The National Dream

1. Who Will Build the Railway?
2. Alexander Mackenzie and the Railway
3. The National Policy
• If you recall, the main reason why B.C. did not join Confederation in 1867 was ____?
• BC joined Confederation in 1871 with the promise of rail link to the rest of Canada within 10 years.
1. Who Will Build the Railway?

• John A. Macdonald knew that the new country could not afford to fund such a megaproject.

• He looked to private industry to supply the financing.
• Jay Cooke, a wealthy American businessman, quickly became interested in the project
• Cooke teamed up with Sir Hugh Allan, a wealthy Canadian
In 1871, Allan created the Canadian Pacific Railway Company and told the Canadian government that he would begin construction of a new railway.

What Allan did not tell the Canadian government was that the company was in fact controlled by Jay Cooke.
If word got out that Americans controlled the railway, it would spell doom for the whole project.

And then came the Pacific Scandal...
2. Alexander Mackenzie and the Railway

- After the Pacific Scandal, Alexander Mackenzie led the Liberals to power in 1873
- Mackenzie did not immediately back the idea of a transcontinental railway
After BC politicians threatened to secede from Confederation if the railway wasn’t built, Mackenzie finally got behind the project.
Sanford Fleming was put in charge of surveying the land and choosing a route, but no decision was made in the 1870s.
3. The National Policy

• Macdonald was out of office for 5 years between 1873 and 1878
• During that time, he (of course) dreamed up ways to get back into power
Macdonald developed the National Policy, which served as his Conservative Party’s platform for the 1878 election.
The National Policy had three main parts:
A) a system of protective tariffs
B) increased immigration
C) the CPR
• Voters backed the National Policy and Macdonald and his party returned to power with a large majority
• Now comes the hard part...