

# Macdonald Puts the National Policy into Effect

This part of the chapter will look at the results of the National Policy in three areas: protective tariffs, a national railway, and settlement of the West.

## 1. Protective Tariffs

Macdonald and the Conservatives announced that, as soon as they returned to power, higher tariff rates on goods coming into the country would be put into effect. The Conservatives had promised the tariffs as part of their National Policy. The new tariffs were almost double what the previous ones had been. These new tariffs were placed on imported items that threatened to prevent Canadian industry and agriculture from making a profit.

Fortunately for the Conservatives, a world-wide period of prosperity began soon after they returned to power. Ontario, which was Canada's centre of manufacturing, enjoyed an increase in business. It appeared that the National Policy had worked a miracle. However, the prosperity was mainly due to the world-wide business boom, a series of excellent grain crops, and the renewal of the timber trade with the United States.

## 2. A National Railway

Macdonald began work on a national railway immediately after being elected in 1878. In 1880 the Canadian Pacific Railway Company (CPR) was formed. The company was given the task of building a transcontinental railway that would go from Montreal to the west coast of British Columbia. The railway was to travel along the tracks that were already in existence from Montreal east to the Maritimes.

The building of a transcontinental railway in Canada was a tremendous accomplishment. Canada, with a population of only 4 000 000, managed to complete its railway only a few years after the United States, a nation with ten times the population of Canada.

## 3. Settlement of the West

Even though settlement of the West was part of Sir John A. Macdonald's National Policy, population growth was still disappointing in the years following the election of 1878. In fact, during the 1890s more people were leaving Canada than were coming in from other countries.

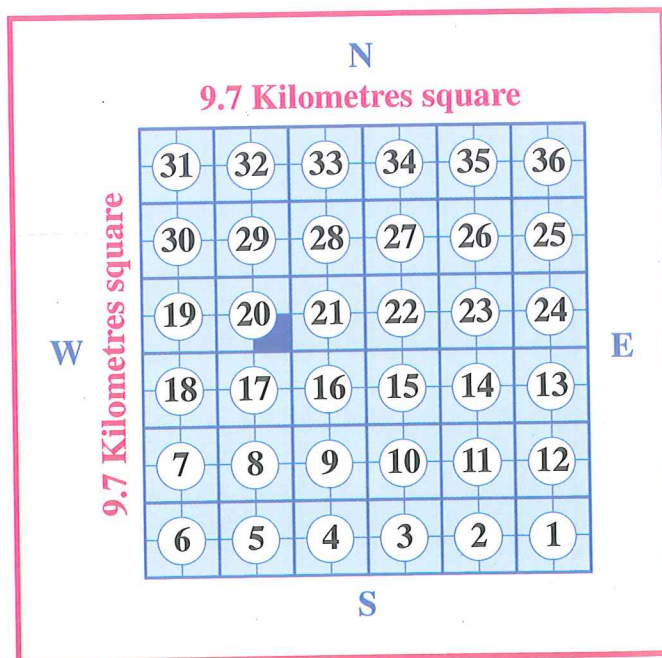
The Dominion Lands Act had been passed back in 1872. This Act gave settlers about 64 hectares (then referred to as a quarter section) of land in return for a 10-dollar registration

fee with the condition that one must live on the land and work it for three years. In spite of the Dominion Lands Act the West still had few settlers.

### Prairie Homesteads

Many settlers chose to live in the western United States rather than in western Canada. There was a railway in the United States, as well as free land. These features made the United States look inviting. Also, there had been some droughts in the Canadian West in the 1870s and grasshopper plagues in 1874 and 1875. As a result of these conditions, people did not view the Canadian West as a good place to farm. The next part of the chapter will look at what the Canadian government did to get the Canadian West prepared for settlement.

In preparation for the anticipated influx of settlers to the West, the government first had to have the land surveyed. The western lands were divided into squares called townships. Each township contained 36 sections of land, with each section containing 260 hectares (640 acres). The sections were divided into quarter sections of 64 hectares (160 acres) each. A prairie homestead was a quarter section in size. Land was also reserved for the Crown (government lands), schools, the Hudson's Bay Company, and the Canadian Pacific Railway.



Prairie farmlands were surveyed into townships 9.7 kilometres square. The shaded portion is the southeast quarter of section 20. The legal description for this homestead was SE 20 4725, the 47 standing for township and the 25 for range.

# The Canadian Pacific Railway

The Canadian Pacific Railway (CPR) was completed in 1885 under the leadership of William Cornelius Van Horne. The building of the railway was part of Macdonald's dream of binding the country together from "sea to sea." It fulfilled the Canadian government's promise to bring British Columbia into Confederation. With the completion of the Canadian Pacific Railway thousands of settlers chose to settle in the Canadian West.

## An Expensive Project

The CPR was extremely expensive to construct. Even though it was a private company (not government owned), it needed the financial help of the government. The government promised the CPR the following:

- \$25 000 000
- 10 000 000 hectares of western land
- 1100 kilometres of railway lines that had already been built
- that tax would not be applied to railway material.

The \$25 000 000 that was given to the CPR when it was formed proved to be too little. The company went back to the government twice to get more money to continue the building of the railway.

In 1885, when officials from the CPR approached the government to ask for more money, many people said that a transcontinental railway was a crazy dream that the country could not afford. These people were against giving money to the CPR. When a Native resistance took place in the West that year, Van Horne transported soldiers to the West on the railway, even though it was unfinished in some places. The Canadian public were very impressed by the speed with

which the railway transported the soldiers to the area of conflict. As a result, the Canadian government gave the CPR some money for further construction, without hesitation.

## William Cornelius Van Horne



C-8549, National Archives of Canada, Ottawa (detail).

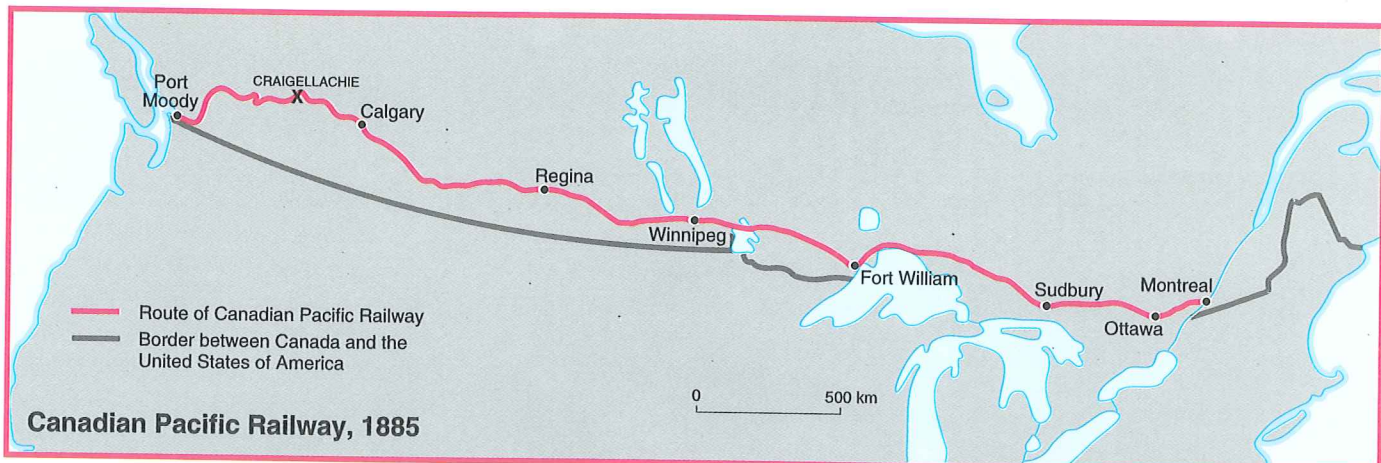
William Cornelius Van Horne was responsible for completing the construction of the CPR.

In 1882 William Cornelius Van Horne, an American, was hired to be the general manager of the CPR. Van Horne was determined to get the Canadian Pacific Railway completed according to the time schedule that was promised by Macdonald. The Canadian government had built only 480 kilometres of track in the previous 10 years. Van Horne declared that he would build 800 kilometres of track in one year, but by the end of the first year

he had built 830 kilometres of track. Under his leadership, the railway was completed by 1885, six years before the estimated date of 1891. Because of his drive and commitment, Van Horne was a man who achieved what he set out to do. With the completion of the CPR in 1885, the West was ready for large numbers of settlers.

## Exploring Further

1. How was the building of the CPR a benefit to Canada?
2. Conduct research on one of the people involved in the building of the CPR. Some possibilities of people to study are: Donald Smith, Andrew Onderdonk, William Cornelius Van Horne, James Hill, and Sir Sanford Fleming.
3. Write a week's entries in the journal of a navvy—an unskilled labourer who works on canals, roads, or railways.



This map shows the route of the main line of the Canadian Pacific Railway. The complete railway line stretched a distance of 4660 kilometres from Port Moody, British Columbia, east to Montreal. The first train from Montreal arrived at the Pacific Coast in July 1886.