

(2) The expected benefits from the building of the Intercolonial Railway did not materialize -

(a) Because of the operation of economic laws arising out of their geographical position;

(b) Because the interests of the Maritime Provinces had been sacrificed to Imperial considerations when the route of the Intercolonial was selected for reasons of military defence rather than being based on commercial or economic efficiency - whereby the Maritimes were sentenced to suffer in perpetuity from the effects of an unnecessarily long rail haul to the markets of Canada.

(3) The Maritimes surrendered control of their fiscal policies which had permitted the utmost unrestricted extensions of their shipping trade, which had been in turn, the chief source of their prosperity. They were now forced by the higher Dominion tariff to trade with Canada and to depend upon interprovincial trade, for successful participation, in which they were handicapped by their unfavourable geographical position and the unnecessarily long rail haul on the Intercolonial. Trade could no longer follow its natural and theretofore profitable channels and they were forced through the artificial bonds of Confederation to seek to develop an internal trade and their whole economic course was diverted.

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