

*The First Transcontinental Railway—The C.P.R.*—As early as 1849 a pamphlet published by Major Carmichael-Smyth advocated the construction of a Canadian Pacific railway along a route approximating that later taken. In 1851 a Parliamentary Committee reported against the enterprise at that time. In 1871 the terms under which British Columbia entered Confederation bound the Dominion to commence the Pacific railway within two years and complete it within ten years. The building of the railway as a public work actually commenced in 1874, but was not very rapidly pushed forward. In 1880 the Government entered into a contract with the Canadian Pacific Railway syndicate, granting to the syndicate all portions of the line completed or under construction, a cash subsidy of \$25,000,000, a land grant of 25,000,000 acres, free admission of materials for construction, and protection for 20 years against competing lines. The company on its side agreed to complete the railway to a fixed standard by May 1, 1891, and thereafter to maintain it efficiently. As a matter of fact, the last spike on the main line was driven on Nov. 7, 1885. Like the Grand Trunk, the Canadian Pacific Railway began to acquire branch lines as feeders in the settled parts of the country along its route.

*The Second Transcontinental—The Grand Trunk Pacific.*—About the end of the century the Grand Trunk, which already had a line as far west as Chicago, submitted to the Canadian Government a proposal whereby it might participate in the settlement and development of the West. Lines were to be leased from Chicago via Minneapolis to Winnipeg, and thence a new line, subsidized by the Government, would be built to the Pacific coast. The Government raised objections to so much of the line lying in the United States and a second proposal was made for a connecting line with larger subsidies from North Bay to Winnipeg. The Government submitted, in 1903, a counter proposal that the line, instead of terminating at North Bay, should be continued east to Moncton, New Brunswick, the eastern section from Moncton to Winnipeg to be constructed by the Government and leased to the Grand Trunk Pacific for a 50-year period, the railway paying no rent for the first seven years and 3 p.c. on the cost of the railway for the remaining 43 years. The western half of the railway from Winnipeg to Prince Rupert was to be built by the Grand Trunk Pacific, the Government guaranteeing interest on bonds to 75 p.c. of the cost of construction, not exceeding \$13,000 per mile on the prairie section and \$30,000 per mile on the mountain section. The Grand Trunk reluctantly accepted this proposition and construction of the National Transcontinental and Grand Trunk Pacific commenced.

*The Third Transcontinental—The Canadian Northern Railway.*—The third transcontinental railway, the Canadian Northern, was begun in 1896 with the completion by Mackenzie and Mann of the 125-mile line of the Lake Manitoba Railway and Canal Co., chartered in 1889. The charters of the Winnipeg and Hudson Bay; the Manitoba and Southeastern; the Ontario and Rainy River; and the Port Arthur, Duluth, and Western were next acquired. Assisted by the Manitoba Government, which desired to establish competition with the Canadian Pacific Railway, the Canadian Northern then secured the Manitoba lines of the Northern Pacific and in 1902 completed its line from Winnipeg to Port Arthur. During the following decade, the agricultural west was filling up very rapidly and, with the public of Canada under the influence of this boom, the Canadian Northern Railway was able to secure guarantees of bonds from the Dominion and Provincial Governments to