

Thus under the terms of the Act the four original Provinces of Ontario, Quebec, New Brunswick and Nova Scotia retained control over their lands, forests, mines, and other resources except fisheries. It would seem logical to assume that the other provinces should have obtained similar jurisdiction as they became respectively parts of the new nation. This did, in fact, happen in the cases of Prince Edward Island, Newfoundland and, with certain adaptations, British Columbia. In Manitoba, Saskatchewan and Alberta, however, all Crown lands and other resources were retained under the jurisdiction of the Federal Government.

The reasons for this discrimination were complex and can only be understood by reverting to history and, in particular, to the fortunes of the Hudson's Bay Company.

After the British conquest competition from the French fur traders collapsed, but their place was taken by a number of Scottish traders working out of Montreal. After a period of violent trade warfare among themselves these independent merchants eventually combined their interests in a single organization known as the North-West Company. This company had its vicissitudes but carried on an aggressive and mutually detrimental war against the Hudson's Bay Company until 1821 when the two combatants, worn out by their physical and legal battles, amalgamated, keeping the name of the Hudson's Bay Company in order to retain its charter. From that time until 1870 this company exercised almost undisputed sovereignty over central and northern Canada. The results were generally detrimental to the national interest, and it was not until after the Canadian Government had bought control over the North and West that hopes for western progress began to materialize.

When the Province of Manitoba was created in 1870 out of what had been Hudson's Bay Company territory, the Federal Government decided to retain control of the public domain in the new Province. In justification of this decision it was argued that Ottawa had purchased the land from the Company and therefore had the right to control it, and that in any case such control was essential in the interests of a national immigration and development policy. The resources were to be used to promote the progress of the nation.

The people of the new Province protested vigorously but without result. These protests continued through the years and increased when the Federal Government began to make tremendous grants of land to the railway companies that were pushing steel lines across the prairie. It was argued both that the railways were getting too much land and that the provincial resources were being used to pay a bill owed by the nation as a whole.

The people of Alberta and Saskatchewan (which were admitted as Provinces in 1905) were equally critical of the determination of Ottawa to retain control of the natural resources of the Middle West.

A number of financial arrangements were made between the Federal Government and the Prairie Provinces as partial compensation for federal ownership of provincial resources but these concessions were all regarded by the westerners as nothing more than conscience money paid for lands unjustly seized. It was not until 1930 that Alberta, Saskatchewan and Manitoba were placed on an equality with their sister Provinces in the matter of the control of their natural resources.

Today the land, mineral, and forest resources of Canada, in so far as they have not been alienated to private interests, and excluding those located in the Northwest Territories and the Yukon, belong to the Provinces. With this ownership goes the primary responsibility for development, conservation and beneficial use. It is only in the fisheries that the Federal Government retains legal rights and even here practice has weakened the significance of the title. It must be remembered, however, that the Federal Government has unfettered power of taxation, and taxation is a potent weapon to mould development policy.