

John Hendry and the Vancouver, Westminster and Yukon Railway: "It Would Put Us on Easy Street"

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For the first decade of the twentieth century John Hendry was British Columbia's foremost lumberman and leading industrialist — the first British Columbian, indeed, to be elected President of the Canadian Manufacturers' Association (hereafter CMA). From the head office of his resource-based empire's foundation, the British Columbia Mills Timber and Trading Company (hereafter the BCMT&T) in Vancouver,¹ he presided over a host of activities. One of these, the Vancouver, Westminster and Yukon Railway Company (hereafter the VW&Y) has a particular interest for students of British Columbian and Canadian business history, for it involved him in complex negotiations with real estate speculators, railway promoters, steamship company owners, wholesalers, manufacturers, American lumbermen and governments at the municipal, provincial and federal levels. Examining his promotion of it, therefore, sheds much light not only on one businessman's *modus operandi*; it also conveys a sense of the manner in which businessmen generally sought to get their way in the difficult world created by large companies, rival political parties, conflicting jurisdictions and a belief in the almost limitless opportunity open to them if they acted with speed and efficiency. What follows, in concerning itself with the politics of railway promotion as revealed by Hendry's activities on behalf of the VW&Y, has relevance for those interested in a particular type of entrepreneurial behaviour as much as it has for those desiring to know more of the structuring of the province's business life.

Like many businessmen prominent in the lumber industry of B.C., Hendry was originally from New Brunswick.² A hard-working, sober Presbyterian, born of Scottish parents in 1843, he left school early (the

¹ Hendry was also president of the Nicola Valley Coal and Coke Company and the Hendry Land Company; a director of the Western Canada Power Company and other B.C. firms; and a member of many associations. See Robert A. J. McDonald, "Business Leaders in Vancouver, 1886-1914" (PhD thesis, University of British Columbia, 1977), p. 485.

² McDonald, "Business Leaders," p. 192.

spelling in his letters attests to his lack of formal education) to learn the sawmill business from his father. In the early seventies he came by American railroads to the coast and worked as a millwright in California, Washington Territory and B.C. before building his own sawmill in Nanaimo. He then established the Royal City Planing Mills Company on the north bank of the Fraser River, in New Westminster, where he lived for twenty-five years.

Hendry boosted New Westminster as a railway centre for the Fraser Valley. To provide competition for the uncertain branch-line service of the CPR, he promoted the entrance of J. J. Hill's Great Northern which ran from St. Paul, Minnesota, to Seattle, Washington, and from Seattle northwards to Blaine. From there, using Hendry's charter, Hill financed construction of the New Westminster Southern Railway to the south bank of the Fraser with a ferry connection to New Westminster on the opposite shore.³ Hendry urged the provincial government to build a railway bridge, with an understanding that the New Westminster Southern Railway was to pay for use and upkeep.⁴

Hendry also joined Hill in promoting a railway to the Kootenay to wrest control of the mining industry from Spokane, the real centre of the inland trade. To the chagrin of Vancouver, the CPR was given a dominion subsidy to build the Crow's Nest Pass Railway from Nelson to Lethbridge, an advantage to eastern business. Vancouver demanded simultaneous construction to the coast. Hill, whose first railway in the region was the Kaslo and Slocan, offered an alternative, the Vancouver, Victoria and Eastern Railway and Navigation Company (hereafter the VV&E).⁵ He acquired the charter in 1901 from the Canadian Northern. The city of Victoria favoured the VV&E because Great Northern steamships carried goods in bond from Victoria to Seattle, giving Victoria a share in the mining trade which it would lose if the CPR built a direct line from Vancouver to the Kootenay.⁶ Vancouver, too, endorsed the

³ The original provincial charter was disallowed by the federal government for contravening the CPR monopoly clause. For the other incorporators see R. E. Gosnell and E. O. S. Scholefield, *History of British Columbia, Part 2* (Vancouver, 1913), pp. 167, 184.

⁴ Council of New Westminster and New Westminster Board of Trade to the Lieutenant-Governor of B.C., n.d. but probably 1896, Board of Trade Letters (Microfilm, Vancouver City Archives) (hereafter VCA) 1:314.

⁵ Hendry's Kaslo and Slocan charter had a federal cash subsidy and a provincial land grant of 250,000 acres. Robert E. Cail, *Land, Man, and the Law: The Disposal of Crown Lands in British Columbia, 1871-1913* (Vancouver: University of British Columbia, 1974), pp. 159, 163.

⁶ Patricia Roy, "Railways, Politicians and the Development of the City of Vancouver

VV&E, seeing it as a way of breaking the CPR monopoly. Hendry, whose Nicola Valley Coal Company would benefit, promoted the VV&E to bring the mineral wealth of southern B.C. within Vancouver's orbit.

To gain access to the profitable Klondike trade controlled by Americans, Hendry joined Vancouver merchants in a campaign for better communications to Alaska. Even after the CPR had provided a good shipping service to Skagway and after construction of the White Pass and Yukon Railway had allowed Canadians to capture a large part of the market, anti-Americanism sustained the demand for an all-Canadian route.⁷ Hendry capitalized on this feeling to promote his Vancouver, Westminster, Northern and Yukon Railway Company.⁸ The provincial government supported him in getting Ottawa's permission to carry the railway beyond the northern boundary to the Yukon.⁹ In 1901 Hendry received a federal charter to build the VW&Y through one thousand miles of undeveloped country in B.C., and then on to Dawson to connect by a projected Alaskan line with the Trans-Siberian railway for which Hendry's engineering friend, J. A. Waddell, designer of the New Westminster bridge, later envisaged a tunnel under the Bering Strait!¹⁰ The sweep of the charter was a promoter's delight. The Alaskan Boundary Award, which tightened the hold of American businessmen on access to the region, intensified Vancouver's interest in Hendry's line, for lower mainland businessmen saw the VW&Y as a way to connect with the Grand Trunk Pacific at Fort George to prevent Mackenzie and Mann

as a Metropolitan Centre, 1886-1929" (MA thesis, University of Toronto, 1963), pp. 48, 51, 57.

⁷ Norbert MacDonald, "Seattle, Vancouver and the Klondike," *Canadian Historical Review* 49 (September 1981): 244-45.

⁸ Hendry had several charters to bring American railroads to Vancouver and to build from Vancouver northward. Nothing was built; in 1900 the Vancouver, Westminster, Northern and Yukon Railway provincial charter superseded them. Vancouver City Council Minutes (hereafter VCC Min.), 8 August, 10 August, 3 October 1892, 30 January 1893, 1 October 1894.

⁹ Memorandum of the Vancouver, Westminster, Northern and Yukon Railway Company, 1901, Provincial Archives of British Columbia (hereafter PABC), Premier's Correspondence vol. 16, nos. 40, 79, 109. Since the province had abandoned railway land grants — Hendry asked for 16,000 acres per mile — another reason for acquiring a federal charter was the possibility of a subsidy.

¹⁰ 1 Edw. 7, c. 87. Under the legislation the VW&Y absorbed Hendry's provincial railway company. The VW&Y route was from Vancouver to Dawson City, via the Squamish Valley, Hazelton and Teslin Lake. The other incorporators were I. Oppenheimer, Vancouver businessman; Adolphus Williams, Vancouver MLA; G. Dockrill, law partner of Aulay Morrison, MP New Westminster, and Harry P. Livingston of Ontario.

from draining the Peace River trade through Alberta to Edmonton.¹¹ In the name of bringing the north within Vancouver's orbit, Hendry engaged in chartermongering during the railway boom of the next dozen years, trying to sell the VW&Y to the Grand Trunk Pacific, the Canadian Northern or any other railway coming to B.C.

Almost immediately, using the charter, Hill's money and the Great Northern contractor, Hendry built from New Westminster to Vancouver, the only profitable part of the VW&Y route.¹² Track laying began in 1903. That year he moved to Vancouver; the railways were his link to the booming prairie lumber market, Vancouver their terminus. The BCMT&T Company included four mills, all with valuable waterfront and all on the proposed route of the VW&Y.¹³ Hendry informed the city council that the VW&Y was being built, with the approval of Ottawa, to serve the industries along the south shore of False Creek. In return for providing a connection with the Great Northern at New Westminster, he wanted a right-of-way along the creek shore. The council, however, was reluctant to alienate any more of its foreshore. The CPR, even more strongly, opposed entrance of the VW&Y.

The CPR, resolved to maintain its supremacy in Vancouver, resisted the entrance of any other transcontinental railway and any competing ocean-going steamship company. It had strenuously opposed construction of the New Westminster railway bridge, finally completed in 1904 by the

¹¹ William Mackenzie and Donald Mann owned the Canadian Northern Railway Company. VCC Min., 30 November 1903; *Daily News-Advertiser*, 9 September 1903; *World*, 27 October 1903.

¹² *Daily News-Advertiser*, 6 June, 30 June 1903. The VW&Y ran from the New Westminster bridge to Vancouver, with a branch line through New Westminster. The main line crossed the CPR tracks at Sapperton, ran through Burnaby and entered Vancouver near Trout Lake. It followed the south shore of False Creek from its head, crossing it by a drawbridge, just west of Main Street, to its terminus adjoining Hendry's False Creek mill. The depot was on Pender Street, occupying the site on which the Marco Polo restaurant is now situated between Carrall and Columbia Streets. The northern extension was to cross Burrard Inlet at the Second Narrows and follow the north shore to Howe Sound and Squamish. The GN contractor, A. G. Guthrie, an associate of the Foley brothers, built the line to Vancouver; by an informal agreement, he and Hendry were "equals" in the enterprise.

¹³ Roy, "Railways, Politicians," chaps. 3, 4, 5; Norbert MacDonald, "The Canadian Pacific Railway and Vancouver's Development to 1900," *BC Studies* 35 (Autumn 1977): 3-35; R. A. J. McDonald, "Business Leaders," *passim*; R. A. J. McDonald, "Victoria, Vancouver and the Economic Development of British Columbia, 1886-1914," in *British Columbia: Historical Readings*, comp. and ed. W. P. Ward and R. A. J. McDonald (Vancouver: Douglas & McIntyre Ltd., 1981), pp. 369-91. Hendry's old mills are now valuable commercial areas: in New Westminster, the Pacific Coast Terminal docks and connecting railway yards; on Burrard Inlet, the Centennial Pier at the Hastings Mill site and the Saskatchewan Wheat Pool at Moodyville; on False Creek, the B.C. Hydro Carrall Yards.

McBride government, which was by then anxious not to have too close dealings with any one railway company.¹⁴

Behind the scenes, the CPR fought Hendry through the British Columbia Electric Railway, a convenient local ally with no transcontinental ambitions but vulnerable to competition not only from the VW&Y but also from Hendry's Stave Lake Power Company.¹⁵ To meet the challenge of the VW&Y tracks coming from the east along the south shore of False Creek, the CPR extended its line coming from the west along the shore and leased it to the British Columbia Electric Railway on the condition that it do no business with the VW&Y.¹⁶ The CPR then charged Hendry with trespassing on its False Creek yards, for his mill adjoined those allowing him to bring a transcontinental right into the CPR's back yard if he sold that mill as a terminal site.¹⁷ The CPR sought to avoid this outcome by selling its property there to the British Columbia Electric Railway for its freight sheds.¹⁸ The CPR and the British Columbia Electric Railway also used delaying tactics against Hendry in the Railway Committee and before the Board of Railway Commissioners (hereafter the BRC). The CPR appealed the vital decision which gave the VW&Y access to Vancouver by allowing it to cross the CPR tracks just beyond the New Westminster bridge. The British Columbia Electric Railway demanded a more energetic Ottawa agent when Aulay Morrison, MP for New Westminster, won Hendry the right to cross that company's tracks. To delay construction of the VW&Y branch line to Burrard Inlet and to the Great Northern dock site — the Great Northern trans-Pacific steamers would be in competition with the CPR's Empress liners — both companies demanded that the VW&Y build overpasses

¹⁴ Richard McBride was Conservative Premier of B.C. from 1903-1915. Hendry to McBride, 5 September 1903, PABC, Premier's Correspondence, vol. 74. *Vancouver Daily Province*, 5 September 1903.

¹⁵ Patricia 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, 1947-1971* (Toronto: McClelland & Stewart, 1972), p. 240.

¹⁶ D. M. Churchill, "False Creek Development" (MA thesis, University of British Columbia, 1953), p. 54; VCC Min., 13 July 1903; *Daily News-Advertiser*, 30 June 1903.

¹⁷ R. Marpole to R. H. Alexander, 7 April 1903, Public Archives of Canada (hereafter PAC), Robert Borden Papers (Microfilm, University of British Columbia), no. 93851. The disputed area had about 300 feet of waterfront.

¹⁸ Sir Thomas Shaughnessy, CPR President, told the BCER that the CPR had fought hard to maintain its control of the peninsula on which Vancouver was situated and that the Vancouver-Lulu Island line must never get into the hands of any other transcontinental railway. R. H. Sperling to G. Kidd, 25 September 1909, Box 178, File 719, British Columbia Electric Railway Company Papers (hereafter BCE Papers), Special Collections, University of British Columbia.

instead of level crossings.¹⁹ The BRC dismissed the demand as unnecessary obstruction. With Ottawa's blessing, Hendry had breached the CPR monopoly with a freight service to Vancouver linked to the Great Northern via the VW&Y and the New Westminster and Southern railways.

Hendry's next round of dealings was with the Vancouver City Council. Besides a right-of-way from Port Moody along Burrard Inlet, the CPR claimed title to over a mile of foreshore from Coal Harbour east to Hastings Mill. Although the claim was in dispute for many years, the CPR, in effect, had a monopoly of the commercial waterfront in the heart of the city. The council considered this a hindrance to trade.²⁰ East, beyond Hendry's mill, were private industries, with their waterfront titles from Ottawa. On False Creek, which the council wanted to develop as a secondary harbour, the CPR also claimed extensive waterfront; the city had title to the remaining foreshore there but to confuse matters its title was from both the provincial and federal governments.²¹ To get a footing on Burrard Inlet, the council decided to extend certain streets in the business area northward to the water's edge, beyond the CPR tracks, so that it might expropriate the street ends for public purposes. The CPR refused such access, and after many years of litigation the council lost its street-ends battle. Consequently it would grant only leases to the foreshore under its control and asked Ottawa to do the same.²² But Ottawa continued to issue crown grants. The council's concern that it was losing control of the waterfront climaxed with a request that Ottawa appoint a Harbour Commission to replace private development.²³ It is against this background that Hendry's attempt to get the VW&Y through to the Vancouver waterfront must be seen. Anxious to retain control, the coun-

¹⁹ *Vancouver Daily Province*, 13 December 1906. The Great Northern Steamship Company had been formed in 1900 to enter the trans-Pacific trade. For details of the track war see B. Ramsey, *PGE: Railway to the North* (Vancouver: Mitchell Press, 1962), pp. 11-12. J. Buntzen to L. G. McPhillips, 9 August 1904; F. R. Glover to L. G. McPhillips, 15 June 1905, Box 6, File 175, BCE Papers. Hendry's flagman, employed at crossings by order of the BRC, kept BCER passenger cars waiting while he waved on VW&Y work trains; he rode on the VW&Y and was at the crossing only when used by the VW&Y.

²⁰ VCC Min., 17 July 1893.

²¹ D. M. Churchill, "False Creek," pp. 35-39, 55-58; Norbert MacDonald, "The Canadian Pacific," pp. 6-14; VCC Min., 29 January 1894, 27 March, 25 October 1899, 21 August 1901.

²² VCC Min., 31 March, 6 April, 13 April, 20 April 1891, 29 January 1894; Norbert MacDonald, "The Canadian Pacific," pp. 30-31.

²³ Vancouver City Clerk Inward Correspondence, 19 December 1905, 17 May, 15 June 1906, 22 January, 21 February, 23 February, 24 February, 28 February 1910, 18 October 1911; VCC Min., 23 July 1906.

cil simply refused to sign an agreement with Hendry about the entrance of the VW&Y to Vancouver. To get waterfront rights, therefore, Hendry bought up all water lots on the south and east shores of False Creek, some for the VW&Y and some for the VV&E, and challenged the council to expropriate his property.²⁴ Moreover, he confirmed his waterfront holdings by grants from Ottawa to 2,020 feet at Hastings Mill and to 4,580 feet at Moodyville; east of Hastings Mill he bought waterfront for the Great Northern docks. But the major provocation was his claim to the waterfront on False Creek adjoining his sawmill. The council took the BCMT&T Company to court and asked Ottawa to refrain from giving Hendry title until a court decision had been reached. The Liberal MP for Vancouver, despite his ties to Hendry, urged Laurier to protect the city's interests.²⁵ This made Hendry determined to get the politicians on his side.

The William McNeill correspondence — McNeill was recruited from the provincial government service in 1904 to act as lobbyist in Ottawa for the VW&Y — gives glimpses of Hendry's attempts to enlarge his political influence. There were Conservative links forged during the pre-Laurier era: those with the B.C. superintendent of the Bank of Montreal which financed the BCMT&T Company provide one example; the links with R. H. Alexander, Manager of Hastings Mill, who was useful to Hendry in dealing with the powerful Vancouver Conservatives, offer another; Sir Charles Hibbert Tupper, Hendry's solicitor and a fellow Maritimer, and also a Conservative cabinet minister when Hendry was lobbying to improve navigation on the Fraser River, was the object of a third. As a frequent critic of the McBride government, Tupper interested Hendry more than the B.C. Liberal leaders; he ignored J. A. Macdonald and paid little more attention to Macdonald's successor, John Oliver, who championed the farmers of the Fraser Valley against the holders of large timber leases.²⁶ Some Liberals did, of course, win his favour. Although he eventually broke with Senator William Templeman, at one time he was on the verge of suggesting that Templeman succeed Duns-

²⁴ *World*, 23 January, 25 January 1904; VCC Min., 19 May 1906. The council's appeal to the provincial government for expropriation rights was opposed by the VW&Y and Oppenheimer's Vancouver Land and Improvement Company. Legislation passed allowing expropriation but federal legislation protected the rights of the upland owners.

²⁵ R. G. Macpherson to Laurier, 11 January, 23 January 1906, PAC, Laurier Papers, nos. 106169, 106326.

²⁶ McNeill to Hendry, 1 February, 6 February 1908; Hendry to McNeill, 31 October 1908, William McNeill MSS, VCA.

muir as Lieutenant-Governor. He also used Duncan Ross, MP for Yale-Cariboo, to promote the VV&E. Until he became a judge, Liberal MP Aulay Morrison lobbied for Hendry. Of the "Vancouver gang," he tolerated the McInnes brothers, sons of a former Lieutenant-Governor and friends of Laurier. He had a positive liking for R. G. Macpherson, MP for Vancouver until 1908. Joseph Martin, an old Manitoba opponent of the CPR, was an associate.²⁷ Hendry and Robert Kelly, old business partners in New Westminster, were rivals for Liberal patronage.²⁸ To counter charges against him in the *Province*, Hendry depended on L. D. Taylor's Liberal *World* which praised him for making the city more than just a CPR town.²⁹ The height of Hendry's political influence came after the 1904 federal election when B.C. voted solidly Liberal.

Provincially, it was a different story. Hendry lacked influence with McBride's Conservative government. The Great Northern dealt with McBride through its Seattle officials.³⁰ When McBride considered legislation in 1905 to support the VV&E, a directive excluded Hendry from the negotiations.³¹ The Great Northern used Hendry successfully in Ottawa, however, to gain legislation favourable to the VV&E.

There, as acting president of the VV&E, he lobbied for legislation which would permit the VV&E to run a continuous line from Victoria to the Kootenays to enable it to cross the boundary to avoid rugged terrain, and to allow it to buy the VW&Y, the Victoria Terminal Railway and Ferry Company, and the New Westminster and Southern. Sir Thomas Shaughnessy complained to Laurier, but Laurier upheld B.C.'s right to a new line of communication between the coast and mining region.³²

When Hendry sought legislation, the following year, to allow a branch line of the VW&Y to use the Yellowhead Pass, the CPR tried to galvanize

²⁷ Senator William Templeman was proprietor of the *Victoria Times*. Duncan Ross' hometown, Greenwood, was on the route of the VV&E. Aulay Morrison was MP for New Westminster. Joseph Martin, a quarrelsome politician, had alienated Laurier by his stand on separate schools in Manitoba. In B.C. he was Premier for a few chaotic months, but, as Liberal leader, he was defeated by McBride's Conservatives in 1903. Martin was solicitor for the VW&Y and solicitor for the city of Vancouver in 1905. He went to England after his defeat in the 1908 federal election.

²⁸ Robert Kelly, a prominent Liberal, established the Kelly Douglas Company. Hendry to McNeill, 17 January 1910, McNeill MSS.

²⁹ *World*, 23 March 1907.

³⁰ L. W. Shatford to McBride, 10 April 1904; McBride to L. W. Shatford, 3 May 1904, PABC, Premier's Correspondence, Vol. 82.

³¹ L. W. Hill to L. C. Gilman, 22 February 1905, PABC, Premier's Correspondence, vol. 159.

³² Laurier to Shaughnessy, 22 June 1905, PAC, Laurier Papers, no. 98705.

opposition to his bill in the Senate. Both the Grand Trunk Pacific and the Canadian Northern had plans for the Yellowhead awaiting approval by the Minister of Railways — the Grand Trunk Pacific on the way to its terminus on Kaien Island, at the mouth of the Skeena, and the Canadian Northern making an entry to B.C. but without a Pacific terminus. The Great Northern also announced a new line, later cancelled, from Winnipeg to Vancouver. As a chartermonger, Hendry was in a position to negotiate with all three companies. The CPR opposed his plan on the ground that it would lead to the diversion of Canadian wheat to American flour mills. But the appeal of B.C.'s Liberal MPs to Laurier assured passage of Hendry's bill.³³

At that time Hendry also gained title to the Carrall Street waterfront. The CPR argued that it had originally allowed his mill access to its foreshore as a favour but that now it wanted all buildings pushed back within a line drawn parallel to the street. To present his case, Hendry employed as his lobbyists two Ottawa lawyers, H. B. McGiverin and A. Haydon, who were also counsel for the Great Northern and the Grand Trunk Pacific.³⁴ They based Hendry's claim on the sawmill's longstanding occupation of the mudflats. Politics may also have played a part, for it was pointed out to at least one federal minister that the CPR was "the arch enemy of the Liberal party" and therefore undeserving of "any consideration" in the matter.³⁵ Laurier, finally persuaded that the access was of "deep interest" to Hendry, saw to it that an order-in-council awarded him the waterfront.³⁶

Hendry's successes in Ottawa did not solve his problems in Vancouver. The VW&Y had been running for three years without an agreement with the city. Eventually the BRC arranged a compromise: Vancouver agreed to give up between sixty-five and seventy-five acres on the south and east shores of False Creek as a quid pro quo for becoming the Pacific

³³ Upon passage of the bill, Hendry empowered McNeill to negotiate with the Grand Trunk Pacific for sale of the VW&Y charter. Hendry to McNeill, 29 May 1906, McNeill MSS.

³⁴ McGiverin and Haydon were influential Liberals. In 1908 McGiverin was elected MP for Ottawa; he was also a director of J. J. Hill's Crow's Nest Coal Company. Haydon later became national Liberal organizer and a senator. C. W. Parker, ed., *Who's Who and Why* (Vancouver, 1914), pp. 433-34. C. W. Parker, ed., *Who's Who* (Vancouver, 1921), p. 489.

³⁵ R. Jardine to the Minister of Marine and Fisheries, 25 October 1905, PAC, Robert Borden Papers, no. 93825. Nos. 93724-93856 are copies of Hendry's File no. 13118, Department of Marine and Fisheries, concerning his foreshore applications.

³⁶ Laurier to Macpherson, 30 January 1906, PAC, Laurier Papers, no. 106328.

terminus of the VV&E;³⁷ the VW&Y was allowed to make junction with the CPR on the south shore of the creek, thereby gaining access to all industries there.³⁸ The CPR protested but the council agreed.

The settlement between the VW&Y and the VV&E took longer and created a permanent rift between Hendry and the Great Northern.³⁹ The reasons were both financial and political. When speculation rocked the American stock exchange and financial institutions in 1907, Hill slowed work on the VV&E, cancelled a line from Calgary to the Peace River, and, as part of his economy drive, refused to pay Hendry for work done on the line from False Creek to Burrard Inlet and for the yards set aside for the Northern Pacific. Rebuffed by him in St. Paul, Hendry felt free to sell the Northern Pacific yards. Moreover, when L. W. Hill, J. J. Hill's son and associate, ignored Hendry and had the Great Northern solicitor and other American officials intercede in the negotiations with the council, implying that the foreshore title was imperfect, Hendry made a call on the VW&Y shares, secured a controlling interest in the charter and fired the Americans.⁴⁰ Politics aggravated the problems. McBride wanted

³⁷ *Daily News-Advertiser*, 4 December, 7 December, 10 December 1907. The city gave up its foreshore rights along the south side of the creek to the VV&E; the VW&Y gave up its foreshore rights at the eastern end in return for railway yards there which were to be reserved for some other railway — the Northern Pacific was mentioned in discussions. The bylaw approving the agreement passed in January 1908.

³⁸ It is interesting that the BCER, although opposing Hendry, welcomed this decision because it allowed it to negotiate a modified lease with the CPR instead of one including the usual exclusive traffic arrangements. Several railways were expected in Vancouver within ten years and the BCER wanted to be free from CPR control. A. P. Ingrams to R. H. Sperling, 24 August, 4 September 1907, Box 12, File 276, BCE Papers. The Great Northern did not make the connection, thereby depriving mills of facilities for an interchange of cars between the two railways.

³⁹ Meantime McNeill settled Hendry's account with the Great Northern for personal services. There is a note in the McNeill MSS, 27 September 1907, that Hendry received \$185,000: \$125,000 for VW&Y, \$47,000 for the VV&E and \$13,500 for the Victoria Terminal Railway and Ferry Company.

⁴⁰ Minutes of the VW&Y Railway Company, 22 November 1907, McNeill MSS. A. Guthrie was not present at the meeting; he always maintained that Hendry had written Hill a letter saying that they were both equal in the enterprise. Sir Charles Hibbert Tupper's opinion was that the court might set aside a transaction where shares were issued for purposes of control. Tupper to McNeill, 15 May 1908, McNeill MSS. Hendry's cash advances to the VW&Y amounted to about \$92,000; Guthrie's to about \$37,000. There is no record of how much stock, if any, Guthrie had. Statement of Payments for stock and cash advances to the VW&Y Railway Company to 31 December 1911, McNeill MSS. J. J. Hill had resigned as president of the Great Northern but, as chairman, was still directing operations; L. W. Hill was handling the day-to-day business. Since 1905 the VW&Y had been administered by the Great Northern, which ran a direct service to Seattle. Hendry fired three of the Americans who had appeared at a council meeting, including the chief engineer. *Daily News-Advertiser*, 13 November, 3 December 1907.

the Great Northern solicitor, whom McNeill called the mouthpiece of the provincial government, to run as a Conservative but L. W. Hill forbade any employee of the Great Northern to engage in politics; he was angered by Hendry's politicking and blamed him for a complaint to Laurier about the lack of construction on the Canadian side of the border by the VV&E.⁴¹ He knew, too, that Hendry had been negotiating with the Grand Trunk Pacific. The settlement was delayed.

Because of the row, Hendry's first inclination was to "let somebody else take up the White Man's Burden."⁴² Nevertheless, if he could survive the recession "the goods are good."⁴³ The British Columbia Electric Railway was interested in his Stave Lake Power Company, the Canadian Northern had no Pacific terminal, and Hays of the Grand Trunk Pacific wanted the Hastings Mill site for his steamship company. Although the Grand Trunk Pacific was Laurier's favourite, Hendry did not trust Hays because he always minimized the value of the VW&Y charter. Hendry's tactic with him was either to refuse to separate the charter from the mill site or to demand all cash. Hendry believed, too, that Hays had turned McGiverin against him. Judge Morrison and the boys assured Hendry, however, that with an election coming up his chances for a subsidy were good if he worked with Hays and McGiverin.⁴⁴ McNeill was dispatched to Ottawa. All, however, was not clear sailing.

L. W. Hill delivered an abusive attack on Hendry's politicking. The *Province's* account of it caused a public brouhaha. Hill, according to its account, dissociated the Great Northern from government subsidies and quite rightly accused Hendry of chartermongering and subsidy hunting. The Great Northern, he had made clear, would not bridge the inlet or build north.⁴⁵ Hendry attributed the attack to the Conservatives who had had L. W. Hill to lunch at the Vancouver Club. There, a friend of Hendry's told him, Hill gave his hosts to understand what he would have done and said that now that he had the power he was just going to roll things up. "There is no use my telling you . . . how he has always cussed Canada and said it was not worth bothering with and that if he had his

⁴¹ McNeill's notes n.d. but probably October 1907, McNeill MSS; Duncan Ross to Laurier, 29 July 1907; Laurier to J. J. Hill, 5 November, 14 November 1907; J. J. Hill to Laurier, 25 November 1907, PAC, Laurier Papers, nos. 127072, 131443, 132757-58.

⁴² Hendry to McNeill, 6 March 1908, McNeill MSS.

⁴³ Hendry to McNeill, 28 February 1908, McNeill MSS.

⁴⁴ Hendry to McNeill, 9 April 1908, McNeill MSS.

⁴⁵ *Vancouver Daily Province*, 10 April 1908.

way there would be no road into Vancouver."⁴⁶ Hill, warned Hendry, was "throwing bouquets at the CPR and Victoria and all round."⁴⁷ In retaliation Hendry threatened to stop Great Northern trains from running over the VW&Y tracks.⁴⁸ Despite the furor, however, he continued his subsidy hunting, sometimes considering bribes to MPs,⁴⁹ sometimes getting more or less what he wanted.⁵⁰

Hendry's letters hint at the divisions among the B.C. Liberals in the federal election. Hendry supported the Liberal nominee in New Westminster but Oliver and the farmers were for the independent candidate. Hendry wanted Macpherson to run again in Vancouver, but McInnes wanted the endorsement so Macpherson was made postmaster of Vancouver.⁵¹ Near the end of the campaign the *Province* made the Carrall Street foreshore an issue; Hendry reprimanded McInnes, whose election promises had inspired a cartoon showing him pulling down plums in the shape of street ends for the city.⁵² Although Laurier won a large majority overall, the Liberals lost four seats in B.C., a fact which considerably undermined Hendry's influence in Ottawa.

Laurier's majority and President Taft's victory in the United States were, Hendry nonetheless felt, good for business. With money pouring into the country, his VW&Y charter and his mill sites were increasing in worth. There were "railroads and rumours of railroads" but "we will keep our clothes on and see what it all amounts to."⁵³ Hendry almost sold a half-interest in Hastings Mill, not realizing that the buyers were MacKenzie and Mann's land agents. Not until McBride's indication, early in 1909, that he wished to see the Canadian Northern in B.C. did Hendry seek out its prime creators.

⁴⁶ Hendry to McNeill, 13 April 1908, McNeill MSS.

⁴⁷ *Ibid.*

⁴⁸ *Vancouver Daily Province*, 25 April 1908. Fitzmaurice drew a toy VW&Y train colliding with a Great Northern locomotive.

⁴⁹ Hendry to McNeill, 20 May 1908, McNeill MSS.

⁵⁰ Hendry received a railway and bridge subsidy — \$6,400 per mile for a line from Vancouver to Fort George and \$200,000 for a Second Narrows bridge. 7-8 Edw. 7, c. 63. In 1908 all VW&Y property in Vancouver and New Westminster was signed over to the VV&E including 65 to 70 acres on False Creek, and about 2,000 feet of waterfront on Burrard Inlet. Hendry summed up his experiences with the Americans thus: "L. W. was a degenerate . . . Gilman [Assistant to the President] was a Toadier, and . . . old man Jim was not straight." Hendry to McNeill, 6 April 1910, McNeill MSS.

⁵¹ W. B. McInnes had led the attack on McBride's government in 1907 and had been defeated.

⁵² Hendry to McNeill, 24 October 1908, McNeill MSS.

⁵³ Hendry to McNeill, 23 December 1908, McNeill MSS.

The fact that the Canadian Northern might now enter the province offered Hendry a chance to sell not only the VW&Y charter but also his mill sites as terminal properties. Hendry himself could not compete for a subsidy from McBride since the provincial Conservatives, far from desiring to support it, wanted to "wipe the VW&Y off the railway map."⁵⁴ When McNeill learned that Mackenzie and Mann intended to see the Union Pacific in New York before making a deal with McBride, Hendry moved first, offering his mill sites and charter to that railway for \$6 million to \$7 million.⁵⁵ To make the charter more appealing, Hendry then sought Ottawa's approval for a VW&Y route through Canadian Northern territory from Kamloops to New Westminster.⁵⁶ He was anxious to find out, too, if New Westminster was actually to be the Canadian Northern terminus since either the British Columbia Electric Railway or the Canadian Northern were inquiring about his mill site: "Westminster property simply booming."⁵⁷ Instead, however, of going to New York, Mann made an agreement with McBride and a provincial election was fought on McBride's bond guarantee. Both the Canadian Northern and the Union Pacific lost interest in the VW&Y charter.⁵⁸

During the provincial election Hendry backed the Vancouver nominee, F. C. Wade, a prominent federal Liberal who had recently moved to Vancouver. He also supported Tupper's unsuccessful move to have the dissolution and election declared illegal by the courts; he was slow, therefore, to pay out more than \$5,000 for Wade's campaign. There was no federal support for the provincial Liberals; McNeill's assessment was that the federal government believed "there were no men of any rank or standing in the Liberal party in Vancouver. . . . I have rubbed it in hard here about the way in which a certain small clique in Vancouver, all of them Tories, seem to be able to influence the Dominion Government here against its own friends."⁵⁹ In the end only two Liberals survived the Conservative landslide; Oliver and Wade were not among them.

The Conservative re-election, it soon became clear, complicated Hen-

⁵⁴ McNeill to Hendry, 8 March 1909, McNeill MSS.

⁵⁵ McNeill to Hendry, 20 March 1909, McNeill MSS. E. H. Harriman, whose monumental battle with Hill for control of the Northern Pacific had led to the formation of the Northern Securities Company, owned the Union Pacific and Southern Pacific Railway Companies.

⁵⁶ McNeill to F. H. Allen, 21 October 1909, McNeill MSS. Allen was the Union Pacific agent and a friend of Shaughnessy and Hays.

⁵⁷ McNeill to Hendry, 6 October 1909, McNeill MSS.

⁵⁸ McNeill to Hendry, 21 October 1909, McNeill MSS.

⁵⁹ McNeill to Hendry, 8 March 1909, McNeill MSS.

dry's position. F. L. Carter-Cotton, a member of McBride's government, organized the Burrard Inlet Tunnel and Bridge Company (hereafter the BIT&B) to build, in co-operation with the municipalities, a Second Narrows bridge; it hoped for a dominion subsidy to be supplemented by one from McBride. Allied with the BIT&B Company was the British Columbia Electric Railway, whose executives worked with Templeman, Smith and Kelly against Hendry.⁶⁰ "[We] have made it clear," wrote the British Columbia Electric Railway's F. R. Glover, "that his supposed strong political influence in British Columbia is confined to the gang of paid sycophants that surround him."⁶¹ The BIT&B Company was to lease its bridge to the Grand Trunk Pacific in return for Hays' opposition to Hendry in the Railway Committee. McBride gave assurances that he would not subsidize a purely private bridge company.⁶² Carter-Cotton was successful in getting his company incorporated federally. Hendry, did, however, manage to win a five-year extension of his charter.

That Hendry still had as much influence as he did was attributable to his wide network of business contacts. He was frequently in Ottawa, Toronto, Montreal, New York, Chicago and St. Paul and could make the round trip in less than two weeks, stopping briefly in each city. In Ottawa he cultivated the Governor General, the Prime Minister and those cabinet members who could best serve him. In Montreal the re-organization of his Stave Lake Company into the Western Canada Power Company by the Bank of Montreal and Max Aitken's Royal Securities Corporation gave him a standing in financial circles.⁶³ He also maintained contact with financiers in London and New York through the Bank of Montreal.⁶⁴

⁶⁰ Ralph Smith was MP for Vancouver Island. The campaign against Hendry was part of a dispute over water rights between the BCER and Hendry's Stave Lake Power Company. See Patricia Roy, "The Fine Arts of Lobbying," pp. 241-43. BCER, London, to R. H. Sperling, 21 October 1909, Box 178, File 719, BCE Papers. The BCER lobbyist advised the company to modify its waterfront on False Creek so that it paralleled Hendry's but overlapped the CPR's. The CPR objected and instead helped the BCER to lobby for a modification of Hendry's foreshore. F. R. Glover to G. Kidd, 1 August 1908; R. H. Sperling Diary, 24 September, 16 October 1908; A. T. Thompson to R. H. Sperling, 14 October, 2 November 1908; R. H. Sperling to A. T. Thompson, 21 October 1908, 20 January 1909; R. H. Sperling to G. Kidd, 27 January 1909, Box 12, File 276, BCE Papers.

⁶¹ F. R. Glover to R. H. Sperling, 7 January 1910, Box 178, File 717, BCE Papers.

⁶² BIT&B Company to C. M. Hays, 30 December 1909; James P. Fell to Burns and Walkem, 23 December 1909, PABC, Premier's Correspondence, vol. 38.

⁶³ Patricia Roy, "The Fine Arts of Lobbying," p. 240.

⁶⁴ Hendry to McNeill, 26 August, 27 August 1908, McNeill MSS. Among the financiers were: Lord Strathcona, President of the Bank of Montreal; Sir Edward Clouston, General Manager; and F. W. Taylor, London Manager; C. H. Cahan,

In recognition of his position as B.C.'s foremost lumberman and pioneer capitalist, Hendry was elected to the prestigious office of president of the Canadian Manufacturers' Association in 1909-10, the first westerner to be so honoured. J. P. Murray, a Toronto businessman and organizer of the Empire Club, nominated him. Flattered by the honour bestowed upon him, he characteristically hoped that the office might benefit some of his enterprises.⁶⁵

He in fact used the office to bolster his political influence. Before leaving for Edward VII's funeral, he tried to appease McGiverin in Ottawa. Since Hendry's break with the Great Northern, McGiverin had become MP for Ottawa and had considerable power as one of the whips of the party. Specifically, Hendry wanted McGiverin to get him more foreshore in False Creek — values were soaring because of the proposed new Great Northern terminal at the head of the creek and Ottawa, in spite of Vancouver's protests, was continuing to make crown grants of extremely valuable waterfront. Hendry also wanted McGiverin to get the VW&Y subsidies renewed. When McGiverin did not co-operate, Hendry sought the support of Hugh Guthrie, MP for South Wellington and chairman of the Railway Committee.⁶⁶

Laurier's western tour in the summer of 1910 offered a splendid opportunity to go after the subsidies from a different angle. Before Laurier's arrival, various railway magnates had descended on Vancouver to vie for Hendry's property. The Canadian Northern's Mann indicated that he wanted an option on all of Hendry's holdings, including timber rights, similar to the one he had just exercised for the Dunsmuir coal mines.⁶⁷ The Grand Trunk Pacific's Hays applied pressure; he was not inclined to do any more for Hendry until he got the prices he wanted — McNeill quoted \$8 million. Hendry, absent in Europe, was left to worry at a distance about Laurier's travel arrangements. In Vancouver these were largely in McNeill's hands. McNeill wired to Laurier apologizing for

President of Western Canada Power, and A. R. Doble an executive of the Royal Securities Corporation, Western Canada Power and the Bank of Montreal.

⁶⁵ Hendry to McNeill, 27 August 1908, McNeill MSS.

⁶⁶ McNeill to Hendry, 4 May 1910, McNeill MSS. Guthrie had prospects of becoming the next Minister of Justice.

⁶⁷ McNeill to Hendry, 11 June, 15 June 1910, McNeill MSS. McNeill thought their offer financially unsound; they used federally guaranteed debenture stock to buy the Dunsmuir coal mines. Various issues were sold quickly on the London market under the direction of Mackenzie and R. M. Horne-Payne. T. D. Regehr, *The Canadian Northern Railway: Pioneer Road of the Northern Prairies, 1895-1918* (Toronto, Macmillan 1976), pp. 305-08.

Hendry's absence and offered him Hendry's private car and chauffeur for his personal use in Vancouver. Laurier rode in Hendry's car in the exhibition grounds; Tupper gave the Prime Minister a dinner in the Hotel Vancouver and drove Laurier in Hendry's car from the hotel to the club and from the club back to his private car. McNeill felt he had done well, and so he apparently had, for the Minister of Railways, traveling with Laurier, promised that the subsidies would be renewed.⁶⁸

Shortly after Laurier's visit, Hendry's address as CMA President gave him the chance to express his views on reciprocity.⁶⁹ He came out frankly against it, stressing devotion to imperial ties and to the imperial preference. The tone was anti-American partly because of Hendry's anger at the Great Northern's refusal to facilitate Vancouver's commerce by making junction with the CPR tracks on False Creek.⁷⁰ Although his arguments were similar to those of the "Toronto 18" the following year, there is no evidence that Hendry took any further action against reciprocity. As he put it to McNeill, shortly after the CMA convention in Vancouver, "It will not be well to differ too much with [Laurier] until we get some of our matters fixed up."⁷¹

Even absent in Europe — where he made a six-month motor tour before the Coronation — Hendry kept in touch with his affairs. McNeill got at least three letters each week and spent time following Hendry's instructions with respect to the VW&Y's subsidies and the matter of opposing the BIT&B Company.

The two B.C. factions competed for favours in Ottawa, where everything seemed "electric" as the government moved toward the 1911 election.⁷² Pressured by the British Columbia Electric Railway, Templeman got Hendry to surrender part of his Carrall Street foreshore, the alternative being cancellation of the entire grant and perhaps loss of his Burrard Inlet waterfront as well. Nor did the government want to give Hendry the bridge subsidy during an election year, since the municipalities endorsed the BIT&B Company, a semi-municipal body. However, Guthrie

⁶⁸ McNeill to Hendry, 1 September 1910, McNeill MSS.

⁶⁹ *B.C. Saturday Sunset*, 24 September 1910.

⁷⁰ McNeill to Hendry, 18 November 1910, McNeill MSS. J. J. Hill wanted reciprocity.

⁷¹ Hendry to McNeill, 16 November 1910, McNeill MSS.

⁷² J. J. Hill refused to sell his property west of Main Street to the BCER, which wanted the old VW&Y freight yards and the bridge across False Creek. Hill's reason was that the Great Northern wanted to remain on an equal footing with the CPR in the heart of the city. R. H. Sperling to H. Williams, 3 November 1911, General Manager's Letter Book; F. R. Glover to R. H. Sperling, 11 July 1912, Box 178, File 714, BCE Papers. Templeman to McNeill, 7 April 1911, McNeill MSS.

helped McNeill to reach a compromise which satisfied the government: the VW&Y would get the bridge subsidy, which it would give to the BIT&B Company to build the bridge on the VW&Y site; the VW&Y would build the railway approaches and receive stock in the company equal to their cost. Presumably the agreement would be a political asset to the government in the election and the municipalities would back the VW&Y for a provincial subsidy. The reeve of Burnaby, a Liberal candidate in the election, supported the agreement as did L. D. Taylor, Liberal mayor of Vancouver, even though the council had resolved to oppose the VW&Y because it had tied up the north shore waterfront.⁷³ In July 1911, Vancouver, the municipality and the city of North Vancouver agreed to subscribe to stock in the BIT&B Company; the federal and provincial subsidies were expected to add a similar amount.⁷⁴

In London Hendry capitalized on the festivities to promote his interests. From Earl Grey he had an introduction to the Wellington Club, Hyde Park. He saw Laurier and the Minister of Marine; Guthrie was there and guaranteed his subsidies. McBride confided that he intended to aid a railway to the north and promised that he would protect the VW&Y: "He said that he could not kill Keith's Party but that he could see no reason that we could not work together and was glad to know that we were working with the municipalities."⁷⁵ Hendry was to get the federal subsidy; McBride would then pay the bridge company a provincial subsidy.

The federal bridge subsidy, however, was sidetracked by dissolution of the House of Commons. Upon defeat of Laurier's government — no Liberals were elected in B.C. — Hendry arranged his transition to the Conservative regime. He met Prime Minister Borden and Vancouver MP H. H. Stevens; he contacted F. Cochrane, the new Minister of Railways and, through an old friend, he learned of the best Conservative firm of lawyers for doing business in Ottawa.

Much, however, still depended on relations with McBride. McNeill met the Premier to convince him that a railway to the north would be the best thing for the progress of B.C. Unaware that the Grand Trunk Pacific had made a traffic arrangement with Foley, Welch and Stewart, McNeill proposed that the VW&Y build a subsidiary line to the Grand

⁷³ VCC Min., 10 April 1911.

⁷⁴ McNeill to Hendry, 17 June 1911, McNeill MSS.

⁷⁵ Hendry to McNeill, 23 June 1911, McNeill MSS. J. C. Keith, a Conservative, owned the Howe Sound Pemberton Valley and Northern Railway, which was competing for the provincial subsidy.

Trunk Pacific and a feeder line from it into the Peace River country.⁷⁶ After two meetings McNeill surmised that Hendry might get a bond guarantee if he agreed to sell his charter to certain parties; he had McBride's permission to tell Borden that the Premier supported renewal of the VW&Y subsidies.⁷⁷ There were, however, two problems: McBride wanted to control its freight rates; there was also the 1912 election. "If we fail to give Mr. McBride the assistance he requires," McNeill wrote to Hendry, "then we are practically out of the running."⁷⁸

Campaign contributions to the provincial Conservatives could not, however, make up for Hendry's lack of support among the municipalities. They had no faith in the VW&Y's ability to build the railway. A public meeting in Vancouver strongly urged immediate construction of a railway from Vancouver to the Peace River area to prevent that area from becoming tributary to Edmonton. The CPR moved promptly to forestall any competing railroad from building along the north shore of Burrard Inlet by applying for a route along the inlet almost duplicating that of the VW&Y. "You might as well try to fly to heaven on a kite," was Hendry's response to McNeill's idea that he thwart the CPR by raising \$5 million in London to buy the right-of-way.⁷⁹ Instead Hendry threatened to tie up the waterfront by selling his charter to the CPR. When McBride announced a provincial bond guarantee to Foley, Welch and Stewart for construction of the Pacific Great Eastern Railway from Vancouver to Fort George, the municipalities were delighted.⁸⁰ On the understanding that Hendry would work closely with the Pacific Great Eastern, Borden renewed the VW&Y bridge and railway subsidies. Hendry credited the CPR; McNeill credited McBride.

Hendry was now becoming anxious to sell his assets. Travelling in Europe, he became aware of the slackening of the boom. After cruising from Egypt to Venice, he rested in Nice, the coal strike in England ruining any chance of doing business there. When he received the news about the Pacific Great Eastern he angrily recalled McBride's promise to pro-

⁷⁶ Foley, Welch and Stewart were the contractors who built the Grand Trunk Pacific in B.C. McNeill to Hendry, 23 December 1911; D'Arcy Tate to McBride, 24 November 1911, PABC, Premier's Correspondence, vol. 163; McNeill submitted a memorandum on the VW&Y to McBride, 24 January 1912, McNeill MSS.

⁷⁷ McNeill to Hendry, 6 January 1912, McNeill MSS.

⁷⁸ McNeill to Hendry, 11 January 1912, McNeill MSS.

⁷⁹ Hendry to McNeill, 6 February 1912, McNeill MSS.

⁸⁰ *Vancouver Board of Trade, Annual Report, 1911-12* (Vancouver: Evan and Hastings), p. 17; North Vancouver Board of Trade to McBride, 23 February 1912, PABC, Premier's Correspondence, vol. 163.

tect the VW&Y: "Piecrust made to be broken."⁸¹ In London a nerve specialist advised him to wind up as much of his business as possible; the sinking of the *Titanic* added to his distress for several of his Canadian travelling companions as well as C. M. Hays were lost. For all his holdings Hendry wanted \$7 million or \$8 million.⁸² Through Heatley and Company he sold his False Creek mill site, including the Carrall Street waterfront, to the British Columbia Electric Railway — the low price was indicative of his sober view of the economy.⁸³ His mill site in New Westminster was under option to the Canadian Northern.⁸⁴ After a meeting with McBride in London, Hendry concluded that the Pacific Great Eastern wanted Moodyville and the VW&Y charter badly.⁸⁵ He hoped, however, that the CPR, a "canny" buyer that had the cash, would buy both: "It would put us on easy street."⁸⁶

The CPR's Sir Thomas Shaughnessy, a shareholder in Western Canada Power,⁸⁷ showed some interest in Moodyville, but the CPR wanted to enter North Vancouver only to forestall the Grand Trunk Pacific; Shaughnessy felt that Foley, Welch and Stewart were acting for the Grand Trunk Pacific. Since Hendry believed that the CPR had engineered the renewal of his subsidies, he was disappointed at its failure to buy.

⁸¹ Hendry to McNeill, 7 March 1912, McNeill MSS.

⁸² The Hastings Mill site had increased over \$1 million in value within three years; Hendry's False Creek property had more than doubled; Moodyville had increased 40 percent; the most spectacular increase was in New Westminster, where the plans of Mackenzie and Mann had caused Hendry's mill site to increase 600 percent. See statement of Hendry's properties dated November 1911, McNeill MSS.

⁸³ The price was \$625,000 cash. The BCER accepted the legality of Hendry's foreshore title! F. R. Glover to R. H. Sperling, 11 July 1912, Box 178, File 714, BCE Papers. Sperling predicted the mill site would bring close to \$2.5 million as real estate. R. H. Sperling to M. Urwin, 13 November 1912, General Manager's Letter Book, BCE Papers. The CPR helped to get title for the BCER at one-quarter market value. A little juggling of dates was necessary to make the title predate the Harbour Commissioners Act, which allowed leases only. A. T. Thompson to the Minister of Marine, 21 April 1913; A. T. Thompson to R. H. Sperling, 29 May 1913; R. H. Sperling to A. T. Thompson, 10 June 1913; R. H. Sperling to M. Urwin, 11 June 1913; Box 12, File 276, BCE Papers. The Great Northern would not allow the BCER running rights over its track because it had "sweated blood" for everything it had got in Vancouver. G. R. G. Conway to R. H. Sperling, 15 November 1913, General Manager's Letter Book, BCE Papers.

⁸⁴ The price was \$700,000; the agreement for sale was dated 21 January 1912. PABC, Department of Railways, Box 9, File 35.

⁸⁵ Hendry to McNeill, 13 July 1912, McNeill MSS.

⁸⁶ Hendry to Alexander, 16 April 1912, McNeill MSS.

⁸⁷ Patricia Roy, "The Fine Arts of Lobbying," p. 240.

The final fate of the VW&Y depended on McBride. He gave direct assistance to Keith;⁸⁸ Hendry, no doubt, hoped for similar treatment. But when the boom collapsed, the Pacific Great Eastern, its bonds at a large discount in London, decided to shelve its line between Howe Sound and Vancouver. Nor was Hendry able to retain his bridge subsidy; Carter-Cotton induced the Borden government to transfer it to the BIT&B Company. When that company faced financial problems, Hendry reminded McBride of his promise to protect the VW&Y. If the provincial government took over construction of the bridge, he wanted the VW&Y to receive recognition. When Carter-Cotton refused McBride's offer to build the bridge, the Premier did no more for the VW&Y.⁸⁹ Hendry's charter empowering him to construct the northern extension expired in 1915, and with it died the last possibility of further action in the matter.

Hendry's involvement with the VW&Y offers a close to classic example of the manner in which business and government interacted in the early years of the twentieth century. It shows, in particular, how a businessman might seek through lobbying, campaign contributions, the cultivation of political friendships, and the securing of high office for associates and supporters to influence the decision-making process in his favour. It reveals, too, what sort of business moves — those, for example, Hendry made in his efforts to acquire the property he needed to run the VW&Y into Vancouver — might be necessary to secure a given objective. Most of all, however, it makes clear to what extent even the most self-made and independent of businessmen and entrepreneurs was dependent on a network of support and assistance without the existence of which he simply could not have functioned. In doing that, finally, it reminds us once again of the by now familiar truth that businessmen, no less than other people, seek to control the environment in which they operate.⁹⁰

⁸⁸ D'Arcy Tate to J. C. Keith, 21 August 1912. The Pacific Great Eastern paid \$1 million to conciliate the Howe Sound Railway interests and to meet the wishes of the government. D'Arcy Tate to W. Ross, 8 July 1913, Department of Railways Correspondence, 1912-13, from the Premier's office relating to the PGE.

⁸⁹ Hendry to McBride, 25 July 1913; F. L. Carter-Cotton to McBride, 30 December 1913, PABC, Premier's Correspondence, vol. 49.

⁹⁰ See Michael Bliss' discussion, "The Flight from Competition," in *A Living Profit: Studies in the Social History of Canadian Business, 1883-1911* (Toronto: McClelland & Stewart Ltd., 1974), pp. 53-54.