

THE GREAT TRANSCONTINENTAL RAILWAY—CANADA'S TRIUMPH.

The Canadian Pacific Railway, which is now opened for traffic across this continent, has, since 1872, been not only a central point of absorbing attention on the part of the people of Canada, but has also been watched by the whole commercial world, with various opinions as to its completion and financial success. Since 1882, its ultimate completion has not been seriously doubted by any, it we except a few Canadian politicians of the alarmist stripe. But it was not until 1884, that the certainty of a speedy completion, hitherto unparalleled in the annals of railway construction, dawned upon Canada and the world with irresistible force.

This great work is, to day, a source of pride to all loyal sons of Canada, not merely because of its gigantic proportions, but as well, because, for the first time, it gives her a complete autonomy in her commercial and military operations, free from the control of any foreign power. In the inception and carrying out of the work to completion, this young country has displayed a marvellous faith in the expansive power and extent of her resources, whilst her courage has been proportionately heroic.

Under these exceptional circumstances, we deem that a synopsis of the inception, progress, financial management, and future prospects of this great work will prove acceptable to our readers.

INCEPTION.

Previous to 1881, the government of Canada had under contract, as a government work, two sections of the main line, viz:—On the east of the Rocky Mountains from Port Arthur to Red River, 428 miles; and west of the Rocky Mountains, in British Columbia, from Savona's Ferry to Port Moody, 213 miles; or a total of 641 miles of the main road, and in addition to this, had in operation the Pembina Branch from Winnipeg to Emerson, on the U. S. boundary line, 64½ miles.

A NEW IMPETUS.

By an Act of the Parliament of Canada, passed in the Session of 1881, a contract, dated 20th October previous, was entered into between the Government and the Canadian Pacific Railway Company, in which the Company engaged to complete the remaining portion of the main line, as follows:—From Callendar to Port Arthur, 651 miles, and from Red River to Savona's Ferry, 1257 miles, a total of 1908 miles. By the conditions of this contract, the Company was to have the whole line completed and equipped by the 1st of May, 1891. Upon completion, the whole line—so constructed by the Government and the Company—was to become the property of the Company and to be operated by it in perpetuity. The Pembina branch was also to become the property of the Company.

In addition to this the Company was to receive from the Government, as subsidies, payable pro rata as the work progressed, \$25,000,000 in cash, and 25,000,000 acres of land.

VIGOROUS EXECUTION OF THE WORK.

Although five years of the time in which the company was allowed to finish the contract, according to the terms of the original agreement, is yet to lapse, it has completed the undertaking, and received from the Government all the completed sections of the main line and of the branch specified, and also the subsidies in cash and lands as stipulated. However, this is not by any means all that the company has achieved in the five years elapsed since 1881.

ATLANTIC PORTS REACHED.

In order to give to Canada and the company complete independence of all foreign influence, it was necessary that this great national highway should have its terminus on the ocean waters, bounding each side of the continent. To this end, partly by construction, and partly by acquisition of other lines, the company has extended their main line eastward from Callendar to the head of ocean navigation at Montreal, 344 miles. And subsequently, still further oceanwards to Quebec by the acquisition of the North Shore Railway, extending from Montreal to Quebec, 146 miles. On the Pacific Ocean side, they have changed their terminus from Port Moody to English Bay, which was found most suitable, adding thereby 8 miles to the length of the main line. The Company's main line, therefore, consists of the following sections and lengths:—Quebec to Montreal, 146; Montreal to Callendar, 344; Callendar to Port Arthur, 651; Port Arthur to Red River, 428; Red River to Savona's Ferry, 1257; and from Savona's Ferry to English Bay, 221 miles, or a total length of 3047 miles of unbroken main line from the tide waters of the Atlantic to those of the Pacific.

In addition to this, they have acquired and built 553 miles of branch lines, all of which are in operation at date, excepting 121 miles, which are under construction.

DIFFICULTIES.

No sooner had the gigantic nature of the Canadian Pacific Railway Co.'s undertaking become apparent, than it at once began to experience hostility from old rival companies. To counteract this it was necessary that the new railway, like its Canadian competitor, the Grand Trunk Railway, should have numerous branch lines by which it could secure the traffic along each side of its main line. In this, much opposition was experienced, both in Parliament and from rival companies. However, these were overcome and connections have been formed, ramifying through all the Provinces, and into the United States, thereby ensuring a large share of the traffic of the old provinces as well as the new.

BULLS AND BEARS.

A more serious difficulty was the opposition encountered in the money markets of London and New York, in floating its bonds. In the

former mart the company had to contend with the hostility of rival Canadian roads, the difficulties of construction being magnified and the paying prospects depreciated, while in New York the great American railway syndicates combined to crush out their new Canadian competitor for the trade of the continent.

OPPOSITION CHECKMATED.

To prevent the sacrifice of its bonds, and to facilitate the work it had undertaken, the C. P. R. Co. applied, in 1884, to the Government of Canada for a loan of \$30,000,000, tendering in security, first mortgage bonds upon all the Company's land grant still unsold, and a lien upon all its other property—the loan to be repaid in 1891; the Company also to complete their contract by the 31st May, 1886, thus abridging the stipulated period by five years. The loan and conditions were ratified by Parliament. In July, 1885, the company was granted a further loan of \$5,000,000.

EFFECTS OF THE LOANS.

The direct consequence of these loans was to establish the public credit of the company, and to show opposing corporations that further opposition in the money market was useless, inasmuch as the credit of Canada was pledged to complete and sustain this great work.

THE GOOD FAITH OF THE COMPANY.

with the country was adhered to in a manner, unprecedented in so vast an undertaking. On the 7th Nov., 1885, the last spike was driven on the Pacific side, which completed a through all-rail route, on Canadian territory, from Quebec to English Bay, 3047 miles, and from Montreal to English Bay, 2901 miles.

FINANCIAL MANAGEMENT.

The completion of the contract by the Company in five years, demonstrates the possession of engineering skill of a high order, business capacity, and an indomitable determination in overcoming all physical obstacles, that is without a parallel in the history of railways in any country. The financial success of the Company is remarkable. Previous to the Government loan of 1884, the Company's bonds sold at 25 per cent. From that date they immediately began to go up, until for some months past they have stood at 67½.

As, in the matter of the construction contract, the Company largely anticipated their time for completion, so in a still more remarkable manner, have they anticipated the repayments of their loans from the Government. The last loan of \$5,000,000 was made on the 28th July, 1885, and was returned in the same year:—\$3,000,000 on Sept. 2nd, and \$2,000,000 on Nov. 2nd.

By a more recent agreement with the Government, ratified by Parliament in the Session of 1886, the Company has arranged to immediately refund the loan of \$20,000,000. This amount wipes out all the loans to the Company, with the exception of \$9,880,912. The Government therefore releases all mortgages and mortgage bonds upon the property and land grants of the Company, except a lien upon so much of the unsold lands, as, at \$1.50 per acre, would represent the above balance.

The Government held also a deposit security from the Company of \$5,000,000 for satisfactory operation of the road. This is deemed no longer necessary, and has been surrendered to the Company.

Thus in the financial management of the work, and by anticipating the money obligations to the country, this Company stands peerless amongst all railway companies on the continent of America.

PROSPECTS OF THE WORK PAYING.

It was once asserted in Parliament by a gentleman eminent in public life, that "The resources of the British Empire could not construct the road in ten years." It has been completed in five. It was also asserted that it would never be a paying speculation. It is interesting to inquire whether this is likely to be any more true than the other. There is now tangible evidence to show that the financial prediction is also incorrect, as shown by the official returns for the years ending 31st December, 1884 and 1885.

1884.		
Gross Earnings.....	£1,181,614	(\$5,750,521)
Gross Expenditure on Working....	936,703	(4,558,630)
Net Profits over Expenditure....	£244,909	(\$1,191,890)
1885.		
Gross Earnings	£1,715,445	(\$8,348,500)
Gross Expenditure on Working....	1,052,959	(5,124,400)
Net Profits over Expenditure....	£ 662,486	(\$3,221,100)

Practical experience has demonstrated, that as the railway developed, trade expanded in one year, to the extent, within a small fraction, of doubling the profits of operation. And each month of 1886 shows a large increase in receipts over the corresponding month of 1885. In the light of these practical tests, there can be no doubt, that this roadway ranks among the most valuable of great railway properties.

When, in addition to the above, it is remembered that the largest proportion of the whole line passes through vast stretches, (in Quebec, Ontario, Manitoba, and the Great Western Territories), of the finest agricultural lands the sun shines upon, and that the remainder passes through mineral lands in the Province of British Columbia and the Territories, no one can doubt the paying prospects of the line. Numerous branch lines, many of them in operation, and others in course of construction, connect with the main line and act as feeders to swell the volume of trade. Add to these,