

differences between the two governments were finally adjusted. By means of the Settlement Act, the Province, tired of delays and wearied with fruitless negotiations, agreed to transfer 3,500,000 acres of the best land of the province, in lieu of net expenditures on the part of the Dominion, amounting in all to about \$1,250,000. These lands, worth now at the lowest valuation \$35,000,000, together with 2,000,000 acres of land on Vancouver Island, including all their valuations—worth at least \$2,000,000—were paid with to secure a railway from Esquimalt to Nanaimo, costing less than \$3,000,000, which under the terms of the Carnarvon Award were to have been built by the Dominion without cost to the Province. The value of such concessions was not then foreseen. The treaty of 1871, as amended in 1881 was made, by both parties to it, in misapprehension of the possibilities of British Columbia and the development to accrue from the building of the Canadian Pacific Railway.

The subsequent course of events has shown that British Columbia has not only paid its way in Confederation, but has contributed in forty years about \$35,000,000 in excess of what it has cost the Dominion; that the Canadian Pacific Railway has been instrumental more than any other factor in raising up Canada to the proud position which it occupies today, with benefits vastly greater to the rest of Canada than to British Columbia; and that the Settlement Act gave a realizable asset to the Dominion thirty times greater than the expenditure which it involved.

The Government of British Columbia submits as incontrovertible that the original and amended Terms of Union having been based upon assumptions which have proved groundless, and that as the very opposite of what had been anticipated has transpired, it is incumbent upon the Dominion, morally and constitutionally, in the light of developments which have actually taken place, to now substitute fairer terms for those perforce made in anticipation of what did not happen.

This contention is strictly in line with what was promised in the resolutions of the Quebec Conference of 1902, to the effect that at the time of the passing of the British North America Act, "it was impossible to foresee the development of the Dominion" and to provide in an unalterable and fixed way for the requirements of the various local governments for all time to come. It was much less possible with respect to British Columbia which, in 1871 and for some years subsequently, was almost wholly undeveloped, and about which practically nothing was known in eastern Canada. All the discussion of whatever character bearing upon the relations of the Province and the Dominion and the construction of the Canadian Pacific Railway for fifteen years was based upon assumptions wholly unfounded and incompatible with actual development. It was impossible to predicate as to the future in eastern Canada, where there had been settled conditions and very considerable development, how much less possible to predicate the future of a country west of the Great Lakes, which was then less a *terra incognita* and at a time when the larger problems of Oriental and Imperial trade routes were still outside of the pale of practical politics.

When the Terms of Union with British Columbia, which involved the construction of an interoceanic railway within twelve years from the date of Union, were entered into, they were justified by the government and their supporters on account of the following considerations, all of which were material:

1. The rounding out of Confederation, so as to include the whole of the British North American possessions in one Dominion.