HON. MR. FIELDING: You know, there is a large city on one side of the river and a modest one on the other.

HON. MR. OLIVER: I cannot tell the reason, because I am not familiar with the conditions there. But here are the facts; no one will say for a moment that the State of Idaho is in any way comparable from a producing standpoint with the province of Alberta. There is not the mineral wealth, the timber wealth, the agricultural wealth in Idaho -- and it is found only to some extent in Washington -- that there is in British Columbia and the pratrie provinces. But the growth has not been the same and could not be the same in British Columbia, because all this time British Columbia has been handicapped by excess transportation rates. And what I say to you is this: that this condition of excess rates running all the way up to 100 per cent is not reconcilable with the inducements held out to British Columbia by Her Majesty's Government to join the confederation. may say to me. "Well, that despatch is not binding on the Dominion of Canada." But these inducements hav: But these inducements having been held out by the British Government, and British Columbia having accepted in good faith the representations so made and having become a party to the terms of union and entered the confederation, I do not think this Executive is going to take the ground that notwithstanding all this, British Columbia must be treated on a different basis from other parts of Canada.

Now, in respect to the terms of union themselves. the principal factor which induced British Columbia to join the confederation was the promise of a line of railway -- and I might just remind you, Mr. Premier, that while the terms of union required the Domminion to commence construction of that line of railway within two years and complete it within ten, that was not the demand of the government of British Columbia which formulated the What British Columbia askbasis of the proposed union. ed was a coach-road from Fort Garry west to connect with the road system of British Columbia, and a railway as soon as practicable -- words to that effect -- no time limit being set for either commencement or completion of construction. But when British Columbia's delegates came to Ottawa and conferred with the representatives of the Government of Canada they were met with this proposal: the Government of Canada will build that road, commencing it within two years and completing it within That, therefore, was the proposal of the Dominion, not the request of the province. But, they said, we propose not to build that road on the basis that we are building the Intercolonial; we propose to secure its construction by a company, and we propose to aid that company by large grants of land and some grants of money. If you turn to the Hansard -- such Hansard as you have coming down to you from those years -- of 1871, at page 662, you will find that Sir George E. Cartier sets out the policy of the Government. It was proposed, during the period of that debate, that 100,000,000 acres of land should be set aside in aid of the construction of that road, a portion of it to be given to the railway company and the remainded to be sold to raise the money subsidy which was promised. But under section 11 of the terms of union, the Dominion took upon itself the obligation of building this road, conditional upon the province

giving

W.L. Mackenzie King Papers Memoranda & Notes

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