

Transcontinental Railways and Canadian Nationalism

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Introduction

The Canadian Pacific Railway (CPR) has always been a symbol of Canada's nation-building experience. Poets, musicians, politicians, historians, and writers have lauded the railway as one of the country's greatest achievements. Indeed, the transcontinental railway was a remarkable accomplishment: its managers, engineers, and workers overcame incredible obstacles to throw the iron track across seemingly impenetrable bogs and forests, expansive prairies, and nearly impassable mountains. The cost in money, human energy, and lives was enormous. Completed in 1885, the CPR was one of the most important instruments by which fledgling Canada realized a vision implicit in the Confederation agreement of 1867—the building of a nation from sea to sea. In the fulfilment of this dream, the CPR, and subsequently the Canadian Northern and Grand Trunk systems, allowed the easy interchange of people, ideas, and goods across a vast continent; they permitted the settlement of the Western interior and the Pacific coast; and they facilitated the integration of Atlantic Canada with the nation's heartland. In sum, by expediting commercial, political, and cultural intercourse among Canada's diverse regions, the transcontinentals in general, and the CPR in particular, strengthened the nation.

Historiography

The first scholarly historical analysis of the Canadian Pacific Railway was Harold Innis's *A History of the Canadian Pacific Railway*. In his daunting account of contracts, passenger traffic, freight rates, and profits, he drew some sweeping conclusions. At one point, for example, Innis noted that "the completion of the main line of the [CPR] was a significant landmark in the spread of civilization throughout Canada. With this addition to technological equipment, the civilization of [the Northwest] changed in its character, and its extent, and became more closely a part of a civilization narrowly described as Canadian, and typically, western." [1] Subsequently, in *Essays in Canadian Economic History*, Innis argued that transportation technology was a fundamental determinant in Canada's political and economic development. According to Innis, "the necessity of checking competition from the United States, and of overcoming the seasonal handicaps of the St. Lawrence and the handicaps incidental to the Precambrian formation and the Rocky Mountains" determined the need for the 1841 *Act of Union*, the construction of the St. Lawrence canals, the Grand Trunk Railway, Confederation, the Intercolonial Railway, the National Policy, the CPR, and subsequent transcontinental railways. [2] North America's geography and its political divisions, he suggested, determined the most efficient transportation techniques available and the current technology, in turn, defined the continent's political divisions.

Harold Innis's broad postulation that the CPR, like water transportation before it, bound together a new nation was given specific treatment in Leonard Bertram Irwin, *Pacific Railways and Nationalism in the Canadian-American Northwest, 1845-1873*. In this study, Irwin concluded that the promoters of the Northern Pacific Railroad were annexationists who sought to control the railways of British North America as well as those of the northern United States. The ambitions of the Northern Pacific spurred British North Americans to form Confederation as a defensive consolidation. According to Irwin, therefore, the Canadian union was not a spontaneous movement of people who wanted unity but a reaction to a perceived encroachment from the south; similarly, the planned Pacific railway was not an economic enterprise but rather a response to an apprehension that the Americans would take over the north-western plains.

The struggle for control of North America is also a dominant theme in Donald Creighton's *John A. Macdonald: The Young Politician* and *The Old Chieftain*. In these two volumes, Creighton added a human personality to Innis's comprehensive, impersonal generalizations, placing Macdonald at centre stage in the dramas of Confederation, the National Policy, and the CPR. Creighton also instilled a heroic anti-American passion into Macdonald and his dream of a Canadian nation as an antidote to the relentless expansion of the American empire across the continent. The completion of the CPR was the last step in the realization of that difficult process. "The prime purpose of Canada was to achieve a separate political existence on the North American continent. The prime function of the Canadian Pacific Railway was to assist in this effort-to help in the building of the national economy and the national society which alone would make this ambition possible of achievement. Like Canada itself, the railway would find its most powerful rivals, its most dangerous enemies, in the continent of North America. American railways were its natural enemies." [3]

John Lorne McDougall reaffirmed the intertwining themes of nation building and anti-Americanism in *Canadian Pacific: A Brief History*, a company-sponsored history. The primary reason for the construction of the Canadian Pacific, McDougall boldly asserted, was the political necessity of connecting British Columbia with the rest of country. It was, he declared, the "answer to a basic national problem,"-how to create an independent North American nation in competition with the United States. By casting the CPR's mission in terms of national survival, it is little wonder that McDougall applauded state subsidies to the venture even though it was "in economic terms... a desperately premature enterprise." Similarly, by adopting the CPR nation-building theme, McDougall also presupposed a conjunction of interests between the CPR syndicate and the Canadian government. "Both wanted to see a railway built to the Pacific to tie the country together," McDougall wrote. "There was a very real patriotism here. Until it was built, Canada was vulnerable and Canadians could not hold up their heads in pride." [4]

W. Kaye Lamb's *History of the Canadian Pacific Railway* subsequently supported the nation-building strain that was so clearly asserted in McDougall's history. Answering the accusation that Prime Minister Sir John A. Macdonald adopted the Pacific railway to ensure his personal political survival, Lamb conceded that the old chieftain was aware of the political ramifications of the Pacific railway, but he insisted that partisanship was not the Prime Minister's basic consideration. Indeed, Lamb countered that Macdonald was one of the very few who realized the significance of Canadian sovereignty over half a continent. "To strengthen that control, as yet extremely tenuous west of Ontario, a railway was essential," Lamb asserted. "It would bring British Columbia into the new union, would throw an unmistakable mark of ownership across the West, and would provide the means of settling and fully possessing it. And in view of the annexationist sentiment in the United States, delay would be perilous." [5]

The publication of Pierre Berton's two-volume epic, *The National Dream: The Great Railway, 1871-1881* and *The Last Spike: The Great Railway, 1881-1885* overshadowed Lamb's starkly stated thesis.

With his penchant for human interest stories and his flair for dramatization and humour, Berton created a compelling, suspenseful tale. Heroic giants pitted themselves against the harsh and nearly impregnable North American landscape, and greedy American railway men, backed by villainous politicians, sought to realize America's "manifest destiny" to expand across the continent. The first volume's concluding paragraph aptly summarized the romantic struggle: "The future would not be easy... The granite shield of Canada had to be cracked open to let the railway through. The mountain barrier must be breasted and broken. There would be grief aplenty in the years to come—frustration, pain, hard decisions and, as always, bitter opposition. But the great adventure was launched. Tomorrow would take care of itself, as it always did. At last the dream was about to become a reality. The triumph lay just a few short years ahead." [6] Backed by impeccable research, an eye for fascinating detail, and an imaginative writing style, Berton's *The Great Railway* secured the CPR a prominent place in Canadian mythology.

By the early 1980s, therefore, when the corporation commemorated various centennial occasions, its legendary stature appeared unassailable. Bill McKee and George Klassen's *The Trail of Iron: The CPR and the Birth of the West*, a lavishly illustrated coffee-table book, concluded with the classic formulation of the accepted doctrine. The CPR was "one of the major instruments of national policy, designed to ensure the survival of the young Dominion of Canada. It forged the dream of a transcontinental British North America into a reality by physically joining the distant sections together with steel." [7] Meanwhile, a volume of essays, *The CPR West: The Iron Road and the Making of a Nation*, edited by Hugh Dempsey, collectively acclaimed the positive contribution of the railway to the settlement and development of the Northwest. John Eagle's *The Canadian Pacific Railway and the Development of Western Canada, 1896-1914*, a carefully balanced, detailed study of the role of the CPR in Western Canada at the turn of the century, continued the nation-building saga. Each of these works, in its own way, reinforced the notion that the CPR's primary mission was the creation of a nation-state and implicitly bolstered the notion that the earning of profits was but an incidental objective.

Even Robert Chodos's *The CPR: A Century of Corporate Welfare*, a work critical of the railway, upheld the nation-building theme. Although he denounced the principle of state aid to private enterprise, Chodos still argued that "the idea of Canada as a nation made little sense without the great North West, and Canada's hold over the North West was extremely tenuous without a railway. That there would be a country, and what kind of country it would be, was only decided on November 7, 1885 [at the last spike ceremony]." [8] Chodos explained that without the completion of the CPR, north-south ties with the United States would have prevailed, the Northwest would not have been settled, and Central Canada (or the East as Chodos calls it) would not have been industrialized. To be sure, the author ridiculed the concept of public-spirited capitalists and altruistic politicians working together primarily for the national welfare of Canada; he observed that many of the Fathers of Confederation had financial interests in railways and suggested that, for most of them, personal profit motives remained dominant.

Obviously, then, the crucial role that the Canadian Pacific Railway played in the genesis of Canada has given that enterprise a legendary status. Unfortunately, like all myths, this one, while it contains kernels of truths, also simplifies reality. Central to the myth is the idea that the purpose of the CPR, an all-Canadian endeavour, was to build a unified northern nation, clearly separate and distinct from its southern neighbour—the United States. Railways, designed to transport goods and people, in fact embodied a technology that, by its very nature, was a universalizing, centralizing force. Neither national boundaries nor regional sensitivities could contain its expansive impulse. Moreover, the CPR was built by a large syndicate and managed by businessmen whose primary objectives were not nationalistic but more narrowly corporate, economic, and, invariably, international in scope. Thus, for Canada to employ the railway as a nation-building tool, it had to devise legislation to minimize the integrative forces. These policies, while they did not prevent the railway's expansion into the United States, did set, in some instances, region against region. Similarly, the exuberant faith in railways was part of an expansionist ideology that dominated mid-nineteenth century North America. That credo sought to tame

nature and transform the vast, seemingly unproductive continental wilderness into remunerative fields, towns, and cities. Railway technology was to be an essential tool in this conquest: in the case of Western Canada, for example, it would transport settlers to the newly acquired territories. Subsequently, the railway would carry away the wealth of resources the settlers extracted from the landscape and bring them to expectant markets in the most profitable way possible. That purpose, essential to the growth of a transcontinental nation, also carried the potential of alienating Canadians from each other. In sum, the CPR, while it made possible east-west transcontinental trade and communications, also widened commercial opportunities with the United States; while it tied together a young, diverse, and expansive state, it also sowed seeds of internal discord.

Ideological Background

British North America's transcontinental railway idea germinated in a remarkable convergence of political, scientific, and economic concepts during the late eighteenth and early nineteenth centuries and in the dramatic transformation of social institutions that accompanied that conjunction. Summarized in the concept of liberalism, an ideology born in the Renaissance and Enlightenment and refined by two centuries of political, economic, and social thinkers, the new approach emphasized the freedom of humanity from political oppression, religious prejudices, and natural phenomena. The ability to reason, so the philosophers of the age argued, allowed humans to fathom the laws of nature, of the economy, and of society. The liberal philosophers suggested that humanity, armed with an understanding of the workings of the natural, economic, and social worlds, could create the tools, or technology, with which to build a modern and better world.

If liberalism provided the theory that the forces of the economy, society, and nature could be controlled to improve life, Britain's Industrial Revolution demonstrated that a nation could actually achieve this goal on a global scale. Industrialization, and its companion urbanization, accelerated and, by the mid-nineteenth century, had established Britain as the world's leading manufacturer. Pointing to the astonishing advances in medicine, transportation, and manufacturing, the nation's leaders agreed that science and technology had produced the means by which people were able to exploit natural resources and progressively improve their standard of living. But, to sustain that ever-accelerating growth, Britain had to scour the globe for raw materials for its machines, food for its workers, and employment for its surplus population. In other words, they believed that it was the nation's mandate to develop the entire world. Thomas Carlyle, the Victorian essayist, angrily lamented the lingering remnants of poverty in industrial Britain when there was "a world where Canadian Forests stand unfelled, boundless Plains and Prairies unbroken with the plough... green desert spaces never yet made white with corn; and to the overcrowded little western nook of Europe, our Terrestrial Planet, nine-tenth of it yet vacant or tenanted by nomades [*sic*], is still crying, Come and till me, come and reap me!" [9] Thus Carlyle eloquently articulated liberalism's powerful civilizing mission, an expansionist creed that urged western Europeans to tame the world's remaining wilderness regions and manage them to satisfy the desires of humanity.

The central feature of the new imperialism, an ideology based on industrial and commercial expansion and its civilizing mandate, was the transportation revolution. Although older forms of transport—including roads, rivers, and canals—were essential components of the initial stages of Britain's industrialization, the railway appeared to bring the process to completion. Substituting steam for muscle power, the locomotive was capable of moving large numbers of people and high volumes of goods at unprecedented speeds. Its phenomenal power, its scheduled regularity, its mechanical precision reminded people that humanity had mastered time and space; it represented the epitome of innovation and technological progress.

The infatuation with railways was especially strong in North America. Faced with the gargantuan task of

converting what were perceived as the wild and empty spaces of the continent into populated and productive fields and cities, the pioneers saw the railway as an essential tool. Of all the machines that could help North Americans turn the wilderness into a garden, the locomotive, with its power and speed, seemed the most effective. "We believe that the steam engine, upon land, is to be one of the most valuable agents of the present age, because it is swifter than the greyhound, and powerful as a thousand horses," the *Merchant's Magazine* enthused, "because it has no passions and no motives; because it is guided by its directors; because it runs and never tires; because it may be applied to so many uses, and expanded to any strength." [10]

Not only would the railway assist in the occupation of the wilderness, but it would also enhance communication and co-operation among nations and thus achieve another component of the liberal dream. This aspect of railway technology was acclaimed at the Boston Jubilee, called in September 1851 to celebrate the completion of a railway link between Boston and Montréal. The president of the United States, Millard Filmore, attended, as did the governor general of Canada, Lord Elgin, and the premier of Nova Scotia, Joseph Howe. The mayors of Québec, Montréal, and Toronto, accompanied by many of their councillors, participated, as did several leading legislators, congressmen, and senators. Threaded through the exuberant festivities was a common theme—the unity of two peoples. The scores of colourful banners, fancy arches, and brightly decorated storefronts that adorned the city proclaimed the noble sentiments of harmony and co-operation. "Boston and the Canadas, United by Bonds of Iron" blazoned one side of a giant street-spanning banner; "Union is Strength" trumpeted the other side.

While most speakers at the jubilee alluded to the American Revolution (1775- 1783) that had split the two countries, they all promised their audiences that the railway would reunite them in peaceful concord. President Filmore announced that he was "entirely in favor of all the means by which States and Countries can be bound together by ties of mutual interest and reciprocal commercial advantage." In response, Lord Elgin confessed that he "wanted to show by my presence here, that I appreciate and value the moral and social, as well as the economical effects of these increased facilities of intercourse... your lines are made for the transport of men and women, as well as for the carriage of bales of goods and barrels of flour." [11]

As Lord Elgin implied, British North Americans, like their neighbours in the United States, idolized the new transportation technology as a tool to master the seemingly hostile environment. Canada's dense forests were, to the pioneers who confronted them, a harsh, unyielding wilderness only partially tamed by backbreaking toil. Wanting to build a home amidst verdant fields, they and their wives and children saw only the rocks, the stumps, and the barrens. Fighting extremes of weather, hordes of insects, and choking weeds, they sought stability in the unpredictable and ruthless landscape. The mighty steam locomotive provided a measure of security in an uncertain environment. It provided access to the wilderness and facilitated the export of surplus produce; its haunting whistle in the dead of night was the lonely pioneer's audible link with the urban world. It clearly signalled humanity's ability to survive in the wilderness.

Thus railway technology assumed an important place in North America's pioneer society. In both the United States and British North America, it became a powerful symbol of humanity's ability to challenge the constraints of the environment and the political divisions of the continent. By the early 1850s, railway promoters in New England and British North America were building a consolidated railway network that ignored the international boundary drawn by diplomats. While they planned individual railways for specific economic ends, they created a system that, in its totality, was more than a means of transportation. The new transportation technology blended diverse and competing social and national ideals. Even if politicians, orators, and editors did not consciously comprehend the homogenizing and universalizing power of the railway, they assumed that it would promote human excellence and understanding. Mixed with the more practical motives of financial profit, political and

commercial power, and self-aggrandizement, this liberal ideal was a powerful force that Canadians, as well as Americans, applauded.

Intercolonial Railway

The obsession with railways that translated into an integrated North American transportation network also inspired a scheme to link the British North American provinces. First proposed in the early 1830s, this intercolonial project came to the fore again at the end of the next decade and remained on the political agenda until Confederation. Intended to become the eastern leg of an envisioned transcontinental railway, the intercolonial rail link was not built prior to Confederation because the partners in the scheme, the colonies and the imperial government, could not agree on the ratio of contributions each should make to the project.

The inability of British North Americans to agree on an intercolonial railway did not reflect a lack of interest in railways. On the contrary, in the Canadas, [12] for example, various Canadian newspaper and pamphlets articulated an exuberant trust in technology. The *Montréal Gazette* of 5 February 1849, for instance, argued that railways would make Canada "rich in revenue, teeming with population, a source of envy to her neighbors." On 6 January 1851, Québec City's *Morning Chronicle* took the economic argument a step further and suggested nationalistic considerations were no longer relevant when considering railway projects. "It seems to us that the more canals, railroads and bridges there are the better. We care little about where they may head to; the U.S. railroads create trade and benefit beyond a doubt every part even of this province, while carrying off the outpourings of its industry." Meanwhile, *The Philosophy of Railroads*, written in 1849 by Thomas C. Keefer, a well-known engineer, exalted the technology of steam and iron as an indispensable agent of economic development and civilization. According to Keefer, railways brought more than economic progress; they fostered social integration and stimulated intellectual and moral growth. The "civilizing tendency of the locomotive," Keefer noted, has ended poverty, indifference, religious intolerance, and bigotry. Requiring intensive co-operation to build and shrinking distances between communities, the railway "impels [people] to a more intimate union with their fellow men." [13]

In the late 1840s, an economic crisis completely altered Canada's business and commercial environment and compelled the province to act on its philosophy of railways. In 1846, the British government officially adopted free trade. By doing so, it eliminated the preferential treatment that British North American raw materials had enjoyed in its largest market. Henceforth, Canadian wheat and lumber had to compete on an equal basis with all other countries. At the same time, an economic depression, with rapidly falling grain prices, exacerbated by a flood of destitute Irish immigrants, created economic hardship among Canadian businessmen. When, in addition, the United States permitted Canadian goods to pass duty-free in bond through the country, Montréal's merchants had to have a year-round railway access to an ice-free Atlantic seaport to compete.

Of Canada's two options, the first proposed to connect Montréal to Portland, Maine, via the Eastern Townships. This plan gained prominence in 1845, when a group of American and Canadian businessmen founded the St. Lawrence and Atlantic Railway Company to build one line from Montréal to Vermont and another to meet it from Portland, Maine. The first was to be called the St. Lawrence and Atlantic, the second the Atlantic and St. Lawrence. The project was stalled when the promoters were unable to find sufficient funds, but the delay demonstrated the importance of year-round access to an Atlantic port. . Shortly after the annual freeze-up in the winter of 1848-1849, grain prices dropped sharply in Britain and the value of wheat stockpiled in Montréal fell accordingly. Irate businessmen calculated that the losses incurred could have paid for the Canadian portion of the proposed railway to the Atlantic, and they prodded the government to subsidize the venture.

The economic crisis compelled the government of the united Canadas to demonstrate its faith in railway technology. In the spring of 1849, the legislature passed the *Guarantee Act* by which it secured for investors a return of six per cent interest per year on the bonds of any railway at least 120 kilometres long and half completed. [14] Even though the Act promised virtually unlimited financial support for most qualified railway ventures, all political factions supported the resolutions and the legislature approved the measure 62 to 4. Although many members of the assembly had personal interests or friends in the grain trade or railway business, and thus stood to gain by the legislation, the ease with which a consensus was obtained was still very unusual. The fact that the generally fractious assembly could reach an agreement demonstrated how deeply liberal economics, with its concomitant faith in modern technologies, had penetrated colonial thinking. Despite profound differences on political, religious, and social issues, Canadians were firmly united in their unshakeable belief that the new technology of steam railways would be able to lift the colony out of a rural economy that many perceived to be backward and stagnant and to transform it into an advanced industrial power.

The St. Lawrence and Atlantic Railway was among the first companies to benefit from the legislation. Although the government guarantee of its bonds did not end the company's financial difficulties, it did encourage sufficient investment to allow the company to survive. Indeed by 1853, both the American and Canadian portions of the international route were completed: Montréal had year-round access to the Atlantic.

The second option for rail access to the Atlantic was entirely through British territory from Québec City to Halifax. This intercolonial concept was not new, having surfaced first in the late 1820s. It was revived periodically in subsequent years but never moved beyond preliminary surveys, partly because of the simmering dispute between the U.S. and Canada over the Maine-New Brunswick border. The Webster-Ashburton Treaty of 1842 settled the controversy and made planning for an intercolonial railway feasible. In 1846, the three mainland British North American legislatures, Nova Scotia, New Brunswick, and the United Canadas, petitioned the British government to conduct a survey of possible routes between Halifax and the St. Lawrence River. Two years later, Major W. Robinson, a British engineer, recommended a 1,000-kilometre railway skirting the northern shore of New Brunswick.

Imperial officials greeted the Halifax-Québec railway with mixed feelings. They could not justify large imperial expenditures for a railway of only local import. Thus they argued that the scheme would restructure the British North American economy and wean it from imperial support. Moreover, the road would aid in the defence of British North America and curb American influence on the continent. Lastly, the proposed railway would be one segment in a transcontinental railway that would become the elusive all-British route to the Far East and India. As a British author noted, "We shall yet place an iron belt from the Atlantic to the Pacific, a railroad from Halifax to Nootka Sound, and thus reach China in a pleasure voyage." [15] Although the imperial objectives were clear, they were not compelling and the British government refused to underwrite the venture unless the colonies themselves made a significant commitment.

In British North America, the most enthusiastic supporter of the intercolonial concept was Joseph Howe, Nova Scotia's provincial secretary. As a resident of Halifax, the most easterly port on mainland North America, Howe viewed the venture as the first stage in a transcontinental railway. As early as 1850, he divined "that in five years we shall make the journey hence to Québec and Montréal and home through Portland and St. John, by rail; and I believe that many in this room will live to hear the whistle of the steam-engine in the passes of the Rocky Mountains and to make the journey from Halifax to the Pacific in five or six days." [16] Howe also saw the project as a preliminary step to the unification of the small, inefficient British American colonies. A large, productive nation, he thought, would have the means to open the empty North American wilderness, fill its expanse with people, and tame and cultivate it.

By 1850, then, Joseph Howe had worked out a comprehensive economic development plan. Like an itinerant evangelist, he travelled extensively in Britain and North America hoping to sway imperial and colonial officials to his cause. While his basic message was relatively plain and straightforward, it contained complex strands of old as well as novel ideas. Like Keefer, Howe put forward a message of progress that rested on the fundamentals of liberal free-trade economics and technological progress, but, unlike Keefer, Howe articulated themes that contained an emerging rhetoric of a nationalism built on technological projects like railways. Often he described grandiose visions of a railway from Nova Scotia westward to the Canadas and beyond to the Pacific Coast. His ringing calls for transcontinental trade and communications contained an aggressive imperialism. His agenda called for the spread of British civilization across the northern continent.

Despite his exuberant optimism, Joseph Howe's railway plans were premature. In March 1850, the imperial government agreed to guarantee only the interest on the bonds of the Halifax-Québec scheme and not of an ancillary project, the European and North American, planned to run from Saint John to Bangor, Maine. Although the colonial secretary, Earl Grey, did not object to a railway to the United States, he expressly limited the guarantee to the intercolonial scheme because it alone fitted imperial objectives: "its construction tended to draw closer the bonds uniting the North American provinces with each other, and with the mother country." [17]

Without an imperial guarantee for the European and North American, the intercolonial foundered on the shoals of provincial disagreements. New Brunswick refused to participate in the Halifax-Québec railway unless it passed through Saint John. Nova Scotia, motivated by the commercial rivalry between Halifax and Saint John, declined to pay for its substantial share of construction costs in New Brunswick if Saint John rather than Halifax was to become the Intercolonial's real ocean terminal. Meanwhile, the premier of the Canadas, Francis Hincks, saw no great value in either the intercolonial or the European and North American. Committed to the St. Lawrence and Atlantic Railway to Portland, and a projected line to southern Ontario, Hincks baldly stated, "it is well known that the line between Québec and Halifax is not a favorite one with the people of Canada." [18]

Colonial parochialism, an obsession with immediate profits, economic realities, and narrowly defined goals defeated the first attempt at intercolonial co-operation on railway construction and, by implication, colonial unity. In the early 1850s, British North Americans were not ready to forgo sectional interests for a vaguely defined idealistic common good. Even if they did not say so publicly, all participants agreed that the bottom line on an intercolonial railway was commercial utility. Since such a railway could not be expected to earn sufficient profits to pay the interest on its capital debt, provincial governments feared falling into a vicious cycle of ever-increasing liabilities. Such an obligation would deplete the funds needed to attract the settlers required to create traffic for the railway and revenues for the province. Yet all the leaders concerned recognized that they shared a common objective. Although disappointed in their failure and petulantly blaming each other and the Colonial Office, the negotiations revealed that they all believed that railway expansion would stimulate economic and social progress.

Parochialism

The failure of the intercolonial negotiations convinced each colony to proceed with its own railway plans. In some cases, the local roads complemented the larger scheme, while, in other cases, they offered competition to the proposed intercolonial railway. In Nova Scotia and New Brunswick, governments constructed the local lines as public works, while in the Canadas the state provided large subsidies to private contractors. All the provinces, however, spent much more than their financial resources allowed, and they all incurred heavy public debts. By becoming so deeply involved in railway construction and financing, each province greatly increased state intervention in economic affairs in order to stimulate growth and development.

In 1854, Joseph Howe introduced a set of resolutions in the Nova Scotia Assembly authorizing the provincial government to undertake the construction of a short mainline from the outskirts of Halifax. The new line would have two branches, one to Windsor and the other to Truro. Howe's proposal aroused considerable opposition, most of it based on the belief that the province could not afford expensive railway technology and that the state was not the appropriate agent for its construction. Parochial interest also argued that the project would only benefit Halifax. Yet Howe persisted and won the vote by a slim majority of three. He resigned his seat in the legislature and took charge of the railway commission, completing the work late in 1858.

The construction of the Nova Scotia Railway signalled the end of the province's relatively conservative fiscal policies. Committed to using transportation technology to permit Nova Scotia to compete in the global economy, successive governments supported the railway program. The province's debt load rose significantly. In fact, the government of Charles Tupper, a physician representing Cumberland county, borrowed more British capital to upgrade the Windsor line and to start an extension to Pictou.

The failure of the intercolonial railway negotiations also impelled New Brunswick to concentrate on local railway projects. Here, too, a prime motivation was the belief that railway technology was the vehicle to economic progress. George Fenety, the editor of the *Saint John Morning News*, voiced the opinion of many of his fellow citizens in 1850, when he wrote, "No era of the world's history is more strongly marked than that of the introduction of the Railway. Other inventions, preceding this, show more marked influences upon the general tone of the world's civilization—that of printing, perhaps. But the Railway has and still promises to exert, a greater degree of influence upon trade and industry than any other known agent. It is a perpetual and indefatigable teacher of progress. The breath of the iron horse is the very soul of, and incentive, to energetic action." [19] Fenety also echoed the prevailing motif of the railway as possessing a civilizing mission. In 1855, lamenting that so much of New Brunswick's interior was still a wilderness, he denounced the ship and timber trade as obsolete and called upon his readers, "to sharpen our tools for other purposes. Let us get into the woods and make havoc of the trees with a view of cultivating and bringing better fruit out of the soil upon which they grew." New Brunswick, Fenety insisted, must transform the forest into productive farms, and that metamorphosis could only be carried out, "through the agency of Railroads." [20]

Despite the enthusiastic rhetoric, New Brunswick's construction program was relatively modest. As early as 1835, some St. Andrews businessmen had planned a railway to Québec, but they did not begin construction until 1847; subsequently, they made only intermittent progress and quit in 1862, a few kilometres short of Woodstock. In 1854, a British-based firm began construction of the European and North American Railway but stopped the following spring, when it ostensibly went bankrupt. Yielding to intense lobbying by Saint John entrepreneurs, the New Brunswick government borrowed heavily in Great Britain, and completed the Saint John-Shediac portion of the European and North American Railway in August 1860 as a public work.

The necessity of financing a relatively large public undertaking and offering security to the province's foreign bondholders forced New Brunswick to centralize and formalize its fiscal administration. In

1855, Leonard Tilley, New Brunswick's provincial secretary, introduced the province's first formal budget, a document that included a slight tariff increase designed, in part, to pay for the province's proposed railway program.

Meanwhile, the Canadas also turned to their own railway projects. In 1851, to attract British investors, the government amended the 1849 *Guarantee Act*. The new legislation committed the government to secure the principal as well as the interest of most Canadian railway bonds. A year later, the government permitted municipalities to borrow money to subsidize transportation improvements. With these financial arrangements in place, the Canadian government encouraged the completion of several railways. The chief of these was a grandiose scheme, the Grand Trunk Railway, that bought out the St. Lawrence and Atlantic, leased the Atlantic and St. Lawrence, and built a line from Québec City to Sarnia, Ontario. While British and Canadian companies shared the work of constructing this 2,200-kilometre international railway, several London banks made all the financial arrangements for its \$12 million cost.

Within years, the Grand Trunk Railway had demonstrated that it was not a profitable venture. The acquisition of existing railways, high construction costs, uneconomical engineering, the high cost of transshipments to accommodate the political decision to build on a broad rather than standard gauge, [21] overseas rather than local management, and the economic downturn of the late 1850s all contributed to the company's financial difficulties. By 1855, with its shares already discounted at 50 per cent, the company asked the colonial government to guarantee a new bond issue. Subsequently, the firm returned several times for more assistance, but each infusion of capital failed to boost the value of its securities. By the end of 1861, the company was virtually bankrupt.

The Grand Trunk's financial difficulties had a profound impact on the fiscal policies of the United Canadas. With an economic depression seriously eroding its revenues, the government had difficulty repaying its canal and railway construction debts. In order to raise additional funds, Alexander Galt, the Minister of Finance, increased the tariff on manufactured goods in 1859. He intentionally structured the tariff so that it protected the Canadas' manufacturing and transportation industries. Subsequent administrations reduced expenditures and reformed the methods of collecting and dispersing funds. These measures, which also included a refinancing of the provincial debt and further increases in tariffs, were devised to make free-spending businessmen-politicians fully accountable to the legislature and to decrease the colony's dependence on foreign bankers. They also centralized government powers and increased its activity in economic planning and direction.

The Grand Trunk crisis also contributed to the movement to build a transcontinental railway. From its inception, company officials, supported by the public of Canada East, pressed the colonial and imperial governments to build the Halifax-Québec railway in order to make the Montréal-Québec section profitable. In 1861, the company sent Edward Watkin, an experienced railway manager, to Canada to investigate the desperate situation and recommend possible remedies. Named company president in 1862, Watkin thoroughly reorganized the company's management and operating procedures and rearranged its financial obligations. He also developed a set of ambitious expansion plans, that, on the one hand, reflected his idealistic faith in the ability of railways to free humankind from the obstacles of landscape and climate. On the other hand, however, the plan also embodied his pragmatic understanding that the Grand Trunk was losing money because it had not become the long-haul freighter between the Atlantic seaboard and the Midwestern United States and Canada West. To solve this problem, Watkin recommended expanding the Grand Trunk eastward to the Atlantic and westward to the Pacific.

Watkin expected colonial and imperial governments to assist in financing the transcontinental railway. To British North Americans, he recommended that they unite and together exploit the resources of the vast interior, the Prairies. To the British, he suggested that the proposed transcontinental must remain in

imperial hands not just for narrow economic or patriotic reasons but because the British had a duty to share their liberal and progressive civilization with the world. Watkin, in every way a product of his time and place, urged his listeners to use the technology of railways to spread the message of British, Christian culture to the North American interior. The Grand Trunk, then, would be more than a business venture; it was to be a nation-and empire-building endeavour.

For a brief period, Watkin's goal appeared attainable. He had the support of the Duke of Newcastle, the British colonial secretary from 1859 to 1864. An enthusiastic proponent of an intercolonial railway as the precursor to an economically strong, politically mature, and united British North America, Newcastle also saw the Halifax-Québec railway as a powerful antidote to the strident annexationist claims of the United States, which viewed control of the entire continent as its "manifest destiny." Moreover, for the colonies to resist annexation to the United States, he argued, they must unite, expand westward to the Pacific, and wean themselves from their dependence on Great Britain. The transcontinental railway would link the new nation together. In other words, Newcastle was prepared to push in cabinet for an integrated package of Western annexation, colonial federation, and imperial assistance for a transcontinental railway. With Watkin's assistance, Newcastle had welded a powerful nation-building rationale to a business venture.

To win support for the transcontinental scheme, Edward Watkin and the Grand Trunk Railway Company launched an extremely active, carefully prepared public relations campaign in Britain. They asked influential businessmen in a dozen or more British cities to sign petitions to Parliament. They introduced several British North American delegations to the Duke of Newcastle and other cabinet members, and they organized a number of public meetings that were extensively reported in the London press.

Parochial interests and different priorities and agendas among the colonies, however, delayed the transcontinental plans. While liberal politicians in Canada West saw value only in the western connection, Francophones in Canada East criticized the artificial relationship between railways and nation building. Meanwhile, in the Maritimes, Nova Scotians and New Brunswickers quarrelled about the route of the eastern section. In the end, the lack of strong public support and the presence of pockets of outright opposition to the railway scheme throughout British North America ultimately led to the failure of the negotiations. In a time of economic retrenchment, the project was viewed as too ambitious. Late in 1862, Canada backed out of the agreement, ostensibly because the conditions for the British loan were too stringent.

The collapse of the talks ended the Grand Trunk's involvement in any transcontinental railway plans for the next 50 years. Without government assistance, its shareholders were not prepared to underwrite such a risky venture. Thus, in 1864, when British North Americans established the framework for Confederation during conferences at Charlottetown and then Quebec City, the Grand Trunk was no longer a significant player. Nevertheless, the scheme to create an intercolonial as the first stage of a transcontinental railway did survive and became an important element in the creation of the Dominion of Canada.

Railways and Confederation

Railways did feature prominently in the Confederation debates in all of British North America but were especially important in the mainland Maritime colonies. In Nova Scotia, for example, the administration of Premier Charles Tupper, wanting to stimulate the industrialization of the province, eagerly promoted the union and consciously developed a complementary railway strategy. In 1864, his government introduced a motion to extend the Nova Scotia railway to Pictou as part of the long awaited intercolonial

railway. The project, he argued, would facilitate the union of British North America. Later that session, he introduced a resolution calling for a union of the Maritime colonies, defending the proposal primarily in terms of economic progress and as a first step to the possible creation of a larger federation. The following year, Tupper elaborated on this theme. Reiterating an economies-of-scale argument, Tupper abandoned Maritime union in favour of confederation with the Canadas, asserting that, left to its own resources, Nova Scotia would remain insignificant; as part of the Confederation plan, however, it would become a pivotal component in a great nation. Geography, he declared, had made the province the gateway to the continent, and nature gave it the resources to fit easily into the economic framework of the new nation. For Tupper, the provision in the Confederation agreement for the construction of an intercolonial railway fit perfectly into his grand program. The railway would be of enormous advantage to Nova Scotia because it promised to promote the industrialization of the province, stem the out-migration of its citizens, and stimulate immigration. Although Tupper touched on other issues, particularly defence, the main thrust of his argument was that the larger union would spur economic growth. Although his position encountered strong and vociferous opposition from those concerned about further spending on railways and the terms of union, he realized his railway objectives and remained in power until the implementation of Confederation in July 1867.

The intercolonial also loomed large in the Confederation debates in New Brunswick, but the province's position on the railway was ambiguous and, at times, contradictory. Unlike Nova Scotia, New Brunswick shared a land border with the United States and therefore had established close business and commercial relationships across the boundary. Its leading city, Saint John, sought to develop these associations further with a rail connection into Maine and thus favoured completing the European and North American Railway. Also known as the Western Extension, this plan envisioned expanding the Saint John-Shediac railway westward from the city to the United States border. Although Saint John businessmen saw merit in an intercolonial railway, they recognized that the project might give Halifax a powerful advantage. Still, Leonard Tilley, who had advocated a union of British North America nearly a decade before the 1864 Charlottetown and Quebec conferences, supported government construction of an intercolonial railway. The *Saint John Morning News* of 21 September 1864, captured Tilley's vision for New Brunswick and the intercolonial line in Confederation: "It would throw down the barriers which impede our commercial progress. It would open up new channels of trade. It would afford our manufacturers a wide field for the sale of their wares. It would give to the grain-growing country of the far West a ready outlet to the ocean at all seasons, and bring it into close connection with the commerce of the world. It would in time form a grand, unrestricted, uninterrupted highway from the Atlantic to the Pacific oceans, over which traffic and travel from continent to continent would unceasingly roll." In addition to his continentalist vision, Tilley also championed the Western Extension. Neither he nor many of his supporters, however, saw any contradiction in a railway link to the United States as well as to the Canadas. They wanted to improve communications with both neighbours.

Although the agreement reached at the 1864 Québec Conference included provision for an intercolonial railway, Tilley's constituents spurned Confederation. Ultimately, the critics objected less to union with Canada than to some of the specific terms of the Québec resolutions. Some opponents, for example, questioned the value of the railway program to various regions in the province, while others attacked the proposals on sectarian grounds. [22] At the same time, the electorate was disenchanted with Tilley's leadership and his disintegrating administration, which had been in power since the mid-1850s. Seemingly united, the anti-confederationists challenged Tilley to call an election and, in March 1865, defeated him.

Many political, parochial, and sectarian issues muddied the waters in New Brunswick's Confederation debate, and, on the surface, the election of 1865 appeared to have split the province into two camps—supporters of an intercolonial railway and union with Canada against advocates of a western extension and closer ties with the United States. In actual fact, the position was much more complex, and, once the

proponents of Confederation demonstrated that Confederation could achieve connections both with the United States and with the neighbouring British North American colonies, the tide turned. Aided by pressure from the Lieutenant-Governor of New Brunswick, Arthur Gordon, as well as the imperial and Canadian governments, Tilley used sectarian and loyalty arguments to isolate a shaky government. Stretching his constitutional powers to the limit, the Lieutenant-Governor forced Albert Smith's administration to call an election for May 1866. With Tilley offering lower taxes, an intercolonial and western extension, a fair voice in the new government, and a market for New Brunswick's raw and manufactured goods, his party won handily and put Confederation back on track. One of his final acts as premier was to pass enabling legislation authorizing the government to purchase stock in the European and North American and grant it a subsidy, thus facilitating the completion of the Western Extension late in 1871.

As the New Brunswick experience demonstrated, the philosophy of railways played a prominent role in the confederation of mainland British North America in 1867. Its idealistic rhetoric of co-operation, social progress, mutual understanding, and economic advancement—as well as its faith in steam technology and evangelical civilizing mission—had provided common ground for the discussion of the specific political, economic, and diplomatic concerns addressed in the Charlottetown and Québec conferences. While the railway creed may have been unrealistically optimistic, even utopian, it still formed the foundation for section 141, a clause of the *British North America Act*, providing for the construction of the Intercolonial Railway. Despite arguments about local routing and technical standards, contracts were let quickly and work proceeded expeditiously for the eastern section of the transcontinental railway; on 6 July 1876, the first through-train from Halifax arrived at Québec.

Pacific Scandal

Less clearly articulated than the Intercolonial Railway, yet still salient to Confederation, was the western segment of the transcontinental railway. Although the construction of a Pacific railway, and its ancillary, the annexation of the Northwest and British Columbia, were implicit in the creation of the Dominion of Canada, John A. Macdonald, the nation's first prime minister, had difficulty translating the lofty and buoyant nation-building oratory of the Confederation debates into practical reality. After six years of dithering, he finally chose a Montréal firm to construct the western segment of the transcontinental railway and, in doing so, precipitated the Pacific Scandal, an episode that ended in the fall of his government. Significantly, the scandal revealed that, up to 1871, Canadians still accepted the principle of close railway connections with the United States, even for their proposed transcontinental railway.

At the centre of the scandal were the Pacific Northern Railway and its chief promoter, Jay Cooke, a Philadelphia financier. In brief, the Northern Pacific intended to link Boston to the Pacific Ocean by using existing railways in New England (the Vermont Central and the Vermont and Canada), projected lines in the Canadas, and its own planned route from Sault Ste. Marie, Ontario, that was to travel south of Lake Superior, and then westward through British territory. While the intended crossing of British-held Rupert's Land suggested that Cooke had annexationist ambitions, these were not necessarily expressed in politically aggressive tones. Cooke's primary objective was to establish beneficial business associations in order to utilize the shortest route possible from Boston to the Pacific Ocean. He hoped to allow the city to compete successfully with other eastern seaboard ports, most notably New York, for the potentially lucrative transcontinental traffic. Collaboration with Canadian promoters of a Pacific railway appeared most advantageous to the Northern Pacific's strategy.

Cooke experienced little difficulty finding a sympathetic Canadian partner. Hugh Allan,

owner of the Montreal Ocean Steamship Company, had controlling interest in the Canada Central

Railway, which proposed to link Montréal with Sault Ste. Marie—a route that would provide the crucial Canadian connection between the Vermont railways and the proposed Northern Pacific. A joint venture was almost inevitable and easily negotiated. After Allan explained the benefits of a collaboration to Sir John A. Macdonald and members of his cabinet, he and Macdonald sealed the agreement sometime in the summer of 1871. The western portion of the scheme, running across the southern prairies of Rupert's Land and through the Rocky Mountains, was to be called the Canada Pacific.

The collusion between Hugh Allan and his American partners and the federal cabinet soon became common knowledge and unleashed a storm of protest. Among the most powerful rivals to Allan's American associates was the Grand Trunk Railway. The company launched a vicious propaganda campaign in Canada and England against the Allan interests. Its crusade received assistance from several firms with interests in Canada, including the Hudson's Bay Company. Aggravating the business rivalry were sectional jealousies within Canada, with the most serious obstacle to Allan's Montréal-based bid coming from Toronto and Canada West.

To defuse the political and business opposition, Macdonald asked his friend David L. Macpherson, a leading Toronto shipper, to join with Hugh Allan. To his chagrin Macpherson refused, ostensibly because of the Canada Pacific's American interests but more likely because the proposed road left his city and province on the fringes of northwestern commerce. Instead of joining Allan's group, Macpherson formed an all-Canadian company, the Inter-oceanic Railway. The government, hoping the rivals would negotiate an agreement, approved charters for the Pacific railway for both. Significantly, the legislation clearly allowed both railways to drive branches southward at Sault Ste. Marie and Fort Garry, Manitoba, "so as to connect with the railway system of the United States of America." [23] By the time the government called the general election of 1872, it had not resolved the Pacific railway issue.

Some time after winning the election, Macdonald awarded the Pacific charter to Hugh Allan's Canada Pacific but disallowed American involvement. In response, one of Jay Cooke's minor associates, George William McMullen, allegedly gave the Liberal party a packet of judiciously selected letters and telegrams, some of which were stolen and some carefully altered. The packet clearly showed that John A. Macdonald pressed Hugh Allan into making unusually large contributions to the Conservative campaign and used the funds to garner votes in a close election. Macdonald had no choice but to resign. A royal commission inquiring into the Pacific Scandal confirmed the charges of corrupt electioneering but found no evidence of shady dealings with the Americans. Meanwhile, the opposition by the Grand Trunk and its supporters, as well as regional and local rivalries, had weakened the Canada Pacific. Indeed, the scandal killed it. Furthermore, the bankruptcy of the Northern Pacific in 1873 completely eroded investor confidence in North American railways.

The abortive history of the Canada Pacific aptly demonstrates that, despite noble rhetoric, railway building was a big business involving millions of dollars, and that, as in the past, it could arouse fierce struggles between rival railway networks, financial institutions, metropolitan centres, and political parties. Regional, political, and corporate jealousies had reduced lofty, idealistic goals to bare economic competition. The philosophy of railways, with its lavish promises of certain economic progress and prosperity, helped create the scramble for profit and wealth, but greed and selfish interests ended the quest in bankruptcy and scandal. Sir John A. Macdonald's resignation thus uncovered the seamy underside of the railway dogma. It also made painfully obvious that North American businessmen, interested primarily in ledger books and dividends, promoted railways for pecuniary rather than nationalistic purposes. Always in search of traffic and the shortest route, railway promoters would not be stopped by international boundaries.

National Policies

From 1873 to 1878, the Liberals, under the leadership of Prime Minister Alexander Mackenzie, were in charge of the transcontinental railway program. In many ways, the Liberal agenda did not differ materially from that of the Conservatives. On the matter of Western settlement, the new government concluded the series of treaties with the Native peoples of the Prairies and commenced to settle them on reserves. It also implemented John A. Macdonald's plans for the North-West Mounted Police and, under the *North-West Territories Act* of 1875, provided the region with a constitutional timetable for the future establishment of representative institutions. Lastly, the Liberals continued the policy of surveying the plains on the American township model and sanctioned the Conservatives' homestead policy of offering grants of free land to those who would put it under cultivation. All these policies endorsed the intent of administering the territories for the benefit of the dominion.

The Liberals' unwillingness to increase taxes, which in the nineteenth century mainly comprised duties on imported goods, profoundly affected their railway policy. With their rural-focused ideology and their inbred distrust of big business, Liberals disliked tariffs. This orientation was largely a result of their free trade heritage, a tradition based on their belief that tariffs increased the cost of living, reduced trade, and transferred wealth from workers and farmers to the privileged few. Reluctant, then, to impose an extra financial burden on Canadians, Mackenzie rejected the specific terms the Macdonald government had offered to British Columbia in 1871 as too generous. Moreover, he refused to commit the government to rapid construction of a railway until it had precise surveys of the intended route. Nevertheless, he pledged his government to an expenditure of a minimum of \$ 1.5 million annually. Although British Columbians complained bitterly that the government was reneging on its promise to complete the railway by 1881, Mackenzie refused to speed up construction.

Despite its cautious demeanour and hardline approach, Alexander Mackenzie's Liberal administration actually accomplished more than it promised. In 1875, for example, his government allocated \$6 million, or one fourth of its entire budget, to railway construction. By the end of its tenure, it had built over 4,000 kilometres of railway, including the Intercolonial—that is, the eastern section of the transcontinental railway. It had virtually completed a connection from Winnipeg to an American railway at Pembina, North Dakota, on the international boundary so that, by the fall of 1878, trains were ready to roll. Elsewhere, government surveyors had examined more than 91,000 kilometres of possible routes and carried out 19,000 kilometres of detailed surveys. The government also built a telegraph from near Thunder Bay, Ontario, to the Rocky Mountains. In other words, the eastern portion of the transcontinental was completed, and most of the preliminary work for the Pacific section was finished.

Meanwhile, as leader of the opposition, Sir John A. Macdonald gradually changed his views on the transcontinental, Canadian nationalism, and the tariff. Over the previous two decades, the various administrations of which he had been a member had used tariff increases to stimulate the industrialization of the Canadas, help retire the province's enormous railway debt, and encourage the use of Canada's transportation systems. The failure to secure a greater measure of free trade between Canada and the United States in the 1871 Treaty of Washington focused Macdonald's attention more sharply on the transcontinental railway as part of a strategy to strengthen Canada's economic opportunities. In November 1875, Macdonald tentatively outlined what would become the Conservative platform for the next election. Beginning with a vigorous defence of his government's record, Macdonald justified the Intercolonial Railway, the acquisition of the North-West Territories, the wooing of British Columbia, and a vigorous Pacific railway policy. He also touched briefly on the need for an explicitly protectionist stand, which he felt was required to encourage manufacturing. In conclusion, Macdonald feared that Liberal policies were destined to lead the country to full independence from Britain. In contrast, he clearly expressed his loyalty to the British Empire. Reliant on Britain for its defence, Canada could not be independent. Any other course, he believed, would lead to annexation and the loss of Canada's British heritage. "I am a British subject and British born," Macdonald exclaimed, "and a British subject I hope to die." [24] With these stirring words, Macdonald laid the foundation for his re-election campaign:

protectionism, the Pacific railway, and Western settlement all wrapped in the intertwining themes of anti-Americanism, British loyalty, and nation building. They were a powerful incantation that was in perfect harmony with the mood of many Canadians.

The most serious obstacle to Macdonald's new railway policy was that an all-Canadian route north of the Great Lakes was prohibitively expensive and thus unprofitable. To attract investors, Macdonald not only promised handsome subsidies and a monopoly but also a protective tariff to be called the National Policy. Though the protective tariff would be popularized primarily as strategy to protect infant industries, [25] it would also create traffic for the railway. Following the precedent-setting rationale for the 1859 Galt tariff, the National Policy was designed to stimulate interprovincial trade, and, therefore, east-west rail traffic, especially north of Lake Superior. At the same time, the anticipated revenues from the tariff would help the government pay for the land grant and the large subsidies the railway promoters required. In sum, Macdonald believed that generous subsidies, the Western monopoly, and the protective tariff would entice financiers to accept the specification of an all-Canadian railway.

To sell the cost of speedy construction and the protective tariff to Canadian consumers, Macdonald injected a potent theme of technological nationalism into his arguments. In his 1875 speech in Montréal, he argued that without a Pacific railway, "we could have no real connection with British Columbia. It would have been merely a connection on paper, and no connection in fact; and she would still be alien, alien in connection, alien in interests, and alien in prospects." Conveniently forgetting how his own blunders had wrecked the Canada Pacific, he was deeply disappointed that the railway was not being constructed aggressively. "Until that road is built to British Columbia and the Pacific, this Dominion is a mere geographical expression, and not one great Dominion; until bound by the iron link, as we have bound Nova Scotia and New Brunswick by the Intercolonial Railway, we are not a Dominion in fact." Overlooking his government's earlier flirtation with the Northern Pacific, Macdonald committed his party to a railway entirely owned by British subjects and completely controlled by Canadians. "While we were fighting the Canadian battle, and while we were attempting to construct that great railway through Canada with Canadian and British capital, and with Canadian and British influences and means," he warned, "the completion of the present [Liberal] scheme, so far as ascertained, is intended to divert Canadian trade into American channels, and to open up to American interests our great railway means of communication." By binding the Conservative party to an all-Canadian transcontinental railway, Macdonald clearly and unambiguously added a potent nationalistic mythology to the philosophy of railways. In doing so, he implied that the task of neutralizing the so-called "manifest destiny" of the United States was being added to the railway's civilizing mission.

Despite their conflicting opinions on protectionism and free trade and their differing views on the pace of railway construction, both political parties were committed to the basic premise of the Pacific railway—the civilization of the North American wilderness. While Liberals stressed agriculture, resource extraction, and the countryside, and Conservatives emphasized industrialization and cities, both held that Canada could survive as an independent country only if it had a robust and dynamic Northern economy. Both parties featured the colonization of the Prairies as the centrepiece of their economic development strategies, and both recognized the importance of transportation to that initiative. The Liberals, ideologically committed to free trade, considered the tariff sufficiently high to protect many of Canada's industries and raise the revenues required to complete the necessary infrastructure. The Conservatives, recently converted to full-blown protectionism, were prepared to increase taxation levels substantially in order to speed their economic development program, particularly an all-Canadian transcontinental railway. By calling their tariff proposal the National Policy, the Conservatives grabbed for themselves the nation-building theme and, when they injected that slogan into their political philosophy of railways, they imposed an artificial isolationist nationalism upon an universalizing technology.

Sir John A. Macdonald's election victory in 1878 ensured that the pace of railway construction would

quicken. Using relatively large subsidies and generous concessions, his government lured the Canadian Pacific Railway syndicate to undertake the work and complete the western portion of the transcontinental by 1885. Less than two decades later, Prime Minister Wilfrid Laurier's Liberal government subsidized the construction of two competing transcontinental railways, clearly demonstrating that railway building was a non-partisan issue. By 1910, two Toronto entrepreneurs, Donald Mann and William Mackenzie, had enlarged several minor Manitoba railways into a 4,800-kilometre Prairie network and were advancing westward through the Rocky Mountains and eastward across the Canadian Shield. Meanwhile, Laurier's administration encouraged the Grand Trunk Railway to expand into a third, 5,600-kilometre transcontinental system, a project completed just before the First World War (1914-1918). By then, Canada possessed a magnificent network of railways and subsidiary steamship lines that facilitated the movement of goods, mail, newspapers, and people across the continent and the two oceans that marked its eastern and western boundaries.

The completion of the transcontinentals made the intensive agricultural settlement of the prairies and immediately adjacent boreal forests feasible. While the interior plain, with its harsh climate, short growing season, and intense cold, still tested the skills and endurance of the newcomers, steam technology manifested in railways and lake and ocean vessels supplied farmers with their daily necessities and permitted them to export their large and bulky surplus crops to overseas markets. This technology, therefore, permitted thousands of people from Ontario, the United States, Great Britain, and continental Europe to establish farms on the Prairies. Between 1881 and 1911, Western Canada's population exploded from 62,260 to 461,394, occupied farms multiplied from 10,091 to 199,203, while national wheat exports soared from 2.3 million bushels in 1885 to 114.9 million in 1914.

As the conduit for the exchange of ideas between the regions, the railway, and its essential companion, the telegraph, created a measure of cultural uniformity in the country. Salesmen and politicians, newspapers and mail, travelling easily back and forth on the railways, informed the many newcomers from Eastern Canada, the United States, and Europe and kept them in touch with the nation's established cultural, political, and commercial institutions.

This connection, however necessary, could be stifling. In 1885, the federal government used the partially completed Canadian Pacific Railway to rush troops to the North-West Territories to quash a rebellion by its Métis and Native peoples. In the following decades, the White newcomers to the Prairies and British Columbia came to believe that many policies that directly affected their region were made by central Canadian businessmen and politicians. They concluded that discriminatory freight rates and some National Policy regulations discouraged industrialization within their region. The resultant sense of powerlessness caused feelings of estrangement and alienation. To fight their marginalization, Westerners and British Columbians voiced their objections in non-traditional political protest movements. Meanwhile, Maritimers were disappointed that their vision of the Intercolonial Railway was not realized. In the end, the fledgling Maritime industries were not able to use the railway to penetrate the central Canadian market. High freight rates accerbated the effects of remoteness from markets and tariff policies that favoured factories in Ontario and Québec. By the end of the 19th century, large central Canadian firms were able to absorb the smaller Maritime industries and to centralize production in the country's centre. Unexpectedly, the railway drained capital, people, and resources out of the region and flooded it with manufactured goods. Like their western counterparts, Maritimers felt themselves relegated to the periphery. More inclined to traditional political parties, they preferred to work within Conservative and Liberal parameters but occasionally, as in the Maritime Rights movement, they used unorthodox methods to ameliorate adverse conditions. But, as in the North-West Territories, the problems were systemic and deeply ingrained into Canadian institutions and thus very difficult to resolve.

Conclusion

Just as the continental railways generated centrifugal as well as centripetal forces within the nation, they also did so in its imperial and continental relationships. In 1849, the *Guarantee Act* lured British technical knowledge, financial resources, and managerial skills to the province of the United Canadas, thus maintaining its affinity to Britain's culture and economy. Over the years, British North American politicians and entrepreneurs gradually took control of the technology and their economic agenda, but, in doing so, they increased the colonies' orientation to the United States. The colonists built almost all their railways to provide access to American markets or ports. While some served as links between the continent's interior and New England railways, others siphoned trade from the American West through British American harbours to the Atlantic Ocean.

Clearly the economics of railway technology mitigated against nationalistic ambitions. Although the idealistic nation-building rhetoric envisioned the transcontinental railway as a tool to create out of the vast northern wilderness a prosperous nation distinct from the United States, the practical realities of corporate profits impelled railway companies to expand beyond international boundaries. Indeed, the philosophy of railways always insisted that this transportation technology would lead to more international commerce, interaction, and prosperity. Throughout the pre-Confederation years, British North American politicians sporadically considered proposals for a railway from Québec through New Brunswick to Halifax, but Montréal's merchants were more interested in a direct, economically efficient line to the Atlantic at Portland, Maine. Meanwhile Saint John and Halifax businessmen were easily diverted to their local projects. In other words, while Canadians championed the transcontinental railway as a means of building a distinct northern nation within the British Empire, they also saw it as a method for attaching themselves to the dynamic economy of the United States. While the Canadian Pacific facilitated the exchange of goods and people among Canada's regions and thus fostered unity, the railway could not survive if isolated from the United States. Thus the CPR's board of directors hired American managers to build and operate the railway. It set aside the government's ostensible nationalist purpose and leased, bought, or constructed several branch lines to the United States, including the Short Line from Montréal through Maine to Saint John and the Soo line westward from Sault Ste. Marie through Minnesota to St. Paul and Minneapolis. On 3 June 1889, a through-train followed almost the exact route planned by Hugh Allan and Jay Cooke but scuttled by the Pacific Scandal. A year later, the CPR launched operations on a direct line from Québec through Montréal and Toronto to Windsor where it ferried cars across the river to be forwarded on the Wabash Railroad to Chicago. The CPR's corporate objectives, therefore, were not defined by an exclusivist technological nationalism but by the broad internationalism of the railway and its search for profits.

The national dream, born in the heady expansionism of the mid-nineteenth century, arose out of the conviction that the railway would permit humanity to conquer the environment. This vision was especially strong in British North America, whose citizens, surrounded by an immense and seemingly hostile wilderness, eagerly embraced the new transportation technique as a potent means of freeing men and women from the harsh bonds of nature. The railway, which smoothed rough geological obstacles and softened harsh winters, promised economic growth and provincial prosperity. More intangibly, it supposedly ennobled people and promoted moral as well as economic progress. Emboldened by such a great prospect, British North Americans developed various strategies that would permit them to realize their dream of a transcontinental railway. Accomplished in 1885, the CPR, the western segment of the transcontinental, represented the culmination of a technological nationalist vision of a nation tied together by bonds of iron. To realize that vision of a northern transcontinental nation, Canadians drafted policies that implied, on the one hand, a continental orientation, including closer economic intercourse with the United States and, on the other hand, embraced strong centralist designs such as Confederation and the National Policy. As an integral part of the philosophy of railways, these centralizing, nationalist approaches bestowed advantages on Central Canada to the detriment of the Eastern and Western peripheries. The latter did not share equally in the growing prosperity of Canada and consequently expressed their alienation in regional protest movements. These remonstrations, however, were not

attacks on the technology that had tied their region to the nation's heartland but on the federal policies that supported the railway. Although corporations like the Intercolonial and Canadian Pacific railways became the focus of protest in the Maritimes and the West, critics in both regions clearly recognized that these institutions were only part of a philosophy that buttressed the Canadian federation and threatened their regional aspirations. Ironically, the projects that united the country by strengthening inter-regional communications and trade also sowed the seeds of conflict

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- [2] Harold A. Innis, *Essays in Canadian Economic History* (Toronto: University of Toronto Press, 1956), 229.
- [3] Donald Creighton, *John A. Macdonald: The Old Chieftain* (Toronto: Macmillan, 1955), 301-302.
- [4] John Lorne McDougall, *Canadian Pacific: A Brief History* (Montréal: McGill University Press, 1968), 41.
- [5] W. Kaye Lamb, *History of the Canadian Pacific Railway* (New York: Macmillan, 1977), 16.
- [6] Pierre Berton, *The National Dream: The Great Railway, 1871-1881* (Toronto: McClelland and Stewart, 1970), 389 and *The Last Spike: The Great Railway, 1881-1885* (Toronto: McClelland and Stewart, 1971).
- [7] Bill McKee and Georgeen Klassen, *The Trail of Iron: The CPR and the Birth of the West, 1880-1930* (Vancouver: Douglas and McIntyre, 1983), 185.
- [8] Robert Chodos, *The CPR: A Century of Corporate Welfare* (Toronto: J. Lewis and Samuel, 1973), 2.
- [9] Quoted in Michael Adas, *Machines As the Measure of Men: Science, Technology, and Ideologies of Western Dominance* (Ithaca, NY: Cornell University Press, 1989), 218.
- [10] Quoted in Leo Marx, *The Machine in the Garden: Technology and the Pastoral Ideal in America* (New York: Oxford University Press, 1964), 196.
- [11] *The Railroad Jubilee, Account of the Celebration Commemorative of the Opening of Railroad Communication between Boston and Canada, Sept. 17th, 18th, and 19th, 1851* (Boston: J.H. Eastburn, 1852).
- [12] From 1841 to 1867, British North America consisted of five colonies, some of which were often referred to as provinces, namely: Newfoundland, Prince Edward Island, Nova Scotia, New Brunswick, and the Canadas. The latter was subdivided into Canada East and Canada West, roughly equivalent to today's Quebec and Ontario respectively
- [13] T.C. Keefer, *Philosophy of Railroads and Other Essays*, ed. H.V. Nelles (Toronto: University of Toronto Press, 1972), 10.
- [14] At this time, railways sold bonds to private investors to raise construction funds. The companies agreed to buy back these bonds anywhere from 20 to 40 years later. Meanwhile, they paid the bondholders an agreed amount of interest annually. Under the *Guarantee Act*, the government promised to pay the interest on the bonds should any company not be able to do so. Consequently, guaranteed bonds were a less risky investment than non-guaranteed bonds and would likely sell at 100 per cent of their value and carry a lower interest rate. In other words, with its bonds guaranteed, a company would find it easier and cheaper to borrow money.

[15] Richard Henry Bonnycastle, *Canada and the Canadians in 1846*, vol. 1 (London: H. Colburn, 1846), 138.

[16] Joseph Andrew Chisholm, *The Speeches and Public Letters of Joseph Howe*, 1849-1873, vol. 2 of *The Speeches and Public Letters of Joseph Howe* (Halifax: Chronicle Publishing, 1909), 170.

[17] Nova Scotia, *Journals 1852*, app. 10, Grey to Harvey, 9 January 1852, 47.

[18] *Ibid.*, Hincks, Taché, Young memorandum, 29 January 1852, 53.

[19] Editorial, *St. John Morning News*, 27 November 1850.

[20] Editorial, *St. John Morning News*, 27 June 1855.

[21] The Canadian government insisted that the Grand Trunk be built with a five feet six inches wide track in order to prevent rolling stock from the United States, which used what was to become the standard four feet two inches gauge, to exploit Canadian railways as a shortcut. Unfortunately, that policy required the Grand Trunk to off-load and reload all goods arriving from or going to the United States. In 1873, the Grand Trunk converted all its lines to the American standard gauge.

[22] Among the objections raised to the terms of union were arguments that New Brunswick received too few representatives in the proposed House of Commons and that the federal government would raise tariffs to unacceptable rates. Meanwhile, Irish and Acadian Catholics in the province were afraid of the strong Orange Order and other anti-Roman Catholic movements in Canada West.

[23] *An Act to Incorporate the Inter-oceanic Railway Company of Canada*, Statutes of Canada 1872, c. 72 and *An Act to Incorporate the Canada Pacific Railway Company*, Statutes of Canada 1872, c. 73.

[24] *Montreal Gazette*, 26 November 1875.

[25] The advocates of protective tariffs argued that high tariffs would raise the cost of imported goods sufficiently that small local firms, the so-called infant industries, that produced similar items could more easily compete and therefore mature into large corporations. Eventually, the theory went, the local companies would be strong enough to compete with foreign businesses, and the tariffs could be lowered.

Canadian National (CN; French: Canadien National) is a Canadian Class I freight railway headquartered in Montreal, Quebec that serves Canada and the Midwestern and Southern United States. CN is Canada's largest railway, in terms of both revenue and the physical size of its rail network, and is Canada's only transcontinental railway company, spanning Canada from the Atlantic coast in Nova Scotia to the Pacific coast in British Columbia across about 20,400 route miles (32,831 km) of track[1]. CN is a public company with 24,000 employees[2] and as of September 2018 it had a market cap the Canadian Pacific Railway Act in 1872. Although the railway comes last on the list, it was not actually so in point of time. As has been shown, the Pacific railway idea actually antedated most of the other items. The Panic of 1873 and the Canadian Pacific Scandal combined together to mark the end of the pioneer era in the history of transcontinental railway schemes in the Northwest. The period of fulfillment was soon to come. But the period that had closed, though in apparent failure, had been nonetheless important. In the first place, it had served the necessary function of preparation and education. Canada - Canada - The transcontinental railway: With the addition of British Columbia, Canada extended from the Atlantic to the Pacific. To maintain that vast area and to ensure its independence from the United States, it was necessary to build a railway to the west coast. Arrival of the first Canadian Pacific transcontinental passenger train at Port Moody, British Columbia, July 4, 1886. Canadian Pacific Limited Rail Corporate Archives. Even so, the railway soon needed new loans from Parliament, and its funds ran out as economic depression returned. Donald Smith preparing to drive the last spike in the Canadian Pacific transcontinental line, Craigellachie, B.C., Can., Nov. 7, 1885. CP Rail Corporate Archives. Reaction of Quebec. How Canadian National Railways Was Formed. To understand Canadian National's heritage a brief look at its predecessors is needed. The formation of CN officially began when the Canadian government took possession of the National Transcontinental Railway (NTR) following its completion in May of 1915. Despite its name the NTR, at a total of 2,019 miles, was not a true transcontinental although it did help establish one by connecting with the Grand Trunk Pacific at Winnipeg, Manitoba and the Intercolonial Railway at Moncton, New Brunswick. The addition of NTR added a third railroad to the gov