Progress, Prosperity and Politics: The Railway Policies of Richard McBride

PATRICIA E. ROY

The sixty-year-old controversy over the fate of the British Columbia Railway (formerly the Pacific Great Eastern) is a reminder that railways have long been a staple issue of provincial politics. The promise of a transcontinental railway encouraged British Columbia to enter Confederation; the failure of the John A. Macdonald and Alexander Mackenzie governments to complete it within the promised ten years and controversies over its route led to secession threats in the 1870s; and debates over responsibility for the construction of the Esquimalt and Nanaimo Railway in the early 1880s delayed settlement of outstanding disputes between the federal and provincial governments. Nevertheless, the completion of these railways whetted the appetites of British Columbians for more.

British Columbia experienced the same enthusiasm for railways that had appeared at various times in other parts of Canada from the 1850s on. So pervasive was this enthusiasm and so close was the equation of railway construction and progress that by World War I Canadians could boast of having more miles of railway track per capita than any other country in the world.[1] A considerable part of that mileage was in British Columbia. Railways were especially important to the Pacific province. Given its mountainous terrain and distance from the rest of Canada, railways afforded very specific manifestations of progress: the opening of new country for settlers and speculators, the linking of isolated regions within the province, and the creation of competition for existing railways, notably the Canadian Pacific.

Provincial politicians were anxious to satisfy these demands even though they lacked the funds to do so. Promises to build railways with money borrowed on the province's credit, with land subsidies, or with bond

I wish to thank my colleague Peter Baskerville, who encouraged me to write this paper, and the anonymous referee who offered good suggestions for improvement.

[1] H. V. Nelles, "Introduction," to T. C. Keefer, *Philosophy of Railroads* (Toronto: University of Toronto Press, 1972); Robert Craig Brown and Ramsay Cook, *Canada, 1896-1921: A Nation Transformed* (Toronto: McClelland & Stewart, 1974), pp. 148-50.

guarantees were cheap and several late nineteenth- and early twentieth-century premiers succumbed to the temptation. The legislature passed several loan acts offering aid for railways, especially the much desired link between the prosperous Kootenay and Boundary mining regions and the coastal cities. Although the CPR, J. J. Hill of the Great Northern, and a variety of promoters, including William Mackenzie and Donald Mann, showed interest in the coast-to-Kootenay scheme, little came of it or of other plans to build new railways.

The most encompassing early program was devised by Premier James Dunsmuir (1900-02), who in private life controlled the Esquimalt and Nanaimo Railway and extensive coal mines on Vancouver Island. As premier, he concluded tentative agreements to assist Mackenzie and Mann to build their Edmonton, Yukon and Pacific Railway from Yellowhead Pass to Bute Inlet. How this railway would cross to Vancouver Island was not clear but presumably it would use the Esquimalt and Nanaimo line to reach Victoria. Dunsmuir also made an arrangement with the McLean Brothers, Vancouver contractors, to construct a railway from the Kootenay to the coast and connections with ferries to Vancouver Island. Both schemes recognized the political need to offer railways to the major regions within the province. Both plans, being contingent upon federal aid, were useful in Dunsmuir's "Fight Ottawa" campaign. Since the Laurier government was busy with plans for what became the Grand Trunk Pacific Railway, federal aid was not forthcoming. It remained for Richard McBride to bring many of these railway dreams — and more — to fruition and to enjoy short-term political success with them.

McBride, a native British Columbian, a lawyer and a Conservative, became British Columbia's railway builder extraordinaire. He copied his predecessors in promising to have certain railways built; he secured contracts with major firms and saw construction underway; and he linked railways with other popular issues such as "Better Terms" and restrictions on Asians. Above all, he never forgot that British Columbia was composed of a number of regions and localities. Thus his railway programs were designed to appeal to most of the settled parts of the province. Yet, during the first half dozen years of his administration, McBride refrained from making any firm promises about railways and from concluding any agreements with railway companies or promoters. He simply observed activity in the province and, when possible, used it for his own purposes. He concentrated on putting the financial and political affairs of the province in order. His administrative success established his credibility.

By introducing party government when he became premier in 1903, McBride helped to bring relative political stability to British Columbia. This relieved some of the pressure to make extravagant offers to railway promoters and permitted him to focus on his immediate problem, the province's dismal financial situation. While the federal government and eastern Canadian interests prospered during the first years of the new century, the British Columbia economy was less buoyant. The mining booms in the Kootenay and the Klondike had passed their peaks; the fishing industry was in a state of flux; and industrial unrest gripped the province. The reckless financial policies of previous administrations had imperilled the provincial treasury. The balance of liabilities over assets was $8,539,878.68.[2] Before granting a million dollar loan to meet pressing provincial obligations, the Bank of Commerce insisted that the government balance its budget and undertake no new projects. Fortunately for McBride, most of the railway schemes to which his predecessors had offered subsidies had been stillborn. When railway promoters did attempt to collect cash subsidies promised earlier, McBride tried to have them accept land grants instead.

McBride was also fortunate to come to power just as British Columbia began to share in the boom. The population increased by 119 per cent between 1901 and 1911. Provincial revenues, helped by increased demand for such resources as fish, lumber and minerals, by the imposition of new taxes and by rising revenues from timber royalties and licences, were improving. By 1909-10, the province had a surplus of $2,491,748 and assets almost sufficient to pay off its accumulated liabilities.[3] In addition, the availability of cheap capital was making it possible for Canadians to enjoy an orgy of railway building and British Columbians shared in the fun. The ambitions of land speculators, who were envisioning "coming railway centres" in many parts of the province, and of railway promoters seemed limited only by their imaginations. The press reported such grandiose schemes as the Pan-American Road and the Transalaskan-Siberian Railway. The former was supposedly already building the Dawson City-Vancouver portion of its projected Dawson-Buenos Aires line; the latter planned to pass through Vancouver en route from New York City to Paris.

McBride was too shrewd a politician to ignore the public interest in

[2] British Columbia, *Sessional Papers*, 1903-1904 (Victoria: King's Printer, 1904), p. B8.

[3] R. E. Gosnell, *The Year Book of British Columbia and Manual of Provincial Information* (Victoria, 1911), p. 280.

railways but he respected Finance Minister R. G. Tatlow's firm hand on provincial purse strings. The McBride government's first speech from the throne expressed pleasure with the Grand Trunk Pacific plans and urged co-operation with the Dominion in any reasonable plan to construct an all-Canadian route to the Yukon. It did not mention the coast-to-Kootenay project or any provincially aided railway. Nevertheless, McBride basked in reflected glory when the New Westminster railway bridge across the Fraser River, begun by his predecessors, was opened in 1904. He hinted he might call a special session to deal with the railway situation, including provision for aid; his government considered buying the Esquimalt and Nanaimo Railway from James Dunsmuir; he undertook negotiations to provide bonuses and tax concessions for the CPR in return for its building certain lines in the southern interior; and he discussed Canadian Northern plans with Sir Charles Tupper, the Canadian High Commissioner in London, and others. As proven railway builders, Mackenzie and Mann of the Canadian Northern received slightly more encouragement than most promoters. McBride usually told promoters that his government would not interfere with any request by private individuals to secure charters through the private bills committee of the legislature but that it had no immediate plans to enact any legislation in aid of railways. In fact, McBride told the legislature he would not propose any "railway legislation" until he could bring in measures that would mean "actual construction."[4]

Despite the lack of government aid, some railway companies were building within British Columbia and creating both political problems and opportunities. The CPR, with its near monopoly of rail transportation in the province, was highly unpopular. McBride denied his government was a "creature of the C.P.R." and, as proof, cited his government's taxation of the railway. Nevertheless, he ignored the protests of his Attorney-General, Charles Wilson, and agreed in 1906 to give the CPR some valuable coal properties promised to one of its subsidiaries a decade earlier. McBride, who apparently feared that Sir Thomas Shaughnessy might ruin his government, was also anxious to see the CPR complete a line from Midway to Penticton.[5] Hill's Great Northern and its subsidiaries,

[4] Richard McBride to Frank Owen, New Bee See Syndicate Ltd., 22 February 1906, Provincial Archives of British Columbia (hereafter PABC), Premier's Correspondence, Box 158; J. Castell Hopkins, *Canadian Annual Review, 1905* (Toronto: Annual Review Publishing, 1906), pp. 384-85 (hereafter *CAR*).

[5] Richard McBride, Diary, 6 April 1905, quoted in Brian R. D. Smith, "Sir Richard McBride: A Study in the Conservative Party of British Columbia, 1903-1916," Queen's University, MA thesis, 1959, pp. 48-49; *CAR*, 1906, p. 491.

especially the Vancouver, Victoria and Eastern, were also actively surveying and building in the southern interior. As a rival to the CPR, the GNR enjoyed some popularity; as a conduit drawing provincial trade to the United States, it encountered considerable hostility. At one point, Pinkerton detectives advised McBride that the Vancouver Conservative machine might collapse if his government did not introduce a policy favourable to the VV&E but also warned that any measure favourable to Hill was unlikely to pass the legislature. Damned if he did and damned if he didn't, McBride allowed rumours about pending railway plans to circulate, thus pleasing the Vancouver Conservatives; in fact, he did nothing and avoided confrontation with Hill's opponents in the legislature.

The chief opportunity for political gain came from the most important railway project in the province, the Grand Trunk Pacific. The GTP was a federal enterprise but McBride skilfully adapted it for his own purpose by bringing it into his provincial rights campaign and by linking it with British Columbia's anti-Asian policies. When the GTP bill was before Parliament in 1904, the McBride government submitted a minute of council requesting that the British Columbia section be constructed from the seaboard easterly. This would give British Columbians an opportunity to sell their goods and services to the railway and its contractors whereas a railway built from the east would bring its supplies and workers with it. The federal Liberals expected their plan to build a second transcontinental would be popular in British Columbia but they also recognized the attractiveness of McBride's argument for the voters.

During the 1904 federal election campaign, the Liberals published a letter from Charles M. Hays, the GTP's general manager, promising to build the railway from the west as well as from the east. This was only an election gimmick. Once the federal Liberals swept the province, Hays reverted to his earlier position of trying to barter construction from the west for a provincial land grant. He claimed construction from the coast inland would be especially costly since supplies would have to be brought to Vancouver over a rival road and then shipped by coastal steamer to the GTP terminus. Moreover, the western end would secure little traffic until it became part of the through line whereas the eastern end would acquire traffic as it progressed.[6]

McBride refused to surrender. During the 1907 provincial election, he joined other Conservative speakers in describing the GTP's refusal to build from the west as another blow at the province from the Dominion

[6] C. M. Hays to Richard McBride, 28 December 1903 and F. W. Morse to McBride, 9 March 1905, PABC, Premier's Correspondence, Box 159.

government. Eventually he found a trump card. The GTP required his government's approval before it could obtain full access to Indian reserve lands at Kaien Island, the proposed terminus.[7] After long and difficult negotiations, the province conveyed the lands to the GTP at $2.50 per acre. In return, the GTP agreed to begin construction eastwards from Prince Rupert before 1 June 1908, to procure all supplies in British Columbia whenever circumstances would permit, and to employ only white labourers unless it could prove to the government that this was impossible.

The white labour clause reflected British Columbia's well-established anti-Asian prejudices. The same 1904 minute of council insisting on construction from the seaboard also demanded that no Asiatics be employed. Liberals had assured British Columbians that the federal government would not permit the employment of Asians on Grand Trunk construction, but on the eve of the 1907 provincial election the Conservative *Vancouver Daily Province* revived the matter. In headlines it charged there was a conspiracy between Sir Wilfrid Laurier, W. W. B. McInnes, a prominent local Liberal, and the GTP to import 50,000 Japanese railway labourers.[8] While McBride might very well have won the election without such a roorback, it did him no harm. The Conservatives won twenty-six of the forty-two seats in the legislature, representing a gain of four seats over the 1903 results.

Politically, McBride was now secure. Financially, the province was in good order; the accounts for 1907 had revealed a surplus of over one and a half million dollars. In addition, McBride was able to boast that despite the refusal of his government to subsidize them, a number of railway companies were building new lines in the province. On 6 June 1908 he told an audience at Duncan, on Vancouver Island:

> We are now building the Vancouver, Victoria & Eastern in the south-east Kootenay, sections of the Kootenay road in the valley of the Fraser and the Alberni extension; and it actually does seem to me that the railways are doing better without Government bonuses than they did when they were in receipt of these favours from the government of the day. In addition to all this it should not be forgotten that one of the first acts of the present government was to increase railway taxation from $18 to $90 a mile or five hundred per cent. And while we have made every endeavour to encourage the growth and extension of legitimate railway enterprises, receiving with open arms the Grand Trunk Pacific, the Canadian Pacific and Great Northern, we have

[7] For a brief account of the Kaien Island Scandal see Margaret A. Ormsby, *British Columbia: A History* (Toronto: Macmillan, 1958), pp. 345-46.

[8] *Vancouver Daily Province*, 1 February 1907.

given the coldest of cold shoulders to the chartermongers, and I do not at all mind telling you that we want no more of them. Five years ago we had some 150,000 miles of railway line in view, on paper, but today we have genuine activity in much-needed and important railway construction, and let us keep up the good work. We have the Grand Trunk Pacific; we wish to see more of Mr. Hill's roads; we have the C.P.R. building and presently, no doubt, we will have Mackenzie and Mann knocking at our doors. Let us give decent encouragement to these undertakings; but let us give nothing more.[9]

Although the British Columbia public had not heard it, Mackenzie and Mann were already knocking at McBride's door and seeking more than "decent encouragement." Indeed, McBride may have even invited them.[10] In the fall of 1908 Mackenzie and Mann undertook serious negotiations with McBride. On 25 January 1909 the premier launched a trial balloon by telling the legislature that his government would

> welcome any fair and equitable arrangement that will bring the Canadian Northern into this province. It is a thoroughly Canadian system, controlled by Canadians: it has done a great deal for the farmers of Manitoba, Saskatchewan and Alberta and may readily do a great deal for British Columbia. Assistance will be necessary but the interests and rights of the province will be served.[11]

McBride said no more in public but continued discussions with Mann and assiduously cultivated a receptive audience. Meanwhile, the CNR secured federal approval of its line from Yellowhead Pass to Vancouver and commenced surveys. The public expected McBride would soon announce a railway policy. "Railway construction is one of the greatest essentials in the growth and development of this province and in the policy which he is framing Premier McBride is pursuing a course that materially promotes the settlement and growth of British Columbia," observed the Kamloops *Standard* in mid-October.[12] The public was not disappointed. On October 20, two days after announcing the pending dissolution of the legislature, McBride presented his railway program. He had abandoned the policy of giving nothing more than "decent encouragement" to railways; he now offered them bond guarantees and direct subsidies. McBride had succumbed to the same railway mania that had affected his predecessors in the province and his contemporaries elsewhere in the country.

[9] *CAR*, 1908, p. 525.

[10] Mann later claimed he received a number of invitations from British Columbia. T. D. Regehr, *The Canadian Northern Railway: Pioneer Road of the Northern Prairies*, 1895-1918 (Toronto: Macmillan, 1976), p. 292; Smith, "McBride," p. 120.

[11] *CAR*, 1909, p. 587.

[12] Kamloops *Standard*, 15 October 1909.

McBride, the prudent premier, was about to become British Columbia's railway builder extraordinaire with a collection of railway plans designed to appeal to almost all regions in the province.

* * *

During the 1909 election campaign, McBride claimed that he had been seeking a railway bargain for six years and was now able to conclude it. Implicit in his statements was the idea that six years of good government had given the province the financial resources necessary to give practical assistance to railway companies. The chief feature of the program was an agreement with Mackenzie and Mann and the Canadian Northern Railway for the construction of approximately 600 miles of railway from Yellowhead Pass via Kamloops to Vancouver, New Westminster and English Bluff, whence connections would be made with Victoria. The CNR would also build approximately one hundred miles of line linking Victoria with Barkley Sound on the west coast of Vancouver Island. To aid the company, the government proposed to guarantee 4 per cent interest on bonds to be issued at the rate of $35,000 per mile. Although the Canadian Northern agreement was the centrepiece of the plan, McBride was too politically astute not to have something for the southern interior. On the same day he signed the agreement with Mackenzie and Mann, he concluded an agreement with the Kettle Valley Railway Company whereby the province provided a $5,000 per mile subsidy in cash or 3 per cent inscribed provincial stock for the construction of a maximum of 150 miles of railway between Penticton and Nicola. The company, which was working in close co-operation with the CPR, agreed to build from Midway to Penticton without aid. The CPR was then in the process of acquiring the Kettle Valley company but no public mention was made of this. As well, McBride knew of old local wounds and insisted that the Kettle Valley pay the debts its predecessors had incurred with local workmen and suppliers before it collected any of the subsidy. Indeed, these debts may have cost him the Greenwood seat in the 1907 election.[13]

Not everyone agreed with McBride's new policy of offering financial aid to railways. The criticisms were chiefly aimed at the large guarantee offered to the CNR. R. G. Tatlow, the Minister of Finance whose restraining hand had made a success of retrenchment, argued that the aid was too generous; F. J. Fulton, the Minister of Lands and Works, thought railways would come to the province without aid. Both resigned from the

[13] Duncan Ross to Wilfrid Laurier [n.d., circa 1907], Public Archives of Canada (hereafter PAC), Wilfrid Laurier Papers no. 131445-47.

cabinet but did not seek re-election and made no public statements opposing McBride's policy. Another prominent Conservative, Charles Hibbert Tupper, a long-time adversary of McBride, was not so reticent. He publicly opposed the "wild and unconsidered" bargain and agreed with Fulton that there was no need to bonus the CNR.[14] The provincial Liberals referred to these criticisms as they questioned the soundness of Mackenzie and Mann and their enterprises. McBride and his supporters reassured the voters. Drawing on material supplied by Premier R. P. Roblin of Manitoba, and the CNR itself,[15] they showed that Mackenzie and Mann had operated successfully in Manitoba for some years without having to call on provincial bond guarantees, that they had "gilt-edged" bona fides. McBride explained the province had put several safeguards into the agreement. The revenue from the bonds would be turned over to the railway only as work was completed. McBride promised the agreement would not cost a dollar from the provincial treasury nor an acre of land. In the unlikely event of the CNR going bankrupt, the government had secured a first mortgage on the line. Echoing the premier, the Conservative press assured the voters that the aid offered the CNR was "merely nominal" or "sentimental." Moreover, as the *Alberni Pioneer News* observed, "the newspaper that can show that Premier McBride's railway policy endangers the credit of the Province could not by the same process of reasoning, escape showing that John Oliver's policy would wreck it beyond repair."[16]

Oliver, who had been chosen provincial Liberal leader only ten days before dissolution, argued that if provincial credit must be pledged, it should be for railways which would open new parts of the province rather than double-track the CPR. McBride's answer was simple. His government's goal was "to bring in a Canadian road that shall be in direct competition with the CPR, that will give the people rates that through a

[14] Open Letter by Tupper, no date, British Columbia Library Special Collections, Charles Hibbert Tupper Papers, no. 2182-89.

According to one Liberal observer, Fulton and Tatlow resigned because of their sympathies for the CPR. T. R. E. McInnes wrote to Laurier: "The CPR for sometime past held the threat over McBride that if he persisted in giving aid to Mann and McKenzie they would smash his Cabinet; that McBride defied them; and the CPR shot its bolt. Fulton is a CPR solicitor; Tatlow is an old CPR retainer. And there you are — the immediate effect has been not to weaken but to strengthen McBride." McInnes to Laurier, 25 October 1909, PAC Microfilm, Wilfrid Laurier Papers, no. 161311-8.

[15] D. B. Hanna to McBride, 28 October 1909, PABC, Premier's Correspondence, Box 140.

[16] Victoria *Colonist*, 20 October 1909; *Province*, 22 October 1909; *Alberni Pioneer News*, 6 November 1909.

monopoly they can never expect to enjoy."[17] At his meetings, Oliver used a large wall map to show the lines for which the Dominion government had granted subsidies; the lines for which a provincial Liberal government would grant assistance and carry to a speedy conclusion; and the extensions for which he expected the Dominion to grant a subsidy. The message was clear: a Liberal provincial government would have better success in negotiating railway subsidies with the Laurier administration than would McBride and the Conservatives. Specifically, Oliver proposed to aid the Vancouver, Westminster and Yukon to build from Vancouver to Fort George; the Kootenay Central from Elko to Golden; the Midway and Vernon from Carmi to Nicola via Penticton; a line from Nicola to Abbotsford via the Hope Mountains; and several new lines on northern Vancouver Island including a link between the Island and the GTP.

While British Columbians may well have liked Oliver's railway map, McBride, who had provided an "honest, economical and progressive administration,"[18] had much greater credibility. As the Fernie *Free Press* remarked, "John Oliver claims to be able to have 1000 miles of railway built through a new territory at a cost to the province of $4,000,000. But John Oliver has not a single proposition from any operating railway company to back his assertion."[19] McBride, by contrast, was able to release copies of firm agreements, subject only to the approval of the legislature, with two railways, the CNR and KVR. The agreements referred to routes and financial terms but also included fair wage clauses and variations on the standard provision in government contracts that no Chinese or Japanese was to be employed.

During his tour of the province, especially in the mining areas of the Kootenay and Boundary district where there was a significant labour vote, McBride frequently mentioned that no Asians would be employed. He took special delight in the recent complaint of Sir Charles Rivers Wilson, the retiring president of the Grand Trunk Railway, that completion of the GTP had been delayed by British Columbia's refusal to allow the use of Asian labour. McBride also wanted the votes of coastal businessmen. The original agreements had not mentioned control of railway rates but, after the Vancouver Board of Trade and the city's Conservative party insisted on provincial control of CNR rates, McBride wired Mann of the need to include local control of rates in the final agreement and he encouraged the Board of Trade to draft a suitable clause. During the campaign, he

[17] *Vancouver Daily News-Advertiser*, 20 November 1909.

[18] *Grand Forks Gazette*, 19 November 1909.

[19] *The Fernie Free Press*, 19 November 1909. See also *Vernon News*, 4 November 1909.

announced that his government would follow the Manitoba plan of provincial control of rates for both the CNR and the KVR.

As McBride toured the province, he usually spoke of his railway policies in general terms but he indicated his current program was only the beginning of a plan that would encourage the construction of hundreds of additional miles of railways. His railway associates did what they could to encourage this belief. During the campaign, J. J. Warren of the KVR arranged to advertise "rather extensively" in interior papers notice of his railway's pending application to Parliament for permission to extend its line westward "by the most feasible route to the navigable waters of the Fraser River."[20] This, by implication, was the last link in the long desired coast-to-Kootenay connection. McBride's critics claimed his railway policy was an "elastic one" with promises to build CNR branches in every constituency he visited.[21] In fact, McBride himself made only one specific undertaking. At several Kootenay and Okanagan points he said he planned to guarantee CNR bonds to permit the construction of branch lines into those districts. He particularly mentioned a line from Yellowhead Pass through the Big Bend country to Golden and Revelstoke.

While Conservative papers were quick to point out any local advantages McBride's railways would bring in terms of improved communication with the rest of the province, in attracting additional railways and in creating new business, they emphasized the general good of the province. This viewpoint appeared throughout the province generally as well as in such cities as Nanaimo and Prince Rupert that would not be directly served by either of McBride's projects. Conservative editors also tended to follow McBride's restraint in not creating expectations of impossible dreams. On the election eve, for example, the Victoria *Colonist* published a map showing the routes of the railways to be aided by the McBride government and bearing the caption "Vote for the Conservative Solid Four and Victoria's Transcontinental Railway."[22] The map and previous editorial comment made clear to any careful reader that the new transcontinental would reach Victoria by ferry though it also kept alive the old hope that Victoria might become a major railway terminus.

In 1907 voters had endorsed prosperity and stable administration by increasing McBride's majority in the legislature. By 1909, the province was even more prosperous and the administration more stable; the electors had

[20] J. J. Warren to McBride, 3 November 1909, PABC, Premier's Correspondence, Box 154.

[21] *Kelowna Courier and Okanagan Orchardist*, 11 November 1909.

[22] 25 November 1909.

no reason to reject McBride, particularly since he offered what appeared to be a carefully thought out railway policy that answered many of the desires of British Columbians for more railways. McBride's scheme was definitely less ambitious than that of John Oliver but it did have the promise of expansion. Moreover, it seemed more likely to come to fruition than the Liberal plan and at little apparent cost to the taxpayers. Did not McBride have a proven record as a politician who had honoured his promises to bring prosperity and stability to the province? There was no reason to doubt that he couldn't do the same with railway plans. In at least two communities the prospect of McBride's railways convinced Liberal editors to change their political allegiance.[23] In all but four constituencies the electors agreed with the *Nanaimo Free Press* that "A Vote cast against the McBride railway policy is a vote of want of confidence in British Columbia."[24]

After the voters endorsed their new railway policy, the two railway companies concluded their agreements with the government. The Canadian Northern, in response to its acceptance of provincial control of its rates, obtained provincial incorporation as the Canadian Northern Pacific and agreed not to apply to be declared "a work for the general advantage of Canada" and thus avoid the jurisdiction of the federal Board of Railway Commissioners. In the southern interior, the KVR continued construction while the VV&E was also actively building.

Such railway work, with its large demands for manpower and supplies — by 1912 over 6,000 men were engaged in railway construction[25] — contributed to the increased state of prosperity and stimulated further real estate speculation. On the coast, investors tried to second-guess Mackenzie and Mann about the specific site of their western terminus after the CNR bought two and a half miles of waterfrontage on the Fraser River across from New Westminster. In the interior, there were similar examples of speculative activity. Rival speculators touted Kamloops and Fruitlands (North Kamloops) as the likely divisional point on the CNR while in the southern interior land developers confidently awaited the arrival of the KVR in Aspen Grove and Nicola. Provincial newspapers were full of advertisements for land along the route of the Grand Trunk Pacific, especially at the "coming railway centre" of Fort George.

By early 1912, British Columbia was in the midst of an epidemic of virtually unchecked optimism. Financially, the province was in excellent

[23] Similkameen *Star*, 27 October 1909; Grand Forks *Evening Sun*, 6 November 1909.

[24] 24 November 1909.

[25] *Vernon News*, 29 February 1912.

condition. At the end of 1911 fiscal year, the Minister of Finance reported the province had an accumulated surplus of $8,500,000.[26] Politically, McBride was also strong. He had "delivered" the Conservative vote of British Columbia in the 1911 federal election and, in co-operation with the Borden government, he seemed likely to succeed in resolving old grievances about Better Terms and Asian immigration. In this heady atmosphere Richard McBride announced the "second instalment"[27] of his railway policy.

* * *

In 1909 McBride had stressed the benefits of his railway plans to the province as a whole; in 1912 his campaign and press comments emphasized local advantages of the railway policy. McBride well knew that British Columbia was composed of a number of distinct and sometimes competing regions.[28] In 1909 McBride had promised more railways but was generally vague about specific future plans; in 1912 he was so much a victim of his own optimism and the lack of a real opposition that he abandoned any pretence of caution and willingly made grand and specific promises about future railways. British Columbians warmly welcomed such plans. The railway policy of 1909 gave such mighty impetus to the progress of the province that capital at once followed in the promotion of thousands of enterprises, and population and wealth took the place of business depression and discouragement. "The present policy," concluded the Similkameen *Star*, "is even more inviting."[29]

Despite the varied nature of the 1912 program, the total mileage and bond guarantees were not significantly larger than those of 1909 and the actual cash subsidy remained a relatively small part of the whole. In 1909, however, the Liberals and some dissident Conservatives had attacked the financial terms of the railway agreements; in 1912, the arrangements were similar but few questioned them. The prophecy of the Cumberland *News* that the new railway plan would "prove a crushing burden to our children's children and swallow up all our earnings and resources if it does not bankrupt the province,"[30] was almost unique. Only a few

[26] *CAR*, 1911, p. 609.

[27] *Kelowna Courier and Okanagan Orchardist*, 21 March 1912.

[28] See for an example, R. Cole Harris, "Locating the University of British Columbia," *BC Studies*, no. 32 (Winter 1976-77), pp. 106-25.

[29] 28 February 1912.

[30] 20 March 1912. See also Prince Rupert *Daily News*, 29 February 1912; *Grand Forks Evening Sun*, 22 March 1912.

voices questioned the relationship between the PGE and the GTP,[31] and some Liberal papers raised local grievances about railway policy. Nevertheless, even staunch Liberals conceded that McBride's railway policy was "cheering news."[32] An attack on it was unlikely, predicted the Kamloops *Inland Sentinel*, "not only because it is perfect but because railways are essential to development and the Liberal party stands for progress in every form."[33]

The Liberal party was demoralized. At a Victoria meeting, the new Liberal leader H. C. Brewster admitted the "hopelessness" of his position[34] and the Liberals ran candidates in only eighteen of the forty-two constituencies. Even then, the Liberals regarded this effort as primarily an "educational" campaign on the need for municipal reform, women's suffrage, local option, revision of land and timber laws, and similar reforms. They suggested corruption in the McBride government, complained of the autocratic rule of McBride and Bowser and the lack of redistribution. As far as McBride's railway policy was concerned, the chief Liberal objection was that McBride had appropriated their 1909 railway policy!

The Socialists provided the opposition in some constituencies, notably Vancouver and Victoria, and the mining areas of Vancouver Island and the southern interior. Their views of McBride's railway policy were rarely reported in the press but it is clear that in the southern interior McBride regarded them as possible rivals. His campaign speeches there stressed matters of concern to working men, such as labour legislation and Asian immigration, rather than railways. In any event, in nine constituencies Conservative candidates won by acclamation. In some districts there was considerable apathy about the election and even a blasé attitude to railways. In Chilliwack, where Canadian Northern track-laying crews arrived during the campaign, the *Free Press* observed the election was the "quietest event" in town.[35]

The broadly based railway policy McBride presented to the legislature on 20 February 1912 was well received. "The railroad policy is typical of the Premier whose only thought is progress and prosperity of the land,"[36] observed the Kamloops *Standard* in a comment representative of most of

[31] *Nanaimo Herald*, 28 February 1912; *Kamloops Inland Sentinel*, 29 February 1912.

[32] *Kelowna Courier and Okanagan Orchardist*, 29 February 1912.

[33] 5 March 1912.

[34] *Victoria Daily Times*, 23 March 1912.

[35] 22 March 1912. See also *Hedley Gazette*, 29 February 1912; *Cumberland Islander*, *passim*.

[36] 23 February 1912.

the provincial press, whether the individual editor considered the well-being of the province as a whole or only that of his own circulation area. The six bills relating to railway policy passed the legislature without division on 27 February 1912, the day of prorogation. The next day the legislature was dissolved and a short general election campaign was on. In 1909 McBride had asked the voters to approve proposed railway contracts; in 1912 so confident was he of success that he merely asked them to endorse a fait accompli.

The chief feature of McBride's railway program was an agreement for the construction of a 450-mile railway between Vancouver and Fort George by Foley, Welch and Stewart, established railway contractors who had secured a traffic agreement with the GTP. There were also arrangements for 145 miles of CNR branch lines in the Okanagan Valley and 150 on Vancouver Island; a bonus for the KVR to complete its line via the Hope Mountains to the coast; and an agreement whereby the CPR would extend the Esquimalt and Nanaimo Railway, rebuild the Kaslo and Slocan Railway, and sell back remaining B.C. Southern and Columbia and Western lands to the province. In sum, there were railway plans for most of the settled regions of the province.

The Pacific Great Eastern, or PGE, as the Vancouver-Fort George railway became known, was the only entirely new part of the railway package. It was McBride's partial answer to increasing interest, especially in Vancouver, in a direct connection from that city to the GTP's main line and beyond to the Peace River, which was then falling into Edmonton's commercial orbit. Vancouver businessmen were beginning to realize the great potential of the Peace River, its agricultural lands and resources of coal, oil and gas. In co-operation with the Board of Trade, some Vancouver businessmen formed a Peace River Pacific League in 1911 to lobby for provincial aid for a railway to the Peace River. In response to such entreaties, McBride began negotiating with Foley, Welch and Stewart. They agreed to build a railway from Vancouver via Howe Sound and Pemberton Meadows to Fort George, where they would have access to the GTP[37] in return for a provincial guarantee for their bonds involving an arrangement similar to that made with the CNR — that is, a guarantee of

[37] Foley, Welch and Stewart secured a waiver of its charter rights to build from Vancouver to Fort George from the GTP. In return, the PGE agreed to route its traffic over the GTP. The PGE, however, was independent of the GTP. C. M. Hays to McBride, 29 November 1911, PABC, Premier's Correspondence, vol. 110; Grand Trunk Pacific Directors Meeting, 24 May 1912, Grand Trunk Pacific Minute Book, vol. III, pp. 346-47. [In 1962 when I examined this minute book it was located in the Archives of the Canadian National Railways, Montreal.]

$35,000 per mile on 4 per cent bonds. Like the CNR, the PGE and its rate would be under provincial control. In the legislature, Liberal leader H. C. Brewster attacked the financial terms but in the campaign itself the financial arrangements were little questioned.

Public response to the PGE varied in the different regions of the province. Many communities, especially in the southern interior and on Vancouver Island, scarcely noticed it; in only one constituency was it opposed. Prince Rupert feared a GTP line to Vancouver would trap its "prospective natural commercial resources for the sole purpose of satisfying Vancouver's insatiable greed."[38] Conservative supporters there wisely refrained from mentioning the PGE in the campaign. In contrast, Fort George welcomed the PGE which meant "railroad transportation from Vancouver." "That alone," said the Fort George *Herald*, "is an item of policy that the people of this district cannot afford to defeat."[39] The greatest enthusiasm for the PGE, however, was in Vancouver where there was much support for McBride's railway policy as a whole. As the Vancouver *Province* observed, "all railways in British Columbia lead, and must lead to Vancouver. Even the railway development in the northern part of Vancouver Island will be of special advantage to the city." How that might come about the *Province* did not explain, but the *Province* was prone to hyperbole. On election eve, it declared McBride's railway policy would mean "eight transcontinentals with Vancouver as their terminus."[40]

Whereas the PGE was an entirely new scheme, McBride's plan to aid the KVR and the CNR branch lines in the Okanagan fulfilled earlier promises. The $10,000 per mile subsidy offered to the KVR to build through the Hope Mountains and a $200,000 grant towards the construction of a railway and traffic bridge across the Fraser River at Hope were the logical culmination of the 1909 program aiding the construction of a short connection between the Kootenay and Boundary districts and the coast. The completed KVR would also place the region on what many

[38] *Prince Rupert Evening Empire*, 31 January 1912; see also *Prince Rupert Daily News*, 21 February 1912. For Mayor Newton, the editor of the *Evening Empire*, loyalty to the Conservative party eventually overcame local patriotism. He publicly admitted that while he was not enamoured by the prospect of a railway from Fort George to Vancouver, it was "unquestionably good" for the province as a whole. (*Evening Empire*, 15 and 18 March 1912.)

[39] 17 February 1912.

[40] *Vancouver Daily Province* 22 February 1912 and 27 March 1912. The *Province* listed: the CPR and its southern line via the KVR: the Canadian Northern; the Canadian Northern from Vancouver to Fort George; the Great Northern and its branches; the PGE to the Peace River with the possibility of becoming a transcontinental; the Vancouver, Westminster and Yukon to the Peace River with similar possibilities; the Southern Pacific and the Chicago, Milwaukee and St. Paul.

local residents believed would be the CPR's second transcontinental main line. So keen were residents of the southern interior for the KVR that they virtually forgot their animosity to the CPR and looked forward to the prospect of having their city become a CPR divisional point. Only in Vancouver, where Ralph Smith, a Liberal candidate, suggested the province was buying back "the mountain peaks" of the province as a "sop" to a great corporation which was restive over aid given to the CNR and GTP, did anyone publicly question the plan of the province to repurchase Columbia and Western and British Columbia Southern lands.[41]

McBride had defused much of the potential criticism of the KVR agreement in advance. A Liberal suggestion that the line through the Hope Mountains should be owned by the province and made available to other railways had been partly anticipated by the federal legislation governing the KVR which provided "ample protection for other Lines to use the trackage."[42] The presence of surveyors and track layers undermined the complaint of the Liberal Grand Forks *Evening Sun* that the KVR had not honoured its promise to build under the 1909 agreement.[43] McBride, with his fingers firmly placed on the local pulse, had also known of lingering local resentment against the failure of the old Midway and Vernon Railway to pay its debts. He promised that his government would continue to do its best to have the KVR meet these obligations. And to avoid any local unhappiness about the prospect of being left off the route, McBride had the KVR conduct surveys for several possible locations of the line. Thus residents of both Princeton and Aspen Grove, some thirty-eight miles to the north, confidently believed the KVR would come through their settlements though the railway company had actually made no firm decision.

The Okanagan Valley, particularly southern centres such as Penticton, stood to benefit from the KVR, but the Okanagan generally was more interested in the CNR branch lines. By 1911, as many new orchards matured, Okanagan fruit growers were complaining of inadequate shipping facilities and asking for railway competition. McBride's announcement of aid for both the CNR and KVR was greeted as a "complete assurance that an era of unprecedented activity lies immediately before us."[44] As in other parts of the province, McBride did not rely on general enthusiasm to carry the vote; he remembered local problems and interests.

41 Vancouver *Sun*, 13 March 1912.

42 *CAR*, 1912, 607.

43 23 February 1912 and 8 March 1912.

44 *Vernon News*, 22 February 1912.

In Kelowna, where the *Courier* and *Okanagan Orchardist* complained that Vernon, the home of Hon. Price Ellison, the MLA for the Okanagan, was getting an unfair share of public works, McBride reminded his audience that the province had recently spent $400,000 on irrigation work in the Kelowna area. Then, turning the optimism of the time to his particular advantage, McBride explained that it would be unwise to build a new courthouse in Kelowna at present, since it might be too small after the railway came. At Vernon, the premier suggested that with the new railway the city might increase five- or sixfold in the next few years. In Kamloops, he forecast only a fourfold increase.[45]

Kamloops, of course, had already benefited from the surveying and construction activities of the CNR mainline and stood to prosper as the divisional point for the CNR branches into the Okanagan. There was, however, one difficulty. Would the CNR establish its shops, yards and station in Kamloops or would it choose a site a few miles to the north? At Kamloops, McBride carefully evaded the issue. He declared the city would be "an important railway centre" but he did not precisely promise that the CNR would enter the city limits. Liberals tried to persuade voters that the CNR would bypass Kamloops but the electorate was convinced the CNR would come. Not until some months after the election did the actual location of the CNR yards in the Kamloops area become a contest between real estate promoters at Fruitlands (North Kamloops) and the Kamloops city council.[46] By being aware of local concerns, McBride had skilfully avoided a possible election time embarrassment.

Unfulfilled old promises could be awkward. In 1909 McBride had promised the CNR would build into the Kootenays. When the 1912 program made no provision for this line, the Revelstoke Board of Trade bitterly protested. McBride could only beg time and renew his promise. That apparently reassured the people of Revelstoke. McBride, of course, had a good reputation for keeping his word. Several years earlier, in the district south of Revelstoke snowslides had badly damaged the line of the Kaslo and Slocan Railway. Its parent, the Great Northern Railway Company, suspended service and began to lift track from this narrow gauge line built in the 1890s to serve local mines. Residents complained that the absence of rail service would prevent an anticipated revival of mining activity and force existing mines to close. Responding to this pressure,

[45] *Kelowna Courier and Okanagan Orchardist*, 21 March 1912; *Vernon News*, 21 March 1912; *Kamloops Inland Sentinel*, 7 March 1912.

[46] Kamloops *Standard*, 8 March 1912; *Kamloops Inland Sentinel*, 7 March 1912; see also PABC, Premier's Correspondence, boxes 140-41 and Regehr, pp. 299-300.

McBride tried to persuade the Great Northern to restore service. When he failed, he acted as an intermediary in an arrangement whereby the Great Northern sold the Kaslo and Slocan to a local syndicate. Although the syndicate had problems keeping the line open, their spokesman advised McBride, "The community here has definitely made up its mind that you have satisfied all difficulties."[47] McBride's 1912 railway legislation provided for the reconstruction of the line, its standardization and its takeover by the CPR. That seemed to ensure the continued operation of the Kaslo and Slocan.

McBride's program was not confined to the fulfilment of old promises. The legislation provided for a 150-mile extension of the CNR's Vancouver Island line northeasterly from Barkley Sound to Comox and confirmed an agreement for the extension of the CPR's Esquimalt and Nanaimo line to Courtenay. Neither of these railway promises attracted much attention. What did command the interest of Vancouver Island was McBride's promise to bridge Seymour Narrows. As the PGE was a response to pressure from Vancouver businessmen, the Seymour Narrows bridge was the answer to the long-expressed desires of Vancouver Island residents for direct access to a transcontinental railway. Ever since the Canadian government had agreed to build a railway to link British Columbia with the rest of Canada as one of the Terms of Union of 1870, Victoria had been campaigning for a railway bridge to the mainland. In 1909, Victoria businessmen formed the Vancouver Island Development League and soon had branches in many Island centres. From its beginning, one of the chief concerns of the League was to secure rail connection with the Mainland. McBride's 1909 CNR agreement provided for railway construction on the Island and first-class ferry connection with the Mainland; McBride himself predicted that Victoria would "thus become a transcontinental railway terminus."[48] But a ferry was not a direct connection.

Shortly before the 1912 election, Victoria's city council and Board of Trade established a committee to collect information and support for a Seymour Narrows bridge to bring a transcontinental railway direct to the capital city. Other Island centres favoured the bridge but did not necessarily want Victoria as the terminus. In Alberni, for example, there was considerable resentment of "the self-centred spirit" of Victoria.[49] In

[47] J. Retallack to McBride, 19 December 1911, PABC, Premier's Correspondence, Box 154.

[48] Draft Speech [20 November 1909], PABC, Premier's Correspondence, Box 141.

[49] *Alberni Pioneer News*, 3 February 1912.

response to such criticism, the Victoria committee rephrased its resolution, eliminated references to a particular terminus and thus gained support throughout the Island. During his campaign tour of Vancouver Island, McBride withheld specific comment until he made his final speech in Victoria. There, in what had become his home constituency, he "painted a most alluring picture of the future of this city as a consequence of developments arising out of the completion of the Panama Canal and the progress of railway construction." He suggested that within three or four years, the growth of railway activity on Vancouver Island would mean "the restoration to prominence of the scheme for the bridging of Seymour Narrows and the Bute Inlet route." McBride only promised to give attention to the matter but his fellow Conservatives advertised that the re-election of the government would soon mean "an all-rail connection between Vancouver Island and the Mainland."[50] Victoria enthusiastically endorsed Richard McBride and three other Conservative candidates. Only after the election did Mainlanders, encouraged by the Vancouver *Sun*, express any opposition to the idea.[51] By carefully delaying his comments on the Seymour Narrows Bridge, McBride effectively prevented any inter-regional rivalries from marring his campaign.

The result of the 1912 election was virtually a clean sweep for McBride and the Conservatives. All Liberal candidates were defeated; only the two Socialists, elected in Nanaimo and Newcastle, offered any opposition. In analysing the results, the Kamloops *Standard* concluded that McBride's victory had demonstrated the desire of British Columbians that he "go on with his vast projects of railway expansion that can bring to this province nothing but prosperity and commercial supremacy."[52] Shortly thereafter, McBride boasted to a British audience that "there is more railway construction going on in British Columbia than in any other part of the Empire today; the various Companies' plans for the next few years involve an expenditure of $80,000,000." On his return from England he told the Victoria Board of Trade that railway companies planned to spend $100,000,000 in the province in the "near future."[53] What he did not emphasize was that the province had taken on the responsibility of guaranteeing $80,000,000 worth of railway bonds. Nevertheless, he had a proven track record. In 1909 the province had 1,796 miles of railway;

[50] Victoria *Colonist*, 28 March 1912.

[51] W. J. Bowser to McBride, 17 May 1912, Premier's Correspondence, Box 112.

[52] Kamloops *Standard*, 27 March 1912.

[53] *CAR* 1912, p. 596.

by 1913 it had 1,951 miles complete and another 3,884 miles surveyed or under construction.[54]

By 1912, however, the boom was already fading. During the election campaign the newspapers reported unrest among unemployed in Vancouver but blamed the problem on outside agitators, the Industrial Workers of the World, rather than on any fundamental weakness in the economy. In retrospect, that unemployment was the harbinger of severe depression. By the end of 1912, railway builders were finding it increasingly difficult to sell bonds in the London money market. Not only was the European political situation tense but rumours were circulating that Canadians, especially railway promoters, were borrowing too much.[55] The railway builders also had problems because construction costs were higher than anticipated and wages, despite unemployment, were rising.

McBride was most concerned about the PGE and the CNR, for which his government had guaranteed bonds. He tried to interest the United States government in participating in the PGE as part of a railway to Alaska. Such a scheme would provide access to the Peace River. It also represented McBride's persistence in pursuing expansionary plans despite serious financial problems. Early in 1913 the province had had to increase the interest on PGE bonds from 4 to 4½ per cent. Later the government had to raise the initial guarantee from $35,000 per mile to $42,000 per mile and make adjustment for an additional thirty miles the surveyors had found to be necessary. In June 1914 the new bonds sold easily at $95, but such success on the London money markets was exceptional. However, it did allow the PGE to continue construction work even after the war began.[56]

The problems of the CNR were grave. McBride himself realized that the CNR might run out of funds before completing the main line.[57] Throughout late 1913 and 1914 Mann was regularly beseeching McBride for additional help and reminding him that if the road were not completed the province would be stuck with heavy interest charges. In response, McBride increased the provincial guarantee by $10,000 per mile and made a pilgrimage to Ottawa, where he successfully lobbied for additional aid to the CNR. The federal government provided the aid as part of a

54 Gosnell, *The Year Book of British Columbia* [1914], p. 394.

55 Regehr, *Canadian Northern*, p. 334.

56 Patricia E. Roy, "Railways, Politicians and the Development of the City of Vancouver as a Metropolitan Centre, 1886-1929," University of Toronto, MA thesis, 1963, pp. 201-04.

57 Regehr, *Canadian Northern*, p. 336.

national scheme to save the CNR and the price for British Columbia was high. As a condition of the aid, the Borden government insisted on the Canadian Northern coming under the jurisdiction of the Board of Railway Commissioners. That ended the possibility of British Columbia controlling freight rates on the CNR. Moreover, the federal government had not taken full responsibility for the CNR; the province was still responsible for $47,975,000.59 of bond guarantees.[58]

The outbreak of war in August 1914 made the situation more desperate. The CNR stopped all construction work on Vancouver Island on August 7 and it had done little in the Okanagan Valley. It warned it might have to halt work on the main line as contractors and subcontractors were complaining they had not been paid. McBride called on British friends and Borden for help while Mackenzie also approached the Borden government. The aid provided was not fully satisfactory to the CNR but it did allow completion of the main line in British Columbia. The ceremony to celebrate the driving of the last spike was, on McBride's advice, not to be "too elaborate because of war time but one permitting speeches."[59] Even that modest plan did not take place when scheduled. A few days before the spike was to be driven, a large tunnel caved in. Finally in August 1915 the first through train arrived in New Westminster from Toronto. Not until November did the CNR complete arrangements to use the Great Northern line from New Westminster to Vancouver, where the CNR terminals were far from complete. Nevertheless, McBride echoed his old confidence as he congratulated Mackenzie for bringing the CNR to Vancouver. "We in British Columbia," he wired, "are anticipating a new era for the province as a result of the courageous policy pursued by yourself and those associated with you in the great enterprise."[60]

While McBride may have enjoyed some satisfaction with the completion of both the CNR and the Kettle Valley Railway in 1915,[61] the PGE became a chronic headache. Early in 1915, shortly after it began operations on the 120-mile route between Squamish and Quesnel, McBride

[58] Roy, "Railways, Politicians and the Development of the City of Vancouver," pp. 204-07.

[59] McBride to Donald Mann, 28 January 1915, PABC, Premier's Correspondence, "Canadian Northern Pacific, 1915."

[60] McBride to William Mackenzie, 22 November 1915, PABC, Premier's Correspondence.

[61] McBride was unable to attend the ceremony planned to mark the completion of the Kettle Valley Railway. In fact, the ceremony was postponed until the following summer because unfavourable weather conditions delayed work in the Coquihalla Pass. See Barrie Sanford, *McCulloch's Wonder: The Story of the Kettle Valley Railway* (West Vancouver: Whitecap Books, 1977), pp. 193-96.

announced the legislature would soon be dissolved for a general election. As in 1909 and 1912, railways were very much on his mind and he said he would ask the electorate to endorse his policy of continuing railway construction on both the Island and the Mainland.[62] While McBride spoke optimistically, the situation was much different from the earlier occasions. It was public knowledge that the PGE required seven million dollars to complete its minimum goal of finishing the line as far north as Fort George and that the government had already advanced it additional aid. The opposition press reported a caucus revolt led by Attorney-General Bowser, who opposed giving any more aid to the PGE.[63] According to McBride himself, there was "some friction among supporters of the Government on the railway policy," but there were no problems incapable of solution.[64] Nevertheless, McBride postponed the election, ostensibly because of problems in revising the voters' lists and getting ballot boxes to remote areas. Shortly thereafter McBride departed on one of his periodic excursions to England. Meanwhile, his government faced mounting attacks on both its railway policies and its general administration. On 16 December 1915 an ailing Richard McBride resigned from the premiership in order to take up the post of British Columbia's Agent-General in London.

* * *

Railways alone were not responsible for McBride's political successes; R. E. Gosnell's analysis of the 1909 election applies equally well to the 1912 campaign. Gosnell argued that McBride "did not require a railway policy with which to go to the country and win. On the other hand, he used the great strength of the government to carry his railway policy."[65] McBride had firmly established his reputation as the wise administrator of a prosperous province before he concluded his first railway agreement. Secondly, his Conservative candidates succeeded in 1909 and in 1912 even in constituencies where the new railways were of marginal benefit, as in the Crowsnest Pass, or an actual detriment, as in Prince Rupert. McBride's position was also strengthened by the disarray of the provincial

62 CAR, 1915, p. 728.

63 Vancouver *Sun*, 12 March 1915.

64 McBride to Charles Wilson, 16 March 1915, PABC, McBride-Bowron Collection, Add. Mss. 347.

65 R. E. Gosnell, "Premier McBride and the Recent Provincial General Elections," *Province*, 11 January 1910. At the time he wrote the article, Gosnell was provincial archivist.

Liberals and by the confinement of Socialist strength to a few constituencies in mining areas.

McBride's administration had been described as "Rails of Steal."[66] Such phrasing, of course, implies a government fraught with graft and corruption. Suspicions still linger about the government's relations with the PGE; certainly there is ample evidence of mismanagement and some of the railway's money was used to provide Conservative campaign funds.[67] In respect to his other railway policies, however, McBride's only apparent "crime" was to allow himself to be swept up in the boom mentality which equated new railways with continued progress. Had prosperity continued, the railway schemes might well have succeeded, and in the process McBride would have surrendered little of the provincial patrimony to railway developers. Whether or not any aid was necessary is, of course, a moot point. Government aid was not a *sine qua non* of railway construction or failure. The Great Northern, for example, built extensive trackage in southern British Columbia during the McBride era; by 1917 it contemplated the abandonment of some of it.[68]

In giving railways "decent encouragement" McBride was following a long-standing Canadian tradition. The John A. Macdonald government had generously subsidized the CPR; the Laurier government was doing the same for the Grand Trunk. The federal government and the governments of Alberta, Saskatchewan, Manitoba and Ontario gave the Canadian Northern bond guarantees before British Columbia did. In Ontario, the province whose developmental policies have been most thoroughly studied, "rare indeed was a line built without a provincial subsidy, bond guarantee or land grant; some obtained all of them!"[69]

The distinctive characteristic of McBride's railway program, at least in contrast to those of the federal government and of Ontario, was the absence of any railway built directly by the government. McBride had no philosophic objections to public ownership; the Conservative platform on which he was elected in 1903 endorsed "the principle of Government ownership of railways insofar as the circumstances of the Province will

[66] Martin Robin, *The Rush for Spoils* (Toronto: McClelland & Stewart, 1972), ch. IV.

[67] British Columbia, *Proceedings and Evidence in re Pacific Great Eastern Railway Company* (Victoria: King's Printer, 1917).

[68] David C. Jones, "The Strategy of Railway Abandonment: The Great Northern in Washington and British Columbia, 1917-1935," *The Western Historical Quarterly,* vol. XI (April 1980), pp. 141-58.

[69] H. V. Nelles, *The Politics of Development: Forests, Mines and Hydro-Electric Power in Ontario, 1849-1941* (Toronto: Macmillan, 1974), p. 117.

admit."[70] So widespread was optimism in British Columbia in the early years of the century that private entrepreneurs were prepared to build even development roads such as the PGE with only indirect government assistance, the guarantee of their bond interest.

Although he devised his policies in association with private firms, McBride was no toady of the railway companies. Between 1903 and 1909 he politely refused all overtures from railway companies and promoters; in 1909 and 1912 he dealt only with firms such as the CPR, Mackenzie and Mann, Foley, Welch and Stewart, who seemed to have proven themselves as railway builders. Even though some of these corporations were powerful, he gave away few provincial resources. What land grants there were were relics from an older era. Direct cash subsidies were relatively small and bond guarantees, though enormous, seemed to carry little risk. Moreover, McBride often compelled railways to do as he bid;[71] he was more dependent on public opinion than on any company. He refused to allow railways to employ Asian labour, he insisted on provincial control of CNR and PGE rates, he forced the GTP to build from the west as well as from the east, and he pressed the KVR to pay the debts of its predecessors and to extend its surveys. Although the evidence on McBride's relationship with the CPR is incomplete, it is clear that once he was politically secure he did not fear it. In 1909 he exploited its unpopularity by arranging to bring in a competitor; he refrained from making any arrangements with the CPR until the public had modified its hostility to the first transcontinental railway. McBride, in short, was more the master of the railway companies than their tool.

McBride's railway building schemes were the highly visible symbols of the prosperity in which he created his image as a politician extraordinaire. In the short run, they strengthened his position. By refusing to become involved in railway projects until provincial finances were in order, McBride acquired esteem as a prudent leader. By catering to most of the distinctive regions of the province, McBride demonstrated his understanding and appreciation of British Columbia's internally divisive geography. By putting railway survey and construction crews to work and by stimulating the imaginations of real estate speculators, McBride reinforced the pervading boom atmosphere and strengthened the notion that his "only

[70] *CAR*, 1903, p. 218.

[71] For another example, see Patricia E. Roy, "The Fine Arts of Lobbying and Persuading: The Case of the B.C. Electric Railway," in David S. Macmillan, ed., *Canadian Business History: Selected Studies, 1497-1971* (Toronto: McClelland & Stewart, 1972), pp. 239-54.

thought is the progress and prosperity of the land."[72] There were few Cassandras in British Columbia before 1913 and McBride's overwhelming electoral successes in 1909 and 1912 denied them any political voice.

Once the London money markets tightened and depression and war fell over the world, British Columbia was confronted with the prospect of having to meet interest payments on $80,333,072 worth of railway bonds.[73] As railways became a burden, weaknesses in general administration of the McBride government were also appearing and causing public concern. By the end of 1915 Richard McBride was no longer a railway builder nor a politician extraordinaire but the victim of the end of prosperity which had permitted his success. Prosperity and progress created his image; depression ruined it. By allowing himself to get caught up in the railway building mania in 1909 and 1912, McBride revealed that he was, after all, a very ordinary politician and British Columbian.

[72] Kamloops *Standard*, 25 February 1912.

[73] Gosnell, *The Year Book of British Columbia* [1914], p. 395.