

5.4

The National Dream

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- 1871: BC joins Confederation with a promise of a railway to link them to the rest of Canada. Macdonald had a dream to create a nation from sea to sea.
- Macdonald knew Canada didn't have the resources to build a railway, so he offered incentives to wealthy business & railway owners to finance it.
- The only Canadian with the means to do it was **Sir Hugh Allen**, who joined forces with American rail tycoon Jay Cooke. In 1871 Allen forms the Canadian Pacific Railway (CPR), a seemingly Canadian company but actually controlled by Americans.

Pacific Scandal

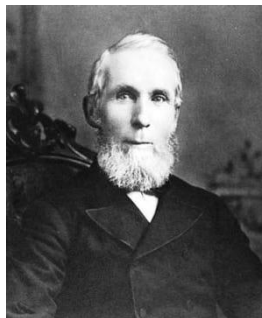
- 1872: Macdonald calls a general election. During the election the Conservatives realize they need more money for the campaign.
- Macdonald asks George-Étienne Cartier to find out if Sir Hugh Allan would finance the campaign in return the government would promise a guaranteed railway contract. Cartier wrote two memos, one promising Allan the railway contract, the other listing the amounts of money needed.
- Macdonald & the Conservatives won a slim majority, but the contents of the memos & the American involvement in the CPR became public. Macdonald was forced to resign.

Alexander Mackenzie & the Railway

- After Macdonald resigned, **Alexander Mackenzie** led the Liberals to power. He thought the railway was a waste of money and slowed work on it, even as B.C. threatened to secede from Confederation. Mackenzie eventually allowed the CPR land survey to return.
- Building the railway through the Rocky Mountains would be difficult. Sanford Fleming was chosen to lead the survey and multiple possible routes was debated in the "**Battle of the Routes**".

The National Policy

- 1876: John A. Macdonald develops the National Policy as the basis of the Conservative election platform & they win the 1878 election.
- Macdonald believed the National Policy was essential for nation building. The NP included:
 - **A System of Protective Tariffs** – Macdonald devised a system of tariffs or taxes applied to American goods, making them more expensive than Canadian goods.
 - **Immigration to the West** – the government wanted immigrants who were farmers to produce & export grain and to buy manufactured goods from Ontario & Quebec.
 - **The CPR** – the West couldn't be developed until goods & people could be transported in & out of the region.



Sir Alexander Mackenzie