

March 28, 1871

HOUSE OF COMMONS

Tuesday, March 28, 1871

The **SPEAKER** took the chair at 3 o'clock.

Prayers

AFTER ROUTINE

SAULT STE. MARIE RAILWAY

Mr. SIMPSON introduced a Bill to incorporate the Sault Ste. Marie Railway and Bridge Company, and it received first reading.

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MANITOBA ELECTIONS

Mr. MACKENZIE referred to the return of the Writs from Manitoba, and asked if it was the intention of the Government to refer the matter to a special Committee to report on them to the House. Under the peculiar circumstances attending the election, some such precaution should be taken. In order to maintain the purity of this House and prevent the intrusion of those not entitled under Imperial Acts to sit here, he thought it was the responsibility of the Government to indicate their position, and that of those elected in Manitoba.

Hon. Sir GEORGE-É. CARTIER said the Government did not intend to take any such action until the newly elected candidates should arrive from Manitoba or until objections should be urged to their taking their seats in the House.

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QUEBEC HARBOUR

Hon. Mr. LANGEVIN introduced a Bill to provide for the improvement and management of the Harbour of Quebec.

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ADMISSION OF BRITISH COLUMBIA

Hon. Sir GEORGE-É. CARTIER moved that the House go into Committee to consider a series of resolutions respecting the admission of British Columbia into Union with Canada. This

subject, he said, was one which required few words to introduce it. Its importance was recognized by all.

Who would have thought twelve years ago when British Columbia was erected into a colony by Lord Lytton that it should form in so short a time a portion of Canada. It was due to the foresight and statesmanship of that great literary man that he should quote from a speech of his, delivered in 1858, in which this great union was foretold. He was now quoting from the prorogation speech delivered on the 2nd August, 1858. It said: "The Act to which Her Majesty's assent for the establishing of the Colony of British Columbia was originally required in consequence of the recent discoveries of gold in that district, but Her Majesty hopes that this new Colony on the Pacific may be but one of several in a greater state of progress, by which Her Majesty's Dominions in British North America may be ultimately peopled in an unbroken chain from the Atlantic to the Pacific by loyal subjects of Her Majesty's Crown."

Could the present movement have been more clearly foretold? Since 1858 the scheme of Confederation had made great strides toward completion. He (Hon. Sir George-É. Cartier) regretted the absence of the hon. member for Shefford on this occasion. That gentleman had often complained that this country was advancing too slowly, and said that the Dominion would advance more rapidly if placed on an independent footing. But, if the hon. member for Shefford was present today, he could not charge the Ministry with having been idle since they had brought about the union of all British North America since they had assumed office. While in London with his (Hon. Sir George-É. Cartier) colleagues, at a dinner where several literary men were present, he mentioned to Lord Lytton, who was not then in office, that the Confederation scheme was one of the principal objects which had brought him to England. Lord Lytton replied, "I presume that you have come not merely to see that the British North American Atlantic Provinces should be united. I hope you look forward to the greater Confederation which will reach to the Pacific Ocean."

He (Hon. Sir George-É. Cartier) would now come to the Bill itself. It was before the House, and they could examine it for themselves. He invited the freest and fullest discussion on each and every clause, but he would remind them that the Bill was in the nature of a treaty, and consequently the Government would insist upon the adoption of those terms as adopted in British Columbia—that the amendment of one paragraph or one item of those terms would defeat the whole project. He took this early opportunity of informing the House of the fact. British Columbia had decided to accept the Bill without amendments, though several members of the Legislature of that colony had shown a disposition to amend the

measure in some of its parts. The necessity of accepting this Bill as it stood must be apparent to all. The population of British Columbia was set down at 60,000, and it was certainly not below that number, if the Indians and Chinese were included as well as the white. The customs duty collected under the tariff of the colony amounted to \$350,000, which would give about twice as much per head for the population as was collected in the Dominion. Each inhabitant of Canada was supposed to contribute \$3 to the Revenue per year, while each inhabitant of the colony contributed nearly twice that amount. It might be said that the tariff was higher than ours, but it was not so much so as to make this difference if the population were not there. The House would therefore, admit that the Government did not err in estimating the population at 60,000.

The delegates of British Columbia wished to have the subsidy placed at 80 cents per head for a population of 120,000, but on being informed that it would be impossible to obtain the assent of Parliament to such terms they allowed the population to put at 60,000. This was an opportune time to admit the colony into the union, for it was desirable to extend the Confederation to the Pacific as soon as possible, and on economical grounds it was advisable to admit the colony into the Dominion before the increase of population could increase the subsidy to a very large rate. Then with respect to the clause providing for provisions it must be remembered that British Columbia was a Crown colony. Under it several officers were appointed for life, and they should be provided for. The colony had laterally adopted responsible Government which was to commence from the date of the union, so that no future charges of this kind need be expended in the future. There were very few such pensions to be provided for; the majority of them would be employed under the Federal Government. Then, with respect to the tariff, it was provided that they should retain their own tariff, which was higher than ours, till the completion of the Pacific Railway. No inconvenience need be anticipated from it, and under the peculiar circumstances of the case it was necessary to allow them to retain it.

Item eleven, relating to the construction of the Pacific Railway, would no doubt provoke discussion. There were various unfounded rumours with respect to this. It was not the intention of the Government to construct the road, but it would be undertaken by companies to be assisted mainly by land grants. It was not the intention of the Government to burden the exchequer much to obtain this railway. While this clause was under discussion between the delegates and the Government it was proposed by the Dominion that the colony should hand over a forty mile strip of land towards the construction of the railway. That would be 24,000 square miles of land, or 50,360,000 acres of land, not merely agricultural land, but mineral land. Placing that land at \$1 per acre, it would be equal to a grant of \$50,360,000 towards the construction of the railway. It was proposed to give the colony \$100,000 per annum, which, placing the interest at 5 per cent, would be the annual interest on the value of 2,000,000 acres of land, leaving the remainder to be used by this Government. The railway, starting from Nipissing, would be about 2,500 miles, 700 of which would pass through Ontario. They did not expect to get entirely the 20 mile grant on each side of the

road, but they expect to get from the Ontario Government every alternate lot on each side of the line for that 700 miles. That would give 9,000,000 acres of land from the Ontario Government.

Starting from Lake Nipissing it would connect with the Ontario system of railway and with the Quebec system of railway through the Ottawa Valley. They were prepared to give it to any company which would undertake the construction of the line, with a capital of twenty-five millions of dollars, which with interest at 5 per cent, would represent \$1,500,000 per annum. The hon. member for Sherbrooke had recently remarked that the certain increase of receipts from customs and excise was at the rate of 5 per cent per year. At that rate, taking the customs at \$10,000,000, the increase would be \$500,000, and on excise, taking the receipts at \$5,000,000, \$250,000. That would give a total from these two sources alone to meet \$1,500,000 per annum, a sum of \$750,000. He knew it would be argued that this railway would cost between one and two hundred millions of dollars, if not more.

Mr. RYMAL: How much do you estimate the cost at?

Hon. Sir GEORGE-É. CARTIER would compare it with the American Pacific Railway, which from Omaha to the Pacific was 1,775 miles in length. That railway was aided by land and money grants, and cost \$50,000,000. The Canadian Pacific Railway would be about 700 miles longer. Yet he would place the cost at double the rate of the American Pacific Railway, and the utmost cost that could be incurred would be \$100,000,000. But whatever it would cost, he would assure the House that there would be no taxation on the country more than existed at present. (*Cheers.*) A certain portion of the public lands had been reserved for the Indians, and the only guarantee that was necessary for the future good treatment of the Aborigines was the manner in which they had been treated in the past. Now, having glanced at the provisions of the Bill he would call the attention of the House to the fact that while our neighbours had taken sixty years to extend their borders to the Pacific, the young Dominion would have accomplished it inside of ten years. And look at the importance of the extension. We need a seaboard on the Pacific if ever this Dominion was to be a powerful nation in the future, and what more convenient time could there be for this union than at the present time? He concluded by an allusion to the splendid position which England had attained by the development of her marine power, and that even Prussia, notwithstanding the triumphs she had lately won, must be content to take a second place beside the great maritime power of England. The hon. Baronet resumed his seat amid loud cheers.

Mr. BOLTON said that the House was hardly prepared to enter on the discussion till it heard from the Finance Minister a statement respecting the financial results of the matter now submitted to the House. It was mainly as a financial measure that the House would have to consider this measure. The Minister of Militia had stated that this railway was to involve no new burdens on the taxpayers. The House was entitled to hear, from the greatest financial authority in the House, a statement showing how that would have to be reached without involving additional burdens on

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taxpayers. This was a question that met the House *in limine*, and should be explained by the Finance Minister.

Hon. Sir FRANCIS HINCKS had not expected at this early period to go into the financial aspect of the question. As to the railroad, the idea had been that it could be constructed by a liberal land grant and liberal money subsidy. It was not expected to bring this subject forward this session. But various plans would be considered and proposed to capitalists, including land grants. The money charge was estimated at one million to a million and a quarter dollars per annum, which would not involve additional Dominion taxation. No capitalists were likely to survey the road at their own expense. Government thought it necessary that they should assume the responsibility for survey and location of line, this expenditure to be afterwards made by first charge in the road. The charges to the Dominion in connection with British Columbia were estimated at \$460,000 a year, and the revenue from all sources about \$360,000 leaving an annual charge of about \$100,000 upon Canada.

Hon. Sir FRANCIS HINCKS in reply to Mr. Jones, of Leeds North and Grenville North, said the road would cost about one hundred millions of dollars.

Hon. Sir A.T. GALT said the admission of British Columbia into the Union was desirable to all parties, the only question being as to the terms upon which it was to be based. He was willing within two restrictions to accept any terms with this object. The first involved the avoidance of the violation of any constitutional rights of the people of that colony, and the second the abstaining from the imposition of onerous burdens on the people of Canada. In view of the many important public or natural works claiming our attention, it behoved us to guard carefully against unduly augmenting the demands upon our resources. Not only had railways and canals and other works to be provided for, but the defence of the country, according to past contracts and legislation. Now there was no doubt that the union of this colony and the Dominion would be productive of little benefit—would probably, but prove a source of fruitless expense unless it could be also united by means of a good railway communication. That was why a railway had been made one of the terms of the compact. But its conditions necessarily required consideration. We should have to take care not to cripple the powers and means of the Local Government by those conditions, in regard to future enterprises. While it was desirable a road to our Western territory and through the colony should be made for the settlement of that vast region, the Local Government should not be deprived of the means of securing works of local value and promise.

The object of the House then should be the creation of this needed communication in conditions not antagonistic to British Columbia local improvements, without provisions for which we could not expect it to enter the Union. The resources of that country naturally presented themselves to our notice in this connection. What were they? A reliable authority in British

Columbia lately stated the population at 10,000 whites and 40,000 Indians. Now these aborigines should not be placed on an equal footing with the whites for the purpose of framing the financial basis of the Union. They could not be regarded as the equals of the whites for revenue purposes at least. The imports and exports also deserved our notice. The exports were principally furs, lumber and some gold and coal. The imports included articles dutiable in Canada, besides breadstuffs and such like commodities, from which the bulk of the revenue was derived. In 1867 the total amount was estimated at \$537,000, of which the customs yielded \$350,000. The Dominion would receive this, the remainder arising from excise and amounting to over \$150,000 falling to the Colony. The present terms of the Union were considerably less advantageous to Canada than the former both as regards the railway and other matters. Before it was left optional with us when we should commence the work, which, however, was to be completed within a reasonable period, but the subsequent conditions required the commencement of the road within two years and its completion within ten. We might have finished the work within ten years, but were not compelled to do it. The cost of the road would be very great, one hundred million being the Government estimate, and a considerable proportion of this amount must come from the Dominion exchequer. The present engagement as to time was much beyond what British Columbia asked at first, and in the second place the road was rendered more burdensome from the extension to Nipissing, further than at first spoken of. The present terms were enormously more burdensome to Canada than the former. The estimated revenue from Columbia was \$386,000, and payments by Dominion \$536,226 apart from indirect engagements. But this revenue from British Columbia depended upon maintenance of its tariff.

The result was that the colony would receive \$150,000 to \$170,000 a year from Canada for Union, including in trade guarantee for the works at Esquimaux. He would not object to that price for a political union, and did not think it too great an equivalent for valuable lands extracted from the colony for the railway. But there were other conditions of a serious and objectionable nature in view of our circumstances and prospects. He objected to the hands of the country being tied as to the period within which the Dominion should commence and complete the railway. As it was, after the British Columbia delegates came to Ottawa, Canada's obligations became enormously enhanced. If the colonists did not command this condition as compensation for the reduction of the estimate of population from 120,000 to 60,000, or to provide means needed for local purposes, why should our Government have voluntarily assumed this serious obligation not at first proposed. He deprecated interference with one of the principles of our constitution, namely, representation by population, by these resolutions. He indicated the evils of admitting colonies or territories on the footing of present members of Confederation.

The American territorial system presented an attractive contrast with ours in this respect. If not admitted till they

reached a certain stage of growth and development, they would have certain local works completed not necessary to be assumed by the Dominion. At present, to admit such Provinces as British Columbia we had to depart from this principle of representation by population to give the people proper representation, and frame the financial basis of our Union to enable to newcomers to carry on the Government, and other enterprises. One important object for us was to avoid incurring obligations oppressive to our people, who numbered but four millions. By these resolutions they were threatened with a very grave responsibility in regard to the early commencement and completion of the Pacific Railway. He was certainly opposed to terms of this kind, however desirous of extending the Union and meeting the wishes of British Columbia. (*Cheers.*)

Hon. Mr. TILLEY referred to the remarks of the hon. member for Sherbrooke as to the difference between the requests made by British Columbia, and what was proposed to be granted by the Government. He said the only difference was as regards the communication, it being decided that there should be a guarantee for the specific time of ten years, which would allow ample time for the construction of the Railway, and the Government had thought it better to limit the matter to ten years instead of making a guarantee in perpetuity.

The member for Sherbrooke had stated that all British Columbia asked for was a coach road connecting Fort Garry with the Government roads of British Columbia and an expenditure of a million dollars a year on a railway, and that the proposition submitted by the Government was less favourable to Canada. He entirely dissented from the hon. member on that matter, on these grounds. When the road had been proposed it had been found from enquiry and investigation that from the high cost of labour and other charges that would have to be met in constructing such a road within the stated time of three years, that the cost would be very heavy, very heavy indeed, and in addition to this it was coupled with a proposition that a railway should be built as soon as practicable, and that there should be an annual expenditure from the commencement of a million of dollars.

Under these circumstances the Government had held that any expenditure on a coach road was useless, and one that was not required, inasmuch as all the traffic would be taken by the railway as soon as completed. Taking this view therefore the Government had at once dissented from the proposition of British Columbia, and would not agree to it. The Government had also considered it unwise to consent to an annual expenditure of a million of dollars from the commencement without having any particulars as to the difficulties that would be met with, and had rather preferred that the whole work should be undertaken in a reasonable specified time,—as they thought a proper survey should be made, and the work then completed as speedily as possible. Then again the propositions of British Columbia had been changed in respect of representation in the Dominion House of Parliament. Reverting

to the matter of the railway, he said the House had heard that it was estimated that the money grant necessary to construct the railway, in addition to the land grant, would amount to 1 and a quarter millions per annum, but it must not be understood that the expenditure of that sum of money was involved in the proposition before the House. That proposition was simply to admit British Columbia into the Dominion and connect her with the Dominion system of railways, and it must be remembered that the agreement entered into by the delegates at the conferences at Quebec and London, was that the six Provinces should be brought together, and also that the Red River country and British Columbia should also be included in the Confederation.

Such was the agreement, and happily, part had been accomplished, for notwithstanding all the trouble, all the anxiety, and all the difficulties that had arisen in connection with the North West, he believed the conviction from one end of the country to the other was that that country had been acquired on very favourable terms. Well the next thing after getting possession, was how to utilize it, and how could it be utilized? Surely not by building coach roads, not by simply improving the communication by water, no—the North West could only be used to advantage by means of a railway running to the foot of the Rocky Mountains, and the Government would not be doing its duty to the Dominion unless it projected that work. It was well known on the most reliable information, that in the valley of the Saskatchewan and the Red River there was a tract of Prairie Land, immense in extent, and magnificent in character, and how could immigration be conducted to that country, how could supplies be carried to settlers, how could the produce of that country be brought to a market unless there was a railway, and he did not hesitate to say that it had been the deliberately expressed opinion of the House and the country, that as soon as the country was acquired, a railway must be built to the foot of the Rocky Mountains. Believing this to be the determination of the Government and the country, the delegates from British Columbia came and submitted a proposition that that Railway should be extended from the foot of the Rocky Mountains to the Pacific, and he put it to the House and the Pacific, whether a line could not be built to the Pacific, much cheaper, in proportion, than one ending at the Rocky Mountains. The one would be available for local traffic only, and very much larger subsidies, therefore, would have to be paid, whereas a line running from the Atlantic to the Pacific would receive a very large amount of through traffic, and in addition to this, it had always been contemplated and determined that there should be such a line through Canadian Territory.

It had been stated both by the Minister of Militia and the Minister of Finance that it was not considered that the amount necessary for the construction of the railway, would involve any increase in the taxation of the people of the Dominion, and he had no doubt that that statement was correct, for taking the calculations of the hon. member for Sherbrooke himself as a basis, that the annual increase of the population of the Dominion

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would be three per cent, (although when the railway to the Pacific was completed, and the vast Territory of the North West opened for settlement, there was no doubt the increase would be much greater), he believed the additional revenue derived from that increased population, irrespective of the increased paying ability, estimated at two per cent by the member for Sherbrooke, would be fully equal to all demands upon it without any increased taxation. He entirely agreed with his hon. friend that it was impossible to take large Provinces into the Dominion with a small population, and acquire all their lands without giving them in return the means of carrying out the local works necessary to make the country attractive to emigrants, and how could it be expected that the people of this large Province, twice the size of Ontario, would be in a position to develop the resources of their country without assistance—and that assistance was what the Government proposed to render in the proposition before the House? The member for Sherbrooke had said that he would have preferred that the Government should have come down and have asked a direct vote for that purpose, but he would remind the hon. member that he had not been in favour of that mode, when it was proposed with reference to Newfoundland. The delegates from British Columbia estimated the population of their country, at 13,000 whites, 5,000 Chinese, and 45,000 Indians.

Then what was there to be got out of this country. At the present time it cost from 12¢ to 14¢ a pound for all supplies sent into that country, and no one could live there unless he earned \$5 a day. If, however, the country were opened up, they would be able to get supplies there as cheap as at Ottawa, and those who now live on \$5 a day would be able to live on \$2.50 a day, and there would very soon be a population which would yield a revenue that would speedily compensate for the cost of the railway. According to his judgment, seeing they had the North West, and must develop it, there was no question but that the Railway must be built, and even in a financial point of view, although he did not assume to have anything like the knowledge or experience of financial matters as was possessed by the hon. member for Sherbrooke, he could not see that there would be any difficulty. The line of railway would pass through magnificent lands, and the proposed grant would give 50 million acres, leaving every alternate lot which could be converted into a sinking fund or some other mode for securing the amount of money granted, and taking into consideration the probable increase of population, the speedy settlement of the North West on its being opened up, and the increased paying ability, he had no fear, and the Government had no fear, that the people would be subjected to any increase of taxation.

Hon. Mr. McDOUGALL (Lanark North): There are not forty millions of acres of arable land in the whole North West Territory.

Hon. Mr. TILLEY said he was not sure as to the number of acres, but the land would secure the building of the railway.

It being six o'clock the House rose.

AFTER RECESS

Hon. Mr. TILLEY resumed the debate. He had been pointing out the difference between the proposition of British Columbia, and that adopted ultimately, which he regarded as the more favourable to the Dominion. In connection with the railway scheme he would take issue with his hon. friend from Sherbrooke. By the construction of the road the population of the Pacific coast would soon be so increased as to pay for the cost of the road in a very short time. A gentleman who had worked in the mines of California, lecturing on this subject a few years ago, argued that such a result would soon be attained by building the railway. The hon. member for Sherbrooke was willing to give a subsidy to British Columbia without admitting it as a Province for some time to come. In making this admission, the hon. member gave up the whole case, for, if he could not object to giving a subsidy under such circumstances and without deriving every advantage from the expenditure, he surely ought not to object when British Columbia was ready to surrender her revenues to the Dominion. The increase of the debt would not fall on the present population of the Dominion alone. The evidence which the increase of the Western States since the construction of railways through them, was that the North West would soon be filled up with a population brought there by the new railway which would soon pay for its construction. With reference to the question of fortifications, he would say that he hoped the result of the present negotiations at Washington would be such as to prevent all necessity for the constructing such works. The expense for local works would hardly amount to as much as the hon. member for Sherbrooke estimated they would. Excluding the annual sum of \$100,000 for the land grant and the expenses of Government, these charges would amount to a total of \$361,300. The revenue amounted to \$363,400, which, of course, would largely increase in the future. The difference, therefore, was not so great after all. Even supposing that the local Government should accept our lower tariff, the revenue would reach \$308,000. The \$100,000 was, therefore, the amount of expenditure in excess of receipts, and for this the Dominion received a large grant of valuable land. Now, the question was, was the union of the colony worth the cost? The Pacific Railway, already in course of construction through the North Western States of the United States, was being built without the expenditure of a single dollar. It was being built by the land grants which had been made to the company. But, the hon. member for Lambton said there were only 50,000,000 acres of good land to be settled in the North West. Admitting it to be the fact, what difference did it make so long as it was settled. That was the main point. Persons who had travelled through the Fertile Belt had informed him that there was no engineering difficulties to be met with this side of the Rocky Mountains, and there could be no difficulty in getting a company to undertake the construction of the railway. Having said this much, the case was clear. The question was now, whether it was better to embrace the opportunity to complete the Confederation scheme, or to let this best chance of all pass by unimproved for consummating the union. He could understand why Annexationists should be opposed to this extension of the Union, but he could not understand how the Independence advocates like the hon.

member for Sherbrooke could oppose it. He could tell hon. members who did not approve of this scheme that delay was dangerous, and if this chance to bring British Columbia was not improved, that Colony might yet be absorbed into the American Union.

Mr. BLAKE: How?

Hon. Mr. TILLEY said as the country was at present the miners were obliged to pay enormous prices for the necessaries of life and they were looking to their country for the means of communication by which they were to be supplied at reasonable rates. If Canada would not undertake it, they might look to the Republic for help. (*Hear, hear.*) But this Union could benefit Canada commercially, for the opening up of the North West and the consequent increase of trade must bring an immense volume of trade to Montreal and Quebec and the Maritime cities. Everything conspired to make this Union a prosperous one and he did not doubt that the House would sustain the measure which was now submitted to them. (*Cheers.*)

Mr. MACKENZIE regretted that the hon. gentleman opposite could not discuss this question for three quarters of an hour without threatening the annexation of that colony to the United States if this House rejected the present propositions. Such a line of argument could only be indulged in by the hon. gentlemen in order to create a feeling that the papers brought down as agreed between the Dominion Government, and that of Columbia is in the nature of a treaty that is not to be altered by any proposition to be made in this House; if such were the case it would be useless to discuss the question. In 1865 the Parliaments of Canada, Nova Scotia, and New Brunswick were told the same story with reference to the resolutions which formed the basis of Confederation, but those resolutions were afterwards altered by the delegation at London, and he was not prepared to accept these resolutions in the nature of a treaty which this House could not alter. He believed on the other hand that it was essential for the future prosperity of the Dominion, that this colony should be admitted into the Union and that there should be the best possible understanding as to the terms of admission to prevent future complications, and he should not be prepared to acquiesce quietly in the resolutions which had been prepared by the hon. gentlemen opposite. By these resolutions, the basis of our political system would be violated as was done in the case of Manitoba last session, and after the struggle which had to be gone through to secure that basis, he should certainly oppose any further attempt to alter it, that is representation by population as regards the House of Commons. Some deviation he acknowledged might be made in the Senate. The Hon. Minister of Customs tells us that the population of Whites, Chinese, and Indians is 60,000 in that country, but we have never given representation under our system to Indians. If such were allowed we could claim several more members for Ontario. He would consent to a considerable grant of money to carry on the Government of a new colony, and particularly of such a difficult country as Columbia, and he would not show

himself less liberal than any other member of this House in considering what ought to be done in the present case. In the discussion in reference to Newfoundland, he preferred allowing a sum to carry on the Government rather than make over the public hands, as while the revenue was \$3,000 per annum, the cost of management was \$6,000, and he took the same view with regard to the land grant for the construction of the railway to the Pacific.

From all he knew of the country after descending from the Rocky Mountains the country was valueless for agricultural purposes. The gold mines have certainly proved very remunerative, but they are carried on by large companies, and the large importations of breadstuffs into the colony corroborated the barrenness of the land. He thought the Government should be prepared to give every information as to the mode they propose of constructing the Railway, and whether any propositions had been received for its construction. He denounced the Government for desiring to undertake the completion of the work in ten years, and should certainly record his protest against such an arrangement, and he considered that to give such an immense grant as was proposed to any Company would be to retard the settlement of the country, as was found to be the case in the western States. He doubted very much if the Province of Ontario would grant the land as anticipated by the Minister of Customs, and if they did the greater part of it was valueless for cultivation, and certainly would not realize \$1 per acre as estimated. The Northern Pacific road was largely built by English capital before the land and money grant of the United States was obtained, and the difficulties were not to be compared to those which would be met on the Canadian Railway.

The Canadian Pacific Railway would cost from six to seven times as much as the Intercolonial, and he was not prepared to involve the country so deeply. He then moved an amendment that all the words after "that" be expunged, and the following substituted,

"the proposed terms of union with British Columbia pledge the Dominion to commence within two years and complete within ten years the Pacific Railway, the route for which has not been surveyed nor its expense calculated. The said terms also pledge the Government of Canada to a yearly payment to British Columbia, of the sum of \$100,000 in perpetuity, equal to a capital sum of \$2,000,000 for the cession of a tract of wasteland on the route of the Pacific Railway to aid in its construction, which British Columbia ought to cede without charge, in like manner as the lands of Canada are proposed to be ceded for the same purpose. This House is of opinion that Canada should not be pledged to do more than proceed at once with the necessary surveys and after the route is determined, to prosecute the work at as early a period as the state of the finances will justify."

Mr. GRANT: I have listened with a very great degree of pleasure to the broad spirited and statesmanlike observations of the hon. Minister of Militia and Defence. Truly, this is the age of union, in which we, as a people enjoying the fullest extent of freedom under the eye and protection of the Mother Country, should come together and realize the privileges of union in the widest and most

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comprehensive sense. Last session the whole of the North West Territory was brought into this Dominion by the almost unanimous consent of the members of this House, owing to the very satisfactory terms arranged by the Hon. the Minister of Militia and Defence, and the hon. member for Lanark opposite. Today we are taking into serious consideration the desirability of adding one more link to the Confederation scheme by the taking in of British Columbia. The time then is not far distant when we shall have a greater degree of intercourse in trade and travel, and if possible a greater extension of those principles of free speech which we now enjoy with courteous personal consultation. These are the signs of the times: these are the signs by which four millions of Her Majesty's subjects, scattered over this widespread country, recognize the importance of self-government with a warm allegiance to that sovereign who, though distant, dwells in the homes and hearts of the people of this country.

It must be a source of great gratification to all interested in the prosperity of this Dominion to learn today the terms upon which British Columbia is to be admitted into the Union. That section of country though remote as to position is an all important one from a Dominion point of view. It possesses a most salubrious climate, well known agricultural capacity, and as to value is entirely beyond present computation both politically and commercially. In looking over the statistics of 1868, I observed that there had been no apparent increase in the population for that year beyond the children born in the country, and notwithstanding the great numbers who annually emigrate from Great Britain and various parts of Europe to the North American continent, it is surprising that with all the attractions of the Pacific section of British North America so few emigrants should have found their way there up to the present date, and more particularly so when we consider its climate, its soil, and its resources, such as coal, iron, timber and gold. The vigorous measures about to be adopted will doubtless be the means of causing a greater tide of immigration than has been observed at any time in the history of that country. An examination of the statistics of the population of British Columbia shows the somewhat remarkable fact that the male exceeds the female population by about 277 per cent. Such an anomalous condition does not, that I am aware of, exist in any other country at the present time—in England, the United States and in Canada—precisely the reverse is the case.

The wonder is that British Columbia should have attained its present prosperous condition wanting in so great a measure so material an element of success. (*Cheers.*) In 1863 British Columbia was looked upon as being then, in a flourishing condition, stimulated as it was to the utmost degree of intensity by the gold fever. After a time, things in general assumed a more normal state, and business on the whole gradually rested on a more substantial basis. Farms became cultivated, immense herds of cattle were raised, saw and grist mills were erected, and the lumberman's axe found its way into the magnificent forests of that country, in places where a few years before such was scarcely dreamt of. Material prosperity and general advancement are now taking the place of the feverish gold excitement, which is gradually passing away. When

we become possessors of British Columbia, we shall have a most magnificent inland sea of harbours such as between Vancouver and the main land. It appears as if set apart by a special providence as a depot for the shipping of the East, and as an entrance to the great highway for all nations across the British American Continent, doubtless in course of time, the trade of China, Japan and the Asiatic Archipelago will centre there. This is the prize that was anxiously sought after in ancient as it is in modern times. Persia, Assyria, Carthage and Rome prospered and held, in fact, commercial supremacy while they controlled the trade of the East. Venice, Genoa, Lisbon, Amsterdam and London each in turn held a proud commercial position, while it catered up the luxuries of the East for the Western world. This is the inheritance of the Pacific Coast.

We, the people of this Dominion, have every assurance that Great Britain has a warm interest in our prosperity. What better or more substantial proof could we have than the expression of the sentiment which only a few days ago flashed across the Atlantic telegraph, that England would as soon think of having itself annexed to the United States as to allow any portion of this country be attached to the neighbouring Republic. Both England and the United States are equally well aware that the time has now arrived when that power which shall be enabled to construct the shortest route between Asia and Europe will hold the commercial supremacy of this continent in its grasp. The great trade of the East will not alone pass through the Suez Canal and the Red Sea. This is the prize which we as a people must look forward to, and certainly it is one which is well worth the endeavour to obtain. An able English writer remarks that the great benefit to be derived from the experience of the past is the application of its teaching to the present. Thus, in taking a retrospective view of Confederation, and the benefits arising out of it, even although the time is short since its inception, we must be cognizant of the fact that day by day we are becoming more intimately associated as a people, co-operating in every way that is possible to develop our resources. During the early discussions on the subject of Confederation, a frequent expression was "whither are we drifting." This was reiterated until at last it became irksome and unworthy of attention. The only sentiment which seemed in any way likely to form with it a twin was the theory of independence. Both of these have had their day, and now I feel satisfied that the impression of everyone who takes a warm interest in the welfare of our country is that both these ill-judged sentiments have gone down unhonoured and unsung.

Fortunate is it that trade has a natural and inevitable power to rectify itself. For a time after the repeal of the Reciprocity Treaty this country was put to a moderate degree of inconvenience; however, the master mechanical minds and the politicians of the country, so accommodated matters and things in general as to tide that difficulty over, and now a more prosperous state of affairs exists than we have experienced for many years. As the result of the vigorous policy of those in charge of the affairs of Government, we are happy to recognize the very important fact that our Finance Minister has been so exceedingly successful in his operations as to have been enabled to bring down in his recent budget a surplus of

no less than two and a half millions of dollars! Truly our Dominion under these circumstances cannot be suffering! Our merchants are not embarrassed; our young men are not leaving the country to seek employment in distant parts as formerly, and we have every assurance that the farmers of the country are reaping the benefits of their labour and industry in finding ready markets for their produce. Still further evidences of the prosperous state of our Dominion are found in the condition of our savings banks, the ordinary bank deposits, the prosperity of our municipal institutions, our increased and increasing railway traffic, our large importations and our rapidly increasing exports. All these beyond doubt point incontrovertibly to a flourishing state of affairs throughout our Dominion at the present day.

When we review the commercial history of the British American Provinces for the past thirty years, we notice that the progress of old Canada dates from the Union of the Eastern with the Western section and has followed the construction of Canals and Railways. The present Canal system of Canada was brought to its present condition, with all its imperfections the finest in the world—during that period. Twenty years ago, there were only some fifty miles of railway in operation in the Province. At present, the total number of miles of rail is nearly 3,000—one of the lines is the second longest on the Continent—the total cost of these works is nearly \$160,000,000—the total amount of their earnings cannot be less than \$13,000,000 annually. In 1841 when we commenced our canal improvements the revenue of Old Canada was \$1,283,000 or \$1 per head for every man, woman and child within its limits. In 1854, the commencement of railway enterprise, it was \$5,694,000, or \$2 per head; in 1866 it was above \$12,000,000 or \$4 per head. In 1850 the population of united Canada was only 1,842,265, and the exports some \$30,000,000 or about \$15.50 for every person. At present the total population is over 3,500,000 and exports \$120,000,000 or nearly \$35 per head. Or let us illustrate the subject by reference to the Dominion. In 1843 the revenue was about \$2,000,000, whilst at the present time it is about \$15,000,000, or about \$3.50 per head of the population. In 1806 the value of exports from all British North America was only \$9,287,940; in 1831 \$16,523,579; in 1870 it was \$73,573,490. In 1851 the tonnage entered inwards by sea in all British North American ports was 1,590,663. In 1870 the tonnage entered inwards by sea in the Dominion was 5,796,663. In 1851 the tonnage cleared outwards in all British North America was 1,583,104. In 1870 the tonnage cleared outwards in Canada was 5,619,745. In 1806, the aggregate tonnage of British America was 71,943; in 1850, 446,935; at the present time, it is upwards of 950,000.

The expenditures have kept pace with the receipts during the period mentioned, and were devoted to a large extent to useful public works indispensable to the material development of the country. Our wealth, however, is increasing in a greater ratio than it was at the time we entered into large expenditures for canals, and our ability to go into important enterprises necessary to the expansion of Trade and Commerce is correspondingly improved.

Before closing my remarks, I would wish to allude briefly to an important union which took place some time ago in the North West

Country, and one which bears materially upon the prosperity of that section as far as the fur trade is concerned. The Hudson's Bay Company is an association formed, as it is well known, of two distinct elements, the stockholders who, as a company have other interests apart from those of fur trading; and the chief factors and chief traders known as the working partners of the fur trade portion of the concern. The stockholders are the representatives of those to whom, under the name of "The Company of Adventurers of England trading in the Hudson's Bay" was granted the charter by King Charles II to trade furs, etc. in the Hudson's Bay and adjacent country. This company established a few posts near the shores of the Bay, and for years confined their operations within comparatively a short distance from the coast. In course of time they advanced into the interior, where they came in contact with other traders, of whom the most active were sent out by a company having its headquarters in Canada and known as "The North West Company."

For a number of years these two rival companies competed for trade with such determination that not unfrequently when opposing parties met a conflict took place, resulting in loss of life. Under these circumstances it is not a matter of surprise that the business was found to be carried on at a considerable loss to both parties in consequence of which a Union took place. Since that time, business has been carried on to the mutual benefit and satisfaction of all parties concerned. The Factors, Traders and Officers in the service of the Company, generally may be considered Canadians as hitherto with but few exceptions, they have all either settled on the Red River or come down to Ontario and Quebec. In dealing, therefore, with this question of the Hudson's Bay Company, it is to be hoped that the interests of these people will not be overlooked. The Fur Trade is a subject of no ordinary importance at the present time. Instead of leaving the Indians at the mercy of whoever may come in contact with them, there are but two alternatives, either of which, according to the opinion of experienced men, if adopted, might be made a source of large revenue to the Dominion. Of course it cannot be expected that the company will continue the fostering care with which it has hitherto treated the Indians in the trade operations with them. The fur country may become flooded with unscrupulous adventurers in consequence of which the company will be obliged in a great measure to abandon the practice of giving supplies to them. Without the usual advances in the autumn a great number of the unfortunate people will be obliged to abandon systematic fur hunting in order to devote their chief attention to pot-hunting to support their families and prolong their own lives. It is only in case of competition that there is danger of the Indians suffering.

When in the control of a company it will be the duty of that company to give proper supplies, which could not possibly be accomplished with rival parties scouring the country, and it is not unlikely that the scenes enacted half a century ago would under such circumstances be revived. It appears to me that some plan such as that adopted with regards to the salmon fisheries of the Lower St. Lawrence might be applicable in letting out the fur country of the North West. It is true that a few individuals might thus control the trade, but such would

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be vastly preferable to leaving it open to all comers from all parts of the world, which could not but prove exceedingly injurious to the trade. The existing divisions of the country into districts as recognized by the Hudson's Bay Company is of great importance, inasmuch as such districts have different tribes—a very important fact both for the Indians and the trade.

If not disposed of as the salmon fisheries the whole trade might be managed by an experienced Board of Direction. This would be the best for the country, and likely under all circumstances most profitable. This trade is a subject of vast importance, for it involves the living of fully 75,000 of our fellow subjects, and nothing could be more desirable than to direct the affairs of the Indians in such a manner as may be generally acceptable to the chiefs of those great bodies. The principle must be *protection* not *extermination*. Thus, the Indians would become peaceable subjects, and warm adherents to whoever would tend most towards the welfare of the Northern fur trading country.

At the lowest estimate, the value of the exports, that is including the fur obtained from British Columbia, would amount to about \$1,000,000 annually. This, if well managed, it is supposed by competent authority would yield fully half that amount to the revenue of this Dominion. As this whole matter will no doubt receive the consideration of the Government, I would merely say in conclusion that I trust the day is near at hand when British Columbia will become part and parcel of the Dominion. (*Cheers.*)

Mr. MASSON (Terrebonne) had always been opposed to the acquisition of the North West, and to-night he heard from the hon. member for Lambton that he had good reason for that opposition. It seemed that, after all, there were only some 50,000,000 acres of habitable land in the whole territory which was capable of sustaining a population of about two millions of people, giving twenty-five acres to each person. A very different state of affairs to what the House had been led to believe existed. Now, after having acquired the unsettled four-fifths of the territories there, the House was asked to take possession of the remaining settled one-fifth. It seemed to him that having got the worst part of the land, having pushed our boundaries up to the verge of the wilderness, the House need hardly hesitate about extending the Dominion to the Pacific. Then, with respect to the railway, he believed it would be better to construct it with as little delay as possible, and he believed the Government policy to be the correct one.

Mr. CARTWRIGHT doubted whether \$100,000,000 was a sufficiently large estimate of the cost of constructing a Pacific Railway 2,500 miles in length. The House should consider well before taking upon the Dominion such a debt as they were now asked to bear. The present obligations of the country either actually incurred or to be incurred amounted to not less than \$130,000,000. Then they were asked to increase it

\$6,000,000 by this measure, and besides the minimum cost of the Pacific Railway, which was \$100,000,000. This would give a total debt of \$240,000,000, which would place on each family in the Dominion a debt of \$125. The result would be to ruin our credit at home and abroad. Then the Government proposed to give to this railway a grant of land amounting to 100,000 square miles—a tract of country equal to the whole New England States, or to New York, Pennsylvania and Ohio. He believed if the people of British Columbia who had shown such a liberal spirit in these negotiations were informed that it would be physically impossible for this Dominion to undertake the construction of a railway at a cost of from \$100,000,000 and complete it within ten years, they would consent to a modification of the terms proposed to this House. He was strongly in favour of the Union and was willing to go as far as it could safely be done to consummate Confederation by the admission of this colony into the Dominion. But the House should be careful before risking the safety of the Confederation by incurring a burden of debt under which they might sink.

Mr. YOUNG said that while he was a Unionist, he felt that the measure before the House was objectionable. He was of opinion that the Dominion should not seek to incur large indebtedness to secure the admission of British Columbia into the Union until all the Eastern Provinces were added to the Confederation. Under any circumstances there were provisions in this Bill which were objectionable. Chief among these was the departure from the established principle of representation. He referred to the proposed railway, and read from a report of Mr. Fleming on the subject an extract to the effect that the engineering difficulties to be overcome were startling in their magnitude, while the cost of keeping the road in running order would alone render it a formidable undertaking, being not less than \$10,000,000, and until the gross annual earnings of the line should reach \$14,000,000, the railway would not pay the expenses connected with maintaining it. Speaking of the financial aspect of the measure he quoted statements as to the charges on the Government. And the revenue to be derived, showing that British Columbia would receive \$225,000 more than she paid in, and even that calculation was contingent on the continuance of the tariff now in force, which was very uncertain. He maintained that these conditions were not fair to the rest of the Dominion, and the result would be that the finances would go back to the chronic state of deficiency that had existed some years ago.

Mr. BLAKE desired to call the attention of the House to the single point before it. As one who was always desirous that the Union should be created, and that the express objects of the Union Act, which contemplated the admission of British Columbia, should be consummated as rapidly as circumstances and prudence would permit. He retorted on those who had uttered it, the accusation that he was desirous that the Union should be consummated. He had been at a loss how an Administration basing its claim to public confidence on professions of representing the Great Union Party

could come down to the House with a proposition which would be fatal to the existence of confederation. A reference to public documents, however, had convinced him that the true object of the Administration must have been to destroy all present hope of a Union on reasonable and prudent terms. His reason for this conclusion was that the Department which was naturally charged with the conduct of negotiations on this subject was under the control of a gentleman who had, some time ago, in a letter to the public of Canada, used expressions, which in him (Mr. Blake) would have been called treason, and he could not but think that the preposterous proposition of the Government with respect to the Pacific Railway, was specially framed to defeat a Union with British Columbia.

These observations were made by Mr. Howe, when he was about to assume the position of Secretary of State. These being his expounded views, written in a deliberate letter, who could wonder that he was a party to bringing down a measure so iniquitous that the House could not help rejecting it. No wonder then that Governor Musgrave should have stated publicly that he was amazed at the concessions granted by the Canadian Government. Were not hon. members justified then, in asking for further information before taking this irrevocable step. If this measure should become law, the faith of the Dominion would be blighted and without the consent of British Columbia could never break one jot or tittle these cast-iron obligations. But the hon. Minister of Militia did not propose to increase the taxation of the country. Let him then put it in the bargain with British Columbia that no future misunderstandings might arise in the fulfillment of our pledge. Hon. members opposite had stated that they were willing to give 60,000,000 acres of land to aid the railway, and to pay off the interest on the debt incurred by the railway by the sale of lands in the North West. The Ontario Government had found it advisable to make free grants of their

lands to settlers, instead of making a revenue from them, and the Dominion Government would find it no less difficult to derive a revenue from lands in the North West.

He (Mr. Blake) called upon every member in this House to consider whether he was not betraying the interests of the Dominion in ratifying this bargain which the administration of the day had made. The fixed date of commencement and completion of the railway were dead weights on the enterprise under which the country was already staggering. They enhanced the difficulty of the undertaking. Could any country expect more than a promise to build this railway as soon as possible? Could British Columbia expect more from this Dominion? He was an advocate of Union, but under such terms as these, he considered it his duty to oppose it. He did not blame British Columbia for these unjust stipulations, but he blamed this Government for having stultified themselves by making such proposals. No solid argument could be brought against the view that the terms proposed by British Columbia and to which the colony was content to submit, should have been accepted by the Dominion Government. The amendment of the hon. member for Lambton was not in opposition to the union. The Opposition did not oppose the scheme but the unjust terms by which it was accompanied, and he could not see how any lover of his country should hesitate as to what course to take with respect to this measure.

After a short discussion as to whether the debate should be adjourned or continued,

Mr. BOLTON rose to explain his position with respect to this measure, and opposed the Ministerial scheme.

The debate was adjourned, and the House rose at midnight.