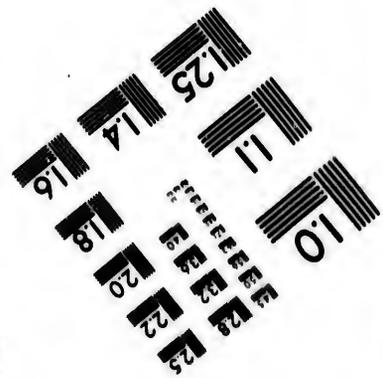
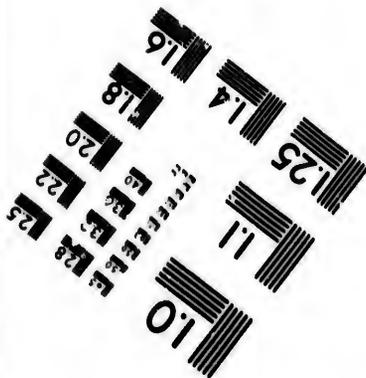
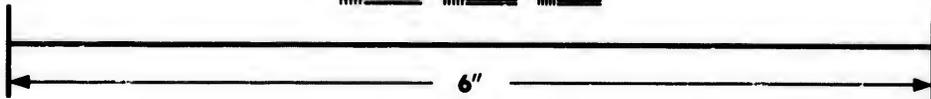
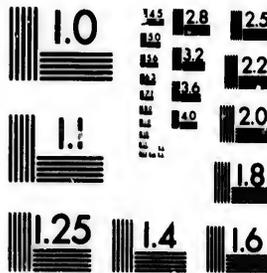


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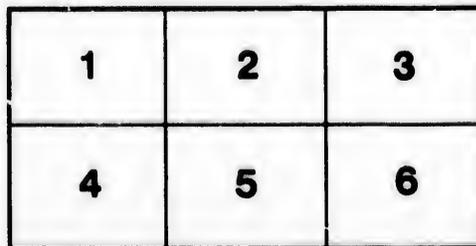
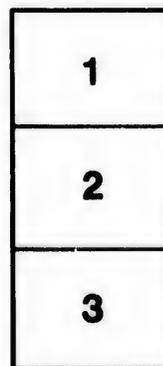
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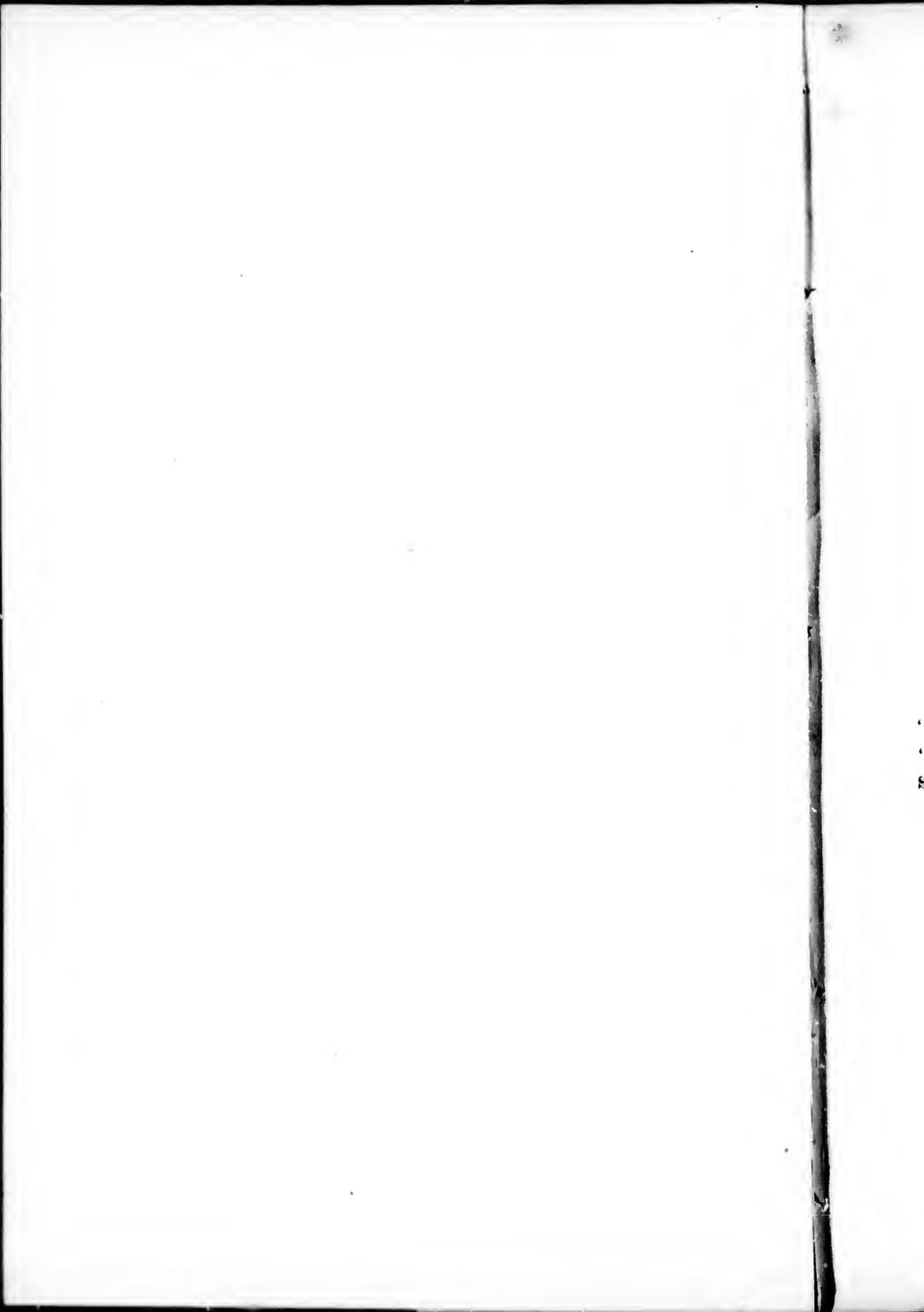
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THE DOMINION OF CANADA

AND

THE CANADIAN PACIFIC RAILWAY.

by
William Wilson

“The time has come for laying aside sectional distinction, and for combining
“in one grand effort to create a nationality that shall know no distinction from
“the Pacific to the Atlantic Ocean.”—[LORD DUFFERIN, Governor-General, at
Simcoe, 27th August, 1871.

VICTORIA, BRITISH COLUMBIA:

ROSE & POTTINGER, BOOK AND JOB PRINTERS, FORT STREET

1874.

X

THIS Pamphlet is written in the belief that it will find readers in the Dominion patriotic and intelligent enough to recognize the superior claims of the country to those of any party. As they know that opinions, to be worth anything, must find their justification in facts, no explanation is needed for the prominence given to certain statistics which are somewhat humiliating to Canada.

September, 1874.

W.M. WILSON,

VICTORIA, B. C.

THE DOMINION OF CANADA

AND

THE CANADIAN PACIFIC RAILWAY.

The repudiation by the Dominion Government of the Terms of Union with British Columbia so far as regards the most important condition, the transcontinental railway, forces most impressively upon the attention of British Columbians the painful fact of the swift decay—one might almost say the total extinction—of the spirit of patriotism in the Dominion.

What has become of that blaze of national life which lighted up Confederation two or three years ago when the Government, the press, and the people were vibrating with the belief in a greatness to come, and were confident in their ability to work out that greatness?

They then seemed one in the firm faith that the destiny of the Dominion was to advance with the strides of a young giant to repeat in the great North West, and on the shores of the Pacific, that marvellous and rapid development which is to be seen south of it, which still continues and which has made the United States the grand spectacle they are to-day.

What is known as the spread-eagle spirit was not confined to the neighbouring Republic; it was to be seen soaring north of the Lakes and the 49th parallel; it was to be found everywhere in British North America.

How is it that no sooner had it spread its wings for a glorious flight from Lake Superior to the Pacific Ocean than it helplessly folded them again? Has the Dominion of to-day no more ambition than a sick barn-door fowl?

It is a sorry spectacle to every true Canadian not "wrapped in the deep slumber of blind party convictions",—to those not carried away by the bitterness of party strife and the reckless struggles for office the great political thought—"first, last, and all the time"—is, or ought to be, the welfare of the Dominion.

Now in the present humiliating condition of things, a question which has to be asked and must be answered is:—Is this Dominion of ours a premature creation? Have the people of British North America, carried away by the ambition of creating a vigorous Confederacy extending from the Atlantic to the Pacific, attempted something which may or may not be born of the future but which is beyond the strength of this generation?

To many British Columbians there are few great subjects which appear as capable of demonstration as the necessity and practicability of Confederation—not as a delusive mirage existing only in appearances, but as a living progressive thing united in all its part by a great transcontinental railway:—

The evidence of this necessity is to be found in the Census of 1870 for Upper and Lower Canada. The following figures are from the Canadian Year Book for 1873, and as that publication has almost official recognition, no doubt they are substantially correct.

LOWER CANADA—QUEBEC.

| | | | |
|------------------|------------|------|------------------------------|
| 1841, Population | 661,380, | | |
| 1851, “ | 863,860, | 30.6 | per cent. ratio of increase. |
| 1861, “ | 1,111,566, | 28.6 | “ “ “ |
| 1871, “ | 1,191,575, | 7.2 | “ only. |

It will be observed that whilst the Province increased 247,706 between 1851 and 1861, it added only 80,009 from 1861 to 1871, a falling off in the increase of 167,697 in this decennial period compared with the one preceding.

UPPER CANADA—ONTARIO.

| | | | |
|------------------|------------|-------|------------------------------|
| 1841, Population | 465,357. | | |
| 1851, “ | 888,840, | 91.01 | per cent. ratio of increase. |
| 1861, “ | 1,396,091, | 57.06 | “ “ “ |
| 1871, “ | 1,620,851, | 16.09 | “ only. |

It will be observed that whilst this Province increased 507,251 between 1851 and 1861, it added only 224,760 from 1861 to 1871 a falling off in the increase of 282,491 in this decennial period compared with the one preceding.

It will also be observed that the falling off in increase as regards numbers was far greater in Ontario than Quebec.

Taking the Canadas collectively, we find that whereas between 1850 and 1860 the population increased 754,957 or 43 per cent, between 1860 and 1870 the increase was only 304,769 or a trifle over 12 per cent. Notwithstanding that the immigration between 1860 and 1870 was within 14,000 of that between 1850 and 1860,

there is a falling off in the increase between 1860 and 1870 of 450, - 188 as compared with the increase between 1850 and 1860.

To recognize the full significance of a fact almost as alarming as a death warning, namely, that the increase for the last decennial period was but a trifle over 12 per cent., it is necessary to note that the population of England, in spite of immense emigration, increased between 1860 and 1870 over 13 per cent. Germany and Russia also showed a similar rate of increase.

Now assuming, and I think that the assumption is a fair one, that the longevity and fecundity of the people of Canada are not less than of the people of England, the ratio of increase in Canada should be equal to that of England, and taking into account the fact that between 1860 and 1870 there was a large emigration from England and a large immigration into Canada, it is evident that the ratio of increase in Canada ought in that period to have been greater than in England—as we have seen the Dominion census shows it to have been less.

Her Majesty's Emigration Commissioners in their 32nd Report for 1871 make the following statement :

“Canada cannot at present absorb more than between 30,000 to 40,000 emigrants a year, and the excess beyond that number can obtain employment only in the labor market of the United States.”

The truth of this statement has been strongly disputed by well-meaning but badly-informed persons in Canada, and the year book even, has designated it in an impulsive expression as “wholly gratuitous and unjustifiable.”

Turning away from the debateable, vague and misty region of possibilities as to whether Canada can or “cannot absorb more than 30,000 to 40,000 annually,” I content myself with calling attention to the fact that from 1860 to 1870 Canada did not absorb any population at all. As for this period Canada failed to make good the ordinary natural increase, it is clear that more people must have left the country than entered it.

Not only has the balance of immigration and emigration for the past ten years been against Canada as regards numbers, she has also suffered a serious loss as regards quality. She has lost part of the flower of the country, young men inured to Colonial life and full of energy and ambition, and their places have been largely filled by an inferior class of people.

In 1870, out of 24,706 immigrants, 9,787, about 40 per cent. were sent out by benevolent societies. Whilst according the highest admiration to those noble women who, moved by deep pity for the suffering poor, have rescued many thousands from an existence comfortless and dreary and opened out to them a future gladdened with hope, we have to acknowledge that the pauper popula-

tion of England, embodying the weaknesses and frailties which spring from extreme poverty, cannot be considered an equivalent either as regards adaptability, self-reliance and physical, mental, and moral development for those hardy Canadians who have left their native country.

To the young Dominion with its reputation already tarnished by an attempted repudiation, a further continued lowering of the moral tone of the people is a gathering cloud of gloomy peril threatening its future.

Turning to the United States census returns to ascertain the growth of the Great Republic, we find as follows :

| | | | | | |
|-------|------------|-------------|-------|-----------|-----------|
| 1840, | Population | 17,069,453, | | | |
| 1850, | “ | 23,191,876, | 35.92 | per cent. | increase. |
| 1860, | “ | 31,443,321, | 35.52 | “ | “ |
| 1870, | “ | 38,555,983, | 22.62 | “ | “ |

On referring to these figures and those already given of the Canadas, it will be seen that the ratios of increase in Canada between 1840 and 1850, and between 1850 and 1860 were much greater than in the United States, but that between 1860 and 1870 it fell OVER 10 PER CENT. BELOW that of the United States, owing to Canada signally failing to absorb population.

Whilst the United States added 8,251,445 to its population between 1850 and 1860 and 7,112,662 between 1860 and 1870 or within 14 per cent. of its increase in the former decennial period, Canada increased only 304,769 between 1860 and 1870 against 754,957 between 1850 and 1860, showing the alarming collapse of nearly 60 per cent.

These figures acquire additional significance when it is remembered that between 1860 and 1870 whilst Canada was enjoying uninterrupted peace and tranquility, the United States were engaged in a gigantic struggle which threatened the existence of the Republic, and which before it had run its course not only created a huge debt and burdensome taxation, but also laid waste a vast extent of territory and destroyed the lives of hundreds of thousands of men.

As the peaceful condition of Canada favored its growth, and as the war raging in the United States was of a very destructive character, one would have supposed that Canada would at least have maintained its previous rate of increase instead of falling far below that of the United States.

It is very much the fashion of many Canadians (especially in Ontario) when contrasting the growth of the United States and of Canada to extend the comparison so as to embrace the last half century. Such a comparison is perfectly justifiable when kept within becoming limits.

The achievements of a bygone generation, like the pride of ancestry, although for us but a reflected glory with a dash of moonshine about it, are valuable if they serve as incentives to exertion and stimulate us to strive at excelling the past, but if they are made use of as a shelter for an evasion of responsibilities and to disguise a humiliation, they become prejudicial and pernicious in their influences.

This is not a time for patriotic Canadians to indulge in a rehearsal of the fable of the frog and the ox—for the American ox can stand it better than the Canadian frog. It is far more necessary to give prominence to the disagreeable facts of the past decade which vitally affect the present than to indulge in vain glorying at the development of 30 years ago, the credit of which belongs to a former generation.

The last census, some of the figures of which I have given, is evidence of the remarkably non-progressive condition of the two provinces which together form the backbone of the Dominion, so far as regards population.

It seems almost a self-evident proposition needing no argument, that without people a new country cannot be developed. If the Dominion is ever to become anything great it has to retain its own population and to attract a large immigration. In neither condition has the Dominion so far been successful. As concerns failing to retain its own, the United States census for 1870, shows us that British North America stands fourth in the list of countries from which the United States draws its population. The native born British North Americans in the United States number 493,362, and are nearly as numerous as native born Englishmen.

Referring to the valuable "Special report on immigration" published at Washington, 1872, we find that between 1850 and 1860 the British North American immigrants into the United States annually, varied from 352 to 7,796; and between 1860 and 1870, from 2,069 to 53,340. As the figures are instructive, they may as well be given for the last decade.

| | | |
|-------|---------|--------------------------------------|
| 1861, | 2,069, | Before Confederation. |
| 1862, | 3,275, | " " |
| 1863, | 3,464, | " " |
| 1864, | 3,636, | " " |
| 1865, | 21,586, | " " |
| 1866, | 32,150, | Last session of Canadian Parliament. |
| 1867, | 6,014, | Dominion Government. |
| 1868, | 10,894, | " " |
| 1869, | 30,921, | " " |
| 1870, | 53,340, | " " |

It will be observed that the exodus of British North Americans unfortunately increased instead of diminished. A larger number left in 1869 and 1870 than in the eight years preceding.

In the year book for 1874, it is stated that for the three quarters of 1873, "an unusually large number of Canadians" 7,500 have returned from the United States. This is encouraging, but as the number leaving the Dominion in that period is not given, no profitable deduction can be drawn from it. We know that all it is the habit of a percentage of successful emigrants, to revisit their natives homes, but not to remain permanently.

That the Dominion so far has not been successful in attracting an increasing immigration, is tolerably well-known. It is very forcibly seen by comparing the first four years' returns given in the year book for 1874, with the last four years. The number of immigrants settling in the country were in

| | | | | | | |
|-------|---------|---------|-------|----------|---------|----------|
| 1851, | 22,515, | } Total | 1869, | 18,630, | } Total | |
| 1852, | 29,943, | | 1870, | 24,706, | | |
| 1853, | 32,295, | | 1871, | 27,773, | | |
| 1854, | 38,800, | | 1872, | 36,578, | | |
| | | | | 123,553. | | 107,687. |

Taking the emigration for the last two or three years, of which I have been able to ascertain it, and deducting the immigration for the same period, the result as follows :

| | |
|--|--------|
| Emigration from the Dominion in 1869 and 1870 . . . | 84,261 |
| Immigration into the Dominion in 1869 and 1870 . . . | 43,336 |

Showing a nett loss to the Dominion in 2 years of . . . 40,925.

This emigration is of native born British North Americans. To this large number must be added probably a still larger number, not native born, which failing to find the prosperity expected in the Dominion moved into the United States.

Speaking of the emigration of 1873, from Great Britain, a late English newspaper says : "Some very remarkable statements touching emigration have been issued by the Board of Trade. In the first place it appears that the emigration from the United Kingdom in 1873, was the largest that has taken place in any one year since 1854. In 1873, there quitted the country 310,632 persons; the United States absorb 233,073, and of the 37,208 who sail for British North America, it is probable that a considerable portion find their way to the States. Oddly enough, comparatively few emigrants go to our colonies. Almost all of them in quitting England quit the Empire." The figures given show conclusively that the portions of the Dominion at present

accessible to settlement, attract but a small part of European emigration and absorb still less.

Although the United States, as we have seen, show for the last decennial period a ratio of increase far greater than Canada, it will be observed upon reference that there are certain States and large and important sections of the American Union, which are less progressive in population than any of the provinces of the Dominion. Take for instance

| | 1860. | 1870. |
|--------------------|----------|----------|
| Maine..... | 628,279, | 626,915, |
| New Hampshire..... | 326,073, | 318,300, |
| Vermont..... | 315,098, | 330,551, |

The two former show an actual falling off in population and the latter less than 5 per cent. increase.

Collectively their progress is less than half of one per cent.

A member of the New York Chamber of Commerce has lately published a very interesting pamphlet tabulating the United States census returns of 1850, 1860 and 1870. The author divides the States and Territories into groupes concerning some of which we gather the following figures :

The Six New England States had in

| | 1850. | 1860. | 1870. |
|-------------|------------|------------|------------|
| Population, | 2,728,116, | 3,135,283, | 3,487,924. |

It will be observed that the increase between 1850 and 1860 was about 15 per cent., and between 1860 and 1870, about 11½ per cent., showing in both periods a lower rate of progress than Canada.

The Four Middle Atlantic States had in

| | 1850. | 1860. | 1870. |
|-------------|------------|------------|------------|
| Population, | 5,990,267, | 7,570,201, | 8,935,821. |

We find here an increase between 1850 and 1860 of about 26½ per cent., and between 1860 and 1870 of about 18 per cent. showing in the former period a lower rate of progress of 16½ per cent. as compared with Canada, and in the latter a higher rate than Canada of 4½ per cent.

The Six Southern States, Atlantic States (from Maryland to Delaware) inclusive, had in

| | 1850. | 1860. | 1870. |
|-------------|------------|------------|------------|
| Population, | 4,535,871, | 5,177,407, | 5,154,881. |

We have here the destructive results of the Civil War most

strikingly displayed. These six Southern States showing no progress whatever between 1860 and 1870, actually retrograding.

To find the sections of the United States which have been most successful on a grand scale in absorbing population during the past 20 years we have to look to the Western States.

The States and Territories west of the Rocky Mountains had in

| | 1850. | 1860. | 1870. |
|-------------|----------|----------|----------|
| Population, | 188,818, | 584,699, | 920,933. |

an increase of 57 per cent. between 1860 and 1870, and of 387 per cent. between 1850 and 1870—a ratio of increase far exceeding that of any other section of the United States.

The Western States of Ohio, Indiana, Michigan, Illinois, Wisconsin, Minnesota, Iowa, Missouri, Kansas and Nebraska, had in

| | 1850. | 1860. | 1870. |
|-------------|------------|------------|-------------|
| Population, | 5,403,595, | 9,091,879, | 12,966,930. |

showing an increase of 68 per cent., and in numbers of 3,688,284, between 1850 and 1860, and of 43 per cent., and in numbers of 3,875,051 between 1860 and 1870. Nothing can show clearer than the facts and figures that for the progress made in the past ten years, the United States is indebted mainly to the development of the Western States. Take for instance the following ten States, commencing west of the Province of Ontario, with the State of Michigan, which bounds it to the west, and taking the other nine States west of Ohio and Indiana and of a line running south from Lake Michigan,—(the really Western States of America to-day.) We have as follows :

| Population, | 1860. | 1873. |
|-------------|------------|------------|
| Michigan, | 749,113, | 1,184,059, |
| Illinois, | 1,711,951, | 2,539,891, |
| Wisconsin, | 775,881, | 1,054,670, |
| Minnesota, | 172,023, | 439,706, |
| Iowa, | 674,913, | 1,194,020, |
| Missouri, | 1,182,012, | 1,721,295, |
| Kansas, | 107,206, | 364,399, |
| Nebraska, | 28,841, | 122,993, |
| California, | 379,994, | 560,247, |
| Oregon, | 52,465, | 90,923. |

It will be seen that these ten States advanced in population in ten years, from 5,834,399 to 9,272,203, an increase of about 59 per cent., or of 3,437,804. Now assuming the natural in-

crease between 1860 and 1870, to have been 12½ per cent., (an estimate probably tolerably accurate,) or 729,300; this would leave 2,708,504 to be made up by the influx of people. As the total immigration for this decade into the United States, was 2,808,913; it is evident that these ten Western States absorbed within about 100,000 of the whole number of immigrants into the United States. No more convincing proof than this most striking fact can be found of the truth of the oft repeated statement that "Westward the course of Empire wends its way."

The figures brought forward have been ample to make clear, that the progress of Canada was one of remarkable rapidity until the northern stream of immigration flowing westward, finding itself barred in its course by Huron and a rocky region passed south of them to join a still larger stream, which was spreading itself over Michigan, Illinois, Iowa and other portions of the vast western prairie.

No further rapid development of British North America remained possible, so long as a fur trading company owned and kept closed the North West Territory, and so long as the colonies continued separate in the position of rivals, jealous of one another's progress and prosperity.

Statesmen saw that the necessity had arisen, and that the time had come, to unite together in one the whole of British North America.

Confederation by consolidating the British possessions from the Atlantic to the Pacific gave life and strength to this Dominion, and opening out to it a great west, made possible for it a brilliant future.

The British Government and the Sir John A. Macdonald Administration discerned clearly that to give reality to the scheme, speedy railway connection between the different provinces was absolutely indispensable.

The immediate construction of the Intercolonial Railway was therefore embodied in the Terms of Union with Nova Scotia and New Brunswick and the commencement within two years and the completion within ten years of the Canadian Pacific Railway was made the chief confederating condition with British Columbia.

The former undertaking is approaching completion, but the latter has been relegated by an incapable Government, to a future so distant, as to appear more like a phantom of the imagination than a practical work necessary for the welfare of the Dominion.

It appears as if the people of Canada were a dollar and a cent people, and it were idle to talk to them of the Terms of Union made with British Columbia. Probably to speak of moral

obligations is to render one's self unintelligible. It may be that the conscience of a new born nation, like that of an individual, has only an embryo existence in infancy. Material motives which are secondary in the civilized countries of Europe are primary in the Dominion of to-day, and govern its actions and opinions.

Looking at things from the lower level, what at once strikes one, is the remarkable blight that has fallen upon the intelligence of the public mind, so that the transcontinental railway, as contemplated by Sir John A. Macdonald, which two years ago was considered both practicable and necessary, is now looked upon as impossible and ruinous to the Dominion.

We have seen that the great want of Canada was a western country, that without it over half a million of people were lost to British North America. Confederation having given this western country to the Dominion, the question which naturally arises is, What shall she do with it? and the self-evident answer is, Open it up to settlement. To do this the only way now admitted as meeting the requirements of the age is by railroads.

Even Mr. Mackenzie, in the greatest effort he has yet made, appertaining to the Canadian Pacific Railway, talking about it, seems to have been impressed with the unanimity prevailing upon this point. "In his speech in Parliament he remarked at length on what was probably as well recognized as the ten commandments, that not only in such countries as England and France were railways looked upon as indispensable, but their value and necessity were felt by Portugal, Russia and other backward European nations, and even by such semi-civilized states as the South American Republics." In all of these so clear was it that development waited on railway construction, that if in one way railways could not be built, other ways had to be devised to build them. If private enterprise declined to take hold of them, it devolved upon the Government to put them through.

Mr. Mackenzie has been impressed but not converted by what has been done elsewhere. At the present time to the Dominion of Canada belongs the privilege of having the exclusive monopoly of the apostles of wagon roads and water stretches.

The close connection existing between the construction of railways and the influx of immigrants and settlement of a country are at once seen by reference to figures.

Take Canada for instance. From 1852 to 1857 the Grand Trunk Railway was in process of building. During these six years 182,517 immigrants arrived and settled in the country. Never since that period has railroad construction been carried on as vigorously, and never since that period has that large number of new settlers been equalled or indeed approached.

The experience of the United States is still more remarkable. During the war immigration dropped in 1861 and 1862 to less than 92,000 in each year. At the close of the war the energies of the American Republic turned towards the development of manufactures in the Eastern States and to the opening of the Western States to settlement by railroads. The vigor and magnitude of the former, the Dominion manufacturers will have disagreeable practical evidence of, if what the Mackenzie Government is pleased to call a reciprocity treaty, ever becomes law. The census of 1860 states the products of all manufacturers of the six New England States and the four Atlantic States at twelve hundred and twenty-three millions of dollars, and that of 1870 at two thousand six hundred and ninety-two millions, showing an increase of 120 per cent. As population increased only 16 per cent., the surplus for distribution in the Western States and in the British North American provinces, if the Dominion is reckless enough to ratify the Treaty, will be something immense, and to the Manufacturers something appalling.

The development of railroads in the United States is as remarkable as the development of manufactures.

At the close of 1872 there were completed in the United States 66,237 miles of railway—more than 33,000 or about half of them, have been built since the close of the war, in the short space of eight years. In the three years of 1870, 1871 and 1872 19,700 miles of railroad were laid, or an average of 6,566 in each year.

One great effect of this rapid railroad development was speedily visible in the great increase of immigration. The number of immigrants rose from 91,987 in 1862 to 395,922 in 1869, and was 378,796 in 1870. We have already observed that in these last two years (1869 and 1870) no less than 84,261 British North Americans were drawn into the United States and became lost to the Dominion.

No wonder that with such facts and figures before him, the chief of the bureau of statistics at Washington remarked that "the unexampled development of the North Western and Pacific States . . . owing to the completion of the railway to the Pacific, and other great works of internal improvement in the western portion of our domain . . . possesses a peculiar claim on public attention."

In 1860 British North America had, relatively to population, as much railroad as the United States. At the close of 1872, it had not much more than half (9-16ths.) The average being over 1,600 miles to every million of inhabitants in the United States, and under 900 miles in British North America.

In failing to keep pace with the republic in internal devel-

opment, it failed to maintain its former rate of progress, and dropped, as we have seen, in the last decennial period, far below the percentage of increase of the United States.

The past ten years make evident what is possible in railroad development, and, if example is worth anything, what has been done in the United States should stimulate the Dominion into an energetic railway policy.

An idea of the wealth created by opening up new country by railroads, may be formed by the value of farms and agricultural products in some of the newest Western States, as given in the census of 1870, and the Agricultural report of 1871.

| | Value of Farms. | Farm Products. | Population. | |
|------------|-----------------|----------------|-------------|-----------|
| | | 1871. | 1860. | 1870. |
| Kansas, | \$ 90,327,040 | 27,630,651 | 107,206 | 364,399 |
| Nebraska, | 30,242,186 | 8,604,742 | 28,841 | 122,993 |
| Minnesota, | 97,847,442 | 33,446,400 | 172,023 | 439,706 |
| Iowa, | 392,662,441 | 114,386,441 | 674,913 | 1,194,020 |
| Total, | \$611,079,109 | 184,068,234 | 982,983 | 2,121,118 |

The ANNUAL agricultural product of these four States amounts in value to one hundred and eighty four millions of dollars, a sum greatly in excess of the total estimated cost of the Canadian Pacific Railway, and the value of the farms is put down at six hundred and eleven millions of dollars.

This is only a part of the wealth of these States. Everybody admits that whatever has exchangeable value is wealth. The unimproved lands, from no value at all before railroads were made, because people would not settle and cultivate the soil when its products were unmarketable, are now worth from \$2 50 to \$50 per acre, according to quality and distance from market town, steamboat landing, and railway station. The general price of average land with average facilities varies from \$5 to \$15 per acre. Besides this large item of wealth, there are the value of towns, lumber interests, flour mills, foundries, and the thousand and one things found in every peopled district. The aggregate wealth of these new States is probably underestimated at four times the value of the farms; that is, four times six hundred and eleven millions of dollars.

The North West is as rich in resources as Iowa, Minnesota, Kansas and Nebraska. A large part of Iowa is as remote from navigable water stretches as the Red River settlement. Nebraska and Kansas still more so. Manitoba adjoins Minnesota, and has the advantage of a lower elevation of 800 to 1000 feet.

In the natural order of settlement, it is fair to assume with similar railroad development, the North West Territory would

now have wealth and population equal to the four States referred to. Instead of only 20,000, it should have over Two Millions of people and a wealth of Twenty four hundred millions of dollars.

No more important question because none of more vital consequence to the future of British North America can possibly engage the thoughtful attention of every citizen of this Dominion, than the disposition and capacity of the present administration to carry out the true national policy of rapidly constructing the Canadian Pacific Railway. The most reliable evidence, from which to draw conclusions, is the railway scheme and the speech of Mr. Mackenzie introducing that scheme.

The Pacific Railway Bill of the present administration, declares "that in view of the terms and conditions on which British Columbia was admitted into Union with the Dominion, it is expedient to provide for the construction of a railway, to be called the "Canada Pacific Railway," from some point near to and south of Lake Nipissing, to some point in British Columbia on the Pacific"—to this declaration a proviso (added after the bill had been printed and distributed, and after Mr. Edgar had made Mr. Mackenzie acquainted with the view of the Government of British Columbia) was appended, as follows: "And, whereas, by the legislation of the present session, in order to provide means for meeting the obligation of the Dominion, the rate of taxation has been raised. . . and, whereas, it is proper to make provision for the construction of the said work, as rapidly as the same can be accomplished without further raising the rate of taxation, therefor Her Majesty enacts, and so forth.

The bill divides the line into four sections :

- 1st. From Lake Nipissing to the Western end of Lake Superior.
- 2nd. From Lake Superior to Red River in Manitoba.
- 3rd. From Red River in Manitoba to some point between Fort Edmonton and the foot of the Rocky Mountains.
- 4th. From the Western terminus of the 3rd Section to some point in British Columbia on the Pacific,

The Government are empowered to divide any section into sub-sections.

The Government may construct the said railway, or any part thereof, as a Dominion Public Work, if they think it desirable.

The Dominion gives to contractors, a subsidy of \$10,000 per mile, 20,000 acres of land per mile, of fair average quality in alternate sections, along the line contracted for, also a guarantee of 4 per cent. interest for 25 years, on a sum to be stated in the contract.

The contractors shall own and run the line on their own ac-

count, under such "regulations as may from time to time be made by the Governor in Council, as regards the rates chargeable for passengers and freight, the number and description of the trains to be run, and the accommodation to be afforded for freight and passengers."

The Government reserves the power to sell two-thirds of the land grant "at such prices as may be from time to time agreed upon between the Governor in Council and the contractors," the proceeds of sales to be paid half-yearly to the contractors.

The Government also reserves the right to purchase the railway, or any part thereof, on payment of a sum "not exceeding the actual cost and ten per cent. in addition thereto," the subsidies in land and money being first returned or deducted from the amount to be paid.

It is difficult to see, and it has never been pointed out, wherein consists the advantage of a transcontinental railway scheme, framed in such a way that detached fractions of road built and owned by companies, may be interspersed with other fractions built and owned by the Dominion. From a business point of view, it is safe to infer, that private companies (if they touch the railway at all) will take the profitable sections and sub-sections, leaving the unprofitable to the Government.

The most valuable sections and sub-sections—and there are some which Mr. Mackenzie says the Dominion subsidies will more than build—ought to be made use of to move off the least valuable. The whole railway ought either to be owned and run by companies like the English railways, or owned and run by the Dominion the same as the Intercolonial.

Mr. Mackenzie has expressed himself as opposed to any one company contracting to build more than one section.

The division of the whole line into four sections, subject to still further sub-divisions, cannot in any way further its rapid construction and may probably retard it.

The Lake Nipissing to the Western end of Lake Superior section, although necessary to complete the Canadian Pacific Railway, is the one generally admitted as being the least pressing, inasmuch as with a railway from the Pacific Ocean to the waters of Lake Superior, the whole of British North America is rationally accessible at certain seasons of the year, enabling goods and productions to be shipped at freights not exceeding those charged in the Western States of the American Union.

A company or the Government can very well commence the section to Red River from Lake Superior. It is also easy to start on the golden section, from near Fort Edmonton to the Pacific, from the Pacific; but how in the name of all that is possible, can any company for years to come, or even Mr. Mackenzie him-

self, pack rails and rolling stock, etc., etc., on to the section between Red River and Fort Edmonton. There is nothing practicable or advantageous, but the reverse, in dividing the whole line so as to make an inaccessible section in the interior of the continent.

Mr. Mackenzie, in the course of his railway speech, is reported as having said, "Even with regard to the branch from Fort Garry to Pembina, the commercial advantages would not be great, UNLESS THEY THREW A LARGE AMOUNT OF TRAFFIC UPON IT. IN CONNECTION WITH THE BUILDING OF PORTION OF THE ROAD, THAT COULD BE DONE TO SOME EXTENT." Had this been said of the Lake Superior to Red River section, it would have been in the interest of the Dominion. It unfortunately appears, however, to be an idea in the head of the present Government to obtain access to Winnipeg and to develop westward by the Pembina branch and the Northern Pacific Railway. As the former is still to be commenced, and the latter, although more than three parts dead, has many miles to construct to reach the boundary, the prospect of Mr. Mackenzie's idea germinating into something practicable is more remote than cheering.

Putting on one side the unpatriotic intention of nurturing a rival American railway at the expense of the Canadian Pacific Railway and diverting the business of the North West into the United States, there is something humiliating in the Dominion of Canada, with its 5 per cents at 109, halting in its great mission and becoming dependent upon the movements of a company made up of impoverished speculators with its 7 per cent. bonds unsaleable at 35. The true policy of the Dominion is unquestionably to commence at once from Lake Superior and push the construction with vigor westward, so that all material can be transported on the national line, and all the trade created by settlement may be done by Montreal, Toronto, Hamilton and other Canadian cities, and not by Duluth, Milwaukee or Chicago.

Great men, like common mortals, have their weaknesses, for which charitable allowances should be made; but Mr. Mackenzie's propensity to feed brother Jonathan with the Dominion Government spoon, is, considering his position, unnatural, and therefor unpardonable.

Even on the pretext of economizing time, so as to keep faith with British Columbia, Mr. Mackenzie's course is indefensible because the Dominion is far more capable of building right away a line from Lake Superior to Winnipeg, than a dilapidated concern such as the Northern Pacific, with nothing but a land grant. a line of many miles to Pembina.

No company, were all other conditions favorable, UNLESS

ORGANIZED OUT OF THE DEBRIS OF THE NORTHERN PACIFIC RAILWAY, would undertake the section from Garry westward, so long as they had to depend upon the Northern Pacific line for forwarding of material and supplies; knowing that an institution suffering the pangs of financial hunger would seize such an opportunity to gorge itself upon them.

No American transcontinental railway, either built or building, or in contemplation, is favored with as magnificent a stretch of rich agricultural lands as the Canadian Pacific. Whilst the latter will run through the fertile belt, every other has to cross the American desert, a vast sandy waste with a scattered growth of sage brush. The Central and Union Pacific Railway from the summit of the Sierras, for 1,200 miles eastward, is of so worthless a character as to unfit it for even a penal settlement. Not so our Great North West, which, as Capt. Butler says, seems destined to be the homes of many millions of people, for it is a land of surpassing richness, fair to the eye, blending in one landscape, prairie, lake and woodland.

Under intelligent management this wealth of land should more than half build the railway.

The late Administration in their railway scheme, instead of attempting to be original and making a mess of it, wisely imitated the United States system of donating alternate sections of land along the contemplated railway to the railway company, and raising the price of the remaining Government land to \$2 50 per acre. This successful policy by which the United States, without any loss to itself, encouraged enterprises which induced extensive settlement, when applied by Sir John A. Macdonald to the North West Territory was branded by Mr. Mackenzie in his remarkable railway speech as putting "a fictitious value on the land." Such an expression from the head of the Dominion Government displays an unexpected ignorance. What is possible in the United States ought not to be impossible in the Dominion. The 49th parallel ought not to be recognized, before a vigorous effort has been made, as the dividing line between success and failure.

The Year Book for 1873, contains a statement of the prices at which railway lands sell readily in the Western States. The highest price quoted is \$13 98 per acre, for the Grand Rapids and Indiana Railway; the lowest is \$3 07 per acre for the Kansas Pacific. The average is \$7 04 per acre. Going below the lowest, with the lands situated along the line of the Canadian Pacific Railway, there is nothing "fictitious" in placing them at \$2 50 per acre, unless, indeed, Mr. Mackenzie looks upon and knows his Pacific Railway scheme to be nothing better than a bogus undertaking.

Proximity to a railroad is the great attraction to a settler, because the value of his crop depends upon the facilities for transportation. This is to be seen by a glance at the far Western States—no sooner is a new line of railway under construction than settlements are formed along the whole length of the line. They are to be found dotting the country every few miles, like the advanced guards of the coming grand army of immigrants.

Every improvement in the means of communication in the great west of America, reduces the cost of getting produce to market and adds to the value of the land.

In parts of Ohio, where wheat is worth 90 cents per bushel, unimproved land sells at \$30 to \$50 per acre. In parts of Iowa where wheat is 50 cents per bushel, unimproved lands of equal fertility can be bought at \$5 to \$10 per acre.

The difference in cost of forwarding to market makes the difference in the value of products, and the difference in the value of products makes the difference in value of land.

Take two pieces of wheat land equal in every respect, except in one having an advantage over the other of 40 cents per bushel in cost of transportation. At only twelve bushels to the acre—one has an advantage over the other of \$4 80 per acre, or \$768 per year, on a quarter section of 160 acres.

Without a near prospect of the railway affording means of transportation, land in Manitoba could not now find settlers on the free grant system.

With the Canadian Pacific built through, average land would be taken up greedily at \$5 per acre. There would be far more fear of speculators buying largely for a rise, than of a scarcity of bona fide settlers.

When with all the experience of the United States before him, Mr. Mackenzie says that \$2 50 per acre for railway lands is a "fictitious" value, he shows a lack of observation painful to contemplate.

Mr. Mackenzie, in his railway speech, showed a nervous anxiety to go slow, for he dreaded over burdening the country, yet in his scheme, he proposed to squander the national inheritance by dealing with it in a manner which he confessed himself would depreciate it.

Less fear of the effects of the railway and more judgment in utilizing the natural resources of the country through which the railway is expected to run, would be of great advantage to the Dominion.

Any company intending to tender for a section of the Canadian Pacific Railway would have largely to increase the sum per mile for which the Dominion proposes a guarantee of four per

cent. for 25 years, because of Mr. Mackenzie's Government reservations controlling the land grant of 20,000 acres per mile. Land, the value of which, under the Sir John A. Macdonald bill could be estimated as on Western States lines, is reduced at least half by the Government taking power to sell two-thirds of the land grant "at such prices as may be from time to time agreed upon between the Governor in Council and the contractors."

Apply such a condition to ordinary business transactions and it will be at once apparent, that no business men would purchase property, except at a comparatively nominal figure, when the power and price of sale of two-thirds remained vested in the vendor.

Although the price at which the land is to be sold from time to time is to be agreed upon between the Government and the contractors, practically it rests exclusively with the Government, for the Government having as much land advantageously situated along the line of railroad as the contractors, can force the contractors to agree to whatever prices it chooses to dictate, under the penalty for non-acquiescence of giving the Government lands away, thus rendering the Railway Company's land absolutely valueless for many years, because people naturally would decline to purchase of a company what they could obtain for nothing of the Government.

If the interests of the Government and a railway company were in every respect identical, there would be an indirect guarantee that the action of the Government in the sale of the lands would not be prejudicial to the Railway Company.

But the Government benefits by power of taxation and in many indirect ways in which a railway company necessarily has no interest. The railway once built, it might be good policy of the Government to donate the lands, but certainly not good policy of the company to give away what was taken (as an equivalent possibly for an expenditure of twenty, thirty or forty millions of dollars) in building the line.

Mr. Mackenzie's explanation of the conditions of the land grant is, that he aimed to frame them so as not to "exclude the settlement of the country and stop its growth."

The aim of a railway company would be the same as Mr. Mackenzie's, with lands to sell and a railway to run, it would do its best to encourage settlement and to develop traffic, as upon these its success depended.

Mr. Mackenzie's purpose could have been effected by fixing a maximum price upon the land and allowing the company to go as much lower as it deemed expedient, and also by making a condition that all railway lands (except, perhaps, certain re-

erves) should be open for settlement. This, with an agreement that Government lands within the railway belt should be disposed of at the same ratio and terms as the Company's lands, would protect Dominion interests without depreciating Dominion property intended to be handed over as part payment to contractors for constructing the railway.

There are two clauses in Mr. Mackenzie's bill, which completely abstract every inducement for capitalists to take hold of the Canadian Pacific Railway. The one is, that providing that the Governor in Council shall from time to time fix "the rates chargeable for passengers and freight," "the number and description of trains to be run," etc., etc. The other is, that the Government reserves the right to purchase the railway at any time on payment of a sum "not exceeding the actual cost, and ten per cent. in addition thereto."

Now it may be taken for granted that Canadian Peabodys are not so common in history as to make it possible that the private benevolence of the Dominion will build the railway.

Even if capitalists of British North America were equal, unaided, to its construction, nobody supposes that they would or that they ought to look at it in any other light than as a business undertaking. As Mr. Mackenzie's railway bill stands, they could not venture to touch it.

It is well to remember that capital is not patriotic anywhere, but looks first for safe investment and then for the best profit it can get. It may look a very long time, indeed, at the railway scheme of the present Administration without being able to see any safety or profit in it for a company.

Profit or loss would depend—assuming ample traffic—upon the cost of running and the rates of fares and freights. These vital elements in the enterprise are taken out of the hands of the company, and are to be altered from time to time by the Government of the period—the company having no power in these matters.

It is very much as if a trader was told by a merchant that "if you buy my goods I shall reserve the right to dictate your selling price, from time to time, as I think proper." The inevitable reply would be, "I won't touch your goods on any such conditions; I should have no security that you would not make me lose money upon them, your acts might be as unbusiness-like as your ideas."

Mr. Mackenzie may assure capitalists that if they build the line and run it, they need not be under any apprehensions concerning the rates for freights and passengers, he will "act justly and generously with them;" but Mr. Mackenzie's Government surely does not suppose it will last as long as the railway. It

may, even before the construction has vigorously commenced, forestall public opinion by awakening to a sense of its own incompetency and gracefully resigning. Of course this is extremely improbable, but not more so than the realization of Mr. Mackenzie's assurances.

Capitalists are like provinces, they require as far as is possible everything certain and everything definite,—now in Mr. Mackenzie's railway bill nothing is certain, but the indefinite.

It was not at all a difficult operation for the Dominion Government to protect the interests of the people, as regards fares and freights, without raising an impassible barrier to the building of the Canadian Pacific Railway by capitalists.

The clause reserving power to the Government to buy up the Canadian Pacific Railway sections at any time on payment of a sum "not exceeding the actual cost, and 10 per cent. in addition thereto," quite extinguishes every hope of companies being formed to build and run it. There is loss and ruin visible to private enterprise on the face of it.

Suppose, for instance, a company builds and runs a section, and at the end of ten years it has become a good paying enterprise to the extent of refunding the running expenses from its first construction. It is then in a fair way to make money, but the Government now steps in and takes the line by paying "actual cost and ten per cent. thereto." What is the result to the shareholders? They get back their money and ten per cent; that is ONE PER CENT. PER ANNUM INTEREST!

Suppose again, (and this is more Mr. Mackenzie's idea) that there will be a loss at first of six millions per annum in operating the whole line—that sixty millions of capital has been invested in construction, that at the end of ten years the railway has turned the corner, meets running expenses and has a surplus for the year towards repaying past annual charges for operating the line, and that the companies, for ten years, have sunk twenty millions in running expenses. The Government, as the railway has commenced to be profitable, concludes to purchase. How does capital come out of the undertaking? Government pays it the cost, sixty millions plus ten per cent, that is sixty-six millions altogether. But capital is out sixty millions for cost of line, plus twenty millions for running it, and thus loses fourteen millions and receives no interest.

If apologists of the scheme say such suppositions are absurd, for Government will never buy up the line. All that needs to be said is, that if such an assertion is worth anything it is absurd for the Government to insert the right of purchase in the bill. That the Canadian Pacific Railway will not be constructed by private

enterprise under Mr. Mackenzie's scheme may be taken as certain, OWING TO THE PROVISIONS OF THE BILL.

Failing this, Mr. Mackenzie proposed that the Dominion Government build it as a Government work, subject, however, to the proviso that it shall not increase the present rate of taxation, which is another form of saying that the Government shall not build it at all in the lifetime of this generation. To put through a great national enterprise with vigor, ample means are necessary, and they are not to be found in the surplus revenue. Indeed, a surplus revenue will be a mythical thing if the Dominion accepts the Reciprocity Treaty, inasmuch as it will diminish the revenue by permitting the free importations of American products, which now pay duty, and will increase the expenditure by a heavy outlay by the Dominion on costly canal works for the benefit of United States commerce. The treaty once signed, Dominion obligations to the United States will have to be carried out—they cannot be evaded or repudiated as if they were only terms of Union with a province.

The railway bill of the present Administration is so ingeniously framed that neither companies nor the Government can build the Canadian Pacific Railway—AND IT WAS FRAMED DELIBERATELY WITH THIS INTENTION. Its conditions are such as to create grave suspicion; and positive proof is to be found in Mr. Mackenzie's railway speech, the Government proposals through Mr. Edgar to British Columbia, and in his speech at Ottawa of the Hon. Mr. Scott, the Secretary of State.

Instead of an early commencement and vigorous prosecution of the great transcontinental railway, in accordance with the spirit of Confederation, the following is Mr. Mackenzie's railway policy as stated by himself:

"The policy he proposed to the country WAS THE UTILIZATION
 " OF THE WATER COMMUNICATION, and it was one he considered
 " would be beneficent to the whole Dominion, and in the mean-
 " time some of the interests of British Columbia UNTIL TIME EN-
 " ABLED THEM BY INCREASED WEALTH TO DEVELOP THE RESOURCES OF
 " THE COUNTRY, and carry to completion the enormous project
 " upon which they had entered. He pointed out on a former
 " occasion that if they could reach Red River at a comparative-
 " ly small cost—probably not more than one million dollars," (evi-
 " dently referring to the Pembina branch and a connection with
 " the Northern Pacific Railway Company) " they would be able to
 " utilize the water communication afforded by Lake Winnipeg-
 " sis, Lake Manitoba and the Saskatchewan river and pass along
 " the west shore of Lake Winnipeg with a short railroad" (HERE
 " MR. MACKENZIE'S RAILROAD COMES IN) "passing the rapids on the
 " Saskatchewan. They would be able during the summer

“ months to reach the base of the Rocky Mountains at a small
 “ cost. THE MORE HE HAD INVESTIGATED THIS PLAN OF PROCEDURE
 “ THE MORE HE WAS CONVINCED OF ITS PERFECT UTILITY. The part
 “ of the country the most difficult of access was from the Rocky
 “ Mountains westward. The entire cost from Fort Edmonton to
 “ Bute Inlet, was estimated at no less than thirty-five millions of
 “ dollars, and it could easily be conceived how slow the progress
 “ must necessarily be from the Pacific Coast. ”

Now, until time enabled them by increased wealth, “ to develop the resources of the country, ” in what way was it intended by Mr. Mackenzie, that British Columbia should be connected with “ the water communication ? ” We learn this by his proposals through Mr. Edgar, namely, by a telegraph line and by an extension of British Columbia’s wagon road, after the surveys are completed—these to precede any commencement of the transcontinental railway in British Columbia.

That this is a correct rendering of Mr. Mackenzie’s proposals, purposely involved and obscured by Mr. Edgar, and a fair statement of the present Administration’s intentions is clear, from the Hon. Mr. Scott’s (the Secretary of State for the Dominion) very pronounced speech at Ottawa. Referring to the Canadian Pacific Railway he said, “ I fear it will not be built by this Government, nor the next Government, nor by many a Government to come. The Ministry would have a line by water and railway ”—(round the Saskatchewan rapids) to the Rocky Mountains. FROM THERE THEY WOULD BUILD A WAGON ROAD THROUGH BRITISH COLUMBIA. We know that under the Confederation “ Act BRITISH COLUMBIA WAS ENTITLED TO THE RAILWAY, BUT HE “ HOPED THAT THEY WOULD SEE THAT IT WAS IMPOSSIBLE AS CON- “ TEMPLATED AND NOT MAKE ANY DISTURBANCE. ”

Unless the people deliberately shut their eyes and refuse to see, it must be evident that Mr. Mackenzie has no more intention of building the Canadian Pacific Railway than has the Emperor of China.

Strip his so-called railway speech of its profuse professions of anxiety to keep faith with British Columbia, and it is nothing but a studied attempt, bolstered up with mis-statements, to prejudice the whole Dominion against it and to make everybody believe that it is almost impossible and altogether ruinous. Speaking of the transcontinental railway scheme as agreed upon by the late Administration, and as incorporated in the Terms of Union with British Columbia, Mr. Mackenzie said: “ He (Sir “ John A. Macdonald) had no doubt undertaken obligations “ which could never be carried into effect. He had no doubt “ at all that that folly had been committed. ”

Mr. Mackenzie branded the scheme of the former Adminis-

tration as "utterly impracticable" and "expressed a very strong conviction that the passage of the TREATY OF UNION WITH BRITISH COLUMBIA WOULD NECESSARILY IN FUTURE ENTAIL CALAMITY."

The late Government "went so far as to place the whole country in jeopardy." He placed before the house the Intercolonial railway "a road only 500 miles long, having the sea along the whole course, the most ample means provided for the early and successful completion of the road." A road on which seven years labor had been already expended, and on which two more would be required to complete it.

This was made the gauge of the capacity of the Dominion for railroad construction, and a basis on which to condemn "an exceedingly extravagant undertaking, constructing a road 2,500 miles long through a country entirely uninhabited," where "enormous difficulties would be met with."

"THEY DESIRED THE GENTLEMEN who undertook this responsibility TO SHOW THEM HOW IT WAS POSSIBLE TO CONSTRUCT A RAILWAY 2,500 MILES LONG, WITH A POPULATION OF FOUR MILLIONS, passing through an uninhabited country, the greater part of which is through a country of very rough character." "It was utterly impossible" to carry out the terms of union with British Columbia. Mr. Sanford Fleming put his minimum estimates of the cost at one hundred million dollars. "They would not be able to borrow the money below six per cent., if that. Until three millions of people were drawn into the present uninhabited country it was quite idle to expect the road could possibly pay the running expenses, which Mr. Fleming estimated at not less than eight millions per annum. Supposing the road to be completed, they would have in addition to the burdens imposed, the interest on the money, and would unquestionably have to provide for the working of the road, a sum at least equal to that amount of \$6,000,000 more every year, in order to keep it in operation."

Such was Mr. Mackenzie's statement. Now as to the truth of it.

Reliable information concerning the character of the country through which, if built, the Canadian Pacific Railway will run, is contained in Sanford Fleming's Official Report, 1874. That gentleman divides the line into three sections, namely, the Eastern or Woodland Region; the Central or Prairie Region; and the Western or Mountain Region.

OF THE EASTERN OR WOODLAND REGION.

Sanford Fleming says, Page 30-31: About twenty-five or thirty miles of the line, north-easterly from Nepigon River, will show heavy work, while the remainder of the distance to Lake

Nipissing, about 530 miles will, it is believed, be comparatively light.

A route has been found through a long section of the country much more favorable than was hitherto expected or even thought possible.

(Page 32). Between Manitoba and Lake Superior, it will be possible to secure maximum easterly ascending gradients, within the limit of twenty-six feet to the mile, a maximum not half so great as that which obtains on the majority of the railways of the Continent.

OF THE CENTRAL OR PRAIRIE REGION,

Sanford Fleming says, Page 24, Enough is known to warrant the belief that there will be no great difficulty in projecting a favorable line, with comparatively light work, from Manitoba at the East to the Yellow Head Pass at the West.

OF THE YELLOW HEAD PASS

through the Rocky Mountains, he speaks from his own observation as follows :

Page 39. The immediate ascent to the Yellow Head Pass is not difficult, and the pass itself is, as it were, an open meadow. It was the middle of September when we arrived in the Yellow Head Pass, but the flowers were in bloom and the lower slopes of the mountains were covered with verdure.

Page 16. The approaches to the Yellow Head Pass from both sides of the Mountain Range are of such a character as to render the construction of a railway across the great continental water shed a far less difficult matter than was previously imagined.

OF THE WESTERN OR MOUNTAIN REGION.

Page 17. From Kamloops to Edmonton, a total distance of 544, miles very favorable gradients may be had with comparatively light work. It certainly need not exceed the average of work on many of the railways in the Eastern Provinces of the Dominion.

Page 18. Between Hope and Kamloops the distance is 165 miles. Although no high summit is to be passed over, this section is far from favorable. Half the whole distance is excessively rough; the work would be enormously heavy and the cost proportionate.

Page 20. Of the Bute Inlet route through the Cascade range he writes:—

This route commands attention; although a very heavy ex-

penditure will undoubtedly be required to construct the railway for the first forty-four miles easterly from the Pacific Coast, it is thought that the average cost per mile through the whole of the Mountain region with this exception will be moderate. It will be quite possible, if present expectations be realized, to obtain a line east of the great Canyon for the railway on this route, with as favorable gradients as those which obtain on the existing railways in the Eastern Provinces.

Mr. Sanford Fleming winds his report as follows:

Page 34-5. That the practicability of establishing railway communication across the continent, wholly within the limits of the Dominion, is no longer a matter of doubt. It may, indeed, be now accepted as a certainty that a route has been found generally possessing favorable engineering features, with the exception of a short section approaching the Pacific coast; WHICH ROUTE TAKING ITS ENTIRE LENGTH, INCLUDING THE EXCEPTIONAL SECTION ALLUDED TO, WILL ON THE AVERAGE, SHOW LIGHTER WORK AND WILL REQUIRE LESS COSTLY STRUCTURES THAN HAVE BEEN NECESSARY ON MANY OF THE RAILWAYS NOW IN OPERATION IN THE DOMINION.

This is the opinion based on actual knowledge of a competent engineer, now hear an incapable Premier. It was an "exceedingly extravagant undertaking, constructing a road 2,500 miles long, WHERE ENORMOUS DIFFICULTIES WOULD BE MET WITH."

He wanted to know "how it was possible to construct a "railway 2,500 miles long, passing through an uninhabited country, the greater part of which is through a country of very rough "character. The country through which the road would pass "in British Columbia, contained unknown cliffs, most dangerous cascades and large rivers." (This description evidently put in to frighten everybody.)

"ALL THE ENGINEERS SAID THE RAILWAY AS PROVIDED WAS A PHYSICAL IMPOSSIBILITY, it would be utter madness to attempt an impossibility." Comparing the Premier's speech with Sanford Fleming's report, there is something intensely comic in Mr. Mackenzie's theatrical expression "he scorned deception." That charity which "thinketh no evil" would lead one to suppose Mr. Mackenzie had somehow become confused and mixed up the other Pacific routes with that of the Canadian Pacific.

Vernon in his Railroad Manual for 1873, gives the average altitudes of the Texas Pacific Railway as 2,300 feet; the Atlantic Pacific 3,600 feet; the Union and Central 5,000 feet. The Canadian Pacific will probably not average 1,500 feet.

The same authority states the four principal summits of the Central Pacific Railway as 6,169 feet, 7,042 feet, 7,463 feet and 8,235 feet. The Northern Pacific route has two summits, each of which has an altitude of about 5,500.

Sanford Fleming in his report of 1872, gives the highest elevation on the line of the Canadian Pacific as 3,760 feet.

One might search to weariness anything, in any and every American statement of all the United States transcontinental lines, notwithstanding their greater physical obstacles, without discovering a sentence approaching in gloom and despondency to those expressions which abound in Mr. Mackenzie's speech upon the Canadian Pacific Railway. It seemed more like a funeral sermon over a dead undertaking, than an inspiring awakening to vigor and renewed life.

The people of the Dominion, instead of seeking a way out of the wilderness of misrepresentation in which they find themselves, are for the time-being overcome by the mournful wailings and lamentations of those twin Jeremiahs, the Ministers of Finance and Public Works.

Those lachramose leaders, instead of sitting in sackcloth and ashes and repeating that the country is ruined and the railway is an impossibility, until they have made more than half the Dominion believe that the Canadian Pacific Railway cannot be built, should open their eyes and their understandings and see what "enormous difficulties" have been overcome in other countries with a more imperfect civilization than we find in British North America. Let them look at what is going on in Peru, where the Government is having built, under the direction of Mr. Meiggs, a railway to cross the Andes.

This line commences at Callao, on the Pacific, and passes over the Andes to La Oroya, a town on the Eastern slope. At 104½ miles from the ocean it reaches an elevation of 15,645 feet, and passes the summit through a tunnel 8,600 feet long. When such a railway as this is practicable, it is nothing better than baby talk for the Premier of the Dominion to speak of the easiest transeontinental line in the whole of America, the Canadian Pacific Railway, as a "physical impossibility."

Now, as to the rate at which the Dominion would be able to borrow money to build the railway, eighteen millions of which is guaranteed by the Imperial Government. The figures at which Dominion bonds now stand, show that about 4½ per cent. is the present price it pays for it.

The history not only of the United States, but of Canada itself illustrates the fact, railway development induces immigration, settlement of lands, circulation of capital, and the creation of wealth. To ordinary mortals it would appear to be contrary to common sense, to infer that the credit of a country would fall whilst it wealth and population were both rapidly increasing.

Yet Mr. Mackenzie is of opinion that with a railway under construction, the financial credit of the Dominion would swiftly

descend into purgatory and might, except for the tears of the faithful Mr. Cartwright, even fall headlong into the other place.

When, knowing there is an Imperial guarantee for eighteen millions, and that the Dominion can borrow, on its own credit, whatever it requires, at about $4\frac{1}{2}$ per cent., Mr. Mackenzie says "they would not be able to borrow the money below six per cent., if that," he perverts his judgment and ignores his reasoning faculties in his burning desire to predestine the Canadian Pacific Railway which is not yet born, and has done neither good nor evil, to perdition.

The "enormous" distance a man with an object in view will sometimes travel from the facts around him is very well exemplified by Mr. Mackenzie's statement that "until three millions of people were drawn into the country it was quite idle to expect the road could pay its running expenses, estimated at eight million dollars per annum."

It might be true in Asia that the receipts of fares and freights from less than three millions, would not amount to eight millions—the estimated cost of running the railway. Whether true or not of Asia, it is certainly false of North America.

The amount of traffic on railroads for population varies greatly in different countries and depends upon many conditions.

The most weighty probably are the facilities for other modes of transit, and the earning and spending capacity of the population. Water communications, where they exist, draw away part of the travel from railroads, and by competing reduce their rates on the remainder. These also vary in value. The Thames and the Mediterranean, for instance, although less "magnificent," yet being open for navigation all the year round have an advantage over "water stretches" which are ice bound for six months in the year.

Hindcos earning two pence per day, cannot produce as much trade as the people of Ontario and Quebec, where according to the report of the Manufacturing committee, large numbers make \$2 50 to \$4 per week, while there are some in trained occupations who earn as high as \$2 50 per day. These again relatively make a poor showing compared with the inhabitants of the Pacific slope, where Indians earn \$1 per day, Chinamen, \$35 to \$50 per month, and white men from \$2 50 to \$6 per day, and in the mining districts wages run much higher.

Now, taking Ontario and Quebec with about three millions of people. In these two provinces railways show returns for 1872, of about fifteen millions of dollars, enough almost to pay the expenses of two Pacific railroads, assuming Mr. Mackenzie's estimate of the annual expenses of the Canadian Pacific line to be correct.

In taking Ontario and Quebec as examples to show the worthless character of Mr. Mackenzie's figures, we take the most favorable for him that could be found. The railways of those provinces are so situated as to suffer from the maximum of competition from water carriage.

In most parts of America, it neither requires two millions nor one million—(three millions is quite out of rational calculation in this matter)—to make railway receipts of eight millions.

Take a remote Western State like Iowa. Iowa has a population of about twelve hundred thousand, and has according to the Railway Manual, 3,637 miles of railway more than the whole of the Dominion with nearly four millions of people. (If railroads ruin a country this ought to be one of the worst ruined States in the American Union.)

The receipts of the Iowa railways, with only twelve hundred thousand people, are larger than of all the Dominion railways put together. This is partly to be accounted for by less water competition and by a larger proportion of the population being engaged in agriculture, the products of which have to be sent east for markets, thus furnishing very large freights to the railways.

Now let us take an example from the Pacific slope. The notorious Central Pacific. This line of railway runs through California, Nevada, and Utah, and connects with Idaho. The census of 1870 gives the population of

| | |
|---------------------|----------------|
| California, 560,247 | Nevada, 42,491 |
| Idaho, 14,999 | Utah, 86,786 |

The Central Pacific divides the trade of Utah with the Union Pacific; but reckoning all the population in with the Central Pacific, we have a total of 704,523.

The earnings of the Central Pacific Railway for 1873, as stated in the State Legislature of California, amounted to \$13,938,969. Here we have less than three-fourths of a million of people producing railway returns in excess by nearly six millions of the sum which Mr. Mackenzie said would require three millions of inhabitants.

It may be said that the Pacific railways make an exceptionally good showing, and this is probably correct.

Nothing can be fairer than taking the average of the whole United States of America.

According to Poor's Manual of Railroads for 1873, the earnings of the United States Railways for 1873, were as follows:

| | |
|----------------------|--------------------|
| From passengers..... | 137,384,427 |
| From freight..... | 380,035,508 |
| Total..... | <u>517,419,935</u> |

Taking the population at forty millions, this would give receipts of nearly thirteen millions of dollars for every million of inhabitants—or putting it in another light 620,000 people on an average make a traffic of eight millions of dollars.

Recognizing Mr. Mackenzie's American tendencies and proclivities, and allowing him to have made a liberal margin in favor of the United States, relatively for enterprise, energy, progressiveness, wealth and intelligence, there is still a wide gulf remaining between the facts as we find them and the statements of Mr. Mackenzie.

That gentleman is evidently endeavoring to make a reputation by his words rather than by his acts. He is certainly more remarkable from what he has said than what he has done.

Mr. Mackenzie has thought fit to say, that "supposing the road to be completed, they would unquestionably have to provide for the working of the road six millions every year to keep it in operation." As he estimates cost of running the road at eight millions, this allows two millions as the receipts of the Canadian Pacific Railway, for years after completion.

Merely a few facts about railways in the West will be sufficient to show that Mr. Mackenzie, (and he ought to know better) has taken the word "unquestionably" which should be above suspicion among improper figures of very doubtful character. Even were this not so, the word "unquestionable" has no place in politics. Public opinion can question every principle and criticize every politician. These are its rights. Mr. Mackenzie, like the Premiers who have preceded him, has to prove his assertions and justify his policy, and if his assertions will not stand investigation, and if his policy the more it is looked into and examined, the more clearly reveals a man behind the age and singularly small in the treatment of great questions. Public opinion will certainly condemn him and take out of his hands the powers he is incapable of using for the benefit of the country.

Many of the 3,637 miles of railways in the Western State of Iowa, are parts of new lines not completed, but under construction as pioneers of the inflowing population. Some as yet do not pay running expenses, and others no dividends. Yet considering the quantity of railway, for the population, it is really surprising the proportion actually profitable; paying cost of running, interest on seven per cent. bonds, and dividends to stockholders.

As examples one may as well mention two or three of them. Take, for instance, the "Chicago, Rock Island and Pacific Co.," 427 miles of railway:

| | |
|--|---------------------------------------|
| | Capital Stock and Bonds, \$33,972,000 |
| Earnings year ending 31st March, 1873, | \$6,657,050 |
| Expenses, | 3,517,783 |

Showing a profit of \$3,139,267 over running expenses; over nine per cent. interest on capital invested.

Take the "Burlington and Missouri Co.," 444 miles of railway.

| | |
|--|----------------------------|
| | Cost of road, \$15,840,887 |
| Earnings year ending 31st Dec. r 1872, | \$3,071,533 |
| Expenses, | 1,766,813 |

Nett profit, \$1,304,720
out of which interest was paid on bonds and seven per cent. divided on capital.

The "Cedar Rapids and Missouri Co.," 271 miles of railway, paid interest on bonds, dividends on preferred stock, and three per cent. on common stock.

The statements of these three companies, from one State, show that Mr. Mackenzie's estimate of two millions, as receipts of the Canadian Pacific Railway for years after its completion are absurd, assuming only a moderate settlement of the country along the line.

Let us take the Central and Union Pacific Railways. These two lines with their branches aggregate about 2,300 miles, which is 300 miles more than from Lake Superior to the Pacific Ocean.

The population of the States and Territories through which these lines run amounted to 876,000 in 1870 and probably to something over one million in 1873. After paying running expenses they showed a profit of 1873 i. e. \$13,284,895. Supposing the United States Government had built them at a cost of 50,000 dollars per mile. It would have received over 11½ per cent. interest for the year, on the total capital invested.

Notwithstanding that the Central Pacific Railway puts down its line at the fictitious sum of one hundred and thirteen thousand dollars per mile, there are good grounds for assuming that 40,000 dollars is somewhere near the cost.

The fifty-four millions of paid up stock is like the Canadian Pacific Railway "in imagination." The greater part of the twenty-seven millions of first mortgage bonds are reported to have been bought up by a ring, from profits of the Contract and Finance Co., one of those wheels within wheels far too common in joint stock enterprises.

American engineers reckon the cost of much of the Central Pacific Railway was not more than many of the Western prairie railways which General Rosecrans estimates can be built for \$27,755 per mile including rolling stock, shops and sidings.

The Central Pacific is poorly constructed and equipped.

The railways in the North West own one-third more rolling stock to the mile, and it has been said as regards construction, that there is as much difference between the Central Pacific and such a line as the New York Central as there is between "the rude work of a barn, and a well-finished mansion."

The Milwaukee and St. Paul Railway has 1,018 miles of line which runs over a hilly and broken country in the Northern part of the United States. It cost the Company only \$39,700,-788 or about \$39,000 per mile. Although this railway has no China and Japan trade, it showed gross receipts in 1871 of \$6,690,695 and a profit after paying expenses, of seven per cent. on capital stock.

Fifty thousand dollars per mile is admitted by men who are authorities in railway operations, as quite an outside figure for the actual cost of the Central and Union Pacific. On this valuation, we have a similar undertaking to the contemplated Canadian Pacific Railway, which pays running expenses and shows a profit of 11½ per cent. on capital, although completed only five or six years ago, and with a population of about one million.

Any man in the Dominion, whatever his political predilections, unless controlled by a blind faith in Mackenzie as extreme as that of a Turk for Mahommed must see that facts and figures not only fail to justify, but emphatically condemn the assertions of Mr. Mackenzie, that "until three millions of people were drawn into the country it was quite idle to expect the road could pay its running expenses, and supposing the road to be completed they would unquestionably have to provide for the working of the road six millions every year to keep it in operation."

As to whether railways pay private enterprise to construct and operate is a very different question to whether they are profitable to a country. Nobody is likely to dispute that the Grand Trunk, although a loss to shareholders, has been of immense benefit to Canada. Canadians should try to realize what a queer sort of a country theirs would be without it.

The financial condition of the Grand Trunk is exceptional in many ways. Taking a broad view of railways in North America they make a satisfactory showing as a profitable investment for European capital, notwithstanding the extraordinary rapidity with which they have been built the past few years.

The Chicago "Tribune," two or three months ago, published a statement concerning railways of a highly interesting character, which was as follows:

RAILROAD EARNINGS IN 1873.

Poor's Manual for Railroads for 1873, furnishes some information that perhaps will be surprising. At the close of 1873

there were completed 71,000 miles of railway. At the close of 1872 there were completed in the United States 66,237 miles of railway, which were in operation in 1873. There was outstanding and supposed to represent the cost of these roads an indebtedness thus made up:

| | |
|------------------------------------|-----------------|
| Capital stock..... | \$1,947,638,584 |
| Bonds and other forms of debt..... | 1,836,904,450 |
| Total assumed cost..... | \$3,784,543,034 |

This sum includes, in addition to the actual cash cost, the watered stock, and the bonds and stock voted as gratuities to the construction companies, etc.

The earnings of these railways for 1873 were as follows:

| | |
|-------------------------|---------------|
| Gross earnings..... | \$526,419,935 |
| Operating expenses..... | 342,609,373 |
| Nett earnings..... | \$183,810,562 |

This, it must be remembered, includes all the unproductive and non-paying railroads of the country, and shows that the operating expenses averaged 65 per cent., leaving 35 per cent. as net earnings. While a large number of roads defaulted in the payment of interest on bonds and passed dividends, there was paid in cash for dividends on stock, \$67,120,000, or an average of 3.45 per cent. on the aggregate par value of capital stock, and \$116,700,000 as interest on bonds, equal to 6.25 per cent. on the whole bonded indebtedness of all the roads. Omitting the railroads which defaulted, the dividends for 1873, computed on stocks and bonds swollen far beyond the honest cost of the railway, were not only liberal but promptly paid.

These figures compare well notwithstanding the year 1873 was for four months stricken with a panic, with the figures of 1872.

| | 1873. | 1872. | Increase. |
|-----------------------------|-----------------|-----------------|---------------|
| Capital stock and debt.. | \$3,784,543,034 | \$3,159,423,057 | \$625,119,977 |
| Gross earn- ings..... | 526,419,935 | 465,241,055 | |
| Net earnings | 183,810,562 | 166,754,373 | |

These figures are on the lines of railway actually in operation in 1873. There was an increase over 1872 in the amount of capital stock and debt of about 20 per cent., which represented the increased mileage. The gross earnings in 1872 were 14.75 per cent. upon the total capital and debt, and in 1873 were about 14 per cent.; thus, notwithstanding the increase of capital by the

construction of the 6,000 miles of new roads in the year previous, which new roads were mostly non-productive, the proportionate business of the railways, as shown by their gross earnings, was hardly less than that of 1872. Upon the old-established roads the increase of business was general and large, but the introduction of 6,000 miles of new railway which earned nothing above its operating expenses kept the average of the whole country down to the level of 1872.

The expressions "utterly impracticable" and "impossible" applied by Mr. Mackenzie to the undertaking of the Sir John A. Macdonald Administration to build the Canadian Pacific Railway in ten years from the date of Union of British Columbia with the Dominion of Canada, recalls to one's memory the saying of a great statesman that "a common place politician cannot distinguish between the extraordinary and the impossible."

Mr. Mackenzie, with ordinary capacity, because he is entrusted with more than an ordinary work, at once concludes that it is impossible. Why should the powers of the Dominion be measured and limited by those of Mr. Mackenzie?

The fact is, that Mr. Mackenzie during the many years he has been in opposition, has been concentrating his mind in discovering and inventing objections to legislation, because his purpose was not to aid but to upset a Government, and the result is a warped and narrowed intelligence with good obstructive abilities and without any constructive capacity. Mr. Mackenzie may be able to find out why a thing should not be done, but he certainly cannot inform the Dominion how best to do it.

The men who worked out Confederation saw its value and necessity, and sought to build up and people the whole of British North America by a Transcontinental Railway, looked at things through, as it were, a field glass. We now have men of another type, scrutinizing with a microscope, as if this vast Dominion was a bug or a beetle. Thus magnified, things appear so much greater than they are that Mr. Mackenzie is alarmed at what seems to him a big elephant.

The people of the Dominion ought to be informed wherein consists the impossibility of building the railway as contemplated.

IT IS NOT A PHYSICAL IMPOSSIBILITY. Mr. Sanford Fleming's report makes this certain. There is no room left to doubt the superiority of the Canadian Pacific Railway over the Central and Union Pacific, which is built and in operation, both in the character of the country through which it is to run, and in the very important matter of grades.

IT IS NOT A FINANCIAL IMPOSSIBILITY. The credit of the Dominion is above question. If the railway is ever put through as a Government work the Dominion can readily borrow the money

at a low rate. The debt for the population is small—whilst Australia with a population of 1,917,070 has a public debt of £36,170,371 sterling. The Dominion with 3,530,105 people has a debt of only £15,939,728—(see Canada Year Book, 1873—statistics for 1870.) Putting the population in 1880 at four millions, (it ought to be far more), the interest on the whole cost of the railway, which will not, of course, have to be paid until some years after that date, will at five per cent. average the magnificent sum of \$1 25 per annum, or 10½ cents per month per head.

If the dread of having such a responsibility in, say, 1882, frightens the Canadians from undertaking the Transcontinental Railway. It would be gross flattery to describe them as a courageous or patriotic people. What \$1 25 may look like under Mr. Mackenzie's magnifier is not worth stopping to consider.

Taxation is the bogey with which Mr. Mackenzie is scaring the national spirit out of existence. The sum of \$1 25 per head per annum—instead of forty cents for a few years, and then nothing at all—is put down, because it must be remembered that we have a blundering administration thoroughly incapable of framing a railway policy in which taxation would be reduced to a minimum, and be based on equity. Numerous methods might be sketched out and suggested, but the initiation of legislation rests with the Government and interference with its functions is to be deprecated by all good citizens. Our duty and privilege it is to wait the action of the Government and to criticize it. In the present condition of the Dominion one, fact is clear, that the rate of taxation is a secondary thing. Whether it is a little more or a little less is not the great question. Bear in mind that Canada is very lightly taxed and the United States, very heavily taxed, and yet there are 500,000 Canadians in the United States, and less than 8,000 citizens of the Republic in Canada, even including all those whose origins are not given—at least so says the Year book of 1874. How is this? Clearly it is not the lowness of taxation that draws people, but things moving, prospering, and going ahead. Immigrants do not ask what are your taxes, but have you work for us, and what is the pay? In the Eastern provinces manufacturers cannot absorb much labor because their market is small.

They do not require a Treaty which will let in competition, threatening annihilation, but they urgently need a railway policy which will give them in a few years a million of customers west of Lake Superior.

THE COMPLETION OF THE RAILWAY WITHIN THE TIME LIMIT IS EVEN NOW NOT AN IMPOSSIBILITY. Taking things relatively, what is possible in railway work in the United States with moderate Gov-

ernment aid is possible in British North America, with the whole strength and honor of the Dominion pledged to it.

The United States population in 1870 was thirty-eight millions, out of which nearly five millions were colored. Taking into consideration the disorganized condition of these citizens of the Republic arising out of the transition from slavery to freedom, they might fairly be left out almost altogether as a promoting element of railways since the war.

The population of the Dominion may be put down at one-tenth that of the United States.

Now, as the United States have built 33,000 miles of railway in eight years, the Dominion can build one-tenth of that quantity or 3,300 miles in the same time. As the Canadian Pacific is but 2,500 miles long, its completion is possible within the time limit.

Thirty-three thousand miles in eight years does not represent the fastest railway time yet made, as in three years 19,700 miles were constructed. At this pace from Lake Superior to the Pacific could be put through in three years.

Although, possible, it might be inexpedient on the ground of economy to construct the Canadian Pacific Railway at such speed as would ensure its completion within the exact time specified in the terms of Union.

British Columbia has gone on the SPIRIT of the contract, and has never shown any disposition to insist upon the letter of it, being carried out by the Dominion.

This is true, both as regards the time for surveys, and the time for commencing and completing the railway.

The just ground of complaint connected with the surveys is that they have not been steadily prosecuted. Surveyors have come and gone like swallows, stayed for a few months and then left us till another year. In this way the choice of a line may be postponed indefinitely, by a ministry in which British Columbia has no confidence because its programme does not contain the Canadian Pacific Railway.

British Columbia wants the line defined and the work commenced. If obstacles arise and render the continuous construction of the railway not rapid enough to finish it in eight years, and ten years, or even twelve years are taken, British Columbia, it may safely be said, will be satisfied.

The time limit is not the matter in dispute between British Columbia and Mr. Mackenzie, it is the attempt to palm off a sort of extended Dawson route as a substitute for the trans-continental railway in the lifetime of this generation.

Nothing of that description will content British Columbia or ought to satisfy the Dominion. The Dominion urgently needs

a railway, but instead of its Government grappling with the undertaking, we have an amphibious Premier working like a beaver to dam things generally.

Out of a lake—on to a portage—then into a river—then on to another portage—and into another lake—and so on to the Rocky Mountains!! Travellers by this line will scarcely get out of the water until they are in again. Everybody has heard of the overland route, but this crossing a continent by water, and where there is no water, making it by canals, lochs or otherwise, caps anything in history. It seems more like the vision of a Lake Winnipeg Indian under the influence of firewater, than the matured scheme of a sober Premier.

The civilization of Europe and of America has advanced beyond the birch bark canoe period. The age we live in is one of steam and of railroads, and these are the agencies which have built up the States. The iron horse crossed the lonely Western prairies and now its track is marked with fruitful fields and flourishing cities.

It no doubt has been generally observed that Mr. Mackenzie in his railway speech revelled in discouraging statements of the burdens which would fall upon the Dominion if it undertook the construction of the British transcontinental line, and that he carefully abstained from the slightest allusion to the many advantages and benefits which would spring out of it.

There was not a word concerning the hundreds of thousands of settlers who would be attracted into the country, or of their value to the Dominion,—of the wealth immigrants bring with them, the cities they build, the industries they create, the worth of the crops they raise, the railway traffic they furnish, or the amount of revenue they contribute. Yet, these are important and necessary things which must be taken into account in every intelligent estimate of the probable results to the Dominion of the Canadian Pacific Railway.

As a consequence of Mr. Mackenzie's "silence akin to treachery" it is not to be wondered at that doubts and misgivings have arisen in the minds of men in the Eastern provinces, as to whether this great national work would not be a curse instead of a blessing to the country.

Doubting that the Canadian Pacific Railway will pay the Dominion to build, is like questioning whether capital can be profitably employed in a new country abounding in great natural resources in the most effectual way recognized by all civilized countries.

A remembrance of what North America was fifty years ago, and a knowledge of what it is to-day with forty-five millions of

English speaking people, is all sufficient to set at rest at once and forever all such doubts and questionings.

With a vigorous railway policy and a thorough organization there is every probability that one million of people could within ten years be attracted into the vast region extending from Lake Superior to the Pacific. There is room enough for half a dozen provinces and resources ample to build them up.

The condition of Europe, and the small cost of crossing the Atlantic, justifies the expectation of a continued and increased immigration into America. Wild lands in the United States of a fertile character are rapidly becoming scarce, except at largely enhanced prices. The great west of British North America will be, as soon as made accessible, the chief attraction on this continent for settlers.

Of the half-million of British North Americans in the United States, large numbers will gladly welcome the opportunity to live again under the old flag, will make for themselves prosperous homes in our great west, and help to develop the dormant wealth of the Dominion.

The Great Lone Land, for the next thirty years, ought with its abundant and attractive resources, to show a progress equal to a similar extent of country in any part of America.

That one million of people is not an extravagant estimate, may be seen by referring to the increase which in past times took place in the single Province of Ontario, and which was also made in the past decade by the States of Minnesota, Iowa, Kansas and Nebraska.

After allowing fifteen per cent. for natural increase, Ontario increased between 1841 and 1851, 350,000, and between 1851 and 1861, 370,000. When this population was absorbed, Ontario was a thickly wooded country, and it is well known that in capacity for absorption, a thickly wooded country will not bear comparison with a prairie region, which, as the old saying runs, needs but to be "tickled with a plough to laugh with a harvest."

Reckoning and deducting fifteen per cent. for natural increase, Minnesota, between 1860 and 1870, increased 240,000; Iowa, 420,000; Kansas, 240,000, and Nebraska, 99,000.

Manitoba, in soil, is certainly equal to Iowa, and is superior to Minnesota, Kansas and Nebraska, which are known as the thunder and lightning States of America, and where it is said settlers are not safe without conductors stuck in their hats, will not begin to compare with the Saskatchewan, or the Peace and Smoky River plains, or with that beautiful country of which Lieutenant-Colonel Ross wrote of so highly, extending southwards from Fort Edmonton far away to the boundary line.

Then there is the virgin province of the Dominion—British

Columbia—which not only abounds in gold, silver and quicksilver, but also in the baser metals, copper and iron. She has coal in superabundance, fisheries inexhaustible, and lumber prized throughout the world. She is gifted with a natural position which forms the gateway to two continents, with a climate superior to the rest of the Dominion, and has ample agricultural land to support a large population. Possessed of such valuable and varied resources, her development would be rapid, but imprisoned between two giant chains of mountains she needs the railway to effect her deliverance.

Although one million of people may be put down as not an improbable population for British North America west of Lake Superior, in ten years from the vigorous commencement of the railway, let us as a friendly concession to those who are gloomily, timorous and desponding, reduce the number by four hundred thousand. We will assume 600,000 and will take a glance at their worth, or rather a part of their worth to the Dominion.

The value of each individual to a country has been difficultly estimated, and no doubt varies; age, sex, training, and other conditions having to be estimated.

The chief of the United States bureau of statistics, Dr. Young, calculates the average value of an immigrant at \$800. This, as Dr. Young remarks, is less than the estimate of Dr. Engel, the director of the Prussian statistical bureau, who calculating in a different way, puts down men as worth to a country \$1,500, and women \$750 or an average of of \$1,125.

At Dr. Young's figure we have as the value of 600,000 people to the Dominion the sum of four hundred and eighty millions of dollars, or nearly five times the contemplated cost of the Canadian Pacific Railway.

It has to be borne in mind that immigrants do not come penniless. The average amount of money they bring with them was put down by Mr. Knapp, one of the Commissioners for the State of New York, at \$100, and by Mr. Wells at \$80, but Dr. Young states that "a careful investigation was made at Castle Garden, New York, which resulted in establishing \$68 as the average sum brought by passengers."

Here we have 600,000 people bringing into the country forty millions eight hundred thousand dollars, a sum enough to pay half the cost of the Canadian Pacific Railway from Lake Superior to the Pacific Ocean.

Assuming the Dominion rate of taxation under the Cartwright system, will be about \$6 per head, and allowing \$3 per head in the North West for cost of Dominion Government, we have remaining \$3 per head on 600,000, or \$1,800,000 as a set off against the five millions of additional interest incurred by the

Dominion in borrowing for the railway, thus reducing the railway interest, to be borne by the four millions in the other provinces, to eighty cents per head. What part the proceeds of the twenty mile belt of one hundred millions of acres may be made to play in further reducing or altogether extinguishing this charge, depends much upon the abilities displayed—not, of course, by Mr. Cartwright, but by his successors.

We will now look at part of the wealth 600,000 people would create in the North West. As we are assuming only half the population of Iowa, we will halve the agricultural wealth of that State, the statistics of which are contained in the 1871 report of the United States Department of Agriculture.

Now what are the figures we thus obtain for 600,000 people?

Value of farms, one hundred and ninety-six millions of dollars.

Value of farm implements and machinery, ten and one-quarter millions of dollars.

Value of live stock, forty-eight and three-quarter millions of dollars.

Value of farm products, fifty-seven millions ANNUALLY.

All this is wealth directly held and produced by those engaged in agriculture. Besides agricultural wealth, there is the wealth of cities, of lands unfarmed, and of the varied industries found in every State and Province, the immense although not the exact value of which is known to every intelligent person. It is unnecessary here to attempt an estimate, as the figures already given are ample to show that money expended in opening up the Great West by a railway is like the seed the husbandman places in the ground, which produces a beautiful harvest of wealth to a country.

A fact which ought not to be forgotten, is the loss British North America has sustained in the past from not having a Great West open to settlement. Leaving European immigrants out of the calculation, how different to-day would be the condition of British North America, had it been possible to have commenced twenty years ago the construction of the Canadian Pacific Railway. Five hundred thousand Canadians in the United States means a loss in people of the value of Four hundred millions of dollars; a loss in cash of Thirty-four millions; a loss in revenue of Three millions per annum; a loss in agricultural products of Forty-seven millions annually. And this does not begin to cover it.

To check the steady drain upon the population and resources of the Dominion, the vigorous policy of the late Administration, in which it sought to unite the whole intelligence and strength of the country, and by which it aimed at the consolidation of

British North America and the opening up of the great west to settlement, is deserving of the lasting gratitude of every patriotic citizen. The inextricable difficulties of the Northern Pacific Railway Co. arising from attempting a costly enterprise without capital and without financial aid from the Government—on the basis of a land grant only, and very wild land at that. The extraordinary rise throughout the world in the prices of iron and railway material, adding greatly to the cost of railway construction. The Erie, the Central Pacific and other exposures of railroad rascality in the United States. The loud mouthed and unscrupulous assertions of ravenous politicians, that capital would be eaten up body and bones, if it ventured itself in the Canadian Pacific Railway, conspired with other causes to defeat an enterprise containing conditions which would have ensured success, at any other time in any other country.

Public opinion must be in a very disordered and unhealthy condition when the triumph of a party is thought of more importance than the progress and prosperity of the Dominion.

Had the railway company which obtained the charter from the late Government succeeded in perfecting its scheme, the Canadian Pacific Railway would now, without a doubt, be in process of construction, confidence would have been restored because progress had been secured, and there would not have been a Cartwright tariff. Population would now be flowing freely into the Dominion, capital circulating throughout the length and breadth of every province, giving a healthy impetus to every trade and calling, developing manufactures, affording employment to immigrants and enlarging the home markets for agriculturists.

New York State has not made the city of New York, neither has Michigan, Chicago. They have been built up by what has built up the manufactories of New England, namely, the trade of increasing millions in the western country. If the Eastern provinces have any ambition, and intend to build up great cities and manufacturing industries which may in times to come rival those of the United States, they must imitate the policy of the United States, and make channels to divert the fertilizing system of European immigration into the great west of the Dominion.

The superiority of railroads over lakes as channels for the forwarding of produce, was pointed out by Mr. Wilson, of Iowa, in a late speech in Congress, on cheap transportation from the West to the East.

Of the four hundred millions of bushels of surplus grain, it appears that only sixty millions are moved eastwardly from Chicago by lake and about twenty millions from Milwaukee. Less than two million tons of grain are moved East by the late sys-

tem; of the twelve million surplus, the Pennsylvania railroad moved 7,844,000 tons of all kinds of freight in 1872. The lakes, then, for moving grain are equal to half such a railroad.

Fifty-four cents per bushel is the average rate from the wheat centre west of the Mississippi to New York.

When the west of British North America raises in wheat as much as the one State of Iowa in 1863, there will be a freight of twelve millions of dollars for the one item of wheat alone, for the Canadian railways from the west to Montreal, providing the Canadian Pacific Railway is built.

If the construction of the Canadian Pacific Railway, which is for the Canadians, is to be pushed on one side for the digging of the Caughnawaga canal, which is for the Americans, and the trade of the British North West is to be diverted into United States channels, by the Pembina branch and the Northern Pacific, and is to pass east by rail from Chicago to New York, Mr. Mackenzie may as well at once declare his intentions, lower the Union Jack and hoist the Stars and Stripes, for the main benefits of the British North West, which nationally belong to the Eastern provinces, will have passed as effectually into the hands of the Americans, as if all the country west of Lake Superior was part and parcel of the American Union.

Among the people of the Eastern provinces the prejudice has been created and widely fostered, that the benefit of the railway expenditure would be confined to the country through which the railway would be built, and that Ontario and Quebec would be burdened with ruinous taxation. Even in the press which is expected to represent some of the intelligence of a country, this narrowness of thought is not confined to extemporized editors in new settlements. We find the "Canadian Monthly," a respectable Toronto publication, thus speaking of the Canadian Pacific Railway, in its August number. "The farmers and merchants of Canada will have to pay out of their earnings a heavy sum as a fine to the 10,000 British Columbians for having disappointed them of an expenditure which, in itself, would have been little better than waste." However much we may lament, and whatever we may think, of such a provincial view of the Great Dominion work, we are free to confess that it is perhaps premature to expect to find the same broad national sentiment in the infant Confederation, which is to be seen pervading all classes in older and more advanced countries. There ought, however, to be sufficient sectional intelligence in the great Province to see, that money invested in works of construction in any part of the Dominion, is not consumed like cordwood and does not pass away like smoke. It is still in the Dominion, and in the ordinary course of trade finds its way into the different Pro-

vinces, and gives a healthy and vigorous impetus to every branch of business.

Ontario and Quebec ought not to be heavily taxed—there is no need for anybody anywhere to be heavily taxed—to put through a line of railway to the Pacific. It is the duty of the Government to frame a policy which will effectually develop the resources of the country, without perpetrating an injustice upon any part of it. With the Canadian Pacific Railway a national necessity, with powers ample to build several such railways, an Administration which is incapable of devising a scheme which shall be just, and at the same time adequate to the undertaking, has failed to make good its right to live, and should, in the interests of the country, be at once got rid of. Every year's delay in building the Canadian Pacific Railway makes a difference in population to the Dominion of possibly one hundred thousand, or without a doubt sixty thousand; worth as individuals forty-eight millions, or in cash over four millions, and worth to revenue three hundred and sixty thousand dollars. All this, together with the products of their industry, are lost to the Dominion ANNUALLY by the incompetency of the present Government.

It remains to be seen whether the intelligence of the people of the Dominion, rising to the height of its duty and its mission, will shake itself free from the fetters of party and prove itself equal to working out the great scheme of Confederation and building up a united and prosperous Dominion; or whether British Columbia, despairing of justice from a Ministry whose professions have been hypocritical, designs treacherous, and actions dishonorable, shall at the next session, in a constitutional way, by a vote of the Provincial Legislature, rid herself of the bond of Union which Ottawa has broken, turning to her Imperial Mother, whose honor and glory it is to shield and protect even the weakest of her children from violence and injustice.

There are many in British Columbia who still hope that the British North Americans of to-day are not fated to pass away like a tribe of Indians, leaving no trace of ever having existed in the great North West of this continent, but that moved by that noble spirit which has planted the British flag and carried British civilization into every quarter of the globe, they will live to see a great and vigorous Confederacy ruling over millions of prosperous and loyal people, between the rock-bound shores of Lake Superior and the placid waters of the Pacific.

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