

Bob Reid

British Columbia

The Spoilt Child

of Confederation: *Segment 3*

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|----------|--------|---------------|----------------|
| Part 1: | Fall | October 2002 | Vol. 11, No. 3 |
| Part 2: | Fall | October 2003 | Vol. 12, No. 3 |
| Part 3: | Winter | December 2003 | Vol. 12, No. 4 |
| Part 4: | Winter | December 2004 | Vol. 13, No. 4 |
| Part 4A: | Spring | March 2005 | Vol. 14, No. 1 |
| Part 5: | Winter | December 2006 | Vol. 15, No. 4 |
| Part 6: | Summer | July 2007 | Vol. 16, No. 2 |
| Part 7:1 | Fall | October 2007 | Vol. 16, No. 3 |
| Part 7:2 | Winter | December 2007 | Vol. 16, No. 4 |
| Part 7:3 | Spring | March 2008 | Vol. 17, No. 1 |



The Agent-General of British Columbia in London, Gilbert Malcolm Sproat, called on the Colonial Office to speak to Lord Carnarvon who, as Colonial Secretary, had been instrumental in the passage of the *British North America Act* in 1867 by the British Parliament.

Carnarvon offered in August 1874 to arbitrate the dispute between Ottawa and British Columbia.

Prime Minister Mackenzie was livid, not simply at what he considered a British attempt to interfere in Canadian internal matters, but because of the implication that British Columbia might have a legitimate grievance to arbitrate. He railed at the perfidiousness of British Columbians.

According to Margaret Ormsby, Mackenzie's "relations with provincial politicians were soon to leave him with the impression that British Columbians were a race apart, skilled in dissembling and adept at refusing

to make plain statements of fact and candid declarations of policy." His views were founded on his belief that British Columbians had total "disregard for the interests of the taxpayers of Ontario and the rest of Canada."

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Lord Carnarvon proposed that British Columbia agree to an extension of the time for completion of construction to the end of 1890. And, in return, Ottawa would commence immediate construction of the railway on the Island and, at the same time, would actively carry out the railway surveys on the Mainland and, on their completion, would spend a minimum annual expenditure of \$2 million on railway works within the province. Mackenzie, however, faced serious internal opposition to the proposed compromise from within the ranks of his own party.

Edward Blake, the leading Liberal of his day, had resigned from the Liberal Party over the early attempt by Mackenzie to appease British Columbia. Blake and a large following of his supporters in the Liberal Party remained opposed to the latest attempt to reach a compromise. Blake, a lawyer (he founded the national law firm known today as Blake, Cassels & Graydon LLP) had been Premier of Ontario until he was elected to Ottawa in the 1872 election.

He apparently regretted his decision to refuse the position of leader of the Liberals and the opportunity to be Prime Minister, for he actively undermined Mackenzie's leadership. In his famous speech at Aurora, north of Toronto, he lambasted and ridiculed British Columbia and dared the province to separate. To British Columbians, he represented the "East" that did not care about the world west of the Rockies—the "East" that hogged everything for itself, including the patronage plums that were awarded not to British Columbians but to men from "Canada."



Edward Blake

In an attempt to appease Blake and others within the Liberal Party, Mackenzie made Carnarvon's proposal conditional on Parliament's being able to fulfil its commitment without there being any increase in taxation. That meant it would be constructed piecemeal, over a lengthy period of time. Margaret Ormsby wrote that Mackenzie "had put himself in the equivocal position of having pledged his government to increase expenditure, and then denied it the means of raising revenue."

Blake's opposition to the railway was popular in Eastern Canada and his refusal to support Mackenzie's attempt to enact the compromise proposal resulted in its defeat in the Senate. The threat of secession of British Columbia now loomed large. Annexation to the United States began to look attractive to those who had opposed it only a few years earlier.

Before Mackenzie could mend fences with British Columbia, he needed to resolve the split in the Liberal Party and to consolidate his leadership of the party. He did this by accepting Blake's condition that the Island portion of the railway—what became known as the Esquimalt and Nanaimo Railway—be designated a local work that would not result in any increase in taxation. In return, Blake agreed to become the Minister of Justice in Mackenzie's government; he even drafted the order-in-council

setting out Ottawa's offer of a cash bonus of \$750,000 as compensation for the delay in starting construction of the transcontinental railway.

But all of Mackenzie's efforts proved of little avail because British Columbia rejected the offer. Instead, the Legislature voted to petition the Queen and threatened to secede from Canada. Mackenzie refused any further attempts at reconciliation and appeared willing to accept the separation of British Columbia from Confederation.

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But, as had been the case in the past, the worsening economy of British Columbia decided its course of action. Premier Walkem had borrowed heavily from the federal government to carry out an expensive public works program and the debt proved crushing. So in 1876, Walkem's supporters deserted him and he lost a nonconfidence vote in the Legislature.

Five years had now passed, half of the 10 years set out in the Terms of Union for the completion of the construction of the railway and although a few stretches on the Prairies and in Northern Ontario had been completed, no construction had begun in British Columbia.

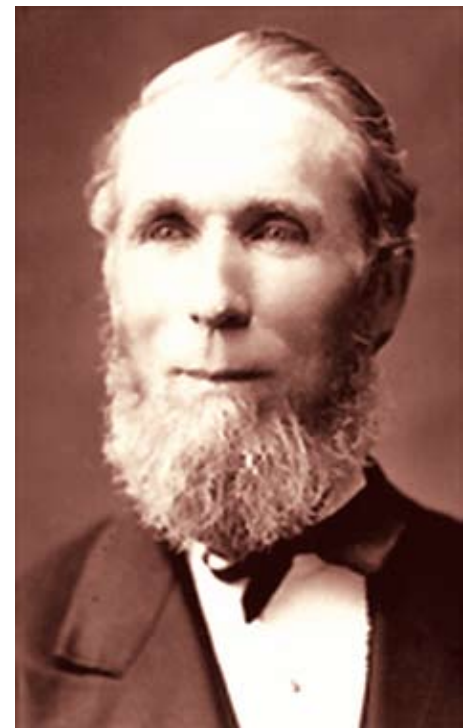
Andrew C. Elliott became the fourth Premier of British Columbia (1876 to 1878). Elliott, a lawyer, had been a Gold Commissioner during the Gold Rush days, a member of the colonial Legislative Council, and later a provincial magistrate—a position he resigned in 1875 to become a member of the Legislature from Victoria.

But Elliott fared no better than Walkem in resolving the political and financial difficulties facing the province.

In 1876 Mackenzie made another attempt to improve relations with British Columbia. He agreed, after initially being opposed, for a visit from Lord Dufferin, the first visit to British Columbia by a Governor General of Canada. Mackenzie needed something because the decision by the Liberals that the railway be constructed with public money was not proving a success.

The economic depression continued its grip on North America and made it very difficult for Ottawa to borrow the financing to build the railway. Two Montreal banks had failed and thousands of businesses closed their doors. The financing of the railway easily could have forced Canada into bankruptcy.

Mackenzie was also the Minister of Public Works and had insisted that the lowest bid on contracts for sections of the railway and telegraph lines be accepted. But many of these contracts were awarded to Liberal friends who submitted low bids, then gorged at the public trough by increasing expenditures for extras. Mackenzie's reputation for honesty seems



Alexander Mackenzie,
Second Prime Minister of Canada

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incongruent with what took place. But apparently government contracts were administered differently in the 19th century?

Meanwhile, in British Columbia, spirits improved in anticipation of the vice-regal visit. Everyone looked forward to the opportunity to explain to Lord Dufferin the perceived injustices of the federal government. For beside the matter of the railway, Mackenzie had replaced the popular Lieutenant Governor Joseph Trutch with someone recently arrived in British Columbia from Eastern Canada with ties to the Liberal Party—in fact, a “carpetbagger.”

The appointment of Albert N. Richards, brother of the Chief Justice of the newly established Supreme Court of Canada, was not a popular one in the province. In fact, his appointment was deeply resented. But Trutch’s close ties to John A. Macdonald made him unacceptable to the Liberals. In fact, when Macdonald later returned to power, he appointed Trutch as the Dominion Agent for British Columbia to oversee the construction of the railway.

Albert Richards had been a Liberal Member of Parliament from a riding in Ontario. He came to British Columbia in 1874 and established a law practice (he was one of the founders of the law firm Richards Buell Sutton LLP). In 1881, he moved back to Ontario but, in 1884, returned to Victoria where he practised law until his death in 1897. Richards Street in Vancouver is named for him. He is buried in Ross Bay Cemetery.

On his arrival at Esquimalt harbour, Lord Dufferin was delighted with the reception shown to Her Majesty’s representative. Hundreds of people—old Hudson Bay’s employees, Chinese, First Nations, young and old—lined the streets, cheering and waving flags.

The British connection was strong in Victoria and its inhabitants were not only eager to show their loyalty to the Crown, but to express their grievances against Ottawa. Scores of arches had been erected across the streets, all gaily decorated, many proclaiming the local feelings toward Ottawa. One of the more acceptably worded read “Welcome to Our Sea of Mountains”—a reference to Blake’s vituperative speech opposing the railway and denigrating British Columbia.

Lord Dufferin received a similar response throughout his extensive travels in British Columbia. He sailed up the coast to the Queen Charlotte Islands, visiting a number of locations on the way there, then back to Burrard Inlet from where he travelled on the corduroy road to New Westminster, then via wagon on the Cariboo Road to the Interior.

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On his return to Victoria, Lord Dufferin gave a rousing speech in which he praised the federal government’s railway policy and asked for patience. Notwithstanding his attempts at reconciliation, he had become aware throughout his travels that the threat of secession was serious and could threaten the fabric of the new Dominion. He left with sympathy for the position of British Columbia in its dealings with Ottawa.

Lord Dufferin concluded that the most serious discontent was in Victoria, which he perceived not only considered itself distinct from Canada, but also from the rest of the province. He felt the construction of the Esquimalt and Nanaimo Railway would assuage the enmity of Victoria.

But after sailing up Bute Inlet, he was convinced the only viable route for the railway was down the Fraser

River to Burrard Inlet. On his return to Ottawa, he advised Mackenzie that it made little sense to make the Island railway part of the transcontinental line and that the Fraser River route should be given greater consideration.

His advice, however, coupled with his plea to Mackenzie to reconsider Lord Carnarvon’s offer to arbitrate the dispute, fell on deaf ears. The ensuing heated debate with Mackenzie and Blake on this matter concluded with a lecture from Blake on the limitations of his constitutional powers. In the end, Lord Dufferin conceded defeat.

Eventually, he and Lord Carnarvon in London backed away from attempts to assist in resolving the dispute. And when Carnarvon received the petition from the Provincial Legislature, he refused to become involved. Where now could British Columbia turn? Its threat to secede would leave it facing financial ruin unless it sought union with the United States. And to many, especially on the Island, that was not an acceptable option.

Victoria’s dream to become a great Pacific port to rival San Francisco was shattered in 1877, when Mackenzie announced the railway would travel down the Fraser River to Burrard Inlet. A year later, he rescinded the order-in-council naming Esquimalt as the western terminus.

This decision spelled the end for Premier Elliott. In the election of May 1878, the voters in Victoria ensured the defeat not only of his government but of Elliott himself; he lost his seat in Victoria. Although he died in 1889 in San Francisco, he is buried in Ross Bay cemetery. Outside Helmcken House, on the grounds of the Royal Provincial Museum in Victoria, is a small plaza commemorating his term as Premier.

The good people of Victoria decided they needed a premier who would “fight Ottawa” so once again, Walkem became Premier. The Provincial Legislature drafted a second memorial to the Queen, this time with a deadline—May 1879—for the start of construction of the railway, or British Columbia would secede from Confederation. And in



Sir John A. Macdonald

the House of Commons, *Amor De Cosmos* moved a resolution calling for the separation of British Columbia from the Dominion of Canada.

But deliverance was at hand.

The Colonial Office in London was spared having to reply to the petition because Mackenzie's Liberals lost the election in the Summer of 1878 and the Conservatives were returned to power in Ottawa with a slogan of a "National Policy" to restore prosperity through higher tariffs, greater immigration, and the construction of the transcontinental railway.

Alexander Mackenzie continued as leader of the Liberals until 1880, when he was succeeded by his political *bête noire* Edward Blake who, until Stéphane Dion, was the only leader of the Liberal Party never to be Prime Minister. Mackenzie remained a Member of Parliament until his death in 1892. A few of the notable accomplishments of Mackenzie's time in power included the introduction of the secret ballot and the establishment of several institutions such as the Supreme Court of Canada in 1875 and the Royal Military College of Canada in 1876.

About the only thing Mackenzie and Macdonald shared was their Scottish birth. Otherwise they differed in all ways. The former was rigid, blunt, and dour. The latter was tolerant, easy-going, and loved a wee dram.

Mackenzie, a Baptist, was a devout tee-totaller and staunch supporter of the passage of the *Canada Temperance Act* of 1878, whereas Macdonald's drinking bouts were legendary, even for his time. In fact, to Mackenzie, he was a "drunken debauchee."

Ironically, the secret ballot may have aided Macdonald's return to power in 1878 because voters could claim support for one party while secretly voting for another. Some Liberal commentators claimed bitterly that the Canadian people did not want honest and truthful politicians, although during Mackenzie's era, the awarding of contracts for the construction of the sections of the railway besmirched any pretence of honesty, even by Mackenzie, never mind his administration.

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In 1878, Sir John A. Macdonald led his party to a huge victory but was himself defeated in his riding of Kingston in Ontario. He was quickly offered a seat in Victoria where the locals hoped to revive Esquimalt as the western terminus of the railway. Macdonald was elected and quickly returned the favour by restoring Esquimalt as the terminus.

But Victoria's joy was short-lived when Macdonald in 1879 reaffirmed the Fraser River route. Many factors influenced this decision—the expense of the Bute Inlet route and also strategic reasons. There was the threat that the Northern Pacific Railway being built from St. Paul to Puget Sound would be extended northward across the border into Canada. Major-General Moody of the Royal Engineers, now advising from London, strongly advocated the Fraser River route for strategic reasons.

In 1871, British Columbians had agreed to enter into Confederation with the hopes their economic problems would be resolved by the construction of a transcontinental railway, whose construction was to commence in 1873 and be completed before 1881. They had to wait until May 1880 to witness the commencement of railway construction on the mainline of the Canadian Pacific Railway at Yale.

Victorians were bitterly disappointed that the main terminus of the mainline was not to be located on the Island. Victoria's fears came to pass as its prominence as a major centre in the province slowly receded into memory. It remained the capital of the province and today attracts tourists by emphasizing its British heritage. But it would never be the San Francisco of the North West.

The future belonged to the Mainland. It was not New Westminster, however, that would benefit, but the little settlement of Gastown on Burrard Inlet. Vancouver, the Terminal City, would become the great Pacific seaport linking the Asian parts of the British Empire by sea and railway to Great Britain. ▲

To be continued . . .

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