

THE CANADIAN PACIFIC RAILWAY.

AS in the case of the first transcontinental road in the United States, this railway was deemed necessary as a political measure, the Government expecting the burden of its construction and operation to be a heavy one for a number of years, until such time as the development of the country through which it passed and the amount of foreign traffic it could secure would make it a paying venture commercially. When Canada confederated, in 1867, the Dominion consisted of disconnected provinces, extending from Lake Superior to the Gulf of St. Lawrence. The necessity for a closer bond of union was urgent, and for this reason the Inter-Colonial railway was built from Quebec eastward to the ocean at St. John and Halifax. This, with its branches and the older lines of the Grand Trunk, and others in Quebec and Ontario, knitted the Dominion together in a close union and added great strength to the government. In 1870 Manitoba was admitted to the federation, and the year following British Columbia, lying on the Pacific Coast, and separated from the remainder of the Dominion by the Rocky Mountains and a thousand miles of wilderness, joined the union. The condition of affairs which had rendered it necessary for the construction of the Inter-Colonial road was now greatly intensified. It was patent that British Columbia could never be a useful member of the federation, nor could it derive any advantage from its connection therewith, until some means of rapid communication and commercial interchange were provided. In fact, one of the inducements for the admission of that province was the construction of such a transportation route. Such an undertaking was too gigantic for private enterprise, since the country through which the line would pass must be gradually developed under the influence of the railway before it could furnish local traffic for its support. Private capital could not afford an investment requiring so long a time to render it productive. It was a great public necessity which only the Government could accomplish, and with this idea the Dominion began its construction. In 1871 surveying parties were sent out to explore the comparatively unknown region through which, if possible, it should pass, and report upon the most favorable route. Over \$3,500,000 were expended upon these preliminary surveys. The location of the road east of the Rocky Mountains being much the less difficult, the work of construction was commenced on the Eastern Section in 1874, and 264 miles completed and in operation in 1880; but from the Rocky Mountains to the Pacific Coast no less than eleven lines, aggregating upwards of 10,000 miles, were surveyed before determining the best terminal point and route thereto. Port Moody, at the head of Burrard Inlet, was finally selected as the mainland terminus, and Kicking Horse Pass as the route across the Rocky Mountains. Recently, however, Vancouver, a new town to be built on Coal Harbor, near the entrance to Burrard Inlet, has been chosen in place of Port Moody, and there the great terminal works of the company will be located.

In 1880 a contract and agreement was made between

the Dominion and an incorporated company, known as the "Syndicate," for the construction, operation and ownership of the Canadian Pacific Railway. By the terms of this agreement, that portion of the railway to be constructed was divided into three sections; the first, extending from Callander Station, near the east end of Lake Nipissing, to a junction with the Lake Superior section then being built by the Government, was called the Eastern Section; the second, extending from Selkirk, on the Red River, to Kamloops, at the Forks of the Thompson River, was called the Central Section, and the third, extending from Kamloops to Port Moody, at Burrard Inlet, the Western Section. The company agreed to lay out, construct and equip, in running order, the Eastern and Central Sections by the 1st day of May, 1891. The company also agreed to pay the Government the cost, according to existing contract, for the 100 miles of road then in course of construction from the city of Winnipeg westward. The Government agreed to complete that portion of the Western Section between Kamloops and Yale by June 30, 1885, and also between Yale and Port Moody on or before the 1st day of May, 1891, and the Lake Superior Section according to contract. Pending the completion of the Eastern and Central Sections, the possession and right to work and run the several portions of the railway already constructed, or as the same should be completed, was given by the Government to the company. Upon the completion of the Eastern and Central Sections the Government agreed to convey to the company (exclusive of shipment) those portions of the railway constructed, or to be constructed, by the Government, and upon completion of the remainder, to convey the same to the company, and the Canadian Pacific Railway thereafter become the absolute property of the company, which agreed to forever efficiently maintain, work and run the same. The Government further agreed to grant the company a subsidy in money of \$25,000,000, and in land of 25,000,000 acres. The Government also granted to the company the lands required for the road-bed of the railway, and for its stations, station grounds, workshops, dock ground, and water frontage, buildings, yards, etc., and other appurtenances required for its convenient and effectual construction and operation, and agreed to admit, free of duty, all material to be used in the original construction of the railway, including bridges, and of a telegraph line in connection therewith.

The company has the right to construct branch lines from any point within the territory of the Dominion. It was further agreed by the Dominion Parliament that for the period of twenty years no railway should be constructed south of the Canadian Pacific Railway, except such line as shall run southwest or to the westward of southwest, nor to within fifteen miles of latitude 49 degrees, and that all stations and station grounds, workshops, buildings, yards and other property, rolling stock and appurtenances required and used for the construction and working thereof, and the capital stock of the company should be forever free from taxation by the Dominion, or by any province thereafter to be established, or