

question of a local supply of raw material requires no consideration, as it is in reality unlimited.

The demand for such products comes in next for consideration, and an estimate for Manitoba alone shows that over 1,000 pounds of paper of the class indicated is used daily in the Province. Could a local supply be obtained the demand would undoubtedly increase very rapidly, and with the rapid settlement of the country and the numerous additions which are being made to the number of newspapers and other published matter, the demand is increasing now with wonderful rapidity, and before another year has passed will in all probability exceed 2,000 pounds a day. Some of the mills of Eastern Canada which are now numbered among the most extensive of their class in the Dominion started with a much smaller demand than this, and the prospects of its increasing were certainly far from being as bright as they now are in the North-West. There is scarcely a doubt, therefore, that a mill for the manufacture of wood pulp paper would start upon a paying footing by the time it could be constructed and fitted with machinery.

There is a common belief that a paper mill can never be made to pay unless run by water-power, but in a new country like the North-West, industrial undertakings can be made to pay, which in old settled districts it would seem commercial folly to commence. This common belief, therefore, can be easily subverted by a practical proof in Manitoba.

But the North-West is not without water-power for manufacturing purposes. At scores of points on our rivers dams could be made and power secured, and it is an acknowledged fact that at Rat Portage there exists a water-power second only to that of the St. Anthony Falls at Minneapolis, and it has the advantage over these falls of being much more easily utilized for milling purposes, and does not require any outlay in order to prevent its breaking away.

For the manufacture of pulp paper, therefore, the raw material supply is at hand, the local demand for the product is daily increasing, and nature has supplied all the water-power that could be desired. The capital and the enterprise are now all that are wanting, and we have no doubt but if the matter receives proper consideration neither of these will be found wanting.

THE RAILWAY QUESTION.

In discussing the railway question in Manitoba which is nothing more or less than the powers and privileges of the Canadian Pacific Railway it must be borne in mind that unlike every other line in America, except the Intercolonial, the Canadian Pacific is an imperial conception, adopted as a national undertaking, with the hope of its becoming a successful commercial venture. The idea of the railway was projected by Col. Synge, an English military officer stationed in Canada, he conceiving that it would be a grand strategic advantage for Britain to have an iron highway across the Continent, not only in case of a rupture between the Americans and the British, but also in any emergency which might arise in the East. The proposal of Col. Synge was discussed at the time in some of the English periodicals, and, like the Suez Canal, was supposed to be the dream of a somewhat crazy enthusiast. But like the Suez Canal idea, that of an imperial highway across the Continent was revived from time to time as some other daring flight of enterprise was consummated. When the confederation of the older Provinces of Canada was effected, and the Dominion of Canada had acquired by purchase the Hudson Bay Territory, the Canadian Pacific Railway may be said to have come within the sphere of practical politics.

The Pacific Railway scheme cropped up every year in one shape or another from 1867, when Confederation was effected, but it was not until 1871 that it became a living issue. Negotiations were then and had been for some little time in progress for the admission of the Crown Colony of British Columbia into the Dominion, so that the entire Continent of British North America might be brought under one legislative control. In the basis of union there was a clause inserted pledging the Dominion to give the people of the Pacific coast communication by rail with the East through Canadian territory within ten years. From this it will be seen that the Canadian Government adopted as a political necessity for the unification of Canada a scheme which there is not an absence of all reason to believe the British Government was urging upon the Canadian Government as a desirable instrument for the preservation of the integrity of the Empire.

It is neither the part of THE COMMERCIAL to praise nor to condemn this enter-

prise in its imperialistic or political aspects. As a commercial undertaking, the railway's prospects of success may be gathered from the fact that when the contract was made with British Columbia the Dominion authorities were absolutely without any positive information regarding that great track of country lying between Thunder Bay and Algoma Mills. This region had been traversed by the adventurous foot alone of the trapper, and all that he could tell regarding the surface was not likely to be of much advantage to even the most instinctively accurate of engineering projectors.

A commercial recommendation to the Canadian Pacific railway at its inception was, therefore absolutely wanting. Surveyors were sent out, and by degrees it dawned upon those in authority that the work was one of a magnitude such as placed it beyond the unskilled control of any Government; therefore the Government of the day looked about for private capitalists to undertake the construction of the railway.

Hon. D. L. Macpherson "figured on the job," as the saying is, but he could not charm English capital from the pockets of the money lords. Then Sir Hugh Allan took the matter in hand. His credit was great at that time, and he went over to England, and it is said that he would have succeeded, had not contributions come to light which he made to the election fund of the party led by Sir John Macdonald, which was then in disfavor mainly through old age. These revelations killed Sir John's Government, and the provisional agreement with Sir Hugh Allan, whose connection with the Canadian Pacific Railway cost him \$364,000.

Hon. Mr. Mackenzie tried to induce contractors to take up the work, but though he offered most liberal inducements no one would take the risk. With heavy face the Premier set himself to the task of building the road as a Government work. Recognizing the political necessity of obtaining an all-Canadian route, and the national ruin involved in constructing the Thunder Bay branch during the period of depression, Mr. Mackenzie hit upon the idea of utilizing the water stretches. This failed, not from a lack of honesty of purpose, but because it was a compromise in a case where compromise was synonymous with defeat. Mr. Mackenzie, however, constructed the Pembina branch, to which the Manitoba