Credit Valley system, the Toronto, Grey, and Bruce, the Canada Central, the North Shore from Montreal to Quebec, the new Ontario and Quebec line, the Smith's Falls' cut off, the great bridge over the St. Lawrence at Lachine, the South Eastern, the Eastern Townships lines, and the Short Line through Maine. It is difficult to imagine how it could blossom and burgeon forth much more than it has done. Its net receipts and its tremendous accomplishments are the best possible proof of its wealth, and of its ability to go on without further aid from the Dominion.

Canada, therefore, is not the debtor of the Canadian Pacific Railway, morally or otherwise. Why, then, should she be told that she is morally bound to continue a monopoly privilege in old Manitoba which inflicts inexcusable injury upon her settlers there, and which is directly opposed to the spirit, at any rate, of her Constitution? Competition would not destroy the transcontinental railway. Even Sir George Stephen asserted in his letter to the directors that "it would be absurd to urge that the completion of sixty-six miles of railway undertaken by the Government of Mani-