

The Role of the Canadian Pacific Railway in the Early History of Vancouver

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British Columbia's entry into Confederation in 1871 was contingent upon the construction of a national railway. For the rest of that decade, however, the debate raged as to where the terminus would be, with the province's two leading urban centres, New Westminster and Victoria, vying for the prize. At that time, the town where Vancouver stands today was known as Granville or Gastown, and was full of impassable forests, was a remote location, and had land so cheap that it traded for a dollar an acre. Finally, in 1882, when Burrard Inlet was announced as the Canadian Pacific Railway (CPR) terminus, Port Moody went wild with land speculation. However, the provincial government had other plans. Desiring an extension of the railway all the way to Coal Harbour, the province made the CPR an offer it could not refuse: more than ten square miles (6458 acres) of land in return for an extension of the rail line and for CPR construction of works and docks by the railroad terminus. The Canadian Pacific, led by William Cornelius Van Horne, quickly agreed. It wanted to extend its line anyway because Port Moody lacked sufficient room for the railway to operate: it did not own an acre outside of the limited rail yard and the Second Narrows was not considered a safe passage for ships. The CPR thus became the richest landowner in town, the speculative land market in Port Moody immediately collapsed – only to rise in Granville – and Gastown boomed, becoming a city on April 6, 1886. Then, just over a year later, the first CPR train arrived into Vancouver on May 23, 1887, and the city entered a new era. But the railway had a much broader impact beyond the initial and obvious benefit of linking Vancouver with the rest of Canada. Rather, the Canadian Pacific Railway played a direct role in Vancouver's geographical development, its economy, its social stratification, its multicultural aspect, and its politics.

While seemingly superficial, the railway did have an interesting impact on the geographical development of Vancouver. First and foremost, Van Horne himself chose the name Vancouver. He had reasoned that travellers bound for North America, as well as many eastern Canadians, would have a hazy notion of a place named Granville, while the more populous Vancouver Island was well enough known so as to provide a rough geographical fix. Moreover, the CPR also played a direct role in the naming of Vancouver's streets and suburbs. Yaletown, for example, next to the Canadian Pacific works yards and home to many of its manual employees, was named after the CPR's previous maintenance base at Yale, B.C. Vancouver street names also came from the railway. Lauchlan Hamilton, chief surveyor of the CPR mapped out Vancouver and named the streets: those downtown after CPR officials, those in the West End largely from Admiralty charts and provincial dignitaries, and those south of False Creek after trees. More significant, however, was what the railway did to Vancouver's urban core. Simply put, to maximize the financial return on its land holdings, the railway pulled the centre of the city west from Main and Hastings to Granville and Georgia streets, thus making its West End lands most valuable. It was thus no accident that the CPR's station, wharf, office, hotel and opera house were all located on what was then an out of the way strip known as Granville street. In the end, the CPR succeeded in shifting the city's urban core, doing so by persuading the Bank of Montreal to accept a new site on Granville and through encouraging investment among railway officials as well as company friends in Britain. Therefore, the railway clearly had an enormous impact on the spatial development of Vancouver.

The most immediate and pronounced impact of the railway centered on an economic boom. With Vancouver as the CPR's western terminus, the city immediately became the supply depot for the entire coast and the interior served by the main line. Here, Vancouver wholesale firms were assisted by a freight rate structure that made it cheaper to ship goods from Eastern Canada to Vancouver and back to interior points than to ship direct. And while Vancouver possessed little primary industry, head offices sprung up around the railroad terminus, thus ensuring that the city held financial control over all of British Columbia except for the southeastern interior. However, Van Horne knew that the revenue

produced by freight and passengers bound only to and from Vancouver would not even allow the railway to break-even. Rather, he saw the train as a link in the 'All-Red Route' linking Britain with her Asian and Southern Pacific colonies. Trans-Pacific commerce thus began with the arrival of the *Abyssinia* on June 14, 1887, and immediately took off. For example, in the first seventeen months of Vancouver's life as an ocean port, 1,351,382 pounds of silk, 3,677,713 pounds of rice and 23,288,127 pounds of tea destined for U.S. markets were landed and hauled east of the CPR. Further, the city handled 27 percent of all Oriental traffic headed for the west coast of North America. Finally, in July 1889, a £45,000 British government subsidy, combined with £15,000 from the Canadian government, allowed the CPR to launch its fast trans-Pacific steamship service. These famed *Empress* ships made monthly voyages to Hong Kong, Yokohama and Shanghai with minimum average speeds of 16 knots, and served to cement Vancouver's position as Canada's deep-sea port for Oriental trade. Thus, the railroad's involvement in the city brought about favourable economic conditions. For example, while Vancouver had barely 100 habitable buildings at the end of February 1886, by mid-May, there were 600, and by the beginning of June, there appeared 800, with hundreds more under construction. Lots that brought in less than \$300 in March were changing hands for \$1000 in June. And while a fire destroyed the town on June 13, a quick recovery, spurred by the anticipation of the economic boom that the railway would bring, saw the construction of 14 offices, 23 hotels, 51 stores, 9 saloons and the immigration of over 8000 people by the end of 1886. This was all good news for the CPR, whose Vancouver investments were its most spectacular and profitable venture in townsite promotion, generating returns that from 1886 to 1888 reached \$868,059. In fact, by 1889, town lot proceeds in Vancouver had exceeded returns from all other company towns combined. Thus, the economic boom benefited the railway, but through solidifying Vancouver's function as a goods and services hub, the CPR also played an important role in the town's early economic development.

In addition to economic prosperity, the CPR was also responsible for the construction of a variety of social amenities in early Vancouver. For travellers wishing to break their journey in the city, the \$200,000 Hotel Vancouver was, for many years, the city's

most outstanding structure. In 1891, the CPR's new Opera House opened with a performance of Wagner's *Lohengrin*. This \$100,000 structure, built from the railroad's pocked on the railroad's land, was undoubtedly a spectacle in a city of fewer than 15,000 people. Nonetheless, the opera house and the hotel expressed the CPR's faith in the city's future. Moreover, the CPR also opened Vancouver's first hospital in 1886. The nine-bed structure was brought into existence to care for workers who were injured in extending the railway's main line from Port Moody to Vancouver. It was, however, useful for the entire population, especially during the 1892 smallpox epidemic, which many scholars attribute to the Empress ships as having brought the virus over from Asia. But while the hotel, opera house and hospital can be directly linked with the CPR, many other social amenities cannot. However, the economic boom brought about by the railroad saw the construction of new schools, a courthouse and a post office, thus making the CPR indirectly responsible. These institutions are thus creatures of CPR economic investment, which further sheds light on the railway's role in the development of early Vancouver.

Social stratification was another significant aspect of CPR involvement. Specifically, the railway sought to create and then control the formation and development of a Vancouver upper class. Robert McDonald makes this clear when he writes that "it was the families of Canadian Pacific managers and rail company friends who combined economic power with social prestige to lead the process of social stratification in early Vancouver." This had a number of impacts on the city. First, the railway used its land to create neighbourhoods that were meant to appeal to upper class sensibilities. This strategy was first manifested on Seaton Street (now West Hastings), where CPR executives and other business and social leaders built expensive homes. Here, the railway managed to pull business and professional families to its new 'enclave' by leading in the formation of Vancouver's second Anglican congregation, Christ Church, and by building a new Cathedral in the area. However, the West End filled in, prompting the railway to look to its landholdings in South Vancouver as the best location for an equally prestigious residential development. The result was Shaughnessy Heights, which opened in 1907. Its name, large lots laid out along crescents that followed the natural contours of its hillside location, and the requirement that any house

built must cost at least \$6000, gave the area an immediate appeal to the city's wealthy. However, from the CPR's perspective, "Shaughnessy Heights represented a deliberate attempt...to manipulate the standards of fashion for profit." The railway spent more than \$1 million laying out tree-lined streets and boulevards. Nonetheless, as CPR executives knew, the rich appreciated being reminded that they were rich, and, by 1914, one in five of Vancouver's leading families had moved to homes in the area. Thus, the railroad created specific neighbourhoods designed to distinguish the upper class.

The CPR, however, did more than just create geographical boundaries to differentiate elites from masses. Entities like social clubs were also used to create class divisions. For example, in 1889, railroad executives started planning a 'first class social club' that would emulate the high-status business and social clubs of other major North American cities. This finally resulted in the establishment of the Vancouver Club in 1893, whose promoters and executive represented a who's who of elite businessmen. In fact, the CPR company manager Harry Abbott and his wife Margaret headed virtually every one of the young city's high-status social and cultural organizations. Harry helped found the Vancouver Club, becoming vice-president and president thereafter, and the Abbotts entertained all travellers of note to Vancouver, including Governor-General and Lady Aberdeen, Archduke Francis Ferdinand of Austria, and explorer Henry Stanley. But the CPR, according to McDonald, also "acted in a deliberate manner to employ social status as an instrument of economic advantage." For example, railway executives encouraged business leaders and wealthy citizens to settle on company property, thereby enhancing corporate prestige and profits. This approach was epitomized by the company's successful plan to attract capitalists with ties to upper levels of social status structure in Britain and Canada. Thus, by December 1888, the CPR boasted that two English knights, two lords, and two professors had erected commercial structures on Granville Street alone. Interestingly, McDonald points out that unlike other western cities such as Calgary or Denver, where social prominence flowed from business success and where hierarchical structuring increased through time, Vancouver was hierarchical from its inception as "the CPR had deliberately fostered a graded society at its

Burrard Inlet terminus.” This, then, further illuminates the railroad company’s role in creating social stratification in the city.

While the CPR’s actions resulted in the creation of an upper class in Vancouver, it also brought a lot to bear on the structure and nature of the city’s working class. First and foremost, it is crucial to point out that construction and lumber manufacturing – which resulted from the real estate and construction boom brought about by the CPR’s 1887 arrival – along with rail and steamship services, dominated Vancouver’s early economy. In 1891, these economic sectors accounted directly for 45 percent of the city’s labour force, and the CPR was the city’s single largest employer at the time. However, the railway also broke the upward spiral of trade union growth and militancy in Vancouver through broadening the labour market and increasing the area from which large companies could draw substituted workers. For example, in July 1910, an employing contractor forced Italian street construction labourers back to work by threatening to import Galician replacements from the east. Furthermore, to counter organized labour within its own ranks, during the 1903 United Brotherhood of Railway Employees (UBRE) strike, the CPR brought in workers from eastern Canada to replace its striking employees. This, however, did more than just destroy the UBRE: three other unions collapsed with it. Thus, the CPR was a significant source of employment, and tightly controlled the effectiveness of working class, organized labour.

The railway also accelerated the growth of Vancouver’s Chinese community. During CPR construction between 1881 and 1885, seventeen thousand Chinese came to Canada, and many found work on the British Columbia section of the railroad. However, once the CPR neared completion, hundreds of Chinese were put out of work, and without their promised passage home, they migrated to the newly created railroad terminus at Coal Harbour. It was there, in the new city of Vancouver, that the Chinese found work as land-clearers, ditch-diggers, farmers, cooks and servants. But as Vancouver developed, they established laundries, merchant tailor operations, and other small business to meet consumer demand from the white population. Meanwhile, merchants inside Chinatown provided the growing Chinese community with a full range of essential services, thus spurring further

immigration to the area. However, May Anderson adds that this immigration changed “the once peaceful and paternalistic group relations around Burrard Inlet (by making it grow) increasingly competitive.” Nonetheless, Vancouver’s Chinatown soon overtook Victoria’s as the leading commercial and social centre for the Chinese in Canada. In terms of numbers, two years before Vancouver’s incorporation in 1886, there were 114 Chinese in the Burrard Inlet area, while twenty-five years after incorporation, Vancouver’s Chinatown numbered thirty-five hundred, thus becoming the largest concentration of Chinese in the country. Therefore, the Canadian Pacific Railway played a major, albeit inadvertent, role in the establishment and eventual prospering of Vancouver’s Chinese community.

Politically, the CPR was very involved in early Vancouver municipal government. This occurred because the task of servicing land fell within municipal jurisdiction. Thus, land promoters and railway officials looked to civic government for the service infrastructure and financial support necessary for urban expansion. In fact, elected CPR officials publicly acknowledged that their role in government was to represent their interests as Vancouver’s largest property owner. Company representatives on Council demanded more civic funds for westside roads, defended the CPR’s Burrard Inlet waterfront claims, and boosted private companies in which CPR executives were interested. However, the collapse of the real estate market in the early 1890s saw a change in the CPR’s role as it shifted to being a large transportation company whose freight rate and waterfront land-use policies often ran counter to other local business interests. The railroad thus separated itself from local business interests and concluded that direct representation on City Council, from which its last representative departed in 1894, was no longer necessary. However, while the CPR’s power was no longer institutionalized in civic governance structures, its large landholdings ensured that its power would continue.

Regarding the historiography of the subject, most historians agree that the Canadian Pacific Railway was the driving force behind Vancouver’s transformation from a milltown to a metropolis. For example, Patricia Roy writes “without the CPR, Vancouver would not have come into being in 1886”. As a means of communication with the outside world, a major employer and property owner, the railway company was the most important

organization in town.” However, where scholars diverge are on the specific impacts of the railway on the city. Paul Yee writes about the impact on Vancouver’s Chinese community, while Robert McDonald focuses on class analysis and L.J. Evenden examines spatial, geographic factors. This difference in analysis, however, is due more to the specific research interests of each author than to any significant difference of opinion. Thus, for example, while Paul Yee’s points about the Chinese are valid, he does not discuss other impacts not because they are not important, but rather because they do not fall within the realm of his research. In fact, that all authors see the coming of the CPR as significant is a testament to the actual similarities in their points of view.

The Canadian Pacific Railway had a decisive impact on Vancouver. From changing the city’s geography, its economy, its social structure and dynamics as well as its politics, the CPR undoubtedly was the impetus that transformed the logging village of Granville into today’s sparkling city of glass that is Vancouver. Vancouver, once a backward part of the province, eclipsed New Westminster and Victoria in economic and social prominence, becoming British Columbia’s metropolitan centre within a decade of the CPR’s arrival. Indeed, the CPR and early Vancouver are inseparable: the company was the city’s most important initial source of economic growth, while its legal status, its ability to shape Vancouver’s spatial organization, and its social leadership made it the most powerful body in town. With a population of 1000 in 1886, the city grew to 14,000 five years later, to 27,000 by the turn of the century, and to more than 100,000 ten years after that. Today, Vancouver, with more than two million people, is the third largest city in the country, a dynamic Asia-Pacific gateway, whose role as a port was established by the CPR, and whose growth can be attributed to the railway’s influence.

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***Note from the Media Editor:** The print version of this paper originally came with endnotes written at the end of piece; however, none of these endnotes were actually incorporated into the written format of the paper, making it difficult to assume where they would have been originally placed. They have been left out as a result.