

## **Railways and Canadian Development**

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Baker has provided many insights into Anglin's New Brunswick career and the politics of the 1850s and 1860s. For example, he rejects the notion that the Catholics voted as a bloc against Confederation in 1865, and uses the intervention of Bishop Rogers to prove that this was also more or less true in 1866. This may be the case, but Baker's explanation is not satisfactory. His puzzled reference to apparent discrepancies between the proportion of Catholics in two Saint John wards and the measure of support for Anti-Confederation candidates, including Anglin, during the 1865 elections cannot be explained unless one remembers that property qualifications would have prevented many Irish from gaining the franchise. Until some detailed work is done on the ethno-religious composition of the electorate, as opposed to the population, no firm conclusions can be drawn about Irish voting patterns. There is, of course, another possibility. Perhaps Anglin was not such a great leader of the Irish of Saint John as Baker believes. Perhaps even with the support of the local Catholic bishop, he could not control the Irish vote. Baker's discussion of such problems thus is more than informative because it often opens the door for further probing of contemporary society in Saint John and in New Brunswick. But once his subject passed on to the larger arena of Canadian politics, Baker followed, and added little about the New Brunswick of the 1870s and 1880s.

Baker admits that Anglin was not a great political figure and one imagines that he must have found Anglin to be an albatross at times. How does Baker rate Anglin as an "Irish, Catholic, Canadian"? "He lived an eventful, interesting, useful life, neither unpleasant nor unfulfilling" (p. 256)). Not exactly a high score. It is difficult to decide if this should be considered typical of the Irish in Canada. If Anglin's indecision about his political role was not a character flaw, perhaps the Irish in Canada could not decide what they were, Irish, Catholic, or Canadian. Or perhaps Anglin failed the Irish as had McGee, by refusing to help them crystallize their attitudes toward themselves and their environment. If this is the case, then Baker's book is a better epitaph than Anglin deserves.

P. M. TONER

## Railways and Canadian Development

Historians and economists have long emphasized the vital role which railways have played in overcoming the barriers of geography and linking the regions of Canada in an east-west transcontinental nation.<sup>1</sup> The Canadian Pacific Railway, in particular, has been the focus of a number of recent studies. In 1968 economist J. Lorne McDougall wrote *Canadian Pacific: A Brief History* (Montreal, McGill University Press, 1968), a study sponsored by the C.P.R. Although McDougall was often too sympathetic to the company's viewpoint, he did provide a succinct general

<sup>1</sup> See Glenn Porter, "Recent Trends in Canadian Business and Economic History", in Glenn Porter and Robert Cuff, eds., *Enterprise and National Development* (Toronto, 1973), pp. 11-2.

account of the C.P.R. from its inception to 1966. Equally sympathetic were Pierre Berton's highly publicized volumes on the building of the C.P.R., *The National Dream* and *The Last Spike* (Toronto, McClelland and Stewart, 1970, 1971). Berton is a superb narrative historian, and his descriptions of major personalities, the drama and comedy of parliamentary debate, and the many obstacles encountered by surveyors and contractors have given both volumes wide appeal to the general public. Berton relied quite heavily on the existing historical literature relating to the C.P.R., but on occasion he did break new ground, such as in his account of the problems concerning surveys and construction in the 1870s and his description of the western real estate boom of 1882. However, as numerous critics have pointed out, the major weakness of these volumes was the author's central Canadian perspective. Berton attempted to portray the C.P.R. as an instrument of national unity — Canada's "national dream" — when it has been widely regarded in Western Canada as an instrument of central Canadian imperialism.

Robert Chodos' *The CPR: A Century of Corporate Welfare* (Toronto, James Lewis and Samuel, 1973) was in effect a counter-company history and a rebuttal of Berton's approach to the C.P.R. The author, a left-wing Quebec journalist, skilfully analyzed "the myth of the C.P.R." and criticized Berton's glorification of the company as an instrument of national unity. His main themes were the development of the C.P.R. into a conglomerate and the skill of its officials in obtaining government support (particularly from Ottawa) for company policies. Chodos maintained that competition between Canadian Pacific and the C.N.R. had resulted in the Canadian National becoming a "business railway" which no longer attempts to serve all segments of the country. He therefore concluded by advocating the nationalization of Canadian Pacific and the operation of a government-owned system on a public service basis.

The most recent addition to this literature is Kaye Lamb's *History of the Canadian Pacific Railway* (New York, Macmillan, 1977), a lively and detailed account of the company from its beginnings to the present day. In general it is more objective and analytical than McDougall's study, while the author's judgements are more moderate and balanced than those of Chodos. Lamb has made good use of the company letterbooks of W.C. Van Horne and T.G. Shaughnessy (the most important new sources consulted for this study) and provides some interesting insights into their policies. Van Horne's principal aim was to develop as much freight traffic as possible for the railway. While he was general manager he insisted that the C.P.R. develop a large network of lines in Ontario to provide lucrative traffic for the young enterprise, even though this policy produced severe conflict with the Grand Trunk Railway. During his presidency (1888-1899) he engaged in a series of battles with James J. Hill of the Great Northern for control of the traffic in the mining region of southeastern British Columbia. Shaughnessy was as concerned about freight traffic as Van Horne had been, and the company's rail mileage was almost doubled during his presidency (1899-1918). However, he was also deeply interested in better mail and passenger steamers, and he gradually expanded the

company's steamship operations (by such measures as the purchase of the Allan Line in 1909) so that by 1914 the C.P.R. was one of the world's major shipowners.

Lamb also examines the progress of the company during the inter-war period in some detail. He maintains that E.W. Beatty, president from 1918 to 1942, "simply expanded and strengthened the system he had inherited from Shaughnessy" (p. 317). During the Great Depression it was the additional revenue from non-rail sources which enabled the C.P.R. to pay its fixed charges, and under the leadership of N.R. Crump the company continued to diversify its interests in the post-war period. An engineer by profession, Crump was fascinated with the diesel engine and after 1945 he became convinced that dieselization would reduce costs in a spectacular way and enable the C.P.R. to survive. In 1949 he convinced the president of the merits of dieselization and the program of conversion to diesel engines was well launched by 1955 when Crump succeeded to the presidency. Although the policy of diversification had been characteristic of the company since its inception (witness the original charter which empowered the C.P.R. to own telegraph and telephone lines), he was the driving force behind the huge expansion of Canadian Pacific's non-rail activities, commencing in 1958 with the formation of Canadian Pacific Oil and Gas Limited.

One strong theme which runs through Lamb's study is the C.P.R.'s impact on the development of British Columbia, particularly its role in the rise of Vancouver to metropolitan status. The C.P.R., in effect, created the port of Vancouver by adopting it as its western terminus, and assisted its development by its Pacific steamship service, its rail links with mining towns in southeastern British Columbia, the establishment of Consolidated Mining and Smelting in 1906 and the formation of Canadian Pacific Air Lines, which moved its center of operations from Montreal to Vancouver in 1949. While Lamb is critical of some C.P.R. policies, particularly those which contributed to the deep-seated antagonism to the company in Western Canada, on the whole he regards the company as a positive force in Canadian history, and he concludes that "no single organization has contributed more to the country's development in the ninety years since the vital line linking East and West was completed" (p. 438).

T.D. Regehr approaches his study of *The Canadian Northern Railway: Pioneer Road of the Northern Prairies, 1895-1918* (Toronto, Macmillan of Canada, 1976) from a different perspective. His work has been very carefully researched; the major source is the company's records, supplemented by a wealth of political papers, government publications and newspaper references. His basic contention is that the railway was "very much the West's own product, designed to serve the needs of the West" (p. 456). He demonstrates that the promoters of the enterprise, William Mackenzie and Donald Mann, were vigorous proponents of the development of the northern prairies in the 1890s when the C.P.R. and many Canadian businessmen had little confidence in the future of that region. With extensive aid from the Laurier government and the three prairie provinces the Canadian Northern constructed a network of branch lines on the prairies and a main

line from the Lakehead to Edmonton. The company reached an agreement with the Manitoba government in 1901 which brought substantial rate reductions in the prairie west and forced the C.P.R. to set rates lower than those established by the famous Crow's Nest Pass Agreement of 1897. In the Laurier period Mackenzie and Mann thus became popular figures to many farmers, shippers and politicians in Western Canada.

In 1903 the Canadian Northern decided to expand into Ontario and Quebec. The Grand Trunk Railway had launched its Grand Trunk Pacific enterprise in 1903 and this "invasion" of Western Canada made it necessary for the Canadian Northern to develop a rail network in Eastern Canada. Moreover, the Canadian Northern needed a great deal of west-bound traffic from the ports and manufacturing centers of Eastern Canada to make its operations profitable. The company failed in its bid to become a viable transcontinental railway and was taken over by the Borden government in 1917. While wartime inflation, financial stringency and delays in obtaining freight rate increases were partly responsible for ruining the enterprise, Regehr rightly emphasizes that the railway system in Ontario and Quebec was seriously overbuilt by 1914 and that the Canadian Northern lines in those provinces could not meet the competition from the C.P.R. and the Grand Trunk. But although he suggests that continuing economic growth at pre-war rates might have enabled the company to create a profitable trans-continental service, this was by no means certain.

Regehr emphatically rejects the metropolitan approach in his analysis of the Canadian Northern's growth. "The C.P.R. and the Grand Trunk Pacific can properly be described as instruments of economic or metropolitan imperialism", he asserts, "but the Canadian Northern cannot" (p. 456). Yet it is possible that Regehr overstates his case. A number of years ago Harold Innis suggested that the Canadian Northern reflected the metropolitan ambitions of Toronto.<sup>2</sup> As Regehr admits, Mackenzie and Mann were not "narrowly regional" (p. 457) in their outlook and some of his evidence indicates that the railway did, in fact, become closely identified with Toronto business and financial interests as it expanded into a transcontinental enterprise. The company moved its head office from Winnipeg to Toronto in 1902 and from that year until its demise received extensive financial support from the Canadian Bank of Commerce and the National Trust Company, two institutions which had head offices in Toronto. It is unfortunate that Regehr was denied access to the records of the Bank of Commerce, since an examination of its records would undoubtedly provide valuable insights into the role of the bank in the development of the Canadian Northern and thus permit a more objective assessment of the issue of metropolitanism.

Nonetheless, it is true that the developmental mentality of Mackenzie and Mann did make them quite sensitive to regional concerns, especially in Western

<sup>2</sup> H.A. Innis, "The Rise and Decline of Toronto", *Canadian Forum*, XIII (April, 1933), p. 251.

Canada, while the C.P.R., always closely linked to the metropolitan interests and ambitions of Montreal, was much less receptive to regional views. As Lamb shows (pp. 168-72), George Stephen regarded an Atlantic steamship service as an essential component of the C.P.R., but his first choice for a winter port on the Atlantic was Portland, Maine. When Maritime M.P.'s learned of Stephen's intentions, they threatened to vote against the C.P.R. loan of 1884 and only then did the company agree to build the Short Line from Montreal to Saint John, New Brunswick. President Beatty opposed the new regional freight rates established under the Maritime Freight Rates Act of 1927, even though the C.P.R. was compensated by a federal subsidy. As Lamb remarks, "in his [Beatty's] view, some regional disparities were inevitable, especially in a very large country, and he was opposed to attempts to correct them by means of subsidies paid for by taxation" (p. 306).

The C.P.R. and the Canadian Northern differed in more ways than in their approach to regionalism. Lamb emphasizes that the management of the C.P.R. since its inception has always been "shrewd, cautious and conservative" (p. 438). Successive presidents have been committed to maintaining the company's bonded debt at a low figure, a policy which has enabled the company to survive severe economic crises such as the Great Depression. Regehr criticizes Shaughnessy's rather cautious policies on the expansion of C.P.R. facilities in Western Canada but fails to recognize that such conservatism has been a basic ingredient of the company's financial success. Mackenzie and Mann shared the optimistic and expansionist spirit of the Laurier period, and their enterprise was financed largely by the sale of bonds, many of which were guaranteed by the federal and provincial governments. This was one of the reasons for the downfall of the Canadian Northern, which overextended its lines in Ontario and Quebec and was unable to meet its heavy burden of fixed charges during the First World War.

Historians will continue to devote a good deal of attention to Canadian railways. The role of railways in the development of large urban centers requires more intensive analysis, particularly with regard to the growth of the two major metropolitan centers, Montreal and Toronto. Considerable research remains to be done on the formation of government railway policy and the effects of policy decisions. An excellent example is E.R. Forbes' recent article on Maritime transportation policy in which he demonstrates that the integration of the Inter-colonial Railway into the C.N.R. abruptly ended the I.C.R.'s developmental role in the Maritimes.<sup>3</sup> Many other aspects of Canadian railways need to be studied — the ideas and policies of railway promoters and executives, the links between railways and other segments of the Canadian business elite, labour-management

<sup>3</sup> Ernest R. Forbes, "Misguided Symmetry: The Destruction of Regional Transportation Policy for the Maritimes", in David Jay Bercuson, ed., *Canada and the Burden of Unity* (Toronto, 1977), pp. 115-41.

relations — these are only a few of the more important topics. Railways have had an enormous impact. Further research will permit a more objective assessment of their negative and positive effects on the development of Canada.

JOHN A. EAGLE