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THE PACIFIC RAILWAY BARGAIN.

In the absence of official information about the terms on which the syndicate is to take over, complete, and work the Pacific Railway, Rumor finds her opportunity. Speaking through the *Globe* and other journals, she says the consideration to be paid is 25,000,000 acres of land and \$25,000,000 in cash. The accuracy of this statement has not been denied; and as it has several times been repeated, during a full week, in presence of persons able to contradict it, if the figures were incorrect, we are justified in accepting them provisionally, as representing the true state of the facts. We assume, then, that the syndicate is to get 25,000,000 acres of land and \$25,000,000 in cash.

What then? In return for this land and this money, what are we to get? Is the syndicate to complete the whole line or only part of it? That is the important question? "The price," says the *Globe*, and on this point we fully agree with that journal, "is not too much for the completion and maintenance of the whole road from Lake Nipissing to the Pacific," though in further agreement with our contemporary, we think it would be "very much too high for the line across the plains." We are not without reasons for believing that, for the price agreed upon, whatever it may be, the whole line is to be completed. In that case, no objection remains as to the price to be paid for the completion of the road; the price is not too much.

If we are right in conjecturing that the whole line is embraced in the bargain, there is not left much room for criticism. To the principle of a land payment, all parties are agreed. If the Government had undertaken this great work, the payments would have been sure; they would have been both heavy and burdensome, at least for some years (five or ten) to the people of the old Provinces. The amount of money would not have been less than seventy-five millions of dollars, and

it might have been one hundred millions for the complete railway. The proceeds from the sale of the vast extent of lands in the hands of the Dominion Government would, probably, under good administration, have paid, in time, the principal of this large sum of money. But would there have been no waste in the administration of that large sum of money? Would not the battle of party politics have impeded successful settlement? The experience of the past has, so far, unfortunately taught that both these questions must be answered in the affirmative. And this would have been a most serious drawback to any advantages which could be alleged in favor of the Government constructing the road. There is a further not less serious and more practical point for all men who are engaged in commercial pursuits, and that is, that in the earlier years of the construction, the drain might have been so seriously burdensome as to create depression.

These dangers are avoided by handing over the completion of the road to a company, to be paid for, in large part, by the transfer of public lands. Regarding the effect of such transfer we are, fortunately, not without experience, since the Western United States have, within the last ten years, made large payments in this way. The Washington Government has granted from the the public domain of the United States, within the last ten years, one hundred and ninety-eight, or, we may say, in round numbers, two hundred million of acres, for promoting railway construction. What has been the result? Many thousand of miles of railways have been constructed; many thousands of immigrants have been brought to settle on the lands of the Western States; prodigious wealth has been created and cities have arisen as if by magic.

What we may call the commercial instinct of companies of this kind imposes upon them two guiding principles which must be actively, and under all conditions, everywhere asserted. The first is, that they must sell their lands, in order to get money to go on with; and the second, that they want population and products for the running of their roads. And here the paramount advantage of this system is, that the commercial instinct, truer and keener, will go more directly to its end than it is possible for a party government to do, with the serious drawbacks to which it is exposed. The locking up of lands in comparatively small parcels in the hands of private speculators, who simply fold their arms, and quietly watch the development of improvement around them, to which they do not in the slightest attempt to contribute, is a very different kind of thing, and it is, in principle, a serious evil.

The latest example of the Railway Land

Companies in the United States is afforded by the operations of the St. Paul, Minneapolis, and Manitoba, of which Mr. R. B. Angus, the late General-Manager of the Bank of Montreal is now Vice President. This company is in possession of several million acres of land, and the success of its methods in attracting settlers is said to be quite remarkable. For machinery, it has a regular Land Department, and an office and agent in England. Its advertising agency is most active, its publications being seen everywhere. It charges a fair and very moderate price for its lands, in comparison with the prices at which other lands in the Western States are sold, the proceeds of which come to very large figures, and not only cover its large expenses for propagandism, but make its own finances sound and easy; in fact, lucrative to the proprietors, with, at the same time, very large pleasures of hope. One of the admirable features it adopts is to give large drawbacks to the purchaser and settler on the number of acres broken. The effect is manifold. It is very attractive to the settler, and puts the simple speculator, who would buy and lock up lands, at a great disadvantage. It insures rapid settlement and traffic for the road. The wild is peopled, and a great civilization is arising. The capital value of every settler to the United States, at the very least calculation, being worth a thousand dollars, the Government practically, though indirectly, gets enormous payment for the land it has given to build the railway.

Such is the indubitable fact, and it is the result of the operation of the commercial instinct of the corporation to which we have referred. Mr. George Stephen, Mr. R. B. Angus, Mr. D. A. Smith, Mr. James Hill, and others, did not take up that enterprise from any benevolent or philanthropic motives but with the object of making all the money they could. The surest and best methods to do this, were by the use of such means as we have described; and the principles which moved them are of universal application.

Almost the same remarks may be made of the Northern Pacific Railway Co. This Company has a large domain, both in Minnesota and Dakota. Its advertising machinery is understood to be much more extensive and effective than that of the Canadian Government and not subject to the same drawbacks of adverse criticism, either of party or faction; its success is very remarkable. We noticed in the accounts of one of these companies, in one year, as much as half a million dollars charged to the Land Department. If any such sum were voted to our own Immigration Department, the Parliament and Press and the Immigration Committee would grow wild, and the howl that would be raised would almost render