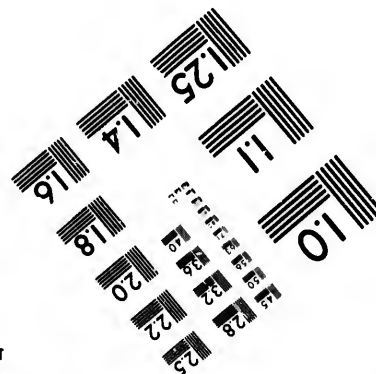
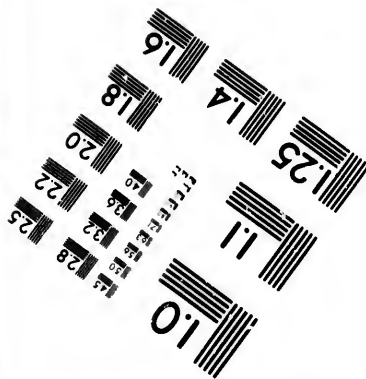
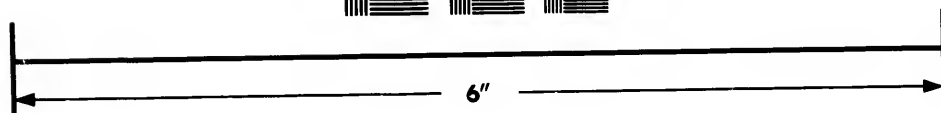
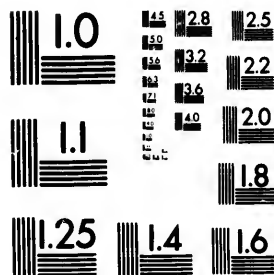
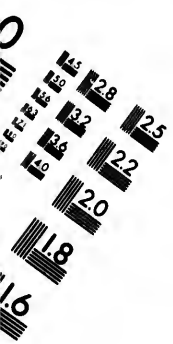


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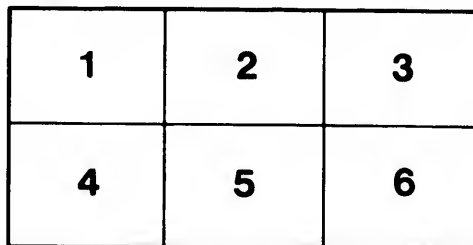
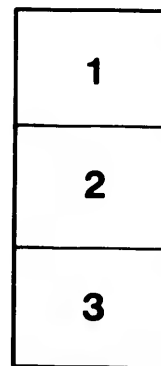
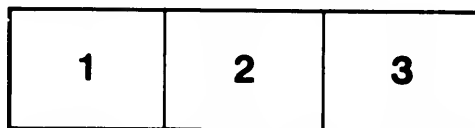
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MR. GOLDWIN SMITH AND CANADA.

THE first of Colonial Conferences, which may justly be regarded as the inauguration of a new era in the Imperial policy of Great Britain, was mainly occupied by the consideration of Australian interests. Those important questions which are more peculiarly connected with Canada were almost overlooked. This was not the fault of the Imperial Government, which showed itself fully prepared to treat with freedom and impartiality the difficulties and proposals which were formally raised by any of the Colonial delegates. The misfortune that subjects of weighty import to the Dominion of Canada were not sufficiently discussed, must be attributed to a want of purpose and an inability to grasp the value of the Conference in the Dominion Government itself. Sir John Macdonald's Cabinet would have acted wisely had it instructed its delegates and commissioner to force with earnestness and importunity upon the British Government the questions which are of interest to their country. It seems, indeed, that the only method of inducing a British Ministry to make a new departure, albeit in a direction which it favours, is by impressing the subject on the attention of the people at large, and imparting a kind of Dutch courage to the few whose office it is, we are told by political philosophers, to put legislation into motion, by compelling them to imbibe a copious draught of public opinion. It cannot be overlooked that, for good or for evil, those who initiate legislation are now the masses.

For this reason, I regret that the only resident in the Dominion who excites the interest of the English public on Canadian questions is Mr. Goldwin Smith; and that he appears to take a dangerous delight in extending throughout the empire the sophistical arguments and elements of disintegration which characterize that Gladstonian policy which he has combated with vigour and eloquence at home, and, by his speeches in the provinces of the Canadian Dominion, is accustoming the minds of British subjects to regard with complacency the transference of their allegiance to a foreign power. It is necessary to remind English readers that they should view with some suspicion arguments coming from one

avowedly in favour of the annexation of our American dependencies by the United States, and that the ideas which he supports are the ideas of annexationists, and not of those Canadians who are the patriotic well-wishers of the Dominion Government.

We must, however, acknowledge that the annexation party is a reality, and that a still larger body exists, embracing no small proportion of the Liberals and the majority of the representatives of the French Canadians, in favour of a complete commercial union with the American States. The existence of these parties is a fact. To ignore their influence is again to be guilty of that blind inactivity which lost to us the richest half of the continent of North America.

But to recognize the increase of factors hostile to the unity of the British Empire, and to admit that there is ground for asserting that the tendency of the times is towards a fusion of the whole continent of North America into one community, is not of necessity to despair of counteracting a consummation, which would entail a mutilation of our Colonial system, and have a disastrous effect upon our relations with those dependencies which still remained attached to our rule. The recognition of these influences should rather brace us to our duty, and strengthen our determination to adopt a policy, even at some apparent inconvenience to ourselves, calculated to maintain the essentials of our greatness. It is a mere repetition of a hackneyed saying, but one, unfortunately, more familiar in speech than in action, to state that the main purpose of such a policy must be the drawing tighter the bonds which unite us with our Colonies. But this statement is of more immediate importance when considered in relation to Canada, in that it is only by a closer combination of our mutual interests that we can hope to offer to our American colony a greater attraction than is afforded by a union with her progressive neighbour. It is only by interweaving her social and commercial future with ours, that we can counteract the movement which Mr. Goldwin Smith comments upon with the complacency of a philosopher; and by enlightened action triumphantly dissipate the theories, evil for our position in the history of coming years, which enliven the studies of the professor of tendencies in his library at Toronto.

Most of us entertain some sympathy for the ultimate aims of Imperial Federation, but at the same time are convinced, and rightly so, that it is, as yet, premature to discuss the feasibility of any such system. We feel that it is best for those who favour this great movement to direct their energies chiefly to the advancement of the cause along the many practical roads which demand their labours. Pre-eminently it must be held in view that an identity

of commercial interests between England and her colonies is a requisite of any possible form of Imperial Federation. The British people, for their part, must be prepared to qualify in some measure, and for some little time, their adoration for the strict principles of Free Trade; and must be willing to give to their colonies, and from them to receive, certain fiscal advantages which might necessitate a partial return to a protective policy. It is not long since charges of a want of loyalty were almost universally hurled against the inhabitants of Canada, because they chose to protect their industries by the imposition of a duty upon iron imported into their territory, equally as against English and foreign markets. For a longer period the people of Canada have expressed the irritation they feel against the mother country, for what they consider to give evidence on her part of a want of sympathy with her colonies, and an injustice to a great portion of her empire. It is almost fair to assert that the British method of securing the fidelity of our subjects, is to deal with them on precisely the same footing as the subjects of foreign powers; and it is grossly illogical for English statesmen to blame the politicians of the Dominion for pursuing the system, which they themselves inaugurated, of treating friends and foes on a basis of equality. It cannot be doubted that our Free Trade policy has seriously retarded the progress of the Canadian Dominion. It has mortally injured the lumber trade of Canada. It has deprived her of the advantage of sharing with our other dependencies the best opportunities of supplying the meat and corn markets of England. The producers of the United States have open to them, free of duty, their vast markets in America and those of England. Canada has virtually only the British market to look to, and here the excessive competition of her stronger neighbour precludes success. It is little to be wondered at that Mr. Goldwin Smith does not stand alone in his desire for commercial union with the States, or that those who are prepared to adopt a more extreme course do not diminish in authority or numbers.

I have said that some system of commercial union with our colonies must necessarily precede a closer federation, and before ending the present discussion of some Canadian matters, I may find it possible to add a few words on this subject; but there are other ways, more immediately feasible, to rivet with greater firmness our chain of mutual interests with Canada, methods less calculated to open the flood-gates of hostile criticism, and of a nature to benefit alike the old and the new British possessions. Of these, one is connected with the Subsidy desired by the Canadian Pacific Railway, a desire which has since been partially satisfied; and the other, of no less gravity, is the demand and increasing

need for some system of State-aided immigration into the Western provinces of the Dominion.

When Sir John Macdonald was returned to power after Mr. Mackenzie's ministry had for a space held the reins of government, his triumph was due to his perception and recognition of the vast capabilities of development in the North West provinces. From the very commencement of his new lease of authority, he extended ungrudging support to the proposed through route of railway from the Atlantic to the Pacific Ocean. The prosperity of Canada had been endangered, and her progress retarded, by Mr. Mackenzie's five years of premiership. For although this leader was in other respects the most just and honourable of Canadian politicians, he failed to appreciate the rich future which lay open to his country by bringing into activity the dormant wealth of Manitoba and the West. He apparently lacked the faith and energy required for so great and necessary an undertaking, as to connect and assimilate the new provinces of the Dominion. Sir John Macdonald, on the other hand, was determined finally to cement the Union, and establish the position of the Western Territories. He understood that to consummate this statesman-like purpose, a purpose which could only be accomplished by the formation of a railroad running from one end of Canada to the other, it was necessary to establish that road on an absolutely sound basis, so that there could be no prospect of its ever failing to meet its obligations. By munificent money subsidies and grants of land to the Canadian Pacific Railway Company this object has been accomplished. The cost to the Dominion Government of Canada of the through communication to Vancouver has amounted to over twenty-three million pounds. But this expenditure has been justified by the result. Whether or no the traffic on the line itself will prove remunerative to the Company, the failure of the undertaking is outside the range of practical possibilities.

Mr. Goldwin Smith has not presented fairly those prospects and resources which, it is confidently hoped, will ultimately make the shares of the Canadian Pacific Railway a valuable property. At Port Arthur one or two silver mines are already beginning to yield a profit; and the prospect-men assert that the wide stretch of country between Port Arthur and Ottawa, from which no return was expected on the large outlay which was required to span the distance, contains silver ore in no small quantities. At Ottetail Creek, amidst the steep gradients of the Rocky Mountains, some rich finds of ore have been struck; while several extensive silver leads, awaiting only capital to develop them, are known to exist at Hope and Yale, where the railway passes through the forests of British Columbia. About forty miles above Edmonton a large

quantity of gold has been discovered, and dredging operations are being successfully carried on in the Saskatchewan river. The Chinamen on the banks of the Fraser live comfortably upon the profits they obtain by their primitive methods of gold-washing. Gold to the value of fifty million dollars had already, more than a year ago, been taken out of the Cariboo region. Companies are erecting machinery in the district to crush the quartz. Yet the sections are practically undeveloped. In Manitoba, in the neighbourhood of Lake Dauphin, as early as 1886, not only were 250 men engaged in prospecting for quartz and mining for gold and silver, but claims had already been taken up with a view to commence operations for petroleum.

The province of Manitoba does not, however, rely for prosperity upon her mining industries. The local authorities of the Canadian Pacific Railway estimated that last year they would carry to the east seven million bushels of wheat, the produce of Manitoba and the neighbouring territories; and I gather that this estimate has proved to be less than the reality. As farming steadies down, the exportation of poultry and hogs from the neighbourhood of Winnipeg will doubtless be greatly augmented. Sheep-raising is established as a lucrative trade. The returns for 1885 tell us that twenty-five thousand head were already then grazing in the district north of the Bow river; the section of Missouri Coteau offers advantages which have not yet been put to the test; and before long the water-power of Calgary will be utilized by a colony of factories employed in the production of woollen materials.

Throughout the North-West Territories, ranche proprietors are commencing to embark extensively in horse-breeding; and the home markets are already exclusively supplied by horses reared in the district. Carriage horses of western breed are competing in the eastern provinces with those of Ontario; and some of the more adventurous owners are making preparations for an invasion of the English auction yards. Within the grazing portion of the North-West Territory alone, are over eleven thousand horses, and two hundred thousand head of cattle. From Kamloops, west of the Rocky Mountains, more than four thousand cattle were shipped to the east in one season by the Canadian Pacific Railway. In the midst of the timber districts of British Columbia lie 700,000 acres of rich soil, adapted to fruit and dairy produce.

There are, indeed, many reasons to support the belief that the commercial future of the Canadian Railway is no mean one. The timber of British Columbia affords a considerable addition to the quantity of its annual freightage; and besides the rich seams at Lethbridge, there are coal-mines along the route in working order at Medicine Hat, Vaughan, and Banff. No reference has been made

to the through trade with China and Hong-Kong, which is now of importance, and is expected to be of considerable bulk during the coming year; nor to the health resorts and hot springs at Banff and Harrison; nor to the passenger traffic which must yearly increase, as the unique beauty of the route becomes more widely known. Above all, the Canadian line will afford the fastest means of communication with the Pacific Islands, Hong-Kong, and China, and our great Colony of Australia.

I have noticed the financial prospects of the railway, because it has been stated in England, and is insisted upon by Mr. Goldwin Smith, that the line can never become a paying concern; and this statement has been employed as an argument against the grant of a subsidy to the Company. That the line is now on a sound basis is warranted by the position and reputation of its promoters; and we must remember that beyond the auspicious signs of an increase of trade along its route, the Canadian Pacific Railway Company is the possessor of twenty-five millions of acres, suited for farming purposes, in the Western provinces, which will become a valuable property as the territory is opened up. It is impossible also that the Dominion Government should ever permit the efficiency of the route to be destroyed. No syndicate entrusted with the management of the railway would be foolish enough to repudiate the contract with the mother country; and the British Government can secure that no failure on the part of the Company should deprive it of authority over the cruisers which England will command on the Pacific Ocean.

The Conservative ministry have lately conceded a subsidy of £45,000 a year to the Canadian Company; and it may be hoped that the Italian proverb will hold good in this, as in most instances, that those who go gently go wisely, and that those who go wisely will go far.

By this partial acquiescence in the demand for a subsidy, the importance of the Canadian Pacific route for postal purposes has received a measure of official acknowledgment. At present we pay nearly £17,000 for a monthly American service, for the cost of conveying the New Zealand mails between London and San Francisco, through foreign territory; and the branch service to Fiji costs us over a £1,000 a year more. It is estimated that at a less outlay, by the Canadian line, wholly through British territory, New Zealand and Fiji will secure a properly organized fortnightly delivery.

Under the new Suez contracts with the Orient and P. and O. lines of steamers, the amount asked by each company was virtually £100,000 for ten years, for a service of about 34 days from London. By the slowest and longest proposed Canadian route,

with ships steaming only at $13\frac{1}{2}$ knots, the mails would be delivered at Brisbane in over five days, at Sydney in three days, and at Melbourne in two days, shorter time than that tendered for by the P. and O. Company. But the subject is one which requires investigation; and those who desire information concerning it, or to study the proposal for a through cable communication from England to Australia on British soil, connecting Australia to Vancouver, cannot do better than read the discussions which took place at the meetings of the Colonial Delegates in London, and refer to the interesting memoranda in the second volume of the *Blue Book* of the proceedings at the Conference. I have here only space to extract a few sentences from the paper which is numbered 30 in the appendix:—

By the Suez route passengers can only make the mail time by incurring the heavy extra expense of the rail journey to Brindisi or Naples. . . . By the Canadian route passengers could always travel with and make the same through time as the mails. . . . The Pacific voyage is made through, comparatively speaking, smooth waters; mails would be delivered at the nearest point of the Intercolonial railway system, and the heavy westerly weather encountered frequently on the voyage between New Zealand and Sydney would be always avoided. On the voyage from Suez to Adelaide very high temperature is met with; heavy weather is frequently experienced off the Australian coast; and passengers have to encounter the great heat of the Red Sea. By the Canadian route passengers, troops, stores, &c., can be conveyed between England and Australia in the above mail time, with the exception that, in the case of troops and stores, a small additional allowance must be made for transfer at Halifax and Vancouver. Should it be necessary in the event of war, or in the case of emergency to make very fast time between England and the Colonies, the passage from Vancouver could be made in seventeen days or less, or about twenty-seven days from England. On the other hand, European complications may render the London-Brindisi route unsafe and unreliable for mails and passengers, and in the event of war between any European powers, the Suez Canal route may be absolutely blocked, leaving the colonies dependent upon a Canadian service, or an infinitely longer one *viâ* the Cape.

It is not intended in this statement to disparage the Suez services of the Peninsular and Oriental and the Orient Companies; but it is thought that it will be more to the interests of the Australian colonies to make provision for a Canadian service, which can be relied upon in time of war as well as peace, and which would be faster than the Suez services. It is thought that a fortnightly service *viâ* Canada would alternate satisfactorily with a fortnightly service *viâ* Suez, making a fast weekly mail delivery.

This statement is supplemented by the recommendation of the Commission appointed to inquire into the defence of British possessions and commerce abroad, presided over by the Earl of Carnarvon. I give a paragraph from the conclusion of the final report:—

It appears to us that direct communication should be kept up by British vessels with all the important parts of your Majesty's Empire. A line of steamers carrying both passengers and mails, and a direct line of telegraph, is not only important from a military point of view, but must exercise a great, and probably assimilating influence upon the relations of any two peoples.

From a naval standpoint, and to protect the commerce of our Colonies, a subsidy to the Canadian Railway Company is most necessary. We have at present no merchant cruisers to guard our interests on the Pacific Ocean, and the importance of this class of vessels is now so manifest, that, when a war scare arose not long past, we were compelled to go to sudden and great expense to procure the temporary use of some inferior ships to watch over our trade on the Pacific. But the ships we secure by the grant of the subsidy demanded are five in number, of great speed, and with large accommodation, specially designed to meet the requirements of the Admiralty, and manned, as far as possible, by crews selected from the men of the Royal Naval Reserve. Grants have been made to the Cunard and White Star lines for the maintenance of such vessels on the Atlantic; and the use of merchant cruisers is acknowledged in the Report from which I have quoted:—

No doubt these vessels may perform important duties in time of war. They would be effective against ships of a like nature employed against our commerce [France alone possesses fifteen of these vessels with a speed exceeding fourteen knots], and would be invaluable as look-out ships, as a means for conveying communications between the Colonies and the United Kingdom, or carrying instructions to your Majesty's ships on distant stations, especially in the event of communication by telegraph being suspended.

It may be well to continue the extract:—

We have called attention to some of the various duties which in time of war will be required of your Majesty's fleet in order to protect the interests of the Colonial dependencies of the Empire, and to afford a reasonable hope that the commerce of England could still be carried on under the British flag. How far the navy is equal to the discharge of these duties is a grave and pressing question.

As to the main duties of our navy in regard to our Colonial dependencies, they have been briefly and temperately stated by Sir W. D. Jervois in his report on Colonial defences, of November 1879. He advised that whilst the Colonies should themselves provide, at their own cost, the local forces, forts, batteries, and appliances requisite for the protection of their principal forts, so that each harbour might become a focus of refuge and action for British men-of-war, and be secured against the attack of cruisers which the Imperial ships had been unable to intercept, "the Imperial navy undertakes the protection of the British mercantile marine generally, and of the highways of communication between the several parts of the Empire." This, then, is what we ourselves have recognized to be the imperative duty of our navy towards our Dependencies. We must urge on our Colonies the honourable performance of their part of the obligation, and our part we must firmly endeavour to fulfil. It is scarcely satisfactory that it should remain "a grave and pressing question how far the navy is equal to the discharge of these duties."

I have no sympathy with those who would resign without a blow the position we have gained on the Mediterranean. But in the performance of our obligations, are we justified in relying solely upon the highway through the Suez Canal to Australia? Can we in reality *undertake* to defend that passage as a commercial and mail route in time of war? Admiral Boys has denounced it as untenable; Sir Charles Nugent has declared that, "in time of war with a great maritime Power the Suez Canal could not be used at all"; Captain Hall, the head of the Intelligence Department at the Admiralty, said that "not only would the Suez Canal be utterly useless in war time, but it would be an advantage to Great Britain if it were blocked." The opinion which General Gordon is known to have held coincided with these; and Lord Charles Beresford has more than once expressed his disbelief in our ability to keep open the Suez passage, should we be engaged in hostilities with any powerful European nation.

It is, however, as a possible military road that Mr. Goldwin Smith especially condemns the capabilities of the Canadian Pacific Railway. He insisted on this point with some vehemence in July last. His arguments are thrown off in short and incisive sentences, and he apparently indulges himself in the belief that no one will venture to contradict them. They are, nevertheless, more specious than convincing. For instance, he states that "the road for eight hundred miles at least lies completely within the grasp of the Americans"; but he ignores the fact that the object of a military route across the American continent is mainly as a safe alternative in case of a war, not with the United States, but with Russia, when it would be probable that our present highway to India and the Pacific Colonies might be endangered. There are grounds for fearing that complications may occur between Great Britain and Russia; it is believed by many that the dominion of the Czar will continue in a state of menacing unrest until she has joined to her empire the city of Constantinople. But there is very slight prospect of active hostilities with the American Republic. At the conclusion of the same letter which introduces us to this startling notion of a hand-to-hand contest with the States, Mr. Goldwin Smith himself points to the peaceful solution of the great problem of American competition by a gradual growth of a union of more than friendship between the whole English-speaking population of the globe. Nor is it apparent that the Canadian route would be useless, even in the event of such an unlooked-for contingency as a war between England and the United States. The rumours of impending hostilities as a rule precede their outbreak. We should be able to create a diversion by a naval menace upon

New York, San Francisco, and the chief sea-board cities of the American Republic; and, in all probability, with the facilities now afforded by the Canadian Pacific Railway, would have time to send some troops and military stores to the posts which we might think fit to occupy along the Canadian frontier, before sufficient time had elapsed to mobilize the militia of the United States. It might, however, be well if the authorities of the War Office considered the advisability of maintaining a small military station, both at Port Arthur and Vancouver, as a safeguard against the American Republic, and on behalf of the unity of the provinces of the Dominion.

The second chief objection which is taken by Mr. Goldwin Smith to the line, is that, "as a route for troops to India. . . it would involve during the winter months a constant liability of detention by snow blocks." It is again necessary to repeat, that it is only proposed that the Canadian Pacific line should be one of two routes. Nor does the transport of troops and stores invariably take place in the winter; and even during the winter months the "constant liability" only, exists to the snow blocks, which are seldom to be encountered in their substantiveness. It is a peculiarity of Mr. Goldwin Smith's characteristically nervous and forcible style that his statements seem to carry beyond their actual meaning. The winter of 1886 was as rigorous a winter as any inhabitant could recollect; and yet there was but one instance on the Canadian Pacific Railway of a snow block of any serious continuance. This occurred on the Selkirk Section, on the short piece of line between Donald and the Glacier House station, which was, I understand, blocked for fourteen days by snow; but the mails were sent on beyond the obstruction in dog sledges. However severe the winter and snowfall in the future, the repetition of another such misfortune has, so far as I can gather, been amply guarded against. Strong and lasting snow-sheds have been erected along the route; and the road has been rendered secure from snow blocks of any gravity, at the expense, indeed, of the uninterrupted view, which passengers could formerly enjoy, of the splendid cañons through which the trains find their way. But, after all, this tax upon the sensibilities of travellers is one only of the many small denials to which British subjects must submit, on behalf of the unity of the Empire.

Although in the hands of a private company, the Canadian Pacific Railway has been acknowledged, even in England, to partake of something of an Imperial character. In Canada the importance of the route, to use Mr. Goldwin Smith's words, "for linking together politically the widely severed provinces of the Dominion,

and keeping them all separate from the United States," has never been underrated. Since the idea of the present undertaking was first mooted, the Dominion Government has afforded it unwavering support; and it was in pursuance of that most important object, indicated in the sentence which I have quoted, that the charter for the construction of the Red River Valley Railway, from Winnipeg to the American frontier, was disallowed.

It has been stated that the act of disallowance, resolved upon by the Dominion Government, was in itself illegal; but I have little doubt that this opinion cannot be maintained. The Dominion Government of Canada, under the British North American Act, has the power to veto absolutely those measures, passed by the provincial parliaments, which are calculated to interfere with Imperial interests. It is foolish to argue that so necessary and important an authority can be dissipated by a charter devised by a local assembly, endowing itself with the right to build railway communications to the boundaries of its province. There still remains the question, whether the matter is fairly to be considered as one of Imperial interest. If, as Mr. Goldwin Smith is said to have suggested, the dispute is carried before the Home Government, or an appeal is made by the province of Manitoba to the English Privy Council against the exercise of the veto, it is almost impossible to believe that a decision can be arrived at declaratory of the proposition that the maintenance of the Canadian Pacific Railway, which has all along been treated by the Dominion Government as an affair involving great Imperial consequences, and has received from its bounty large grants of money and land, is of absolutely no Imperial importance. Although it is undoubtedly the duty of England generously to protect the rights of the local provincial legislatures, the idea cannot be entertained for a moment that the British Privy Council would in its decision so far "run amok" of the spirit of Colonial constitutions, and the expressed opinion of the united Parliament of all Canada, as to decide that the Dominion Government has throughout been exceeding its powers in treating as an Imperial question the formation and protection of the Canadian Pacific Railway.

But it is possible that the Canadian Government may have done wrong by the exercise of the veto vested in the Governor-General, though acting within their strict legal rights. The manner in which they have enforced it does, indeed, seem to give evidence of some lack of wisdom. Mr. Goldwin Smith, however, confines himself wholly to the arguments which may be adduced to impugn their conduct, in a manner which is calculated to leave a very erroneous impression as to the merits of the controversy on those who look no farther to ascertain the real position of affairs. In

his letter of July 28th, we have the following expression of opinion:—

The cable announces that money is refused in England to the Red River Valley Railway, on the ground that the undertaking is disallowed by the Dominion Government. This is another phase of the Separatist policy. Without free extension of railways the North-West cannot prosper. It must have access to the natural outlets for its produce, and it must have competition to keep down its freights. If its soil is fruitful, its climate is rigorous, and it cannot afford to be weighted in the race.

Omitting all discussion of the expediency of a union between our possessions in Canada and the American Republic, and of the advisability of a Government of a province, already weighted with debt, lavishing money on a railway which experts declare will never repay the outlay upon it, even when a completed concern, a far more serious question arises—the question as to how far a Government is bound to abide by contracts which it has entered into with all solemnity. To many it will seem that it is well to avoid the stigma of bad faith, even at the expense of some years of discomfort and retrogression.

The promoters of the Canadian Pacific Company bound themselves with considerable hesitation to the contract for its formation. At the outset, it was even doubtful whether the through route could be successfully engineered. The agreement was only ratified on the understanding that no line of rail tapping the through route should be constructed to the American boundary for a period of twenty years from the date of the final contract. It was said by ill-wishers to Sir John Macdonald's ministry and the directors of the new company, that no sooner would the railway be built, and the grant for its construction earned, than the original supporters of the company would throw overboard all further responsibility. But the terms of the contract have been carried out with exemplary good faith; and the managers of the railroad, by extending connections and branch lines, give evidence of their intention to hold faithfully by their promises. Not only so, but the railway from Montreal to Vancouver was completed six years before the time specified in the agreement. If enterprise and patriotism had not marked the work, had the object of the promoters been only to satisfy the terms of the contract by which they were bound, Canada need have enjoyed no through route to the Pacific till the year 1891.

The Dominion Government would have done wisely had they at the outset requested the formal consent of the province of Manitoba to the restrictions imposed by the terms of the contract with the Pacific Company. That such consent would have been obtained, there can be no doubt. Winnipeg at that time appreciated to the full the advantageous opportunities which were held out to

her by the proposed work. The effects of the "boom" which preceded the completion of the line, and the undue anticipations which were then excited, have exercised their part in the creation of the discontent and disturbance which has culminated in the demand for the Valley Railway. Moreover, this scheme, which has been pushed through in defiance of the disallowance of the Dominion Government, might, I believe, have been delayed by some small amount of conciliatory prudence while the agitation was yet in its first phase. It is unfortunately true that the rough and imperious conduct and expressions of the directors and the minor officials of the Canadian Pacific Railway Company, in a great measure contributed to the irritation of the province. In spite of the benefits conferred upon the Dominion by the energy of the Company, it is ridiculous that any community should submit to remain at the beck and call of a railway syndicate. The directors have been generously supported by the Dominion Government; and it was their plain duty to do all in their power to facilitate the settlement of the difficulty which was arising, instead of adding fuel to the fire, and affording to men, already imbued with discontent, grounds excellent for the building and strengthening of their complaints.

There is undoubtedly great scope for improvement in Manitoba; and it may be stated with equal certainty, that the present high rate of freight charges considerably retards the progress of the province. The great monopoly power, though used with moderation, cannot fail to keep the rates for carriage at a high level; and these are especially excessive between Winnipeg and Port Arthur, where the water transit commences and provides the competition requisite for a reduction of prices. It is probable that the proposed Red River Valley Railroad, though pecuniarily a failure, would, by affording an alternative route, force the directors of the Canadian Pacific Railway to lower and to regulate their charges. But, since the question has been brought into prominence, and, by the want of tact of the Dominion Government, has given rise to widespread irritation, a graver consequence has made itself felt. The exaggerated idea of the extent and inflexibility of the monopoly has caused a real and perceptible impediment to voluntary immigration into the territory. It is the best opinion that at no time could the contract for a twenty years monopoly have been maintained. I believe that the directors of the Canadian Pacific Railway would not insist on its continuance during the whole term, so long as it is upheld for a reasonable period to admit of traffic settling down on the route, the interests of which they are primarily bound to guard. What constitutes a reasonable time may be a mootable point. Indeed, it is a subject

for argument how long it is ever possible to sustain public engagements in opposition to the opinions of the majority of voters in a district; and certainly British politicians have of late inclined to the view that the wishes of any considerable body of electors cannot be thwarted for long. Perhaps they hold that in old-established countries the sacredness of public faith is a matter of diminished importance. But if contracts are to be observed at all, if good faith and a reputation for stability is of any value to the well-being of a Government, the Canadian Pacific Company can at least establish an undeniable claim to have their monopoly continued till the year 1891, before which time they were not bound to complete the construction of the route. If, at the commencement of the troubles in Manitoba, the ministers of the Dominion had afforded support to some proposal embracing such a reduction of the period of the monopoly, and at the same time had induced the directors of the railway to arrange an abatement of the charges imposed for freights, compensating them if necessary against loss, it may well be believed that the edict of disallowance need never have been promulgated. Even now, I should hope that a compromise might be arranged.* The railway syndicate must comprehend that the Red River scheme is only in abeyance, and that if the irritation of the province is sustained, all methods will be resorted to by their opponents to thwart the success of their undertaking. On the other hand, the Manitobans must be aware that the maintenance of the proposed line, so long as the veto is enforced, will form a ruinous addition to their responsibilities and taxes. They must agree to submit to inconvenience rather than injure the reputation of the Dominion.

Mr. Lawrence Oliphant's suggestion, that an imperial civil secretary attached to the Governor-General's staff should be appointed by the Home Government, with authority to arbitrate upon disputes arising between the provincial and Dominion legislatures, might have conducted towards an early settlement of the quarrel. It is monstrous that the present state of things should be allowed to continue. In spite of the disallowing veto, and in spite of an injunction which was obtained by the Canadian Pacific Railway to stay the construction of the Valley line over certain lands which they possessed, the law has been defied, and the building of the railway continued. Mr. Norquay, the late Manitoban premier, if he has been rightly reported, declared, at a public meeting, that the scheme could only be stopped by bloodshed.

It is understood that language must not be weighed too nicely

* Since correcting the proof-sheets of this article, a compromise, which promises to be successful, has been proposed and, I believe, accepted. I have not thought it necessary to make any alteration, as it does not materially affect the argument.

during times of excitement; but it is an ominous sign for the unity of a nation when the law is thus openly defied, however stringent may be its provisions. I do not know what opinions Mr. Goldwin Smith entertains with respect to these rebellious expressions and proceedings. He would surely point out that the example of disobedience to authority, and of unconstitutional agitation, has been originated on this side of the Atlantic. How, for the first time in the Parliamentary history of Great Britain, responsible members of the English legislature have come forward to palliate crime because it is political, to participate in a "Plan of Campaign" declared illegal, and to throw in their lot with a league which has been proclaimed as contrary to the law by the executive to whom they have sworn obedience. With conscious pride may the Gladstonian party of Great Britain, as they point to the progress which their principles are making throughout the Empire, echo the lines Voltaire has put into the mouths of the flatterers of Iraz, the mighty satrap of conceit:—

" Ah ! combien Monseigneur
Doit être content de lui-même."

Unfortunately, it is true that the trouble in Manitoba is only one symptom of this widespread disease of disunion; and, as some prevention against the growth of this malady, the British Government must be prepared generously to continue, and to increase, their support of the route which links together the Canadian territories. This is one of the methods yet open to England, of lessening as far as possible that want of cohesiveness and unity between the provinces of the Dominion, which many, and of their number is Mr. Goldwin Smith, believe will ultimately result in a severance of our ancient and now progressive Colony of Canada from the British Empire, and in its amalgamation with the American Republic.

LIONEL R. HOLLAND.

