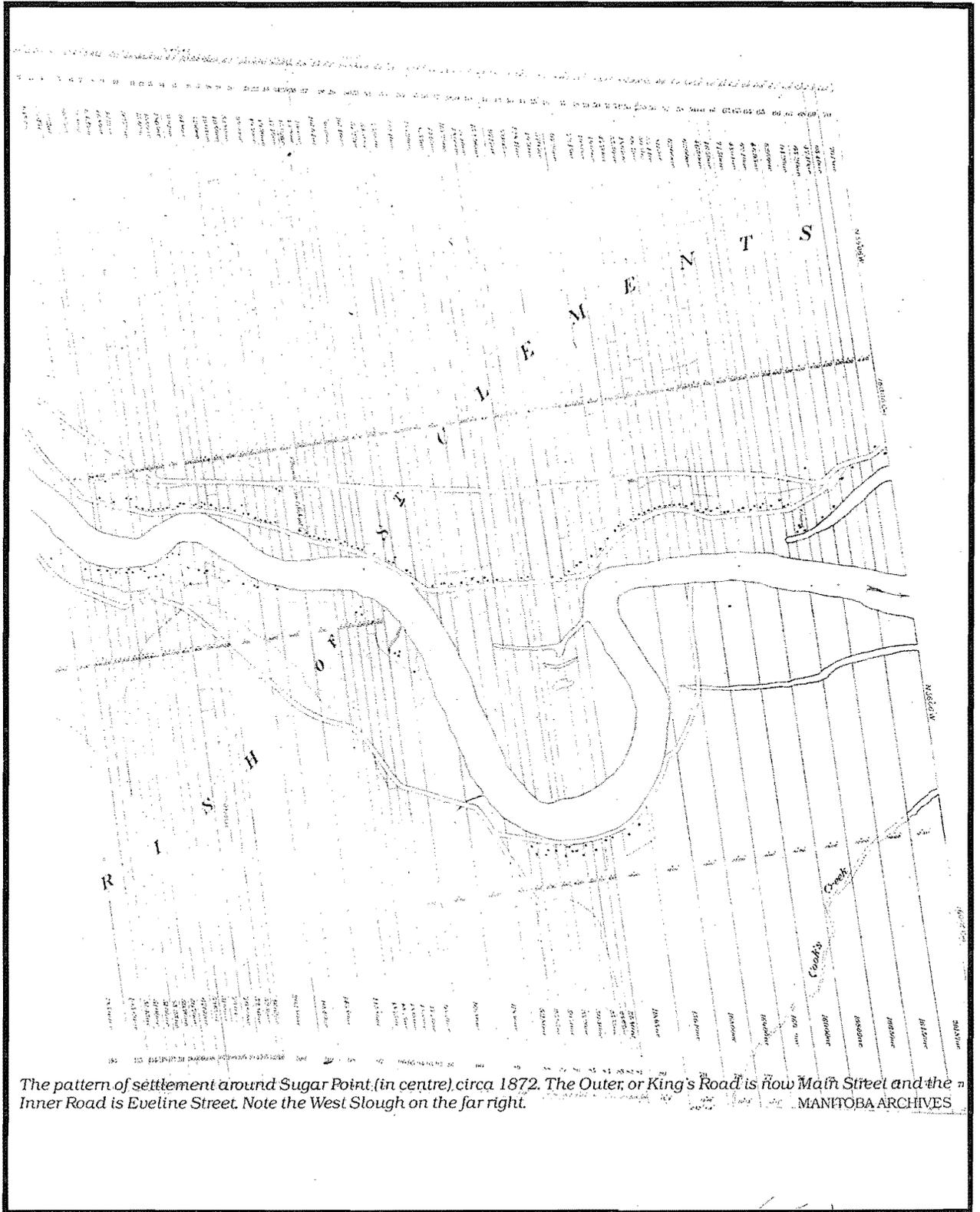


CHAPTER ONE

THE POLITICS OF RAILWAY BUILDING, 1875-1883

IN THE SPRING OF 1875, before the last blocks of ice on the banks of the Red River had melted away, nine men piloted a York boat upstream toward the Indian Settlement. They slipped past the stone mission church that had stood at St. Peter's since 1853, past a string of white-washed Indian houses, and past a deep inlet fringed with canoes and still harbouring a Hudson's Bay Company steamboat, until at last they reached a heavily wooded spot just before the river bent sharply around the great thumb of land known as Sugar Point. There they landed and seven of them, axes and gear in hand, clambered out of the boat and up the steep bank to find the trail that ran along the river. With difficulty their companions shoved the heavy boat back into the channel and crossed slowly to the other side, where they put in near what soon would be the foot of Clandeboye Avenue in the town of Selkirk.¹ These men, and the woodcutters whom they had left to clear brush on the opposite bank, were in the employ of John Wright Sifton, a contractor for the Canadian Pacific Railway, and they had come to establish a telegraph office at this settlement on the Red, where a bridge was to be built to carry the transcontinental line out of the forests of the Shield and onto the open prairies.

Having moored the boat, they climbed over the ice to the top of the bank and immediately began their search for a suitable office building. Few trees blocked their view of the Inner Road (later Eveline Street) that hugged the bank and they could see a long line of small log houses, some shingled but most merely thatched, on the far side. Each house, with its little yard marked off by wooden poles, was set on a narrow lot fenced with barbed wire to keep stray cattle out of the crops that were sown there each spring.² These were half-breed and Indian homes, and they were clearly too small to accommodate a telegraph office. Farther down the road, at the very tip of the Red River Settlement granted to Lord Selkirk more than a half century before, stood another stone church and an Indian school in the parish usually called Mapleton. Hoping to find a larger building there, they started down the Inner Road. They came to a substantial house, apparently deserted, that had once belonged to Chief Factor Christie of the Hudson's Bay Company. It seemed ideal, but they could find no one to lease it to them. They continued on to a small trading post owned by George Black. He had no authority to rent the house, but he did offer them the use of the back of his store until they were able to make other arrange-



The pattern of settlement around Sugar Point, (in centre), circa 1872. The Outer, or King's Road is now Main Street and the Inner Road is Eveline Street. Note the West Slough on the far right.

MANITOBA ARCHIVES

ments. At once they ran a wire into the store from the line that had been strung during the previous fall. With the brass key connected, they tapped out the first C.P.R. telegraph message in Manitoba:

To J. W. Sifton, Winnipeg: Our congratulations upon opening of the first office of the C.P.R. Telegraph at Mapleton today. Signed, James Colcleugh.³

This brief message heralded great changes, for it meant that the railway was indeed coming to the Settlement and that the little village would turn overnight into a bustling metropolis. Since 1871 the Dominion government had been committed to the construction of a transcontinental railway that would link east to west, ease the transport of people and goods, and unite a nation divided by distance. Sandford Fleming, "a mountain of a man in a stovepipe hat, his vast beard trimmed in the shape of an executioner's axe,"⁴ became chief engineer and quickly sent surveying parties across the country to find a satisfactory route for the mainline. When James Colcleugh arrived at the Settlement, the mainline west of Lake Superior was still supposed to start at Fort William, take a northwesterly course to the Red River, where it would cross in the vicinity of the Indian Settlement, proceed north between lakes Winnipeg and Manitoba, cross the Narrows, and run on to distant Edmonton.

Business logic decreed that railways had to pass through the most populous communities, thereby increasing both passenger and freight traffic, and Winnipeg, with its 2000 inhabitants, was the largest town in the west. Yet to an engineer like Fleming, geography proved a stronger attraction than profit. He saw many advantages in the Selkirk townsite. As he wrote,

Wherever the railway forms a convenient connection with the deep water of the river, that point will practically become the head of navigation of Lake Winnipeg. In course of time a busy town will spring up and the land of the town site will assume a value it never

before possessed. To the north of Sugar Point, in the locality designated Selkirk, a block of more than 1,000 acres remains ungranted and under the control of the Government — this is probably the only block of land along the whole course of the Red River which has not passed into private hands or into the possession of the Hudson Bay Co.

This large block of land abuts the river, where a bridge may be constructed with least apprehension as to the safety of the structure in time of flood, and where its erection could, under no circumstances, involve questions of damages. Near the river there is a natural deep water inlet, which can easily be reached by a short branch from the main line of the railway; along this inlet, and between it and the river, the land is admirably suited for a capacious piling ground, vessels lying in the inlet are in no way exposed to damage from floods, in proof of which it may be mentioned that the Hudson Bay Co. have used it as a place of shelter for years past.⁵

For these reasons, Fleming's crew had surveyed the Settlement during the summer and autumn of 1874, and laid out three possible river crossings. One was near George Black's trading post and the others were about a mile and a half farther north. This done, they would have normally retired from the field for the winter, but the government wanted a telegraph line built along the mainline as soon as possible and they remained during the bitter winter months to mark a route between the Settlement and Fort Livingstone on the Swan River.

While Fleming's surveyors were hacking a path through the bush to Livingstone, John Wright Sifton and his partners were politicking at Ottawa for the contract to build the telegraph line west of Fort William. Sifton was from Petrolia, Ontario, which happened to be in Prime Minister Alexander Mackenzie's riding of Lambton. He had been a farmer until nearly 30, went into railway contracting, and then became a private banker on the strength of his profits. As a successful businessman, he had little trouble gaining election to the



James Colcleugh in 1876

MANITOBA ARCHIVES

position of reeve of his municipality and then to the Lambton County Council. More importantly, he was a Reformer (Liberal) in politics and had actively supported the Prime Minister's bids for office in Lambton. Together with David Glass, a Tory turncoat and noted criminal lawyer who delighted in murder cases, and Michael Fleming, manager of the Montreal Telegraph Company in Sarnia, Sifton bid nearly \$100,000 for the contract.⁶ This was a grossly inflated tender, much higher than the others submitted to the government, but Mackenzie did not forget his political allies. Sifton, Glass and Company received the contract.

James Colcleugh, whom Sifton appointed superintendent of the telegraph operation, may have owed his position to political connections, too. In the coming years he would work tirelessly to elect Sifton to the House of Commons, and certainly it could not be said that there was much in his background to suit him for the duties with which he was now entrusted. Born at Dundas, Canada West, in 1841, Colcleugh was barely out of short pants when he was apprenticed to a druggist in the village of Ayr.⁷ At 20, he moved to Buffalo, New York, to become a druggist's assistant. After the American Civil War he returned to Canada West to establish his own drugstore, which he ran continuously between 1866 and 1875, except for a brief interlude when he went to the front to battle the Fenian invaders, radical Irish patriots who hoped to strike a blow at England by attacking Canada through the United States. Then, in 1875, Colcleugh suddenly sold the business to his brother and headed west to run Sifton's telegraph venture. By virtue of his early arrival, Colcleugh was to become one of Selkirk's leading citizens, sharing in its rapid rise and missing its equally rapid downfall by the slimmest of margins.

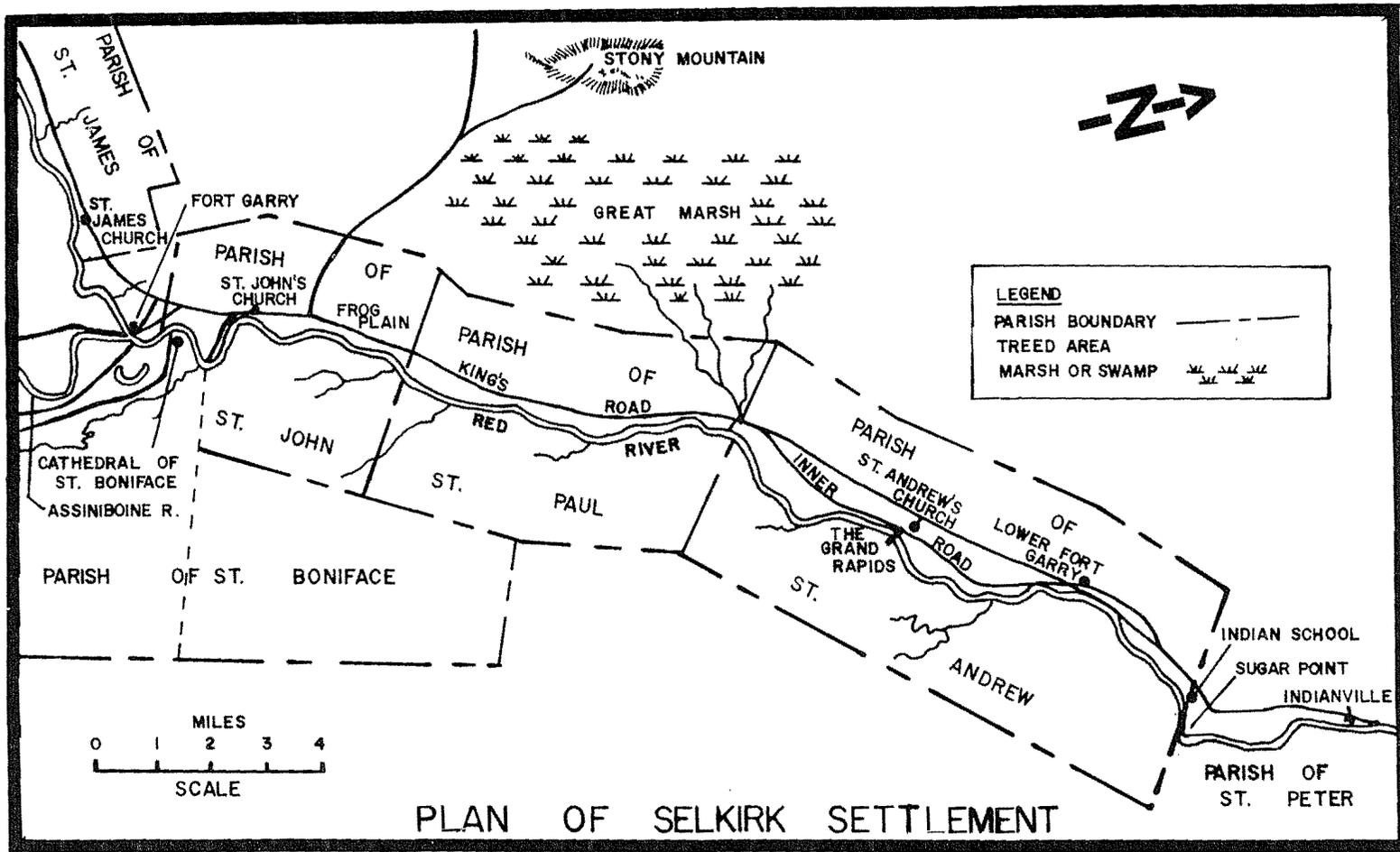
The Settlement was still a raw place when he arrived. It was, in fact, the centre of an Indian reservation where the descendants of

the legendary Chief Peguis lived. Peguis's son, Henry Prince, was their chief. In the late summer of 1871 Prince, along with several other band chiefs, had met the representatives of the Dominion government at the Stone Fort (Lower Fort Garry) to sign the articles of Treaty One. In exchange for their promises of obedience to the Crown and abandonment of all land claims, the Indians of Prince's band were to receive, among other gifts, "so much of land on both sides of the Red River, beginning at the south line of St. Peter's Parish, as will furnish one hundred and sixty acres for each family of five."⁸ St. Clement's Parish had not yet been surveyed by the government between St. Andrew's and St. Peter's, and consequently the southern boundary of the new reservation began just south of Sugar Point. As such, it included all of the planned town of Selkirk. This is why Sandford Fleming was able to say that none of the land around his proposed river crossing was in private hands.

More than 1000 people lived between Sugar Point and the Netley Marsh, mostly half-breeds and Indians. Less than 50 were whites. These were settled people with a 40-year tradition of agriculture. The clergymen of the Church of England had lived among them since the 1830s and had taught them to farm on their narrow river lots. With crude implements they sowed acres of barley and potatoes each spring. Those closest to Sugar Point seemed to take best to farming, but lately even they had not had much success because of the grasshopper plagues that ravaged their fields every few years. Still, most families had a small herd of cattle, some pigs and a few chickens to help get them through the winter months. When the Dominion Lands surveyors came through the parish in the winter of 1872, and paused at some of the farm houses for tea, they could not help but notice the chicken coops kept in one corner of the kitchen to keep both birds and eggs from freezing.⁹ While this surely saved the poultry, it did little for the aroma of the kitchen.

Despite recurrent grasshopper infestations, the summer seasons were the best. After the crops were planted, the men of the Settlement were able to hunt and fish to help fill the larder. Some found work on the Hudson's Bay Company boats that plied Lake Winnipeg and its tributaries, while others cut hay and wood on the east side of the Red for sale to white settlers closer to Winnipeg.¹⁰ But while this nearness to Winnipeg was good for business, it did little to improve life on the reservation. Illicit liquor was in good supply and led to a distressing number of public brawls, arguments and thefts, and to an occasional murder. The growth of Selkirk would only worsen these problems.

The Church of England clergy, stationed at St. Andrew's, St. Clement's and St. Peter's, tried hard to maintain order on the reservation and to instill Christian virtues in the local Indians and half-breeds. After 40 years of work they could claim to have been quite successful in the southern part of the parish of St. Peter's, which was home to many English-speaking half-breeds and some former Hudson's Bay Company servants. But farther north, toward Indianville and beyond, the people were mainly Indians, less settled, and too far from the church to feel its full influence. For years these two groups had been called the Christians and the heathens.¹¹ Their different outlooks led to a minor civil war on the reservation in the 1870s, with the northern 'heathens' loudly complaining about the election of Henry Prince as chief. They wrote letter after letter to the Indian Commissioner to point out Prince's shortcomings. They accused him of keeping treaty money for his own use, of selling band potatoes without permission and of buying furniture for his house with the proceeds, of selling axes to Winnipeg saloon-keepers, and of being drunk most of the time.¹² Prince denied every accusation except the last, and his incorrigible nature finally prompted the northern band members to petition for a reservation apart



PLAN OF SELKIRK SETTLEMENT

Red River Settlement in 1859. Little had changed by the time of James Colcleugh's arrival at Sugar Point in 1875.

NARRATIVE OF THE CANADIAN RED RIVER EXPLORING EXPEDITION OF 1857 AND OF THE ASSINIBOINE AND SASKATCHEWAN EXPLORING EXPEDITION OF 1858

from St. Peter's. But no one in the government paid much attention to their attempt at secession and gradually the demand faded away.

These band troubles caused grave concern among local missionaries, but not nearly as much as the troubles within their own Church. By 1870 there were two ministers making the rounds in St. Peter's, James Settee and Henry Cochrane. Being an Indian, Settee took charge of the northern half of the reservation, while Cochrane, a half-breed, ministered to the southern part. Liquor problems preoccupied the clergymen at St. Peter's and elsewhere in the 1870s and none more so than Henry Cochrane, who was often drunk himself. By drinking and fornicating his way around the parish, he earned a suspension from the Church, but he was popular among his parishioners and they managed to have him reinstated. In an attempt to rehabilitate him, his superiors sent him to The Pas, but this only made him more difficult. Soon his wife was accusing him of drinking hard, of sleeping with her two sisters, and of beating her with his fists and a horsewhip.¹³ Fed up with both his Church and his wife, Cochrane resigned and returned to St. Peter's to continue his carousing.

When not trying to rescue Cochrane from temptation, the local clergy spent much of their time worrying about the effects that the railway would have on the Settlement. Some were already evident. As Fleming had predicted, the value of land around the proposed crossing was increasing rapidly in anticipation of the commercial activity that would occur as soon as the mainline came through from the east. Wealthy men from Winnipeg and elsewhere began to buy land near the crossing for resale after the price had risen substantially. This was mostly land farmed by local Indians and half-breeds, although some belonged to clergy of the Church of England.¹⁴ There were no clear titles in the possession of the occupiers of the land, as the government

had not yet allocated lands to the natives, but the speculators were hoping to gain title soon. If they succeeded, and held on to the property until its value had doubled, tripled, or risen even more, they stood to make fantastic profits without lifting a finger. The Indians and half-breeds, on the other hand, would be landless and devastated.

By 1876 the Selkirk townsite was largely in the hands of three speculators, John Christian Schultz, Samuel L. Bedson, and A. G. B. Bannatyne.¹⁵ Other speculators were numerous, but none seem to have had holdings on the same scale as this trio. Schultz, "a red-blond giant, powerful of body and crafty of eye and mind,"¹⁶ was a doctor by profession and a businessman and politician by preference. He had been one of the chief agitators for union between Manitoba and Canada in 1869 and had been imprisoned by Louis Riel for his convictions. Once the Metis resistance was over, Schultz turned increasingly to land investment, and his Selkirk property became but a tiny fraction of an empire of acreage stretching across Manitoba and beyond. S. L. Bedson was best known as warden of the Stony Mountain Penitentiary and owner of the largest captive buffalo herd in the country. Like Schultz, Bedson was a Conservative faithful. Bannatyne, on the other hand, was a Liberal, an aging Scot who had started out with the Hudson's Bay Company and ended up as one of the most successful of all Red River merchants. All three men had been purchasing land near the crossing for several years,¹⁷ but none was more powerful than Schultz, who owned the centre of the townsite.

The speculation of these prominent men was not secret, and it inspired confidence in many others with less capital but no less thirst for profit. By the autumn of 1875 the Indian Settlement had begun to take on the appearance of a booming town. A resident described Selkirk to the editor of the *Manitoba Free Press* in late September:

About two months ago first surveys [of the townsite] were completed, building began immediately and has gone on since with considerable rapidity. The railway contractors occupy one of the buildings previously existing, and with the exception of a large depot across the river have erected no new buildings. A hotel was established in the house of one of the settlers, but within the last fortnight a large new building erected by Mr. A. H. Vaughan, has been opened as a hotel by Messrs. McKinnon & West. A large business is done by the proprietors. The other hotel is conducted by Messrs. Ogilvie & Brown, and is constantly crowded. In addition to these hotels there are two boarding houses, one conducted by Mrs. Platt, and the other by Mr. John Scarry, both of whom occupy new buildings. Mr. Sanderson from Winnipeg, is erecting a large building, which he intends to open as a flat-boat store. Mr. P. R. Young, of North St. Andrews, is erecting a store on the main street, and it is said, contemplates removing from his present store, or at any rate making this his headquarters. Mr. Frank Whitman has the honor of having erected the first building in the future city, and conducts a grocery and provision business in it. To this he has lately, with a partner, opened a butchers' shop, and sells beef at a price so low as to make a resident of your city wonder that 24 miles should make such a difference. Mr. Peter McColman has erected a frame building, in which he means to open a general store. A boot and shoe shop is open on the property adjoining the house occupied by the contractors, on which also is the office of Mr. Wood, agent for the purchase and sale of real estate. Mr. Vaughan's surveying offices are situated farther north on the same street. Further back on the uncleared part of the city, Messrs. Wellman & Gardner have commenced brickmaking, and the first kiln, I believe, has been burnt already. Nearer the river are two buildings erected by Dr. Schultz, one of which is finished and occupied, and the other is approaching completion. Going down the river we find a ferry established and trips made every few minutes to accommodate the traffic caused by the railway and settlers. A little further down is the wharf of Messrs.

A. McArthur & Co. where a schooner arrives about every week with a load of lumber, which is piled in a yard running back from the river, and on the rear of which an office has just been completed. Behind this lot, and on the main street, Mr. Colcleugh has erected a building to be occupied as a store.¹⁸



John Christian Schultz in the 1870s MANITOBA ARCHIVES

This frenzied building continued through the winter of 1875-6 and continued well into the spring until it slackened due to a shortage of construction materials. As naturalist John Macoun wrote, "Selkirk's future was brighter than [that of] any other place in the then comparatively unknown province of Manitoba."¹⁹

The excitement about Selkirk's prospects was not confined to the town, nor even to the province. Men of money in Ontario and elsewhere sounded out their acquaintances at Selkirk about the chances of reaping quick profits from speculation in real estate. One such man was J. C. M. Logan, owner of a Guelph oil refinery, who wrote Colcleugh in the winter of 1875 for advice. He asked dozens of questions about the site: how wide was the river, was the land suited to agriculture or lumbering, could a good harbour be dredged economically, what was the town population and the usual nationality of its inhabitants, and what was the cost of living? "The above may seem perplexing questions," he added,

but should your answers be favourable they may induce several of us here to pay you a visit and possibly result in helping you individually. Let me know at what price you could secure say a few hundred acres of land on both sides of the river—cash....In short, advise me *squarely* how you are progressing and what are the chances for money to *make money*, and would you make that commodity fast if aided by a strong financial backer?²⁰

As a further inducement, Logan offered Colcleugh a "handsome commission" on any safe investments he was able to make in local real estate.

There were plenty of opportunities to make a great deal of money at Selkirk in 1876, but not in land. Not yet, at least. The value of real estate depended on the arrival of the railway and that event was still unpredictable. In the meantime, there were substantial profits to be made in providing lodging, building materials, transportation, and the staples of life to the hundreds of people flocking to the townsite.

Two inexperienced young men who did well in business at Selkirk were McKinnon and West. They arrived from Ontario in 1875 and, by pooling their cash, rented a hotel for \$35 a month. Business was so good that within a year they had saved enough to build their own hotel, even though the weekly rate for room and board was only \$6. It was beneficial, of course, that they assigned six or seven people to each room and then slept another two dozen or more on the floor.²¹

The business of transporting people between Winnipeg and Selkirk was just as profitable. In 1876 there was no livery stable at Selkirk, and those wishing to travel the King's Road could either walk or hire a rig in the city at a cost of \$5 a day. With labourers' wages hovering around \$2 per day, it is reasonable to believe that shank's mare received a good workout.²² Those with a little more cash could travel in more style aboard the *Swallow*, a little steamer owned by Captain Flanagan. In the autumn of 1875 Flanagan built, at his own expense, a small wing dam on the St. Andrew's Rapids, and, as the *Free Press* commented, "the *Swallow* can now drag itself over."²³ By the spring of the next year the *Swallow* was making daily trips between Winnipeg and Selkirk, and she continued to do so until she capsized in 1878. Captain Flanagan's tragedy probably boosted the business fortunes of Connell and Burke, who started a stagecoach line between Selkirk and the city late in 1877. The round-trip took two days, with the stage leaving Winnipeg at 8:00 a.m. on Mondays, Wednesdays and Fridays, and returning at the same time on alternate days.

Transporting staple goods was much more difficult. Not enough food was grown locally to supply the needs of all who came to seek their fortune at Selkirk and Winnipeg merchants were not yet engaged in wholesaling to any extent. The size of the problem can be seen in James Colcleugh's efforts to bring in supplies for his new drugstore on Eveline Street in the spring of 1876. He wrote to his

brother William in Ontario:

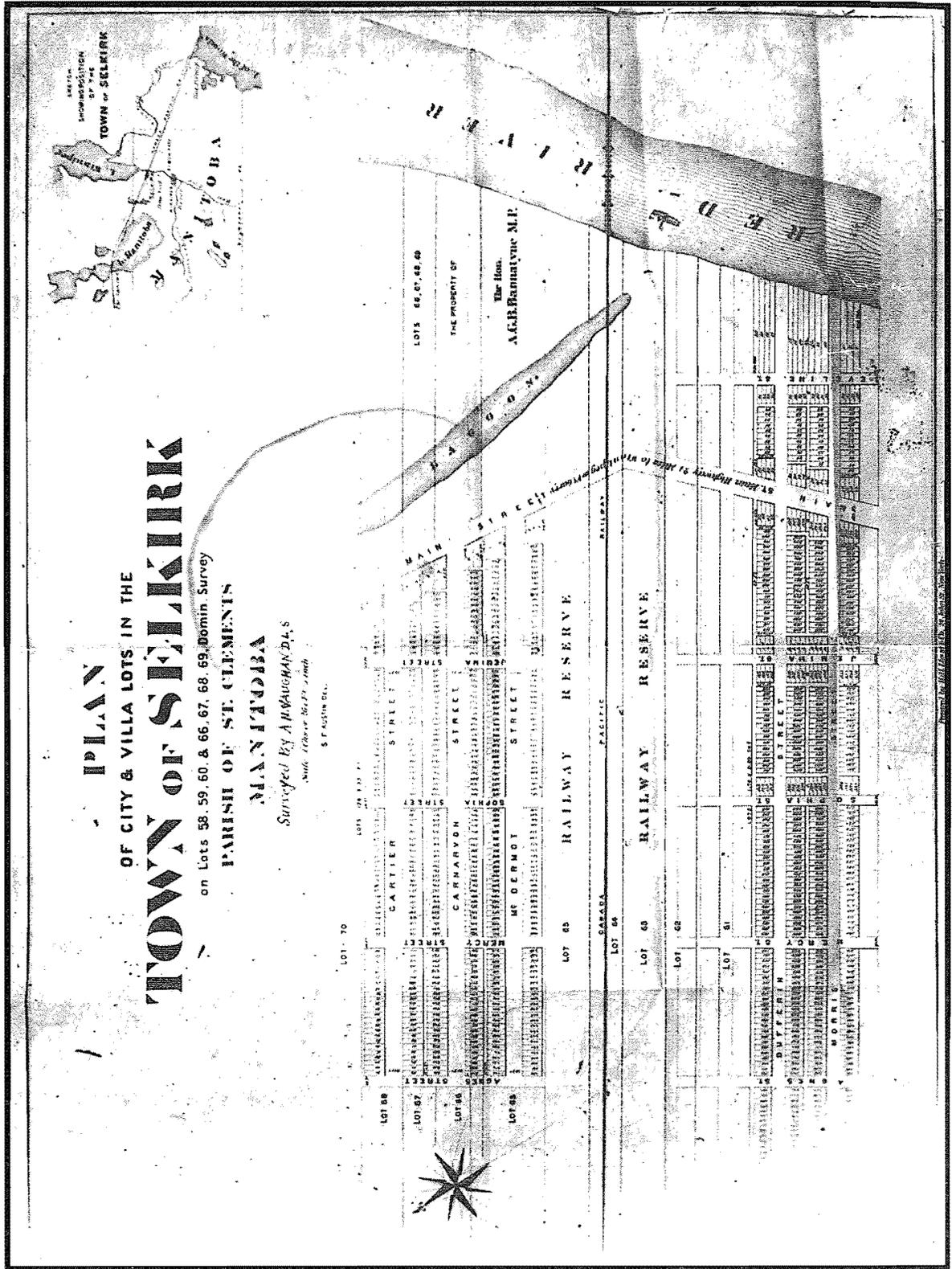
The 1st of May is as early as anything can be got down the river from Moorehead [Minnesota] but as it is generally about the middle of May before any boats leave Sarnia, it makes it too late almost to get goods here by that route. If not too expensive it would pay to get our first shipments by Chicago and St. Paul and have them at Moorehead on the Northern Pacific [Railroad] ready for the first boats on Red River.²⁵

It was an awkward route, very similar to that travelled by many of Selkirk's first residents, but it remained the best way of reaching Red River from the east before the railway was constructed.

A shorter route, somewhat less convenient, did exist. Named the Dawson route in honour of the surveyor who laid it out in 1868, it consisted of a series of rough trails connecting the chain of lakes between Lake Superior and Lake of the Woods. One person who chose this cheaper route was Robert Bullock, a tough 29-year old from Cornwall, who intended to establish a general store at the Crossing. He loaded his personal possessions onto a wagon and spent 28 miserable days between Toronto and Selkirk, while the stock for his store travelled the more luxurious route through the United States.²⁶ As soon as both he and his stock had arrived at Selkirk, the town obtained its biggest bootlegging business. The back of his store quickly became a popular rendezvous, and its liquid stock added greatly to his fortune. Still, it was a risky business because most of his customers were Indians and it was illegal to sell liquor to them. As Colcleugh wrote to a relative, "I find that it [liquor] is a very unsafe thing to deal in in this country where Penitentiary is the penalty for giving it to an Indian. I hope to do business without it... So let us bid good-bye to cock-tails."²⁷ But for those with more nerve, it could be profitable. Having arrived nearly penniless, within five years Bullock had \$12,000 in cash and another \$15,000 in real estate.²⁸

Many of those who came to Selkirk were not as fortunate. Lacking sufficient capital to start a business or to gamble on real estate, these men sought work from the wealthy. Most became labourers, toiling on the boats or in construction for a couple of dollars a day. Others found employment on Sifton's railway and telegraph gangs, working as ditch-diggers or scraper operators or bush cutters. Still others managed to become hired hands on local farms, now that there was more demand for farm produce. But with room and board costing about \$4.50 a week, they were not able to save much. If a man were lucky enough to be made foreman, he could earn as much as \$56 a month plus room and board.²⁹ Worst of all, these people were totally dependent on the continuation of local economic growth for their livelihoods. And 1875 and 1876 were not steady boom years. In 1875 the grasshoppers returned and again laid waste to the crops in the fields. As a result, "many a farmer who was in a comparatively well-to-do way when he came to the country had to take the shovel and wheelbarrow last summer [1875], and if plagues return again this season the country will certainly be in a desperate condition."³⁰ Then, in the spring of 1876, the shortage of lumber at Selkirk threw many builders out of work. To make matters even worse, eastern Canada entered a period of economic depression and the Dominion government cut back the amount of railway construction. Needless to say, these reversals cut short "bright hopes and made peoples' faces unusually long."³¹ Colcleugh reported that during the spring of 1876 there were many people at Selkirk who would do almost anything to keep food on the table until the ice went out and cheapened the cost of passage back to Ontario.

Yet those with money did not despair. Confident that the coming railway would bring prosperity, they endeavoured to create a handsome and industrious community. Now that most buildings were constructed along the



newly-mapped streets, of which Eveline was the main thoroughfare, they organized grading crews to straighten the roadways, level the ruts, and clear some ditches. And as the town lost its dishevelled appearance, they attempted to lure industries. They did so by offering financial bonuses to anyone willing and able to establish an industry that was needed in town. In 1876 some of the biggest investors in Selkirk, including Schultz and Bedson, used their money to interest Martin Hoover of Port Elgin, Ontario, in the establishment of a grist mill. Within a month, Hoover had obtained 12 lots in town and was planning a four-stone run mill.³² Across the river, at the place already known as East Selkirk, other investors had constructed a pottery and brick-yard to supply local people with these necessities. Stone-quarrying on the outskirts of town began at the same time. Down at the West Slough, that inlet of water that flanked Selkirk on the north side, James Colcleugh constructed a 113-foot wharf and storehouse for the use of the riverboat captains. Actions such as these, which showed clearly that the town boosters were quite willing to back their words with cash, removed some of the sting from the financial downturn and made believers of many of the sceptics who were already packing their bags to leave. Gradually the population swelled, until there were more than 200 people living in the community.³³

The optimism was contagious. Near Clendeboye, where a few determined settlers had already drained the land to turn it into pasture and cultivated acres of grain, a similar boom-time mentality was catching hold. During the summer of 1876, the *Free Press* correspondent from the district reported on the impact that the railway news was having on that village.

The effect was magical. Property that was purchased a few months previously from the Government at \$1 per acre rose immediately to \$4 [in 1875], and now a little more than a

year after \$1000 has been offered and refused by one of our settlers for a quarter section of unimproved land, the fortunate possessor believing that our close proximity to the growing town of Selkirk, where already we find cash sales for our farm and dairy products, will in the course of eight to ten years more than quadruple its value.³⁴

To all living in the vicinity of Selkirk, this unbridled euphoria seemed well-founded. Not only were new buildings rising heavenward daily, but across the river, at East Selkirk, a shiny pair of rails were already laid in the direction of Fort William. Some four hundred miles to the east, an identical set of tracks pointed toward Selkirk. True, there was still a 181-mile gap between the two points, but it seemed clear that completion of this link in the transcontinental railway was not far off. Moreover, preparations were being made for construction of a brick round-house at East Selkirk. Fueling the mood of hope even more was the brisk business being done in half-breed lands around the crossing. The government allocated these lands in early 1878 and speculators immediately snapped them up at prices ranging between \$80 and \$160 for 240 acres.³⁵

Those who knew least about the politics of building the railway were happiest; those who knew a little more were growing anxious. The businessmen of Winnipeg were not pleased that the government intended to leave their town off the mainline altogether and they moved to better their prospects. Early in 1878 a delegation travelled to Ottawa to try to persuade Mackenzie's government that the railway route should be changed to run farther south through Winnipeg.³⁶ At the same time the chief district engineer urged the government to construct the Selkirk bridge immediately. Neither petitioner had much success, for the depression still lingered and Mackenzie was reluctant to spend huge amounts of money in a controversial manner on the eve of a general election. To his father, James

Colcleugh wrote that "I daresay the next session will be a hot one and will try McKenzie's Ministry pretty hard. We can form no idea here of how the cat is jumping."³⁷ Still, his anxiety was plain as he added that "this country's politics is Manitoba and Winnipeg is Manitoba."³⁸ Two months later, however, he seemed greatly relieved when he received word from Sifton that although the government might alter the route of the railway to the south, it had no intention of changing the location of the bridge.³⁹ Then a rumour began circulating that caused Colcleugh's spirits to soar: It was said the government would soon let the contract to build the 181-mile gap in the Fort William-Selkirk line, and Colcleugh wasted no time contacting a well-placed relative in the east, advising him that

If there is any truth in the west[ern line] story, a few thousand dollars might be made...by having the information a little in advance. Now, if you have any means of finding this out and acquainting me by telegram yea or nay, I could make it interesting for you while whacking up on the profits which I can assure you would be considerable.⁴⁰

But rumours could be worrisome as well as heartening, and the continued agitation of the Winnipeegers at Ottawa sparked a new Selkirk offensive. On the evening of March 5, 1878, Colcleugh and a small circle of friends and acquaintances gathered at John Sifton's new house to discuss the financing of a Selkirk newspaper. Most of Sifton's guests offered a few hundred dollars, while Colcleugh said he was willing to give the publisher a building rent-free for three years. Like all newspapers, this one would carry the usual burden of town gossip, merchant advertising, business cards, world news via telegraph, and editorializing; these items would hopefully keep it in business. But it was to have a purpose far above these mundane activities, and that was to be the boosting of the town and its prospects in the railway war with Winnipeg. Those who subscribed \$1000 at Sifton's that night were

of no single political stripe; rather, they were united by a common interest in 'booming' the value of Selkirk property through acquisition of the railway bridge. "The politics of the paper," as Colcleugh said, "is to be Selkirk."⁴¹

Partisan politics was in the air, too. It had been widely understood that Prime Minister Mackenzie would call a June election, and that if he did so, his chances of re-election were reasonably good. Even Sir John A. Macdonald, the Conservative leader, feared a summer campaign. The sitting member for Lisgar constituency, in which Selkirk was situated, was John Christian Schultz, a Conservative faithful. While he was unquestionably the single largest landholder in Selkirk, he was also known to have invested heavily in Winnipeg real estate. Moreover, if the country as a whole returned the Liberals to power, while Lisgar re-elected its Tory member, there was the possibility the bridge would be lost. Still more disturbing was Schultz's performance in the House of Commons, where he had openly and vociferously opposed the railway policy of Prime Minister Mackenzie, a policy that would have benefitted Selkirk enormously if implemented. These considerations led Colcleugh to approach Sifton with the proposition that he challenge Schultz for the seat.⁴² Sifton was already the provincial member for St. Clement's and had been re-nominated as the Liberal candidate in the anticipated provincial election. He was well aware that if he ran against Schultz he would have to fight an uphill battle. He hesitated.

While Sifton dallied, Prime Minister Mackenzie announced that the election would take place on September 17th. This was a great relief to the Conservatives, as it gave them a chance to organize properly and to sell their platform to the electorate. As it became clear that Mackenzie would have a difficult time gaining re-election, Colcleugh and his cronies grew desperate and pressured Sifton to accept the nomination. Finally, on September 1st, he did so. The *Free Press*, a Liberal

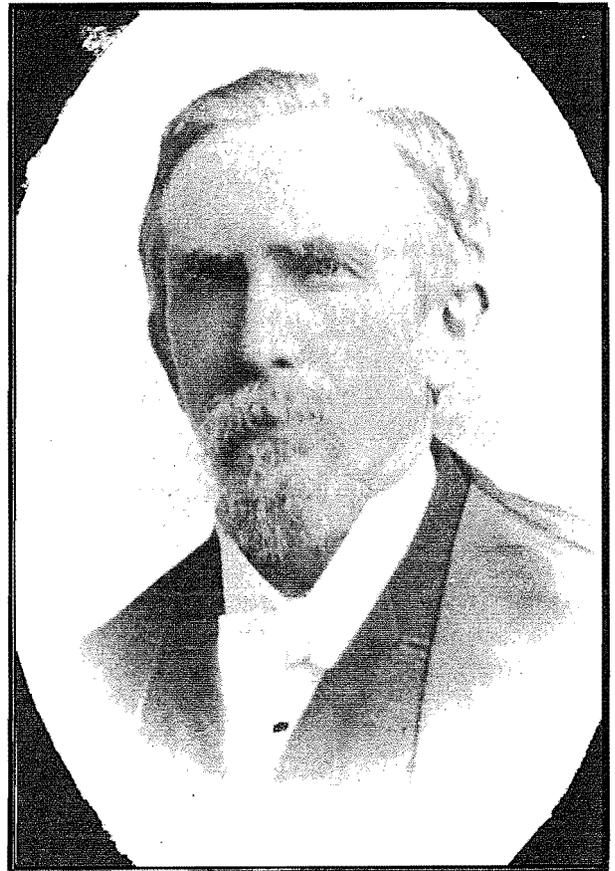
newspaper, gave Sifton an excellent chance of deposing Schultz, but even Sifton's most ardent supporter, James Colcleugh, knew better. As early as June he had written that "Schultz, if he lives long enough, will be re-elected. His constituency is comprised principally of half-breeds who know nothing about Dominion politics and he has been so long among them that it would be almost impossible to bring a man out to beat him."⁴³ That Schultz had worked hard to settle the half-breed land claims did much to aid his cause. The half-breeds could not have known, of course, that the wily politician only wished to make it easier for land speculators like himself to buy up these valuable lands. Still, the election would not be over until the votes were tallied, and Sifton's supporters mounted the hustings.

On September 12th, Sifton and Schultz faced each other at a public meeting in Selkirk. While the incumbent merely defended his record of service, Sifton attacked his opponent, the Tory party, and all that both stood for. A reporter from the *Free Press* recounted the gist of Sifton's speech:

...as a railway man, he Sifton would use his every exertion to open up the country with roads. He deplored the loss to the countryside in the delay caused by the action of the former representative of Lisgar in opposing the Government scheme to give us immediate railway communication.⁴⁴

There had been plenty of liquor in evidence at the meeting and each inebriate in the place insisted on making a speech in favour of his chosen candidate. The evening wore on until every tippler had voiced his slurred support and then the meeting – and no doubt some of the imbibers – collapsed. In the morning, the *Free Press* remarked that Schultz would be lucky to get a dozen votes.

Elections were held differently in those days. While voting took place on September 17th in eastern Canada, it did not occur until the 26th in the west. As people marched to the polls in Ontario, Quebec and the Maritimes,



John Ward Sifton, 1878

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Sifton's supporters huddled about the telegraph key in Colcleugh's office, awaiting the first results. One of the earliest decisions of the evening came from Kingston, where Sir John A. Macdonald was defeated by 144 votes. Pandemonium broke out in the telegraph office and Colcleugh mentioned that "this looked like an indication of how others were going and our folks felt hopeful."⁴⁵ The rest of the night was not as pleasant for them, however, and by morning it was certain that the Conservatives had already won a majority of the seats. The rest of the nation's voters no longer mattered, and Sifton was forced to reconsider his position. If he did succeed in winning Lisgar, he would sit as a member of the Opposition and would in no way be able to advance the fortunes of Selkirk. Reluctantly, he withdrew his candidacy and Schultz won the riding by acclamation. Two days later the first issue of the Selkirk newspaper, the *Inter-Ocean*, appeared, its very name evoking images of a proud town astride the great transcontinental railway. But actually there was little to cheer about in the narrow columns of type. With Schultz as the member for Lisgar, Selkirk's ruin seemed certain.

It was a harrowing winter. Hope alternated with despair, and confusion was paramount. Immediately after the election debacle, Colcleugh had learned from an engineer of the line that the change of government would have no effect on the crossing site,⁴⁶ even though the Tories had promised to re-route the mainline through Winnipeg. Then it became known, in early February of 1879, that Schultz and several other big property owners in town refused to sell their lands because the price was not yet high enough.⁴⁷ Surely this meant that even Schultz still believed the bridge would be built at Selkirk. In a feeble effort to influence Schultz even more, Colcleugh and his allies circulated a petition about the bridge and other railway matters throughout Lisgar, and when this document had reached the length of ten feet, they for-

warded it to Schultz at Ottawa for presentation in Parliament. The honourable member denied ever receiving it, although the Selkirkers quickly learned that it had been "kept back on purpose."⁴⁸ Worse news was still to come.

In late February or early March, the Selkirkers applied to Parliament for a charter to build a railway known as the Selkirk and South Saskatchewan. This line was to begin at Selkirk and run in the direction of the Assiniboine Valley, where settlement was rapidly occurring. More importantly, it was to have a spur leading into Winnipeg. It seems they hoped that by giving Winnipeg a connection with the Canadian Pacific mainline, they could retain the river crossing for themselves. Their plans were thwarted later in March, however, when Premier Norquay visited Ottawa in search of additional funding for the province. In exchange for promises of more money, the Dominion government received assurances from Manitoba that it would support the federal view that railways running parallel to the transcontinental line would be contrary to the best interests of the nation. This meant that as soon as the Dominion government shifted the mainline south of the lakes, which happened in early April, no charter could be granted for the Selkirk and South Saskatchewan Railway.

Meanwhile, Schultz and his Winnipeg friends worked hard to bring both the mainline and the bridge to the city. They financed a newspaper, the *Winnipeg Daily Times*, which spent most of its energies promoting a southern route for the Canadian Pacific mainline, through Winnipeg rather than Selkirk. Then they obtained a Dominion charter to build the Saskatchewan Colonization Railway. Unlike the Selkirk and South Saskatchewan, this line would not run parallel to the C.P.R. mainline and was therefore allowed. More significantly, its charter enabled the builders to construct bridges on the Assiniboine and Red rivers. This provision became very important

when the Minister of Railways announced that while the Dominion government would allow the Canadian Pacific to pass through Winnipeg, it would have nothing to do with the construction of a bridge there. James Colcleugh grew worried. To a relative he wrote that "the amendment to the CPR Act gives Winnipeg a Branch but no bridge unless they build it themselves which they are not likely to do as may be judged from the division that exists among them on railway matters at present."⁴⁹ But Colcleugh misjudged the Winnipeggers' determination. After nearly a year of bickering, the factions reached agreement and in February of 1880 work began on the Louise Bridge.

Later that year the railway affair received yet another twist. The Dominion government, unable to finance construction of the main-line, turned control of existing trackage over to a private syndicate of investors. One of those investors was Donald A. Smith, a Hudson's Bay Company notable and Member of Parliament for the riding in which Winnipeg was situated. The attention of the Selkirkers now shifted to Lower Fort Garry, where the H.B.C. owned a great deal of land on both sides of the river. Colcleugh remarked that he was "very much afraid the bridge will be built at the Stone Fort. The Syndicate getting possession [of the railway] don't improve our chances a bit."⁵⁰ In June of 1881, the C.P.R. presented its list of demands to the city of Winnipeg. It asked for a bonus of \$200,000, free station property, and exemption from taxation in perpetuity. If it did not receive these, the bridge would be built at Lower Fort Garry. In desperation, the Winnipeggers agreed and Selkirk was robbed of its bridge.

The town was devastated. During the height of the optimism Selkirk's population had been between 300 and 400, but by November of 1880 the place was almost deserted. Its five hotels shrank to one, its six general stores to three. Colcleugh expressed the feelings of many when he said, "I haven't felt so blue

and lonesome since I came to this country."⁵¹ Real estate values dropped to nothing and he began to look elsewhere for investments. In August of 1881 the *Inter-Ocean* ceased publication. All hope evaporated.

Then the talk of incorporation began. If Selkirk incorporated, it would be able to sell debentures and offer a bonus for a branch line from Winnipeg. A petition seeking the approval of the remaining residents was circulated, and Colcleugh and his colleagues initiated negotiations with the Manitoba and Southwestern Colonization Railway, successor to the Saskatchewan Colonization line. As this was a Winnipeg-controlled railway, they were not optimistic. To their surprise, the railway's representatives agreed to build a branch from Winnipeg down the west side of the Red for \$7500. This was not a large sum and the Selkirkers thought they could easily obtain it from the municipality of St. Andrew's without incorporating the town. But when they presented a proposal to the municipal council, a representative from the C.P.R. walked in and offered to build an identical line for a bonus of between \$60,000 and \$70,000.⁵² The difference in cost was astounding, but the Canadian Pacific was too strong to resist and a bylaw was drawn up to be submitted for the approval of residents in December. Pessimism prevailed among the bylaw's framers until voting day, but when the votes were counted, they found that the measure had carried by 190 votes.

Notwithstanding this favourable turn of events, the townspeople were still smarting from the treasonous actions of Schultz. The advent of a general election in June of 1882 gave them an opportunity to vent their anger. They chose Arthur Wellington Ross as their candidate to oppose Schultz. Although Ross was a Winnipeg lawyer, he had invested in Selkirk real estate to the tune of \$73,000 and, as Colcleugh put it, "we are not likely to be neglected."⁵³ The *Free Press* threw its support behind him, and constantly berated

Schultz for having "so shamefully destroyed the trust reposed in him."⁵⁴ Had Schultz attended the nomination meeting held for Ross, he would have known that he was finished. Though a total stranger to most of the delegates in attendance, Ross was greeted with prolonged applause and cheering. And when the votes were counted on July 5th, Schultz went down to defeat, 760 to 720.

Ross's victory and the start of construction on the branch line revived Selkirk's fortunes. The C.P.R. had subcontracted the railway work to Colcleugh and three other Selkirk men: Robert Bullock the merchant, R. Dickson, a building contractor, and J. A. Howell, a riverboat captain, and the new town council agreed to support them financially if difficulties arose. By March of 1883 the population had risen to its former level of about 400, and new buildings were going up every day. Down by the East Slough a huge saw-mill was taking shape, and it was said that Selkirk would soon have a registry office and a county court building. There was even talk of tendering a bid on the construction of a new insane asylum the provincial government was planning. And once again the local businessmen

banded together to raise a bonus for a town newspaper that "will be a great assistance to us in blowing our own trumpet."⁵⁵

On the morning of August 16, 1883, the townspeople arose unusually early even by their strict standards. Everywhere there were signs of activity as they hoisted all the bunting they could find into the shape of a giant archway above the railway tracks and made last minute preparations to receive a trainload of dignitaries and guests from Winnipeg. At 11:30 the special excursion train arrived and 800 people poured out to watch Premier John Norquay drive the last spike in the Selkirk branch of the C.P.R. A brief battle of politeness ensued concerning who should have this honour, and finally the mayor's wife took sledge-hammer to spike and drove it home. After everyone who was anyone had made a suitable speech in honour of the occasion, the crowd dispersed to explore the town and to picnic down by the river. And, when no one was watching too closely, Colcleugh and his cronies slipped away to the back of Bullock's store to quaff some of the 'refreshments' that had been "laid in for a very big *drunk* in celebration of the event."⁵⁶



Arrival of the first railway locomotive in Selkirk 1883
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