

SHOULD THE CONSTITUTION BE AMENDED?

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THE question, "Should the Constitution be amended?" is again suggested by the case which British Columbia has formulated in support of its demand for "better terms," and it is here proposed to use that case by way of illustration in support of the opinion that there is a radical error in the Constitution; and, further, that the error should be eliminated as speedily as possible in order that certain barriers may be removed out of the path of our national progress and certain dangerous causes of friction done away with.

Roughly summarized, the case of British Columbia is, that its proper proportionate contribution to the revenue of the Dominion would have been, for the period since the Province entered the Confederation (1871), two per cent. of the total of that revenue, whereas its actual contribution has been five per cent., and that Dominion expenditure on account of the Province has not been at all in the same proportion. To put it in another way: Looking to the whole of Canada, the central authority has returned to the people in expenditures (the debt of the Dominion having largely increased since 1871) much more than it has taken from the people in taxation; but, confining the view to British Columbia, the reverse has been true; there has been taken from the people of that Province in taxation, by the central authority, some \$13,000,000 or \$14,000,000 more than has been returned to them in expenditures. The Pacific Province has become a "milch cow" for the Dominion.

A full statement of the case thus summarized is contained in a "Memorandum *re* Financial Relations" presented to the Government at Ottawa, over a year ago, by the Premier of British Columbia.* Partial statements have frequently been printed by Provincial newspapers, but in the document

cited the whole case is gone into minutely. Absolute accuracy is not claimed, but that the "balance of inaccuracies," if it may be so expressed, will be in favour of the Province seems certain from the fact, which the memorandum points out, that while large purchases of goods which have paid duty in the Atlantic Provinces are made by British Columbia, no counterbalancing purchases of dutiable goods to be consumed in Eastern Canada are made in the Pacific Province. The memorandum is much too long for full quotation here, but the following excerpts will fairly indicate its scope. ("The present year" is 1901, the memorandum having been written early in that year):

"Important public undertakings, such as through lines of railways, canals, coast protection and marine service, are national, and are not chargeable locally. It is pointed out elsewhere, with the exception of the construction of the main line of the Canadian Pacific Railway in the Province, all such matters are included in the statement, in order that it may be made as full and fair to the Dominion as possible. It is also pointed out that no distinction is made as to public works charged to capital, and those charged to revenue, which, if done, would materially lessen the annual expenditure debited to the Province.

... It may be held that, as the Canadian Pacific Railway was originally built in conformity with one of the Terms of Union with British Columbia, it was specially for its benefit and that a share of the cost should be charged to the Province. This is untenable.

... In the same way it would be unfair to Ontario to charge to its account the great cost of canals built in and through it.

... The total amount expended by the Dominion in the Province up to 1st July, 1901—estimating the expenditure for the present year—will have been \$28,968,091; the total contributed by British Columbia to the Dominion during the same period will have been \$42,475,349, leaving a balance in favour of the Province of over \$13,500,000. The expenditures in the Province include the \$750,000 paid to the Esquimalt and Nanaimo Railway Company as a subsidy, and all the other railway subsidies; the debt of the Province assumed by the Dominion in 1872 and interest on the same, and everything else* directly or indirectly con-

* Including, of course, the subsidies, etc., payable to the Province under the Terms of Union.—J. C. B.

* B.C. Sess. Papers, 1901, pp. 563 *et seq.*