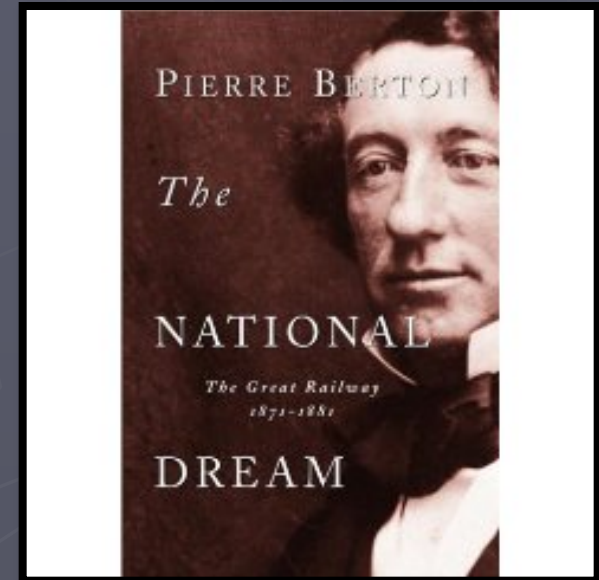


# CANADIAN PACIFIC RAILWAY



# The National Dream

- ▶ John A. MacDonalD wanted to build a Canadian nation from coast to coast
- ▶ He felt that the only way to realize this dream was to build a transportation and communication link to join British North America
- ▶ Feared the west would be swallowed up by the USA – had to be built quickly



# The Railway

- ▶ BC had joined Confederation in 1871 with a promise of the construction of the CPR within 10 years
- ▶ 1<sup>st</sup> task → Find financiers (people who back a project with money)



- ▶ Wanted people to finance the project in return for financial benefits from the government
- ▶ MacDonald wanted to find Canadian financiers – American support would increase the chance of annexation

# Sir Hugh Allan

- ▶ Only major industrialist in Canada who had enough money to finance the railway
- ▶ Created the Canadian Pacific Railway Company → a company that *seemed* Canadian
- ▶ Was really controlled by Northern Pacific Railway (an American company run by Jay Cooke)

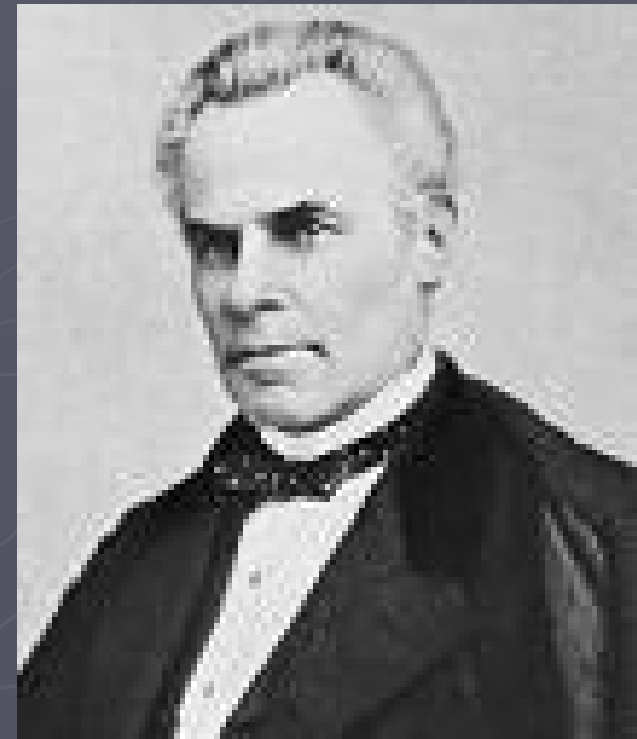


- ▶ 1872 – MacDonald called a general election (first since Confederation)
- ▶ Conservatives realized that they did not have enough money to woo voters successfully
- ▶ George-Etienne Cartier wrote two memos to Allan regarding finances
  - one promised Allan the CPR contract
  - the second listed the contributions that Allan was to make to the Conservative Party



# The Pacific Scandal

- ▶ Details of the bribes are leaked to the press
- ▶ Public is outraged at MacDonald and the Conservatives
- ▶ Conservatives admitted that Sir Hugh Allan had given their party \$350,000 during the election campaign of 1872
- ▶ Forced to resign as government in 1873
- ▶ Alexander Mackenzie becomes Prime Minister (Liberal Party)



- ▶ There was no railway construction during this administration
- ▶ However, Canadian Pacific Survey continued under the direction of Sandford Fleming
- ▶ Survey → investigated the routes the railway could take



# The National Policy

- ▶ During the election of 1878, MacDonalld advocated the National Policy which included:
  - high tariffs
  - rapid completion of the Pacific railway
  - encouragement of growth of population & settlement of the west through immigration
- ▶ MacDonalld & the Conservatives were returned to power



# Tariffs

Tax on imported  
American goods:

- ▶ Protects Canadian manufacturing
- ▶ Make American goods more expensive than Canadian produced goods
- ▶ Encourages people to buy Canadian products



# Western Settlement

- ▶ Canadian government wanted to encourage settlement of the west by farmers
- ▶ These farmers would produce grain crops, mostly for export



# The CPR

- ▶ The West could not develop as a centre for agricultural export until goods could be transported in and out of the region
- ▶ The CPR still needed private investors to fund the construction of the railway





# MacDonald approached:

- ▶ George Stephen of the Bank of Montreal
- ▶ Donald Smith, of the Hudson's Bay Co.
- ▶ James J. Hill, an expatriate Canadian investing in US railways

# The Offer

- ▶ Upon completion of the railway line, they would receive:
  - \$25 million
  - Land grant of 25 million acres
  - A monopoly on all rail traffic west of Lake Superior for 20 years
  - An exemption from tax on all lands



- ▶ The CPR Syndicate (Stephen, Hill & Smith) promised to complete the transcontinental railway within ten years
- ▶ The contract was approved by Parliament on February 1<sup>st</sup>, 1881

# Problems

- ▶ The CPR Syndicate changed the route of the railway
- ▶ Information collected by the Canadian Pacific Survey was irrelevant
- ▶ Unclear how they would pass through the Rocky Mountains into BC
- ▶ Slow start to construction
- ▶ Only 230 km of track had been laid in 1881



# William Van Horne & the CPR

- ▶ General manager of a US railway
- ▶ Intelligent & dedicated
- ▶ He introduced a high level of efficiency in to the railway company
- ▶ 1882 & 1883 – over 1600km of track were laid
- ▶ On track to complete the railway on schedule, as long as there were funds

- ▶ CPR built by hand & 1000s of people were needed to do the job
- ▶ More than 35,000 workers were involved





- ▶ Working conditions were terrible – dust from the dynamite blasts, insects, overcrowding and filthy in the bunk houses, leaky roofs, no plumbing, poor diet
- ▶ Dangerous job & no medical facilities
- ▶ Those who were injured on the job were fired

# Chinese Workers

- ▶ Andrew Onderdonk – contractor in charge of building the BC stretch of railroad
- ▶ To keep costs down he brought in 1000s of Chinese workers
- ▶ Only men came – left families in China
- ▶ Most of these workers had one major goal – save enough money to return to China and buy land







- ▶ They were very poorly treated
- ▶ Were paid less than half the wage of white workers
- ▶ Expenses were taken from pay and they were left with very little money
- ▶ Given the most dangerous jobs
- ▶ After the construction of the CPR had finished – most Chinese had no choice but to stay in Canada, even though they did not feel welcome

# CPR “Saves the Nation”

- ▶ 1885 – Northwest Rebellion broke out → the CPR allowed the government to react quickly
- ▶ This event showed many Canadians why the CPR was necessary
- ▶ CPR was able to ask the government for more money to help complete the railway
- ▶ Completed 1885 – 5 years ahead of schedule





Driving the Golden Spike, by Hon. J. M. Smith, on C.P.R., Nov. 7, 1895, 9-30 a.m.