

communication with the east and south was by the Red River in summer, and by ordinary road vehicle in the winter. With the opening of 1878 however, the construction of the St. Vincent branch of the C.P.R. was pushed with energy, and in the fall of the year railway communication was completed.

With the advent of the railway the growth of Winnipeg was even more rapid than before. In 1879 the population had reached 8,000 and the value of assessed property nearly \$3,500,000, and by the middle of 1880 the city contained some 12,000 people, had assessed property to the value of over \$4,000,000, and contained over 400 business institutions of all classes, which included several wholesale mercantile houses, three chartered bank branches, two private banks and quite a number of industrial institutions, which employed over 600 artisans. Towards the close of this year the first symptoms of inflation were visible, but no dangerous tendencies were developed until the summer of the following year had been entered upon.

With the year 1881 the famous Winnipeg boom set in, and the state of inflation reached before its close can be better remembered by those who were resident here, than described now that it is past. There can be no doubt, but the city and surrounding country made during that year unprecedented progress of a lasting description, and the influx of actual settlers who had come to remain in the Northwest, and grow up with it, was immeasurably greater than that of any preceding year. The boom, therefore, although carried to the most crazy excess, was not a bubble without substance. The energetic manner which the new C.P.R. Syndicate commenced the work of railway extension, which up to that year had been carried on in a half-hearted and irresolute manner by the Dominion Government, gave an impetus to the boom, and in a few months inflation was at its height, and permeated every branch of business more or less. Prices of goods in mercantile lines were inflated as well as real estate, and money seemed to purchase very little of anything. Before the close of the year the city's population had reached nearly 20,000, some 5,000 of whom were floating idlers attracted by the speculative mania.

An index to the enormous increase in the general business of