

giving a land subsidy, that land subsidy to be equal in extent to what was given in Manitoba and the Northwest Territories but not to exceed in the whole twenty miles on each side of the railway in British Columbia. I do not need to go into the story of how the Government of Canada failed to commence construction, of the vexatious delays that occurred, of how a large portion of the province was tied up under reserve awaiting the railway construction. All I need to say is that with the exception of certain surveys there was nothing done in British Columbia until about the year 1879, or eight years after the province entered Confederation.

Under the agreement authorizing the construction of the Canadian Pacific Railway in 1872 it was provided that the company should build, equip and operate the railway in return for a subsidy of 50,000,000 acres of land and \$30,000,000. The history of the Pacific scandal is, I have no doubt, familiar to you all; no actual work was done under that contract. During the time of the Mackenzie government several pieces of railway construction were undertaken -- I think one portion of it from the end of Lake Superior towards Fort William. Tenders were called for the construction of railway line in British Columbia through the Fraser canyons, but nothing was done until after the return of Sir John A. Macdonald's government about 1879.

What I want to emphasize in connection with this is that British Columbia has kept every vestige of the terms of union. There has not been a single condition which British Columbia has failed to observe. Under the Act of 1872 British Columbia's land contribution would have been in the neighbourhood of 11,000,000 acres, or practically the full extent of the twenty miles on each side of the line of railway. But when in 1881 the present contract was entered into, as you will recollect, the aid to be given to the Canadian Pacific Railway Company was 25,000,000 acres of land, \$25,000,000, and certain roads which were then under construction were to be completed by the Dominion Government -- ready for operation -- and handed over to the C. P. R. The cost to the Dominion Government of these roads which were completed by them and handed over ready for operation, together with the cost of the surveys, came very close to \$38,000,000.

The effect of reducing the land subsidy from 50,000,000 acres to 25,000,000 acres was, under the terms of union, to reduce British Columbia's quota of land subsidy -- or that should have been the result. For this reason; British Columbia as a part of the Dominion had to carry her share of the additional cash outlay which was given to the C. P. R. in 1881. In 1880 the Dominion Government represented to the government of British Columbia that a large area of land in the railway belt in that province was worthless land, and that the Dominion was entitled under the terms of union to lands in lieu of any lands which had been disposed of in the railway belt by the provincial government. There was no dispute about that. They claimed also that because of the interference with the international boundary British Columbia should make good any deficiency caused thereby. They also claimed land in

substitution

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