Political and economic history of British Columbia 1871-1903

Jay Allen Sherwood

The University of Montana

Recommended Citation

https://scholarworks.umt.edu/etd/5143
A POLITICAL AND ECONOMIC HISTORY OF
BRITISH COLUMBIA, 1871 - 1903

By

Jay A. Sherwood
B.A., College of Wooster, 1969

Presented in partial fulfillment of
the requirements for the degree of

Master of Arts
UNIVERSITY OF MONTANA
1976

Approved by:

[Signatures]
Chairman, Board of Examiners
Dean, Graduate School

[Signature]
Date, June 14, 1976
ABSTRACT

Sherwood, Jay A., M.A., August, 1976 History

A Political and Economic History of British Columbia, 1871 - 1903 (184 pp.)

Director: H. Duane Hampton

In 1871, British Columbia joined the Dominion of Canada, to become the sixth province of the Confederation. From 1871 to the election of Premier Richard McBride in 1903, several factors retarded the economic and political growth of British Columbia. Beyond assistance in building the essential transcontinental railroad, the Dominion government did little to promote active settlement or economic growth of the province. The numerous federal-provincial grievances limited the Dominion's willingness to provide assistance. The geography of British Columbia hampered economic growth, enabled American business to maintain an important role in the provincial economy, and increased the costs and difficulties of provincial administration. Certain factors in the fishing, lumber and agricultural sectors limited the growth of the provincial economy. These factors, and the slow growth of the economy, indicated that individuals and companies with sizeable capital would control this field in British Columbia. The one major development, mining in the Kootenays, highlighted the threat of American control over the economy of southern British Columbia. The provincial government, which lacked effective leadership during most of this period, did not counteract the growing power of the companies, made little effort to stimulate the growth of the economy, and failed to pass legislation to protect the land and natural resources of British Columbia. The provincial government often mismanaged its finances, and gave away a significant portion of the province's natural resources in overgenerous subsidies, particularly to railroads. The inability to resolve grievances with the Dominion also illustrated the weakness of the provincial government. Factional rather than party politics further hampered the provincial government.
# TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>ABSTRACT</th>
<th>ii</th>
</tr>
</thead>
<tbody>
<tr>
<td>LIST OF ILLUSTRATIONS</td>
<td>iv</td>
</tr>
<tr>
<td>LIST OF TABLES</td>
<td>v</td>
</tr>
</tbody>
</table>

Chapter

1. THE COLONIAL PERIOD | 1 |
2. 1871 TO 1903 - AN OVERVIEW | 20 |
3. GEOGRAPHY | 27 |
4. BRITISH COLUMBIA - UNITED STATES RELATIONS | 35 |
5. BRITISH COLUMBIA - DOMINION RELATIONS | 41 |
6. PROVINCIAL POLITICS | 66 |
7. THE ECONOMY OF BRITISH COLUMBIA, 1871 TO 1903 | 83 |
8. CONCLUSION | 165 |

SELECTED BIBLIOGRAPHY | 170 |
LIST OF ILLUSTRATIONS

Cartoon

1. British Columbia in a Pet .................. 49
2. Van's Reserve Pudding ..................... 100

Map

1. Regions of British Columbia .............. 28
2. The Southern Interior ..................... 30
3. Railroads Built in British Columbia, 1885 to 1903 ........................................ 87
4. Railroads Built in British Columbia, 1885 to 1903 (Detail) ............................. 88
LIST OF TABLES

<table>
<thead>
<tr>
<th>Table</th>
<th>Description</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Representation in 1874 Legislative Assembly</td>
<td>67</td>
</tr>
<tr>
<td>2.</td>
<td>Premiers of British Columbia, 1871-1905</td>
<td>68</td>
</tr>
<tr>
<td>3.</td>
<td>Subsidies Given by the British Columbia Government, 1884 to 1903</td>
<td>117</td>
</tr>
<tr>
<td>4.</td>
<td>Railroads Constructed in British Columbia, 1885 to 1903</td>
<td>119</td>
</tr>
<tr>
<td>5.</td>
<td>Railways Incorporated Under Acts of the Legislature of British Columbia</td>
<td>121</td>
</tr>
<tr>
<td></td>
<td>1883 to 1903</td>
<td></td>
</tr>
<tr>
<td>6.</td>
<td>Mining in British Columbia</td>
<td>142</td>
</tr>
</tbody>
</table>
A knowledge of the colonial period of British Columbia history is important as a background for the understanding of the events from 1871 to 1903. During the colonial years several of the factors appeared that would be important in the development of the province: the threat of United States domination, the Island–Mainland rivalry, geography, governmental financial deficits, and the difficulties in attracting settlers and stimulating economic growth after the gold rushes were finished.

Until the 1840s the Pacific coast region north of the Columbia River was an area generally uninhabited by white men except for a few Hudson's Bay posts and traders. In 1825, Great Britain recognized Russia's claim to Alaska. Britain claimed the region between Alaska and the Columbia River, but the large American migration into the Oregon Territory in the 1840s changed the situation in the Pacific Northwest. Americans realized that the

land claimed by Britain was virtually unoccupied, and not guaranteed by any treaty. Americans raised the Manifest Destiny cry of "54° 40' or Fight", while Britain clung to its claim to the land north of the Columbia River. However, the Hudson's Bay Company prepared for abandonment of Britain's claim by building Fort Victoria on Vancouver Island in 1843.²

The 1846 Oregon Treaty between Britain and the United States was a compromise between the two claims. The 1818 agreement between Britain and the United States, which had made the 49th parallel the boundary between British North America and the United States from the Lake of the Woods to the summit of the Rocky Mountains, was now extended from the Rockies to the Pacific coast. From the coast the boundary would continue "westward along the said 49th parallel of North latitude to the middle of the channel which separates the continent from Vancouver's Island: and thence southerly through the middle of the said channel, and of Puca's straits to the Pacific Ocean."³ Britain retained control of all of Vancouver


Island.

The wording of the Oregon treaty left open the question of interpretation of the boundary between the San Juan Islands, which led to the San Juan dispute of the 1860s. More important for the future of British Columbia, Britain's acceptance of the 49th parallel meant that the main routes of access to the Southern Interior region were now controlled by the United States. Although Britain had managed to retain most of its claim in the Pacific Northwest, the growing American population south of the border retained its interest in British territory, and Britain realized that colonization was necessary to secure her territory.

In 1849, at the instigation of Britain, the Hudson's Bay Company established a colonization company on Vancouver Island and signed a ten-year agreement. Since colonization ran counter to the trading company's primary interests, no effort was made to encourage settlement. Reserving for itself land within a ten-mile radius of Fort Victoria, the company charged £1 per acre for land, and did not establish any type of representative government for the settlers. An 1857 report by a Select Committee in the British House of Commons urged the British

---

Another event occurred in the same year which radically affected the British territory in the Pacific Northwest. Reports of gold discoveries along the Fraser and Thompson Rivers brought over 30,000 miners from San Francisco to Victoria in the spring of 1858, bound for the gold fields of the Interior mainland. The large influx of miners, and the Hudson's Bay Company's failure to encourage settlement, led to Britain's abrogation of the exclusive rights of the company west of the Rockies. Two crown colonies were established, British Columbia on the mainland, and Vancouver Island. Sir James Douglas, chief Factor for the Hudson's Bay Company on Vancouver Island, resigned from the company to become Governor of the two colonies.

Douglas faced the imposing task of establishing an entire governmental structure over a large territory, with his difficulties compounded by a sudden influx of population. Douglas had to administer justice, attempt to

---


collect royalties for the Crown, and provide needed services, especially transportation. Douglas feared that if he did not establish effective control, the miners, most of whom were Americans, would probably appeal to the United States government. Although Britain had established the colonies and professed interest in her possessions, she gave little assistance to Douglas, for Britain did not want to assume the colonies' financial burdens. Moreover, Britain did not provide any financial aid for Englishmen to emigrate to British Columbia. However, a company of approximately 160 Royal Engineers were sent in 1858 as a symbol of British presence in the colony of British Columbia. The Royal Engineers laid out townsites, including New Westminster, which became the capital of the colony of British Columbia. They also helped enforce the law; mapped parts of the colonies; made surveys, including the 1858-1862 international boundary survey; and built roads, among them the Yale-Cariboo road.

Douglas's main difficulty was lack of finances. In

7 Ibid., Chapters 4 and 5.

8 William Trimble, The Mining Advance into the Inland Empire, p. 164.

9 Ibid., p. 164.

10 Ibid., pp. 42-46.
an effort to attract settlers, Douglas had to sell miner's licenses and land cheaply. A pre-emption proclamation in 1860 stated that British subjects and aliens who took an oath of allegiance could "acquire unoccupied, unreserved, and unsurveyed Crown lands in British Columbia," provided that this land was not on a town site, a proposed town site, Indian reserve, or mining land. One hundred sixty acres of land could be acquired by pre-emption for $1.00 per acre after improvements of $2.50 an acre had been made. Douglas's main source of revenue was the gold royalties, but many miners evaded this payment. Although Douglas's revenues were limited, the expenses of the government were high. The 400-mile road from Yale to the Cariboo cost $1.25 million to build. The British government would not give any financial assistance, forcing Douglas to raise the loan from British banks by himself. The colony of British Columbia incurred a debt of over $500,000 on this road alone.

From 1858 to 1864 three major rushes occurred in British Columbia: the 1858 Fraser River rush, the 1862

---


12 Ibid., p. 16.

Cariboo rush, and the 1864 rush to Wildhorse Creek in the East Kootenays. William Trimble describes these rushes as being part of the north and east movement of the gold miners from California to the Rocky Mountains. During these years an average of $2.5 million in gold was found each year, but most of this gold left the country. However, while the rushes continued, the colonies of Vancouver Island and British Columbia continued their economic growth.

The 1864 Wildhorse rush was followed in 1865 by a movement into the Big Bend country. This rush proved to be a disappointment (many called it the "Big Bilk") and lacking new prospects, most of the miners left British Columbia. With a decline in revenue and population the two colonies faced a severe depression. After the retirement of James Douglas in 1864, Britain placed each colony under a separate governor in an effort to minimize the rivalry between Vancouver Island and British Columbia. However, the worsening economic situation of the

14 William Trimble, *The Mining Advance into the Inland Empire*, pp. 11-12.


two colonies made consolidation under one government necessary in 1866. Unification was accomplished by a fiat of the British Parliament despite opposition by the residents of Vancouver Island.¹⁷ At the time of the union the debt of the colony of British Columbia was $1 million, the debt of Vancouver Island $300,000.¹⁸ British Columbia's laws became the laws of the united colony (named British Columbia); the government was similar to that of British Columbia with a Governor General and a Legislative Council. Only nine of the twenty-one Council members were popularly elected.¹⁹ The capital was established at New Westminster, but in 1868 moved to Victoria.

The economy of the colony, however, continued to worsen. In 1868 Britain refused to provide a guarantee for a new loan for British Columbia or to give any other assistance.²⁰ By this time one-third of the colony's revenue was being used towards payment of interest on its


¹⁸ Ibid., p. 221.

¹⁹ Ibid., p. 221.

²⁰ Ibid., p. 225.
existing debt. As Governor Seymour bitterly noted, "A little favour on the part of the Mother Country towards this colony would not, I think, have been thrown away." In September 1868, Barkerville, the center of the 1862 Cariboo gold rush, and the largest town in the Interior, burned, with a loss of $1,500,000 of property and goods. The next month a large part of the business section of Victoria was destroyed by fire.

British Columbia historians believe that many people (particularly those on the Mainland) realized the colony would have to join a larger government, either the United States or the Dominion of Canada, established in 1867. Politicians and newspapers in the United States talked about the United States acquiring the colony of British Columbia, and there were proposals that the colony be included as part of America's Alabama claims. After the United States purchased Alaska in 1867, many

—

21Ibid., p. 225.

22Ibid., p. 230.


Americans felt that acquisition of British Columbia would be a logical fulfillment of American control of the Pacific Northwest. Although the British government rejected the inclusion of British Columbia as part of the Alabama terms, she did not evince any great interest in retaining the colony. John A. Macdonald, Prime Minister of Canada, wanted British Columbia to join the new Dominion as part of his "national policy". The 1867 British North America Act included a provision for admission of future provinces, and specifically mentioned British Columbia. Britain encouraged Canada's efforts to bring British Columbia into Confederation.25

In British Columbia, Confederation became entwined with sectional interests and with the issue of responsible government. Many people who were interested in joining the Dominion did not want responsible government, in the belief that responsible government was premature for British Columbia.26 This produced a split between the more conservative reformers, and men like John Robson and


26George Woodcock, Amor De Cosmos (Toronto: Oxford University Press (Canadian branch), 1975), p. 99; and Walter Sage, "From Colony to Province," British Columbia Historical Quarterly Volume 3 (1939).
Amor De Cosmos, who wanted both Confederation and responsible government. In addition, Confederation also involved a sectional split, with most of the pro-Confederation impetus coming from the Mainland; while Victoria, which had a large American population, and the East Kootenay region, were anti-Confederation. Although some pro-American sentiments existed in Victoria and the East Kootenays, a Victoria petition for annexation to President Grant in 1868 received only forty signatures. In the 1868 elections all of the popularly elected representatives from the Island were against Confederation, while all of the members from the Mainland, except for East Kootenay, were pro-Confederation. Margaret Ormsby writes, "The issue of union with Canada stood in danger of being confused with sectional rivalry."  

In February, 1869, the Legislative Council voted 11 to 5 against Confederation. On the death of Governor Seymour later in the year, Prime Minister Macdonald appointed Anthony Musgrave, a pro-Confederation man, 

\[27\] Margaret Ormsby, "The Relations between British Columbia and the Dominion," p. 42.  


\[29\] Margaret Ormsby, "The Relations between British Columbia and the Dominion of Canada," p. 42.  

\[30\] Margaret Ormsby, British Columbia: a History, p. 227.
Governor of the colony. Musgrave encouraged Confederation in British Columbia, although his stand against responsible government brought him into disagreement with Robson and De Cosmos. At the same time there was a growing recognition among the political leaders in British Columbia that the colony should give up colonial status under a country that did not take much interest in the colony, and join the Dominion whose government professed eagerness for British Columbia's membership. John Robson noted, "British Columbia's progress has been like the crab - backwards . . . British Columbia has tried long enough to get on by herself. After fifteen years struggle she finds herself worse off than at the beginning." Even men who originally opposed Confederation like John Helmcken commented, "England has given us nothing but a flag." Others, like Henry Crease, looked to the financial prospects of Confederation. Confederation, he thought, "would at once relieve us from most if not all of the present ills from which we suffer, if

---

31 Margaret Ormsby, "The Relations between British Columbia and the Dominion," p. 50.


properly arranged."  

In 1870 British Columbia sent a three-man delegation to Ottawa to arrange terms of union with the Dominion. Almost all the delegation's proposals were accepted, while Macdonald's Conservative government provided an additional promise the delegation had not anticipated: a transcontinental railroad within ten years. The transcontinental railroad, part of Macdonald's "national dream", had been made possible by the purchase of Hudson's Bay Company lands in 1869.  

There were several important features in the terms of union. First, "Canada shall be liable for the debts and liabilities of British Columbia existing at the time of the Union." Canada would provide an annual subsidy, and establish certain federal services (postal, telegraph, penitentiary, fisheries, etc.) with the new province. The Dominion also promised to secure the construction of a railroad "from such point as may be selected, east of the Rocky Mountains, towards the Pacific, to connect the sea-
board of British Columbia with the railway system of Canada." Construction of this railway would begin within two years, and be completed within ten. For this railroad British Columbia would agree to convey to the Dominion government, in trust, to be appropriated in such manner as the Dominion government may deem advisable in the furtherance of the construction of the said railway, a similar extent of public lands along the line of railway, throughout its entire length in British Columbia, not to exceed twenty miles on each side of the line.

The Dominion would pay British Columbia $100,000 per year for this Railway Belt. To satisfy the residents of Vancouver Island, the federal government promised to guarantee five percent interest on loans up to $500,000 for "the construction of a first class graving-dock at Esquimalt." The Dominion also assumed wardship of the Indians.

The charge of Indians, and the trusteeship and management of the lands reserved for their use and benefit shall be assumed by the Dominion government, and a policy as liberal as that hitherto pursued by the British Columbia government shall be continued by the Dominion Government after the Union.

The new province was allowed to establish responsible government "when desired by the inhabitants of British Columbia." In return, British Columbia adopted the customs tariff and excise duties of Canada, and gave this revenue to the Dominion. British Columbia did not have to accept the Canadian tariffs and excise duties
until the completion of the transcontinental railroad. 37

Macdonald's terms of union with British Columbia aroused much opposition in eastern Canada, foreshadowing the later ill-will British Columbia faced when Macdonald was no longer in power. Macdonald wrote to Governor Musgrave in September, 1870, "the terms can, I think, be fully justified on their own merits; but we may expect considerable opposition in our Parliament on the ground that they are burdensome to the Dominion and too liberal to British Columbia." 38 In British Columbia the terms of Confederation were well-received, both by the people and the colonial government, and on July 20, 1871, British Columbia joined the Dominion of Canada.

Many of the factors which affected British Columbia's history from 1871 to 1903 had their origins during the colonial period. The presence of a strong United States has always been important in Canadian history. During the colonial period, British Columbia's isolation from the rest of Canada compounded the American threat. British Columbia's mail, supplies, and telegraph communication came from the United States, and San Francisco was


38 Margaret Ormsby, "The Relations between British Columbia and the Dominion," p. 57.
its major outside link. The Alaska purchase in 1867 and the San Juan Island dispute were reminders of the United States' interest in the colony as a possibility for political or economic annexation. The 1864 Wild Horse gold rush showed people in British Columbia that the Southern Interior was economically dependent on the United States, and also demonstrated the effect of the 1846 boundary treaty and geography on this region. In an effort to connect the Wildhorse trade to Victoria and New Westminster the colonial government built the Dewdney Trail, an overland route from the East Kootenays to the Fraser River, in 1865, at a cost of $70,000. The route was seldom used, for people found it easier and less expensive to ship goods through the United States, and within five years the Dewdney Trail was abandoned.\(^3^9\)

The Island-Mainland rivalry, caused by jealousy and by divergent interests and attitudes towards Confederation, began in the colonial period. Although settlement first began on Vancouver Island, most people on the Island realized that the Mainland would eventually become the center of British Columbia, although they did hope that Victoria would remain the major city. There was considerable economic rivalry between Victoria and New

Westminster, the largest city on the mainland. The terms of Confederation continued the Island-Mainland rivalry. Vancouver Island received Dominion assistance for a graving-dock, while the Mainland was given the promise of a railroad. However, there were two possible railroad routes in British Columbia; one would come down Bute Inlet, across Seymour Narrows, and down Vancouver Island to Victoria. If this route were chosen, Vancouver Island and Victoria would be certain to maintain an important role in British Columbia. According to Margaret Ormsby, the Island-Mainland rivalry was the basic cause of much of the friction in Dominion-British Columbia relations in the first years of the province.40

The economic and financial difficulties of the government in British Columbia became apparent during the colonial period. Large public works expenditures had been necessary, and by the time of Confederation, the British Columbia government, with less than 10,000 white people, had a debt of over $1,000,000.41 No sectional or coordinate survey system was established, and the colony was

40 Margaret Ormsby, "The Relations between British Columbia and the Dominion," Preface.

usually unable to survey land before sale. After the collapse of the gold rushes, the government was unable to build an economy around any other industry.

Finally, the manner in which British Columbia joined Confederation contained the seeds for future difficulties in dominion-provincial relations. One of Margaret Ormsby's major themes in "The Relations between British Columbia and the Dominion of Canada, 1871-1885" is that British Columbia entered Confederation primarily for the purpose of material benefits. As John Helmcken said, "With us union is not a sentiment." Joining the Dominion must be to the "material and pecuniary advantage" of British Columbia. If the terms of Union did not produce economic growth in British Columbia, the province would seek redress or alternative solutions. The wording of many of the articles in the terms would later become a source of controversy. Finally, most people in eastern Canada resented what they considered liberal terms of admission for British Columbia, in addition to the


43Margaret Ormsby, "The Relations between British Columbia and the Dominion," Preface.

44Ibid., p. 54.
financial commitment to a transcontinental railroad.

British Columbia had joined the Dominion. However, behind the province's optimism of 1871 were ominous signs for the coming years.
CHAPTER II

1871 TO 1903 - AN OVERVIEW

The history of British Columbia from 1871 to 1903 can be divided into two chronological segments: from 1871 to the completion of the CPR in 1885, and from 1885 to the election of Premier Richard McBride in 1903.

Most people of British Columbia expected that joining the Dominion would bring an almost immediate prosperity to the province. The economy of British Columbia would develop a new vigor, and large numbers of settlers would soon come to British Columbia. These expectations proved illusory, for the growth in population and the economy would have to wait until the completion of the CPR, and the completion of the railroad would take longer than expected. The years from 1871 to 1885 were marked by an isolation from the rest of Canada, by the Island-Mainland rivalry, and by continuing reliance on the United States for supplies and communication.¹

The dominant issue in British Columbia from 1871 to 1885 was the railroad. In 1873 the Dominion government of Macdonald fell, and Alexander Mackenzie's Liberal government, which replaced Macdonald's, did not share the Conservative enthusiasm for the expensive commitment to the construction of the CPR. During the five years Mackenzie's government was in office there was almost continual friction in British Columbia-Dominion relations. Mackenzie's proposals to change the terms of Confederation aroused suspicion and hostility among the people of British Columbia, and the provincial government adopted the "Fight Canada" policy.

Macdonald's return to power in 1878 eased the friction in British Columbia-Dominion relations. Macdonald reconfirmed Mackenzie's choice of the Fraser River-Burrard Inlet route, which marked a victory for the Mainland, and in 1880 the Dominion issued tenders for private contract on 127 miles of the transcontinental railroad in British Columbia.² In 1883 William Smithe became premier of British Columbia, and resolved the main points of disagreement between British Columbia and the Dominion governments in the Settlement Act of 1884. Completion of

the CPR in 1885 brought British Columbia's long-awaited connection with the rest of Canada.

With the completion of the CPR in 1885, people in British Columbia once more expected immediate population growth and an economic boom. As in 1871, these people were again disappointed. While the CPR did not provide an instant panacea for British Columbia's economy, the railroad did bring slow but inevitable changes to the Pacific region. By connecting British Columbia with the rest of Canada, the CPR made Confederation more of a reality, and British Columbia's economy could be integrated with the Dominion's whenever the boom of the Canadian economy should occur. The CPR founded the city of Vancouver as its Pacific terminus; the city and surrounding area soon replaced Victoria as the main center of population and trade.

Despite the completion of the CPR main line, more railroads were needed for development of British Columbia's economy, and railroads became a dominant issue in the provincial government from 1885 to 1903. Geography, which divided British Columbia into several regions, made railroad construction difficult, and necessitated induce-

---

ments of land and interest subsidies by the provincial government to attract railroad companies.

From 1885 to 1903 most sectors of the economy of British Columbia grew slowly. The development of the four major industries—agriculture, fishing, forestry, and mining—was hampered by special conditions in each of the industries.

The one major economic development was lode mining in the West Kootenays. In 1886, the first claim was made near Nelson. The geographic location of the West Kootenays enabled easy American access to the region, and American businessmen initiated the development of the mines. The railroads built by D. C. Corbin of Spokane, and the smelter built at Trail in 1896 by F. Auguste Heinze from Butte, further facilitated the growth of a large mining industry. American investments raised the question of whether the economic development of the West Kootenays would become part of the Spokane-based Inland Empire, or part of the Canadian economy. In the late 1890's British and Canadian industry began to dominate in the Kootenays. However, fear of American economic control of the Kootenay mining placed additional reliance by the British Columbia government on the Canadian and British companies, particularly the CPR.⁴

From 1883 to 1898, the Smithe faction controlled the British Columbia government. Though William Smithe and John Robson gave indications of providing strong leadership, these two men died after only a few years as premier. The government passed through several periods of caretaker leadership from 1883 to 1898. The Island–Mainland rivalry hindered strong government, for invariably political issues became entwined with sectional interests. A failure to develop parties in provincial politics also limited the provincial government's effectiveness. The McInnes incident, a political-constitutional crisis in British Columbia in the late 1890s, demonstrated the weakness of political leadership in British Columbia.

During the 1890s the finances of the provincial government worsened. Ineffective government, large public works expenditures, and failure to stimulate the growth of the economy meant that every year (with one exception) the provincial government's expenditures exceeded revenues. The government debt increased from $2.4 million in 1894 to $4.8 million in 1898. By 1903 the public debt of the British Columbia government was over $12 million, and the government's credit was ex-

\[5\] F. W. Howay, "Political History," p. 221.
hausted.  

After the McInnes incident most politicians in British Columbia realized the need for political parties in the Legislative Assembly. In 1902 the Liberals and Conservatives founded parties for provincial British Columbia politics, and the 1903 election was fought on party lines.

The election of Richard McBride in 1903 is considered a political watershed in British Columbia politics, for the election ended the old politics based on factions and individuals. The year 1903 is also seen as an economic watershed by British Columbia historians. The economic development of British Columbia during McBride's years as premier stands in sharp contrast to the slow growth of the province before 1903 (the mining in the Kootenays was largely due to American initiative). The fishing, mining, agriculture, and lumber industries all achieved significant growth in the years immediately immediately.


after 1903, and British Columbia began to share in the growth of Canada and the Canadian economy.
CHAPTER III

GEOGRAPHY

Geography has played an important role throughout the history of British Columbia. A "sea of mountains" was a common 19th century description for Canada's only province west of the Continental Divide. Robinson and Hardwick note that British Columbia is a province of large geographical contrasts with little uniformity over large areas in either the physical landscape or man's occupation and use of the land and its resources.¹ In contrast to the Prairies the development of British Columbia was marked by a discontinuous pattern of settlement.

British Columbia was divided into five regions between 1871 and 1905: the Southern Interior, the Central Interior, the North, the Lower Mainland, and Vancouver Island (see Map 1). The Southern Interior was the primary area of economic development in British Columbia from 1871 to 1905. The geography of this region illustrates some of

Map 1. Regions of British Columbia

Each dot indicates the establishment of a settlement as defined by the inauguration of a school district.

- Before 1871
- Essentially settled
- Explored but essentially unsettled
- Unexplored

the large geographic contrasts found within British Columbia, and the effect of geography on the province (see Map 2). The Southern Interior of British Columbia is distinguished by an alternating pattern of high mountain ranges and broad valleys of low elevation. The four major valleys are: the Kootenay River valley of the East Kootenays; the Kootenay Lake valley; the Columbia River-Arrow Lakes valley of the West Kootenays; and the Okanagan valley. The Kootenay River begins near the Continental Divide (approximately 51° North latitude) and flows south passing within a mile and a half of Columbia Lake, the source of the Columbia River. The Kootenay River continues south, through the East Kootenays into the United States. Near Libby, Montana, the river bends around the mountains and flows north back into Canada and Kootenay Lake. From the west arm of the lake, the Kootenay River flows west to join the Columbia River just below the outlet of Lower Arrow Lake. From Columbia Lake, the Columbia River flows north to the Big Bend (approximately 53° latitude) where the river flanks the Selkirk Mountains, then flows south through the two Arrow Lakes (the West Kootenays). Below Lower Arrow Lake the Kootenay joins the Columbia River, which in turn flows into the United States. The Okanagan River also flows south into the United States, joining the Columbia River in Washington.
Map 2. The Southern Interior

**THE SOUTHERN INTERIOR**

- Columbia R.
- Selkirk Mts.
- Revelstoke
- Columbia R.
- Purcell Lake
- Columbia River
- Kootenay River
- East Kootenays District
- West Kootenays District
- Slocan District
- LARDEAU DISTRICT
- Slocan
- Kaslo
- Rossland
- Nelson
- Cranbrook
- Fernie

- Okanagan District
- Penticton

- Okanagan Lake
- Monashee Mts.

- Upper Arrow Lake
- Lower Arrow Lake

- Boundary District
- Roseland

1 inch equals 20 miles

WASHINGTON

MONTANA

ALBERTA
The Columbia River was the natural access route between the Pacific Ocean and the valleys of the Southern Interior of British Columbia. However, the 1846 Oregon Treaty deprived British Columbia of this natural route. The CPR main line went north of the Southern Interior, enabling railroads to enter this region from either the CPR or from the Inland Empire. The large lakes of the Southern Interior facilitated travel within the valleys. Travel between the valleys was difficult, however, because the Columbia and Kootenay Rivers were unnavigable in many areas, and did not facilitate direct connections between most of the valleys. The high mountains of the Southern Interior did not provide easy overland transportation between the valleys or with the rest of the province.

The Central Interior region was the primary ranching area in British Columbia. Based around Kamloops, this region is a land of valleys, plateaus, and low mountains. The Central Interior is generally semi-arid, the driest region in British Columbia.

The Lower Mainland lay between the Cascade Mountains and the Pacific Ocean, centered along the Fraser River. The growth of Vancouver in the 1890s brought increased population and the growth of agriculture to the Lower Mainland. Slowly this area grew into the main center of population in British Columbia.
Vancouver Island, separated from the Mainland by twenty-five miles of water (except along the remote northern section), was the first area of settlement in the British Pacific Northwest. The island's major industry was lumber; there was also some fishing, agriculture, and the coal mines at Nanaimo. The belief of the island's residents that their region was separate and different from the rest of British Columbia contributed to the sectionalism of the Island-Mainland rivalry.

From 1871 to 1903, most of northern British Columbia remained undeveloped. This region was generally inaccessible, although there was some mining in the Cassiar and Cmineca areas. Access to Cassiar and to the Atlin gold fields of 1898 was through Alaska, and was hindered by unfriendly relations with the United States over the disputed Alaska Boundary.

The geography of British Columbia influenced the development of the province. The "sea of mountains" not only divided British Columbia into several regions, but subdivided each region into many districts, scattering the population and economy of British Columbia into many small pockets. Each district usually had its own local interests and issues. The distribution of the population

and economy into many districts combined with transportation problems to make unification of the province difficult. Geography isolated British Columbia from easy access to the rest of Canada. From 1871 to 1903 the CPR main line and the CPR railroad from the Southern Interior through the Crow's Nest Pass (built in 1898) were the major links British Columbia had with the rest of Canada. From 1871 to 1903 isolation from the rest of Canada highlighted the belief of most British Columbians that their province was special, different from the rest of Canada. The provincial government contended that the extra expenditures necessitated by geography entitled British Columbia to special financial assistance from the Dominion.

British Columbia-United States relations were also affected by the geography of the province. Easy United States access to the Southern Interior increased American influence in this region, and accentuated the provincial government's fear of American control of part of the British Columbia economy. Access to parts of northern British Columbia was through Alaska. From 1871 to 1903 the Alaska boundary remained unsettled, and though British Columbia was guaranteed free access on the rivers flowing from the province through Alaska, some disputes arose concerning Canadians traveling through the United
The government of British Columbia faced many difficulties in administering such a large, diverse province. Each region and district clamored for its own special interests. The costs of government administration were high. The government's public works projects were expensive and took a large percentage of the provincial budget. The expenses of serving a small scattered population, along with the difficulties of transportation and the need for railroads, contributed to the financial problems of the British Columbia government from 1871 to 1903.

---

CHAPTER IV

BRITISH COLUMBIA - UNITED STATES RELATIONS

Relations between British Columbia and the United States were dominated primarily by economic considerations from 1871 to 1903. Joining the Dominion had removed the threat of American political control from the minds of British Columbians. However, American economic influence remained, as United States industry and business attempted to capture markets in British Columbia.

From 1871 to 1885 British Columbia depended on the United States for most of its supplies, transportation, and communication. Although the CPR linked British Columbia with the rest of Canada, the railroad did not provide the immediate economic stimulus which could replace American business and economic interests. The geography of the Southern Interior gave Americans easy access to this region while the location of the CPR left this region open both to CPR and American spur lines. Despite the completion of the CPR, Spokane remained the center for supplies in the Kootenays. When mining began in the Southern Interior, American miners and investors soon moved into the region, while Canadian and British
investors were reluctant to invest until they were also certain the mines would yield a profit. Thus, American interests were largely unchallenged in the Kootenays during the first years of mining development.

American control over mining in the Kootenays presented a dilemma for the British Columbia government. The government wanted the mining development to stimulate the economy and provide revenue. However, encouragement of the American miners and investors might further increase United States economic control in the province.

People in many areas of the Southern Interior wanted development, whether that development was American or Canadian. In 1883 the Kamloops Inland Sentinel commented, "We believe the greater part of the people would welcome capital come from where it may, and trust to the wholesome restraint of our representatives and laws to protect the country from wrong-doing hereafter." The Cranbrook Herald supported James J. Hill's proposal to build a railroad from the Great Northern line to the coal fields of

---


2John Fahey, Inland Empire, pp. 93-98.

3The Inland Sentinel (Kamloops), March 29, 1883.
the Crow's Nest Pass. "The advantages which will accrue to the people of this section through such an arrangement are too well understood to need any comment." Other newspapers noted the economic advantages the Americans might offer. The Boundary Creek Times observed, "The people of Boundary are patriotic Canadians only as far as they can afford to be: and if they find that American transport is cheaper than Canadian they will inevitably choose the former despite sentiment." 

Throughout the early years of British Columbia the provincial government did not hesitate to subsidize American companies. In 1889 Premier Robson, who feared American economic control in British Columbia, began efforts to encourage the CPR and Canadian industrialists to participate in the mining development of the Kootenays. "We have felt that it has almost come to be a race between us and our American neighbors for the trade of that great and promising district." Not until the late 1890s, however, did Canadian and British capital and industry begin to replace the Americans in the Kootenays.

---

4 Cranbrook Herald, September 29, 1898.

5 Boundary Creek Times, February 27, 1897, quoted in F. W. Howay, W. N. Sage, and H. F. Angus, British Columbia and the United States, p. 248.

6 John Fahey, Inland Empire, p. 98.
United States business exerted an important influence in other areas of British Columbia. The copper mines of the Boundary district were started by American industry. James Hill competed with the CPR in the Crow's Nest Pass coal fields. The railroads of D. C. Corbin and James Hill vied with the CPR for the trade of southern British Columbia. American miners led the 1898 gold rush into the Yukon.

The United States had other effects on the economy of British Columbia. The 1890 Sherman Silver Purchase Act aided the development of the silver mines in the Slocan district, while the repeal of this act in 1893 slowed the output of the mines. In 1888 the United States waived the tariff on Canadian ores as long as the value of the silver in the ore exceeded the value of the lead. This act helped stimulate American development of the Kootenay mines. Reinstatement of this tariff in 1897, coupled with growing Canadian and British investments, shifted the output of the mines to the growing Canadian industry. American self-sufficiency in timber limited the growth of the British Columbia lumber industry between

---

7 Harold Innis, *Settlement and the Mining Frontier*, p. 287.

1871 and 1903. American competition slowed the development of British Columbia fisheries in the 19th century. There was some friction over United States attempts to control the fur-seal industry around Pribilof Island in the Bering Sea.

Political contention between British Columbia and the United States occurred over the Alaska boundary. The boundary agreement of the Alaska panhandle was vaguely worded and open to varying interpretations. Beginning in the 1870s British Columbia made repeated requests to Britain to settle the Alaska boundary with the United States. However, the United States refused to spend any money on commissions to define and survey the panhandle. The Alaska boundary remained a source of friction between British Columbia and the United States until the final settlement in 1903. President Theodore Roosevelt's prejudice against Canada, his choice of partial arbiters, and the decisions of the 1903 commission rankled people

---


11 Ibid., Chapter 13.
During the years from 1871 to 1903 American business played an important role in developing the mining industry of the Kootenays. However, much of the revenue generated went to the United States, not to the economy of British Columbia or the provincial government. Fear of American economic control of the Southern Interior made the British Columbia government dependent on non-American industry as a counterweight. The provincial government had to provide incentives and benefits to encourage Canadian and British industry, and was not in a position to reap the full economic benefits generated by the revenue of the mining industry.

\[\text{\textsuperscript{12}}\text{Ibid., pp. 371-74.}\]
CHAPTER V

BRITISH COLUMBIA - DOMINION RELATIONS

British Columbia's relations with the Dominion produced many grievances from 1871 to 1903. Hostility towards the Mackenzie government from 1873 to 1878, and the "Better Terms" campaign beginning in 1901 were the periods when friction in Dominion-provincial relations were most pronounced. During most of the other years relations were better, although there were many minor irritants. Failure of the British Columbia government to cultivate Dominion friendship made it more difficult to receive federal financial assistance and contributed to the Dominion government's indifference to the development of British Columbia. The inability of the British Columbia government to settle satisfactorily its grievances with the Dominion government weakened provincial political leadership.

From 1871 to 1873 relations between the provincial and Dominion governments were friendly. In 1873, as a sign of goodwill, the province adopted the Canadian tariff and excise duties (the terms allowed British Columbia to keep its own tariffs and duties until the
completion of the transcontinental railroad). Although Macdonald had promised that the railroad would begin in two years, the railroad surveys were slow and expensive, especially in British Columbia. In June, 1873, by an Order-in-Council, Macdonald announced that Esquimalt would be the Pacific terminus of the transcontinental railroad. Some surveyors and construction men were sent to Esquimalt to survey and clear a short section of land as a ceremonial gesture. However, the people of British Columbia appeared willing to understand and accept the delay in the start of railroad building. Macdonald's choice of Esquimalt as the terminus did seem to indicate that the Bute Inlet route would be chosen, a victory for the Island over the Mainland.  

In 1873 the Liberal government of Alexander Mackenzie came to power. Mackenzie wanted to readjust the terms of union with British Columbia. The Prime Minister believed that the transcontinental railroad should be built over a period of twenty to thirty years, as the population of western Canada needed the railroad and as the resources of the Dominion could afford its expenses. Mackenzie also talked about the possibility of the trans-


continental line including both stretches of railroad and portions of water travel. The Prime Minister's ideas were reinforced by the 1873-1878 depression and an inability to find a company willing to undertake construction of the transcontinental railroad.  

Mackenzie sent James Edgar to Victoria in 1874 to negotiate a readjustment of British Columbia's terms of Confederation. He found that "practically the whole of the Province was committed to oppose the substitution of a new contract even long before it was known what the changes proposed to be made really were." The Legislative Assembly passed a resolution that no alteration of terms would be made without the endorsement of the people. The Walkem government had a clear majority in the Legislative Assembly. An agreement with Edgar would force Walkem to call an election, and any change in the terms might prove unpopular. For two months Premier Walkem negotiated with Edgar, before denouncing the proposed "Edgar terms" and questioning Edgar's authority to readjust the terms of union with British Columbia.

---


5Ibid., p. 62.
Although most historians criticize Walkem's political maneuvering, his treatment of Edgar did increase the Premier's popularity in British Columbia, for most people were suspicious of any renegotiation of terms.  

Walkem then personally took British Columbia's grievances over the head of Mackenzie to the British Colonial Secretary, Lord Carnarvon. Lord Carnarvon proposed terms essentially similar to the Edgar terms, and persuaded both Walkem and Mackenzie to accept the "Carnarvon terms". However, in the Senate the Liberal government failed to secure passage of the Esquimalt and Nanaimo Railway Bill, part of the terms. Both the Dominion and British Columbia had now broken proposed settlements and an impasse was reached.

From 1876 to 1878 while Andrew Elliott was Premier, British Columbia-Dominion relations improved. Lord Dufferin, Governor-General of Canada, made a goodwill visit to British Columbia in 1876, and though he received a cool reception in Victoria he was enthusiastically

---

Ibid., p. 62.


welcomed on the Mainland. The Dominion continued railroad surveys in the province, completing the surveys in 1877. In July, 1878, Mackenzie announced the selection of the Yellowhead Pass-Fraser River-Burrard Inlet route for the railroad, a victory for the Mainland.\textsuperscript{10}

In 1878, Walkem became premier again, and renewed the hostilities between the Dominion and British Columbia governments. In August, 1878, the Legislative Assembly passed a resolution that if railroad construction did not begin by May, 1879, British Columbia would withdraw from the Confederation.\textsuperscript{11} This resolution was a senseless provocation because the Mackenzie government was preparing to begin construction on some sections of the railroad in British Columbia. The return of the Conservatives and Macdonald as Prime Minister in 1878 eased tension between the Dominion and British Columbia governments.

Most historians criticize Mackenzie and Walkem for creating prejudices, for using expediency and political maneuvering, and for breaking a proposed settlement.\textsuperscript{12}

\textsuperscript{9}Pierre Berton, The National Dream and The Last Spike, pp. 135-37.


\textsuperscript{11}Ibid., p. 59.

Mackenzie talked of British Columbia's terms of union as a "bargain made to be broken," and had sent James Edgar to British Columbia to renegotiate the terms of union. Several members of Mackenzie's Cabinet said that they did not care if British Columbia left Confederation.

However, historians believe that Mackenzie was willing to honor the spirit of Macdonald's commitment to British Columbia, despite opposition to Macdonald's "National Policy." Mackenzie realized that the Dominion could not realistically complete the railroad within the ten years Macdonald planned, for the surveys for location of the railroad line alone took six years and cost over $3,000,000. While he was Prime Minister the railroad surveys were completed, the route selected, and at the time of his defeat in 1873, Mackenzie was planning to issue contracts for construction of sections of railroad in British Columbia. The Edgar terms promised that the Dominion would spend $1.5 million a year in British Colum-


16 Ibid., p. 59.
bria on the railroad. The Liberal government could not find a private company to construct the railroad, and was hampered by the 1873 to 1878 depression.

Walkem's handling of the railroad question has received particular blame. At the same time that there was friction in provincial-federal relations, Walkem tried to use the financial arrangements of the terms of union to gain additional money from the Dominion. When Walkem attempted to build the graving-dock as a provincial public works project, he spent money far beyond the available revenue of the government, and the Dominion had to loan British Columbia money to keep the province from bankruptcy.

The Walkem-Mackenzie controversy, like most other provincial-Dominion squabbles, showed the weakness of the political leadership in British Columbia. The province needed the railroad, and was in no position to dictate terms. The provincial government failed to settle the railroad issues. The 1873-1878 dispute also heightened

---


18 Margaret Ormsby, "The Relations between British Columbia and the Dominion," p. 159.

the sense of isolation of people in British Columbia and a feeling of distrust towards eastern Canada. People in eastern Canada felt a mutual suspicion and hostility. The Dominion had undertaken a major commitment in British Columbia's terms of Confederation, and people in the province were unwilling to realize the difficulties the Dominion faced. To most people in other provinces, British Columbia was the "spoilt child of Confederation."20

Although Macdonald's return as Prime Minister improved Dominion-provincial relations, the provincial and federal governments were unable to settle their disagreements on a number of issues. Walkem refused to receive the agent Macdonald sent to supervise the transfer of the Railway Belt to the Dominion. The province re-enacted several laws which the Dominion had already disallowed, and refused to aid the Dominion in securing the Chinese laborers needed for railroad construction.21

In 1882 Walkem resigned, and his successor, Robert Beaven, was defeated in the 1885 provincial elections. The new premier, William Smithe, was anxious to resolve the outstanding federal-provincial issues, and this was achieved in the 1884 Settlement Act. According to its


21 Ibid., p. 284.
Cartoon 1. British Columbia in a Pet

BRITISH COLUMBIA IN A PET

UNCLE ALECK: Don't frown so, my dear, you'll have your railway by and by.
MISS B. COLUMBIA: I want it now. You promised I should have it, and if I don't, I'll complain to Ma.

FROM Canadian Illustrated News, September 9, 1876.

terms, British Columbia conveyed to the Dominion the Railway Belt and the Peace River Block, 3.5 million acres of land in the Peace River country. The province also gave the Dominion government 1.9 million acres on Vancouver Island for the construction of the Esquimalt and Nanaimo Railroad. The federal government transferred this land to Robert Dunsmuir (who owned the coal mines at Nanaimo) to build the railroad, and contributed $750,000 towards its construction. The Dominion also agreed to take over and complete the construction of the graving-dock; it repaid the expenses British Columbia had already incurred on the dock, plus $250,000. The provisions for the Esquimalt and Nanaimo Railroad and for the graving-dock attempted to appease Vancouver Island which had lost in the choice of the Burrard Inlet route.22

The Settlement Act improved relations between the federal and provincial governments. However, British Columbia historians think that the Settlement Act was unfavorable to British Columbia.23 Only 900,000 acres of land within the Railway Belt had been alienated by the


province, yet 3.5 million acres were given to the Dominion in the Peace River Block because some of the land in the Railway Belt was not of "fair average quality". The concept of "fair average quality" land had been used by the CPR in selecting its land subsidies in the Northwest Territories. The Dominion insisted that all of the lands that it received within the Railway Belt have a fair market value. Both worthless and alienated land were deducted from the acreage included within the Railway Belt and the Dominion insisted on compensation for the land lost, which was provided by the Peace River Block. As British Columbia historians point out, the terms of Confederation did not stipulate that the land within the Railway Belt must be of "fair average quality". The provincial government was willing to compensate the Dominion for alienated land, but believed it unfair and incorrect for the Dominion to attach the "fair average quality" condition. For the Esquimalt and Nanaimo Railway, the British Columbia government gave 1.9 million acres of valuable land for a railroad which was of limited value. Finally, British Columbia historians argue that

---


the graving-dock should have been a Dominion undertaking from the beginning, and the province should not have been placed in the position of attempting such a large project. Though this argument appears correct, the fault would seem to lie with the negotiators of 1870 for failing to secure the graving-dock as a Dominion undertaking, and with the Walkem government for its large wasteful expenditures.

From 1884 to the "Better Terms" movement in 1901, British Columbia-Dominion relations were not marked by the open hostility of the years from 1875 to 1885. However, there were numerous minor issues which provided almost constant irritation in relations between the two governments. The Dominion had the power to disallow provincial legislation, and used this prerogative on occasion. The government of British Columbia thought that most of these disallowances were unjustified. The federal government made little effort to develop the fisheries on the Pacific Ocean, and disputes arose between the Dominion and provincial governments over various fishing jurisdictions in the province. In the early 1890s the British Columbia government supported the Crofter Colonization proposal, an effort to bring Scottish crofters to the Pacific coast to develop the fishing industry.

The Dominion had an old fishing boat on the Pacific coast that it was about to abandon but refused to give to the British Columbia government. Premier Robson wrote to Charles Tupper, the Minister of Marine and Fisheries, "... we are undertaking serious responsibilities and inasmuch as it is the duty of your government to assist in developing the deep sea fisheries (which you have hitherto failed to do) I think the least you can do is to hand over the old boat to be employed in carrying out the scheme." 27

Robson also expressed his general attitude towards the Dominion government in a letter to John Mara, a British Columbia M.P.:

I think it is simply abominable that we should be treated almost invariably in this way upon every issue that arises between the two governments. It is enough to make us abandon all idea of working harmoniously with the Dominion Government; it is enough to make us adopt the Walkem 'Fight Canada' policy. I wish you would give them from the Premier downward, a good rattling, raking on this line. 28

At times the premiers of British Columbia appeared to make a special effort to irritate the Dominion government.


In 1898 J. Bidwell Mills of Hamilton wrote Premier Turner that on a recent boat trip he had noticed considerable sawdust pollution in the lakes and rivers between Upper Arrowhead Lake and Nelson, and complained that the mill owners were throwing their sawdust into the water. Premier Turner responded that he had noticed similar pollution the previous year. Water pollution, however, was the responsibility of the Dominion, but he would gladly write to Ottawa about the matter. Premier Turner then wrote to the Dominion government complaining about the pollution (from sawmills licensed by the British Columbia government), and asking the Dominion to take action.29

There were two issues that did cause bitterness between the Dominion and provincial governments from 1884 to 1905. The first of these concerned the Railway Belt. The Dominion government's control of the Railway Belt, twenty miles on each side of the CPR main line, was a serious economic and political drawback to the provincial government. Each government had its own administration and laws. The Northwest Mounted Police enforced the law in the Railway Belt while the British Columbia government

had its own police system. There were problems in defining the boundaries of the Railway Belt and difficulties in overlapping jurisdictions, which were settled only by court decisions. In the 1889 Precious Metals Case, the Canadian Supreme Court ruled that jurisdiction over precious metals within the Railway Belt belonged to British Columbia; the question of water rights within the Railway Belt was not decided until 1910, when the courts again ruled in favor of the provincial government.

British Columbia's major complaint was that the Dominion showed little interest in encouraging settlement in the Railway Belt. The Dominion government's attitude towards its land in British Columbia contrasted sharply to Manitoba and the Northwest Territories where the federal government controlled all of the land and took an active interest in encouraging settlement. Most of Ottawa's attention was directed towards the Prairies. The Dominion took little notice of British Columbia, where the province controlled the land outside the Railway Belt, and where settlement would involve different types of pioneers.


31 Robert Cail, Land, Man and the Law, p. 149.

32 Ibid., p. 87, p. 121.
This attitude of the Dominion government locked up a large amount of valuable land in the province (including a sizeable portion of British Columbia's arable land and natural resources), and hindered the economic growth of British Columbia, while the dual jurisdictions hampered the provincial government's administration.  

Contention between the Dominion and the British Columbia government also arose over a policy towards the Indians of the province. The Dominion had accepted British Columbia's assurances that the colonial government had provided large reserves for the Indians, and the terms of Confederation did not specify the size of land allotments for the Indians. In 1871, the list provided by the British Columbia government showed twenty-six Indian reserves totalling 28,000 acres (for an Indian population of approximately 30,000). This acreage contrasted with the 1.4 million acres allotted by the Dominion to the Métis and Indians in Manitoba. In the Northwest Terri-

33 Robert Cail, Land, Man and the Law, Chapter 9; and W. A. Mackintosh and W. L. G. Joerg, general editors, Canadian Frontiers of Settlement, 9 volumes (Toronto: Macmillan Company of Canada, Limited, 1936), Chester Martin, Dominion Lands Policy, Volume 2, Chapters 2 and 3.


35 Robert Cail, Land, Man and the Law, p. 190.
tories the Dominion was establishing land allotments varying from 160 to 640 acres per family. In 1873 the Dominion government proposed a grant of 80 acres for each Indian family while British Columbia suggested 10 acres. The two governments finally agreed on 20 acres, although the British Columbia government later claimed that this 20-acre family allotment applied only to reserves established in the future. 36

In 1876 the Dominion and provincial government formed a Joint Allotment Commission. The Commission visited each reserve, took a census of the Indian population, set up new reserves, and was empowered to deal immediately with any question that might arise. In the new reserves the Commission tried to set aside large tracts of lands in unsettled areas so the Indians would not have to be moved later. The Indians were told that their interests would be promoted but "no interference with vested interests of the White settlers could be permitted." 37 However, the British Columbia government complained of the time and expense of the Commission, refused to accept any of the reserves set aside by the Joint Allotment Commission, and allowed white settlers to

36 Ibid., p. 194, p. 203.
pre-empt land which had been reserved for the Indians. In 1878 a one-man commission was formed; by 1885, 621 reserves were allotted but only 239 were approved by the British Columbia government. Throughout the 1871 to 1905 period the miserly attitude of the British Columbia government toward the Indians continued, and attempts to reduce the size of Indian reserves became part of the "Better Terms" grievances.

Gail claims that much of the bitterness over Indian policy was a spillover from provincial-Dominion bickering regarding the Railway Belt. The treatment of minorities, particularly Indians and Orientals, is a blot on the early history of British Columbia. The province had plenty of land that could have been given to the Indians to help provide them a decent living. The provincial government's treatment of the Indians made the possibility of an Indian war more likely, for in many areas of British Columbia, the Indians outnumbered the settlers and an uprising could have had serious consequences. The Dominion Minister of

38 Ibid., pp. 209-16.
40 Mel Rothenburger, 'We've killed Johnny Ussher!' (Vancouver: Mitchell Press, Limited, 1973), pp. 73-79, discusses the possibility of an uprising by the Nicola Indians after an Indian murdered Constable John Ussher in 1879.
the Interior noted in 1874, "... a great national question like this, a question involving possibly in the near future an Indian war with all its horrors, should be approached in a very different spirit, and dealt with upon other and higher grounds." 41

The years from 1884 to 1901 were not totally devoid of co-operation between the provincial and Dominion governments. Ottawa made some attempts to help the economy of British Columbia. Bonuses were provided for new smelters and on some minerals. The federal government assisted some of the railroads chartered by the British Columbia government with subsidies. In 1897 the Dominion government induced the CPR to reduce freight rates ten to thirty-three percent on certain specified goods (the Crow's Nest Pass rate agreement).

In 1901 the British Columbia government began the campaign for "Better Terms". The major aim was better financial arrangements with the Dominion, for the provincial government's debt was increasing rapidly. The provincial government claimed that the geography of the province made the administration of public services and public works more expensive than in other provinces. British Columbia also argued that the province was providing Canada with more revenue than the subsidies re-

41 Robert Cail, Land, Man and the Law, p. 199.
ceived from the Dominion as provided by the terms of union. For both these reasons the British Columbia government claimed that the province should receive "Better Terms", a readjustment of the financial arrangements of the terms of Confederation. The "Better Terms" movement also sought to redress numerous provincial grievances.  

In October, 1900, Premier Dunsmuir wrote to Prime Minister Laurier outlining the grievances of British Columbia and requesting a discussion, which led to a series of meetings in January, 1901. Dunsmuir presented a list of the province's grievances: provincial-Dominion financial relations, Oriental immigration, Indian reserves, railway development, fisheries, shipbuilding, the lumber tariff, and some lesser issues.  

Premier Dunsmuir brought information which showed that from 1872 to 1900 British Columbia had provided the Dominion with $42,000,000 in revenue while receiving only $29,000,000 in subsidies.  

---


43 Harold Johns, "British Columbia's Campaign for Better Terms," p. 86.

Dunsmuir demanded that the Dominion spend $100,000 per year for ten years on a shipbuilding bonus as compensation. He also asked that the Dominion spend $15,000 per year dredging Victoria harbor; that it increase fishery expenditures; and that it settle the other grievances of the province. ⁴⁵

Laurier was unwilling to do much to settle the grievances of British Columbia. With thinly veiled sarcasm he noted: "It must be admitted that man for man the people of British Columbia contribute more to our revenue than the people of any other portion of Canada and it is very much to their credit. It shows that they are an enterprising and wealthy people." ⁴⁶ The next year Dunsmuir wrote again to Laurier regarding "Better Terms". The premier said that British Columbia wanted only co-operation with the Dominion. To resolve their differences, British Columbia would accept a yearly payment of compensation from the Dominion in addition to settling existing claims. Dunsmuir planned another meeting with Laurier but the premier's government was defeated in 1902. ⁴⁷

⁴⁵ibid., p. 77, p. 209.

⁴⁶Harold Johns, "British Columbia's Campaign for Better Terms," p. 86.

⁴⁷J. Castell Hopkins, editor, Canadian Annual Review, 1902, p. 75.
The new premier, E. G. Prior, continued British Columbia's demands for "Better Terms" by holding some meetings with Laurier in Ottawa in 1903. Prior had several issues that he wanted settled: financial relations, co-operation for railway construction, Oriental immigration, Indian reserves, minerals under Indian reserves, fisheries, salaries of judges, and a series of lesser grievances. Prior told Laurier: "There are many ways in which we think it would pay the Dominion - we don't ask it as a favour to the West - to pay more attention to the resources and possibilities of the country on the Pacific coast. In the past every step in that direction has sent the revenue up by bounds." The meetings between the two men did not result in any agreements.

One of the most persistent issues of contention from 1900 to 1905 was Oriental immigration. The British Columbia government had long discriminated against the Orientals in the province. The major threat posed by the Orientals was that they would work for lower wages than white people. Despite the willingness of business (particularly the growing mining industry) to hire Orientals, the overwhelming anti-Oriental public sentiment could not be ignored. From 1871 to 1900 the province passed several anti-Oriental immigration laws which violated the Dominion's immigration

48 Ibid., 1905, p. 230.
policy, despite the Dominion government's repeated disallowance of British Columbia's laws in this field.\(^{49}\) In 1900 the Dominion did agree to raise the fee on Chinese entering Canada from $50 to $100 per head.\(^{50}\) In 1902 three anti-Oriental discrimination measures of the province were disallowed by the Dominion. When Prior came to Ottawa in 1903, Laurier explained that British Columbia's anti-Oriental discrimination must be directed only against the Chinese. The Prime Minister said that an agreement had been reached with Japan; that Japan was making an effort to limit its immigration to Canada; and to discriminate against the Japanese would be in violation of the Dominion's agreement. However, Laurier promised that he would not disallow any anti-Chinese discrimination, and agreed to impose a $500 head tax on Chinese entering Canada, with the tax being paid by the shipowner who brought in the Chinese.\(^{51}\) When Prior returned to British Columbia, the government re-enacted the same measures which had been disallowed, without including any special provisions for the Japanese. Laurier again disallowed the laws.

\(^{49}\) Harold Johns, "British Columbia's Campaign for Better Terms," p. 66.

\(^{50}\) Ibid., p. 65.

The "Better Terms" movement continued past 1903. Though British Columbia eventually gained some financial concessions from the Dominion, the effort was largely a failure. There was unwillingness to co-operate on both sides. The attitude and manner of negotiation by the province's politicians was probably the major obstacle in achieving an agreement, for the British Columbia government's claim that they had paid more revenue to the Dominion than the subsidies received was not disputed. The "Better Terms" movement once more illustrated the financial and political difficulties of the British Columbia government.

Throughout the years from 1871 to 1903, the provincial government consistently came out second best in relations with the federal government. In the Settlement Act and in the "Better Terms" movement, the province was negotiating from an unfavorable position. Though British Columbia had many legitimate grievances, redress was not obtained on these issues, and the provincial government spent much of its money, time, and energy in futile efforts. The provincial government's handling of relations with the federal government shows clearly the failure of British Columbia's politicians. The Dominion government was interested in the development of the Canadian nation, and probably would have been willing to assist the British Columbia government in the economic growth of the province.
however, the attitude of the province and its repeated demands placed an obstacle in the way of amicable relations. The dominion responded by assuming as equally obstinate attitude.
From 1871 to 1903 weak political leadership characterized the government of British Columbia. Sectional interests, particularly the Island-Mainland rivalry, produced political divisiveness. Factions and personalities dominated the government and there were no parties in provincial politics. The lack of political parties, with ideologies and effective control over their supporters, weakened the ability of the government to provide strong, continual leadership. The premiers of the province failed to formulate organized programs of development. Quarrels with the Dominion occupied much of the government's energy, and at times, circumstances also seemed to conspire against the government. The premiers often managed the province's finances badly, and by 1903 the British Columbia government was almost bankrupt.

Political difficulties existed from the beginning of the province's history. In the Legislative Assembly some districts were greatly overrepresented, while other districts had inadequate members (see Table 1). Both Prime Minister Macdonald and the Lieutenant-Governor of
<table>
<thead>
<tr>
<th>District</th>
<th>Members</th>
<th>Voters</th>
<th>Voters/Member</th>
</tr>
</thead>
<tbody>
<tr>
<td>M Cariboo</td>
<td>3</td>
<td>441</td>
<td>147</td>
</tr>
<tr>
<td>M Lillooet</td>
<td>2</td>
<td>160</td>
<td>80</td>
</tr>
<tr>
<td>M Yale</td>
<td>3</td>
<td>262</td>
<td>87</td>
</tr>
<tr>
<td>M Kootenay</td>
<td>2</td>
<td>35</td>
<td>18</td>
</tr>
<tr>
<td>M N.W. District and Coast</td>
<td>2</td>
<td>439</td>
<td>220</td>
</tr>
<tr>
<td>M New Westminster City</td>
<td>1</td>
<td>114</td>
<td>114</td>
</tr>
<tr>
<td>I Victoria District</td>
<td>2</td>
<td>228</td>
<td>114</td>
</tr>
<tr>
<td>I Victoria City</td>
<td>4</td>
<td>706</td>
<td>177</td>
</tr>
<tr>
<td>I Cowichan</td>
<td>2</td>
<td>152</td>
<td>76</td>
</tr>
<tr>
<td>I Nanaimo</td>
<td>1</td>
<td>238</td>
<td>238</td>
</tr>
<tr>
<td>I Esquimalt</td>
<td>2</td>
<td>136</td>
<td>68</td>
</tr>
</tbody>
</table>

M = Mainland
I = Island


NOTE: Only 24 of the 25 M.L.A.'s are included—author error.
**TABLE 2**

PREMIERS OF BRITISH COLUMBIA, 1871 - 1903

<table>
<thead>
<tr>
<th>Name</th>
<th>Term</th>
</tr>
</thead>
<tbody>
<tr>
<td>John McCreight</td>
<td>November, 1871 - December, 1872</td>
</tr>
<tr>
<td>Amor De Cosmos</td>
<td>December, 1872 - February, 1874</td>
</tr>
<tr>
<td>George Walkem</td>
<td>February, 1874 - January, 1876</td>
</tr>
<tr>
<td>Andrew Elliott</td>
<td>February, 1876 - June, 1878</td>
</tr>
<tr>
<td>George Walkem</td>
<td>June, 1878 - June, 1882</td>
</tr>
<tr>
<td>Robert Beaver</td>
<td>June, 1882 - January, 1883</td>
</tr>
<tr>
<td>William Smithe</td>
<td>January, 1883 - March, 1887</td>
</tr>
<tr>
<td>A. E. B. Davie</td>
<td>April, 1887 - August, 1889</td>
</tr>
<tr>
<td>John Robson</td>
<td>August, 1889 - June, 1892</td>
</tr>
<tr>
<td>Theodore Davie</td>
<td>July, 1892 - March, 1895</td>
</tr>
<tr>
<td>John Turner</td>
<td>March, 1895 - August, 1898</td>
</tr>
<tr>
<td>Charles Semlin</td>
<td>August, 1898 - February, 1900</td>
</tr>
<tr>
<td>Joseph Martin</td>
<td>February, 1900 - June, 1900</td>
</tr>
<tr>
<td>James Dunsmuir</td>
<td>June, 1900 - November, 1902</td>
</tr>
<tr>
<td>Edward Prior</td>
<td>November, 1902 - June, 1903</td>
</tr>
</tbody>
</table>

**SOURCE:** Margaret Ormsby, *British Columbia: a History*, pp. 540-41.
British Columbia, Joseph Trutch, wanted John Helmcken to become the first premier of the province. Helmcken was respected, popular, and had been one of the delegates that negotiated the terms of union in Ottawa. However, Helmcken wanted to return to his medical practice and refused to become involved in the politics of the new province. The two leaders in the movement for Confederation and responsible government, John Robson and Amor De Cosmos, were very opinionated, and had made numerous political enemies. Moreover, Robson and De Cosmos were not able to form a political party for they were not personal friends, probably a matter of personality and a carryover from the rivalries of their newspapers during the colonial years. The Lieutenant-Governor chose a lawyer, John McCreight, as premier. McCreight was able to form a government, but he was not popular, nor able to provide strong political leadership in the infancy of the provincial government.

---


Despite the weakness of McCreight's government, most members of the Legislative Assembly supported the premier during the first session while the mechanics of government and basic, necessary laws for the province were formulated. At the beginning of the second session, in 1872, McCreight was defeated on a no-confidence vote and Amor De Cosmos, described by George Walkem as "having all the eccentricities of a comet without any of its brilliance," became the new premier. During his year and a half as premier, De Cosmos proved correct the conviction of many people that he would not be an effective leader. At the same time that he was premier, De Cosmos was also an M.P. in the Dominion House of quality leaders. Saywell believes the lack of effective government at the beginning of the province's history affected politics throughout the 1871-1903 period. Walter Sage, "Federal Parties and Provincial Groups in British Columbia, 1871-1913," British Columbia Historical Quarterly Volume 12 (1948), notes that the factions did not emerge along Island-Mainland lines. Sage contends that personality, the isolation of the province, and newspaper rivalries led to factionalism in British Columbia, a factionalism which was increased by the ease in "crossing the floor" to join the Opposition.

5 Patricia Johnson, "John Foster McCreight," British Columbia Historical Quarterly Volume 12 (1948).

Commons and spent most of his time in Ottawa, instead of Victoria. In his absence, George Walkem ran a caretaker government. Both De Cosmos and Walkem were mentioned in a land speculation scandal, and although both men were cleared of wrongdoing by an enquiry commission, the commission did criticize their conduct.\(^5\) In 1874 Walkem replaced De Cosmos; most of Walkem's first administration was marked by his "Fight Canada" policy. Walkem mishandled provincial finances and overspent government revenues on the graving-dock, and by 1876 the provincial government had a deficit of $500,000.\(^6\) The loan from the Dominion, which was necessary to save the finances of the government, led to Walkem's defeat in 1876 and replacement by Andrew Elliott, leader of the group of men who formed the Opposition. During his two years as premier, Elliott did not accomplish much, for he was a poor political leader, and Walkem remained the dominant person in the Legislative Assembly.\(^7\) In 1878 Elliott's government was defeated and Walkem returned as premier. According to Sidney Jackman, Walkem appeared to have lost interest in

---

\(^5\)George Woodcock, Amor De Cosmos, pp. 140-52.

\(^6\)R. E. Gosnell, A History of British Columbia, pp. 74-75.

\(^7\)S. W. Jackman, Portraits of the Premiers, p. 37.
the government and did not display much leadership. However, Walkem remained premier until his acceptance of a federal judgeship in 1882. Walkem was followed by another member of his faction, Robert Beaven, but public opinion had been building against the Walkem faction, and Beaven was defeated in the 1883 election.

In its first twelve years as a province British Columbia had five premiers and six governments, none of which had provided strong, effective leadership. Politics had been governed by factions, not parties; and the Island-Mainland rivalry had been strong. One indication of this rivalry was that every government had an equal number of Cabinet members from both sections. Walkem's "Fight Canada" policy, while popular at first, had not been successful. Though joining the Dominion had erased the colonial deficit, the provincial government was again in debt. Finally, none of these governments formulated any plans for the economic growth of British Columbia. Although the province would not achieve any substantial growth until the completion of the CPR, there were no government plans for fostering the growth of the province once the railroad was completed.

---

8 Ibid., p. 38.
9 Ibid., p. 34.
could have been used to survey some of the public land, and conduct inventories of the province's land and resources.

With Beaven's defeat in 1883, William Smithe became premier. The faction of Smithe and his followers ruled the British Columbia government until 1898. For most of these years this faction had large public support. However, the deaths of William Smithe, A. E. B. Davie, and John Robson, and a number of years of caretaker government, seriously hurt political leadership. Smithe and Davie were both in their forties at the time they were premiers. With their sizeable majority in the Legislative Assembly, these men might have been able to organize their followers into a political party to provide more effective government.

One of Smithe's first actions was to negotiate the 1884 Settlement Act. Smithe was the first premier who implemented some measures for developing British Columbia. One part of Smithe's program included a law prohibiting Chinese immigrants from entering British Columbia.\(^{10}\) This measure was disallowed by the Dominion, although the Dominion government did agree to limit Chinese immigration.

\(^{10}\) Ibid., p. 65.
Smithe began a large program of public works.¹¹ Most important, Smithe initiated a policy of using Crown land (land belonging to the British Columbia government, although technically owned by the Crown— the king or queen of Great Britain) as an inducement for projects to develop the economy of British Columbia. During Smithe's years as premier there were only a few projects where land subsidies were given. Gail and Ormsby both believe that Smithe wanted to give grants of land only for bona-fide projects.¹² However, succeeding governments did not retain Smithe's caution in granting land subsidies.

The Smithe government had established a precedent in using public lands, a seemingly inexhaustible asset, to bonus the construction of wagon roads and railways and to pay the costs of reclamation schemes. The succeeding administrations dispensed subsidies of land, mineral and timber rights with bold and munificent gestures.¹³

Smithe won an overwhelming victory in the 1886 election. Shortly after the elections, he became ill and the government was run by A. E. B. Davie, until Smithe's death in 1887. Davie became the new premier but he soon

¹¹Ibid., p. 65.


became sick, and John Robson ran the government. After Davie died in 1889, Robson became premier. Now the two leaders of the Confederation movement, Robson and De Cosmos, had both become premiers of British Columbia. Robson also suffered from ill-health between 1889 and his death in 1892.

During Robson's years as premier, the British Columbia government finally enacted legislation regulating provincial railroads. The 1890 session of the Legislative Assembly voted several subsidies to railroads, although the outcry from the public and from the political opposition over the subsidies convinced Robson to exercise more care in the grants his government gave. Robson encouraged Canadian and British companies to develop the economy of British Columbia; removed some of the weaknesses in the Land and Mineral Acts; vested coal and water resources in the Crown; and placed a 640-acre limit on the purchase of surveyed Crown land. However, the premier did not

---

14 A. E. B. Davie, Correspondence Outward, 1887, 1888 (Public Archives of British Columbia). Davie's correspondence contains several letters to John Robson from California (where Davie had gone in an attempt to restore his health) discussing issues of provincial government.

15 John Fahey, Inland Empire, p. 95.

16 Margaret Ormsby, British Columbia: a History, p. 311; and Sidney Jackman, Portraits of the Premiers, p. 85.
undertake major redistribution in the Legislative Assembly, despite the obvious need for more equitable representation. Robson's years as premier have received differing interpretations. Howay says that Robson's views were generally broad and progressive; Margaret Ormsby calls Robson "the single reformer in a dreary fifteen-year period of provincial politics"; while Sidney Jackman claims that Robson's old reform spirit was gone and that he was a patron of big business.

Robson was succeeded by Theodore Davie, who governed until his appointment to the British Columbia Supreme Court in 1895. John Turner followed Davie as premier until the 1898 election, when he was dismissed by Lieutenant-Governor Thomas McInnes. Turner's dismissal marked the beginning of the McInnes incident and the end of a faction that had governed British Columbia since 1883.

In the 1890s the Island-Mainland rivalry began to diminish as the population and economic growth of the Mainland surpassed Vancouver Island. Vancouver replaced

---

17 Sidney Jackman, Portraits of the Premiers, p. 85.

Victoria as the major city in British Columbia. In the 1871 Legislative Assembly, the Mainland had one more representative than the Island. Between 1871 and the 1890s the Assembly had been slightly enlarged, with some readjustment of seats to meet changes in population. However, the Mainland, despite its rapid growth in population, still maintained only a one-seat majority over the Island. Although there was increasing protest from the Mainland, the first redistribution of seats in the Legislative Assembly did not occur until 1894, when the Mainland's representation changed from seventeen to nineteen while the Island's dropped from sixteen to fourteen. This redistribution was accompanied by a promise of the Legislative Assembly to construct new government buildings (including a new building for the Legislative Assembly) in Victoria. In 1898 another redistribution increased the Mainland seats from nineteen to twenty-four. The 1902 redistribution enlarged the Legislative Assembly to forty-two members, and made the population size of each district more equitable: thirty seats went to the Mainland, while the Island received twelve.¹⁹

In the 1890s the government debt began to grow rapidly: from $2.4 million in 1894 to $4.8 million in 1898, increasing to $12 million by 1903. Part of this

was due to the 1893-1897 depression and to the expense of public works, but the major rise in the debt was caused by poor management of the government's finances by Theodore Davie and John Turner.  

The faction of Smithe and his followers gave lavish subsidies to industry. At the same time, these subsidies were not accompanied by any organized program for the development of the province. The general attitude of the government seems to have been that the sheer number of projects sponsored would inevitably produce development. There was little realization of the inefficiency of this method, and that the government was generously giving away much of its economic and political power, instead of leading and organizing the development of British Columbia. Of course the personal advantages that accrued to British Columbia's politicians made it easy to sponsor the various schemes proffered by industry. Some of the industrial projects were needed, and deserved government support, but many were only speculative ventures.

In the 1898 election Turner's faction won seventeen seats, and nineteen went to the Opposition; while two seats in the Cassiar region would not be decided until an election a few weeks later, although they were expected to

---

go to Turner. There had been widespread corruption in the
election, for election protests had been filed for twenty-
nine of the thirty-eight seats. Turner attempted to
strengthen his government while waiting for the contested
seats to be decided. The premier would not resign, nor
would he set a date for the meeting of the Legislative
Assembly. There was large public protest calling for
Turner's resignation, and Lieutenant-Governor McInnes
decided to dismiss the premier, stating:

... after a careful study of the situation I am
convinced that you could not command a majority in
the Assembly, and I shall not put the Province to
the delay, or to the expense, of a special Session
of the Legislature, merely for the purpose of
formally demonstrating what has been already
sufficiently demonstrated to me by the General
Elections.

Although dismissal was an extreme measure, McInnes's
powers as Lieutenant-Governor permitted him to take this
course of action. McInnes asked former Premier Robert
Beaven to form a government. Beaven, who had not been a
member of the Legislative Assembly since 1894, no longer
had large support and was unable to form a government.
McInnes then called on Charles Semlin, leader of the

21John Saywell, "The McInnes Incident in British
Columbia," British Columbia Historical Quarterly Volume 14

22Margaret Ormsby, British Columbia: a History,
p. 319.
Opposition, and Semlin formed a government that ruled until 1900.23

Semlin was not a strong political leader. His government consisted of two factions, headed by Joseph Martin and Francis Lovett Carter-Cotton. Both men were in Semlin's Cabinet, had political aspirations and were political enemies. Semlin was unable to control the feud between Martin and Carter-Cotton, and in 1900 the Premier requested Martin's resignation from his Cabinet. Martin then took his followers to the Opposition, which soon succeeded in defeating Semlin's government. Semlin requested a few days to make an effort to reconstruct his government, and McInnes granted this request. When Semlin returned and informed the Lieutenant-Governor that he felt his efforts had been successful, McInnes stunned Semlin by announcing his dismissal. McInnes's reasons were not given, and historians still speculate on his motivation. The Lieutenant-Governor's interference in the British Columbia government placed him in an awkward position. Semlin had been dismissed; Turner, the leader of the Opposition, had been dismissed in 1898; and there was no politician with a large following to whom McInnes could turn. The Legislative Assembly voted 22 to 15 to condemn

McInnes's dismissal of Semlin. McInnes asked Joseph Martin to form a government, but the Assembly responded with a 28 to 1 no-confidence vote of Martin. Martin called for elections. The 1900 elections shattered the old factions led by Turner and Semlin. Martin's group was the largest faction with approximately twelve members, but all of the remaining groups were united against Martin, and his government was defeated at the beginning of the new session of the Assembly. A coalition government was formed, headed by James Dunsmuir, and McInnes was dismissed by Prime Minister Laurier.

The McInnes incident again revealed the weakness of the British Columbia government and showed the hazards of Crown interference in provincial politics. Though McInnes's powers as Lieutenant-Governor enabled him to take the measures he did, these were extreme actions which produced chaos in the British Columbia government. McInnes's dismissal of Turner has received both censure and approbation by historians, but historians universally criticize his dismissal of Semlin and appointment of Martin.


The Dunsmuir and Prior governments from 1900 to 1903 were weak governments with little accomplished except for beginning the "Better Terms" movement. Meanwhile, there was a growing movement among British Columbia politicians for the establishment of political parties to provide more effective government. In 1902 both the Liberals and Conservatives formed parties for provincial politics, and the 1905 election was fought on party lines with Richard McBride, the Conservative leader, gaining victory.26

26 Martin Robin, The Rush for Spoils, pp. 82-84.
CHAPTER VII
THE ECONOMY OF BRITISH COLUMBIA, 1871 TO 1903

The development of the economy of British Columbia from 1871 to 1903 in many ways paralleled the growth of the Canadian economy. The industrialization of Canada, and the settlement of the Canadian West, did not begin on a large scale until the rapid growth of the American economy began to taper in the 1890s. In the late 1890s the Canadian economy began to boom as settlers came to the Prairies, induced by energetic government advertising and by a large choice of free and cheap land. Some of these settlers moved on to British Columbia. In the years after 1903 British Columbia's economy began major growth as markets became available for British Columbia's agriculture, fish, and natural resources, not only in the rapidly growing city of Vancouver (which became the largest city in the Canadian West), but also on the Prairies and in the rest of Canada.

The British Columbia economy developed slowly between 1871 and 1903, especially from 1871 to 1885. Until the completion of the CPR, there were no special attractions for settlers to go to British Columbia, and no
markets for the province's products. The CPR provided a link not only with the rest of Canada, but also opened access to British Columbia's Interior regions. As the Inland Sentinel (Kamloops) noted, "our sphere is greatly enlarged by the opening up of the CPR."\(^1\) After 1885 the economy of the Lower Mainland and southern Vancouver Island began to grow; however, the major economic development was lode mining in the Kootenays. The economy of British Columbia, based on mining, lumber, agriculture, and fishing, differed markedly from that of the Prairies. The main types of agriculture were dairying on Vancouver Island, cattle ranching in the Central Interior, and raising fruit and vegetables in certain areas of the Southern Interior. These industries and agricultural pursuits required settlers with skills which were different from those of grain farming on the Prairies. The British Columbia economy, and special factors within each sector of the economy, favored individuals with sizeable capital and large companies. Geography scattered the province's population and economy into several areas, making it difficult to organize and develop the economic growth. In addition, land grants to railroads, and the Dominion's Railway Belt and Peace River Block, alienated a significant portion of the province's agricultural land and

\(^1\)The Inland Sentinel (Kamloops), August 5, 1886.
natural resources. In 1890, a time when most areas of western Canada and western United States were actively seeking settlers, John Robson wrote:

... we have not yet the capacity to rapidly absorb immigration. Indeed we find the flow of population quite equal to our present ability to utilise it, and until we are in a better position - which I hope will be in the near future - we feel it to be our duty to avoid over-advertising.2

British Columbia's slow economic growth, and American control of the Kootenay mining in the early 1890s, increased the government's dependence on the companies. Moreover, the British Columbia government suffered financial difficulties and was in no position to challenge the power of the industries, for they produced revenue needed by the government. Geography and the scattered population made public works expensive, and some years half of the provincial government's revenue was spent on public works.3 Financial relations with the Dominion government were unfavorable, for the province gave more revenue to the Dominion than the subsidies received. The British Columbia government did not consolidate its bonded debt until the mid-1890s. At the same


3John F. Haney, Inland Empire, p. 98.
time the government finally used the provision of the Imperial Act to issue inscribed stock. The British Columbia government did little to protect the province's economy for the populace. The government had no concerted, long-range plan for developing the economy of British Columbia, and the efforts it did make to foster the economy were piecemeal and usually unsuccessful. Legislation was seldom designed to anticipate future needs of the province, and most measures were passed only after a situation arose which made action imperative.

The completion of the CPR's transcontinental line in 1885 made possible a network of intra-provincial railroads to stimulate the economy of British Columbia. From 1885 to 1903 railroads, along with mining, played an important role in the affairs of the province (see Maps 3 and 4).

The railroad subsidies given by the British Columbia government between 1885 and 1902 reflect the importance of railroads in the province. Some of the railroads were needed for the economic development of the province, and the provincial government believed that it had to provide subsidies of land and money. However, the British Columbia government gave away the province's land with great

---

Map 3. Railroads Built in British Columbia, 1885 to 1905

BRITISH COLUMBIA
SETTLEMENT
1871-1910

Each dot indicates the establishment of a settlement as defined by the inauguration of a school district.

- 1871-1890
- 1891-1910

Essentially settled
Explored but essentially unsettled
Unexplored

CPR main line
CPR branch lines and boat connections
Great Northern (James J. Hill)
D. C. Corbin (acquired by Great Northern)
Other lines
Map 4. Railroads Built in British Columbia, 1885 to 1903

[Diagram showing railroads in British Columbia, 1885 to 1903.]
generosity, promising twelve percent of the province's land to provincially chartered railroads, in addition to the six percent given to the Dominion for the transcontinental railroad. Only the failure of most of the provincially chartered railroad companies to build their railroads saved the province from almost total loss of its most valuable land and natural resources. Nevertheless, by 1903 the British Columbia government had alienated ten percent of the province's land in the Railway Belt, Peace River Block, and land grants to railroads. The land acquired by the Dominion government and railroad companies included much of British Columbia's most valuable land, and led to the loss of control over a sizeable portion of the economy by the British Columbia government.

The Canadian Pacific Railway (CPR) was formed in 1880 to build the Canadian transcontinental railroad, which had been part of Macdonald's "national policy" and British Columbia's terms of Confederation. The CPR had a president, George Stephen, a board of directors, and was authorized to sell $100 million of stock. The major

---

6 Ibid., p. 167.
7 Ibid., p. 168.
figures involved in the company were: James J. Hill (later head of the Great Northern), George Stephen (President of the Bank of Montreal), Duncan McIntyre (manager of the Canada Central Railway), Donald Smith (formerly a leading figure in the Hudson's Bay Company) and Sir John Rose (connected with the London banking firm of Morton, Rose and Company, a former Canadian Minister of Finance, and a personal friend of Prime Minister Macdonald). The financial backing for the CPR came from Morton, Rose and Company, J. S. Kennedy and Company of New York, and from the German-French syndicate of Kohn, Reinach and Company. Smith, Stephen, and Hill built the St. Paul, Minneapolis and Manitoba Railroad in 1879 which later became the nucleus for Hill's Great Northern system. In 1883 Hill withdrew from the CPR because of the company's continued determination to construct an all-Canadian transcontinental line. 8

The contract signed by the CPR and the Dominion government provided the CPR with a cash grant of $25 million and a land grant of twenty-five million acres (the stipulation that the land would be of "fair average quality" was included). The Dominion government gave the

CPR the sections of the transcontinental railroad which
had already been completed; waived the duty on the import
of all railway materials; exempted the CPR's land from
taxation for twenty years or until sold; exempted CPR
buildings from taxation forever; and gave the CPR a
twenty-year monopoly on any railroads built south of the
CPR line that ran within fifteen miles of the United
States border. In return the CPR promised to complete
the railroad within ten years and to operate the railroad
"efficiently." 9 Pierre Berton states that this contract:

represented a continuation of the traditional
partnership between the private and public
sectors, which would continue to be a fact of
Canadian life whenever transportation and com­
munication were involved. The geography of the
nation dictated that the government be in the
transportation business - either fully or in a
kind of working partnership with private
industry.10

Berton claims that this was "not the product of any real
social or political philosophy, but simply a pragmatic
solution to Canadian problems."11

The completion of the transcontinental railroad in
1885 left the CPR virtually bankrupt. Before constructing
branch lines, the company wanted to make sure that its

9 Pierre Berton, The National Dream and The Last
10 Ibid., p. 225.
11 Ibid., p. 225.
main line was running efficiently and profitably. With its limited finances, the CPR had to be certain that any lines it constructed would have a good possibility for success. At the same time the CPR was aware that the railroad had certain fixed costs that had to be paid. Failure to build railroads into some regions might vacate the field to competition and prove costly in the long run.\textsuperscript{12} The 1885 Annual Report of the CPR noted, "to 'hasten slowly' will, now that the main line is finished, be the wisest policy for the Company to pursue."\textsuperscript{13}

Though the CPR's directors realized the economic potential of the mining which had begun in the Kootenays in the late 1880s, they were unwilling to undertake the expenses of railroads into this area until certain that the mining was a permanent development. However, the CPR could not wait until the Kootenays could profitably afford a railroad, for the primary obstacle to the development of mining in the Kootenays was transportation costs.

From the local standpoint, a railway was the necessary foundation for any large scale mining effort . . . When it (the Rossland mining) first opened, the ore had to be bagged and moved seven miles by horse-drawn wagon to Trail. There it was offloaded and piled on the river bank. It was next loaded into a steamer for the run down to the railway. Again it had to be manhandled

\textsuperscript{12}J. Lorne McDougall, \textit{Canadian Pacific}, p. 67.

\textsuperscript{13}Ibid., p. 66.
out of the steamer and into a railway car and shipped off to a smelter. The whole process was so expensive that only very high grade ore would move at all . . . and even then there was very little profit.14

Until railroads were built to promote the mines, the mines could not service the railroads. The Americans recognized this situation, for D. C. Corbin built two railroads which joined the West Kootenays to the Inland Empire of Spokane.15 F. Auguste Heinze built a smelter at Trail, and a railroad from Trail to the Rossland mines.16

The threat of American control of the Kootenays forced the CPR to realize that action was necessary.

William Van Horne's 1896 Annual Report warned:

"... your Company will continue at a disadvantage in competing with the American lines ... until it shall have direct railway connections of its own. Until then the greater part of the mining traffic will be beyond its reach, and will continue to be, as at present, carried by the American lines southward ... Unless your Company occupies the ground others will, the demand for shipping and travelling facilities being most urgent."17

14 Ibid., p. 74.
15 John Fahey, Inland Empire, Chapters 9-11. Corbin was an American railroad builder who constructed several railroads in the Spokane area, making this city the center of the Inland Empire.
16 Ibid., p. 153. Heinze was an American engineer who had built a smelter at Butte, Montana.
The CPR faced two difficulties in its efforts to capture the trade of the Kootenays. First, it had no major trade centers nearby to provide supplies. There were no large towns in the British Columbia Interior, and Calgary and Vancouver were hundreds of miles away. In addition, supplies from the CPR to the Kootenays had to be sent by boat down the Arrow Lakes, a slow unreliable method of operation, especially in the winter. The distance to Spokane, on the other hand, was only 150 miles, and once Corbin's Nelson and Fort Shepard was completed, the Kootenays had direct year-round railroad connections with a large trade center. Vancouver did not replace Spokane as the major center of supplies for the Kootenays and other areas of the Southern Interior until the CPR built a direct rail connection from Vancouver through southern British Columbia during World War I.

The second obstacle was the lack of smelters to treat the ore. The nearest smelters were at Butte, Great Falls, and San Francisco in the United States. Though the British Columbia and Dominion governments both provided

---


bonuses for smelters and a few smelters had been built in the province, none operated more than a few months. Heinze's smelter at Trail was largely responsible for the boom in the rich Rossland mines. In 1898 difficulties with his Butte operations forced Heinze to sell his Canadian holdings to the CPR. The CPR acquired Heinze's Columbia and Western Railway charter which included a land grant of 1,550,000 acres, and more important, a smelter where the ore from the mines served by their railroads could be sent.

One other step improved the CPR's competitive position in the mining development of the Kootenays. In 1897 the CPR built the British Columbia Southern Railway from the Crow's Nest Pass (where it joined another CPR-owned railroad running to Lethbridge) to Kootenay Landing at the southern end of Kootenay Lake. From Kootenay Landing there were boat and railroad connections to the Trail smelter. The coal from the Crow's Nest Pass coal fields provided the fuel necessary for large-scale operations at the Trail smelter. Construction of the B.C. Southern involved an agreement with the Dominion govern-

20 British Columbia, Statutes, 1886, 49 Victoria, no. 18; and S. S. Fowler, "Early Smelters in British Columbia," British Columbia Historical Quarterly Volume 3 (1939).

21 J. Lorne McTougall, Canadian Pacific, p. 81.
The Dominion promised the CPR a subsidy of $11,000 per mile, in addition to the British Columbia government's subsidy of 20,000 acres per mile, totalling 3,750,000 acres, while in return, the CPR reduced the freight rates 10 to 33 1/3 percent: the "Crow's Nest rates" agreement. 22

The CPR also built other railroad lines in the Southern Interior from 1885 to 1903. A branch line was completed from Revelstoke on the CPR main line to Arrowhead on Upper Arrow Lake in 1893. 23 In 1897 the CPR acquired the Columbia and Kootenay Steam and Navigation Company which operated a fleet of steamers on both Kootenay Lake and the Arrow Lakes. 24 The Nakusp and Slocan, from Nakusp on Upper Arrow Lake to the Slocan silver mines, competed with James Hill's Kaslo and Slocan which attempted to direct the production of the mines to

22 Ibid., Chapter 8. The "Crow's Nest rates" were designed to stimulate trade between eastern and western Canada. These rates have proven important in 20th century Canadian commerce.


Kaslo on Kootenay Lake, where the ore would be taken by steamer to the United States. The CPR received a land grant of 200,000 acres for the Columbia and Kootenay which carried the ore from the mines at Nelson to Robson at the southern end of Lower Arrow Lake. This railroad competed with D. C. Corbin's Nelson and Fort Shepard. The CPR constructed the Columbia and Western from Robson on Lower Arrow Lake to Trail and westward from Rossland to the Boundary district. Several small spurs were built to various mining localities in the Kootenays. In 1901 the Kootenay and Arrowhead was constructed from Cranbrook to the Sullivan mine at Kimberly; in the years after 1902 the East Kootenays became an important mining center. The Shuswap and Okanagan railroad ran from the CPR main line to Okanagan Lake where the CPR operated a steamship service. These railroads, spurs, and steamers combined


27 Ibid., pp. 139-40.

28 Ibid., p. 142.

29 Ibid., p. 142.

gave the CPR an integrated transportation system in the Kootenays. (See Map 4).

Between 1885 and 1903 the CPR constructed some railroads in other regions of British Columbia. The Nicola Valley railroad helped the ranching industry in one area of the Central Interior. A few railroads were built in the Lower Mainland around Vancouver.

The CPR had other influences in British Columbia. An 1886 agreement with the Dominion allowed the railroad to select up to 160 acres from Railway Belt land which adjoined each train station. This privilege allowed the CPR to control the town sites which often grew around the railroad stations, an arrangement which was profitable to the CPR and made them important in many new towns in the Interior. A contract with the Dominion government in 1889 provided the CPR with a $75,000 per year subsidy for ten years to establish a shipping service between Vancouver and Hong Kong. The CPR was able to use its influence with the Dominion government to obtain disallowances of a railroad from the Lower Mainland to the Washington border

---

31 British Columbia, Statutes, 1893, 56 Victoria, no. 57.


33 Ibid., p. 138.
(James Hill eventually built a railroad from New Westminster to Blaine after the CPR abandoned the monopoly clause in 1888) and Corbin's proposal to build a railroad from the Kootenays to Vancouver.\textsuperscript{34}

By 1905 the CPR had become a powerful economic force in British Columbia. The company owned the main line, which was the province's primary link with the rest of Canada, and controlled several railroads in the Southern Interior; three of these had brought land grants.\textsuperscript{35}

\begin{center}
\begin{tabular}{|l|c|}
\hline
Columbia and Kootenay & 188,593 acres \\
British Columbia Southern & 3,755,733 acres \\
Columbia and Western & 1,315,273 acres \\
\hline
\end{tabular}
\end{center}

Most important, the CPR, by acquisition of Heinze's smelter at Trail and control over part of the Crow's Nest Pass coal fields, had become integrated with the mining of the Kootenays.\textsuperscript{36} Their railroads provided the transportation which hauled the coke and the ores to the smelter, shipped the minerals from the smelter to Canadian industry, and brought Canadian commerce to the Kootenays. By 1905 the CPR had become the major economic force in the Kootenays,

\textsuperscript{34}The Victoria Colonist, March 15, 1890; and K. E. Gosnell, A History of British Columbia, Part 2, p. 136.

\textsuperscript{35}J. Lorne McDougall, Canadian Pacific, p. 127.

\textsuperscript{36}Ibid., pp. 74-75.
Cartoon 2. Van's Reserve Pudding

Premier Robson took violent exception to this cartoon and to the accompanying statement: "The Napoleonic Van Horne seems to have set his heart on taking possession of the entire mining region in the 'Sea of Mountains', and several great slices of territory have already been reserved in connection with the projected railway to the Kootenay district, which is, of course, controlled by the Canadian Pacific".

From Grip, February 13, 1892.

Source: Margaret Ormsby, British Columbia: a History, p. 308.
although some American influence (principally the Great Northern) continued for another decade.

The role of the CPR in British Columbia was quite different from that in the Prairie Provinces. On the Prairies the CPR held large tracts of agricultural land which it wanted to sell to settlers as quickly as possible. The CPR felt that its revenue would come not from land sales, but from shipment of the farmer's grain, and his demand for goods from other parts of Canada. The CPR's railway lands on the Prairies generally consisted of the odd-numbered sections, while the Dominion offered the even-numbered sections for homesteading. In the 1880s and early 1890s the CPR sold their land for $1.00 to $1.50 per acre. Though the Dominion and CPR made serious efforts to attract settlers to the Canadian West, the large influx of population did not begin until the late 1890s when the settlement of the American West had begun to taper, when strains of wheat suitable for the Canadian prairies had been developed, and when the techniques of irrigation and dry land farming had been improved.\textsuperscript{37} The CPR selected only 1,320 acres of its 25 million acre Dominion subsidy in British Columbia.\textsuperscript{38}

\textsuperscript{37}Douglas Hill, \textit{The Opening of the Canadian West}, (New York: John Day Company, 1967), Chapter II.

\textsuperscript{38}Chester Martin, \textit{Dominion Land Policy}, p. 303.
During the 1885 to 1903 period, the CPR was the only major non-American company to build railroads in British Columbia. The provincial government's fear of American economic control of the Kootenays increased its dependence on the CPR. The American activities forced the CPR to undertake involvement that included more than merely building a railroad to service the trade of an area. Ownership of a smelter, control over some coal fields, and total integration into the mining of the Kootenays was a new role for the CPR; one that proved very successful, profitable, and made the company very powerful in British Columbia.

Mining in the Kootenays was started and developed by American miners and business. The Americans soon recognized that railroads were needed in order to reduce the costs of shipping the ore from the mines to the smelter and make the mining profitable. In 1893 D. C. Corbin built the Nelson and Fort Shepard Railroad from Nelson to the International Boundary where the railroad joined Corbin's Spokane Falls and Northern Railroad. For the Nelson and Fort Shepard, Corbin received a land grant of 580,000 acres from the British Columbia government.\(^{39}\) This railroad enabled the owners of the mines around

---

Nelson to ship their ore directly from Nelson to American smelters, and to receive supplies from Spokane at cheaper rates than previously. In 1896 Corbin constructed the Red Mountain Railway into the Rossland mines. Both of these railroads increased American economic influence in the Kootenays and Spokane's importance as the center of trade for this area of British Columbia.

F. Auguste Heinze was another American involved in railroad building in the Kootenays. Heinze acquired the Columbia and Western Railroad charter which permitted him to build a railroad from his smelter at Trail to the Rossland mines. This charter enabled Heinze to build a railroad from Trail through southern British Columbia to the Pacific coast, but his plans for further construction of the Columbia and Western never materialized.

In 1893 James Hill completed the Great Northern, the most northern of the railroads across the American West. Hill then began to construct branch lines into southern British Columbia in an effort to capture some of the province's trade. On Vancouver Island he built the Victoria and Sidney which ran from the capital to the ter-

\[40\text{Ibid., Chapters 10-11.}\]
mineral for the ferries crossing to the mainland. The New Westminster Southern ran from New Westminster to the International Boundary at Blaine. In the Kootenays Hill received a land subsidy of 250,000 acres for constructing the Kaslo and Slocan from Kaslo on Kootenay Lake to the Slocan silver mines. The Bedlington and Nelson ran from the International Boundary to Kootenay Lake where there was boat connection to Nelson. In 1898 Corbin's railroad system, including Corbin's two Canadian railroads, was purchased. Hill acquired control over some of the coal fields in the Crow's Nest Pass, and built the Crow's Nest Southern from the coal fields to the International Boundary at Roosville. Hill also chartered a railroad

---


43 British Columbia, Sessional Papers, 1899; and Arthur Downs, Paddlewheels on the Frontier, Volume 2, p. 45.


to run from the Crow's Nest Pass coal fields through the Flathead coal fields to the International Boundary at Flathead-Trail Creek, although this railroad was never built. 46

In 1900 the first of three smelters "blew in" in the Boundary district, beginning large-scale development of the copper mines in this area. Hill obtained the Victoria, Vancouver, and Eastern charter and built a railroad and some short spur lines in the Boundary district. 47 The Victoria, Vancouver, and Eastern was connected with Hill's American network and became integrated into the mining of the Boundary District in a method similar to the CPR's integration with the Rossland mines. Hill's railroads hauled coke from the Crow's Nest Pass to the Boundary smelters (which were owned by Americans), shipped the ore from the mines of the district to the smelters, and hauled the copper from the smelters to markets. 48 Both the CPR and Great Northern competed for the trade of the Boundary district, but in this area the Great Northern predominated.

46 British Columbia, Statutes, 1905, 5 Edward, no. 37.

47 Great Northern Railway Company, 13th Annual Report, 1902, p. 9; and F. W. Howay, W. N. Sage, and H. F. Angus, British Columbia and the United States, pp. 253-54, p. 258. The V.V.E.E. charter permitted Hill to build a route through the Southern Interior to the Lower Mainland. Hill never used this option and in the 1910s the charter was acquired by the CPR.

48 Ibid., pp. 257-58.
As in other areas of the Southern Interior, geography gave Hill's railroads much easier access to the Boundary District from the United States. In addition the CPR concentrated its activities in the Kootenays on the Rossland mines.

By 1903 James Hill had built six railroad lines in British Columbia and acquired D. C. Corbin's two Canadian railroads, all of which tied into Hill's American network. The railroads did succeed in capturing some of British Columbia's trade, and Spokane was the major source of supplies for the people of the Kootenays. Hill's railroads were integrated into the mining development of the Boundary district. However, the CPR's ownership of the smelter at Trail enabled the Canadian railroad to gain control of the Rossland mines, the most important mining district in the Kootenays, and by 1903 Hill's influence in that part of the Southern Interior had been supplanted. Nevertheless, Hill's railroads retained some importance in southern British Columbia until the 1910s when the copper mines of the Boundary district began to decline in production, and the completion of the CPR line through the Southern Interior enabled Vancouver to replace Spokane as the major center of trade for the Southern Interior. \(^{49}\)

Only two railroads built in British Columbia before

\(^{49}\)ibid., p. 259.
1903 were not constructed by D. C. Corbin, James Hill, or the CPR. As a result of the Klondike gold rush, a British company built the British Columbia-Yukon Railroad in 1900 in northern British Columbia. Robert Dunsmuir, assisted by a British Columbia land grant of 1.9 million acres and a Dominion bonus of $750,000, constructed the Esquimalt and Nanaimo Railroad. The railroad company included the American "Big Four" of Huntington, Hopkins, Stanford and Crocker, but Dunsmuir maintained financial control. Dunsmuir's alliance with the "Big Four" aroused the fears of many people in Victoria that the Americans would control the major railroad on Vancouver Island, but the Americans never became important in the Esquimalt and Nanaimo. In 1905 this railroad was sold to the CPR.

The construction of the American railroads caused the British Columbia government to face difficult decisions. The provincial government wanted economic growth for the province and saw this potential in the Kootenays. Railroads were a necessary part of this development. How-


51 F. W. Howay, W. N. Sage, and H. F. Angus, British Columbia and the United States, pp. 243-44.

52 Ibid., pp. 244-45.

53 J. Lorne McDougall, Canadian Pacific, p. 171.
ever, the Kootenay mines were dominated by Americans, and encouragement of American railroads would strengthen American economic control of the Kootenays. American railroads would bring in goods from Spokane and take the Kootenay ore out of the country, limiting the revenue the government would receive. The Kootenays would not be integrated into the British Columbia and Canadian economy.

The attitude of the British Columbia government towards American railroads in the province has not been explored in much detail by British Columbia historians. Most historians note the generosity of the provincial government in subsidizing railroads. "The respect and consideration shown to the transportation interests sometimes left the people wondering just where political power in British Columbia did rest." However, no indication is given whether the generosity of the provincial government applied uniformly to both American and Canadian railroads. John Fahey notes that "few Canadians honestly wanted a railroad controlled in the United States."55

During the 1880s and early 1890s the British Columbia government willingly chartered American railroads.

54 Margaret Ormsby, British Columbia: a History, p. 305.

55 John Fahey, Inland Empire, p. 90.
The provincial government wanted economic growth for British Columbia and was willing to accept American business, despite their fear of American economic control of the province, because no other source of development was available.\textsuperscript{56} Though Premier John Hobson (generally considered the only reform premier in British Columbia from 1885 to 1903) talked publicly about his fear of American control of the Kootenays, he wrote the following to D. C. Corbin in 1892, concerning Corbin's petition for a land grant for the Nelson and Fort Shepard: "In regard to the land grant public opinion has recently been running so strongly in an opposite direction that I anticipate a good deal of difficulty in obtaining the consent of the Legislature . . . When the proper time arrives, I shall do what I can in the matter."\textsuperscript{57} Corbin received a land grant for the Nelson and Fort Shepard, although he did not get one for the Red Mountain Railway in 1896. At the same time, the British Columbia government hoped that chartering American railroads would force Canadian rail-


\textsuperscript{57} John Hobson, "Letter to D. C. Corbin, February 16, 1892," \textit{Outward Correspondence, Private, October 1891 to May 1892}, p. 110.
Despite the construction of a series of railroads in British Columbia by the CPR during the 1890s, why did the British Columbia government continue to charter American railroads through 1903, especially when most of the American lines were feeders that tied in with James Hill’s Great Northern system, and drained some of southern British Columbia’s trade to the United States? The most logical explanation is that the British Columbia government continued to approve American railroads in an effort to counterbalance the power of the CPR. By encouraging both sides the government hoped to play off the power of the CPR and the Great Northern while attaining further economic growth for the province.

In the early 1890s D. C. Corbin proposed building a railroad from Vancouver to the Southern Interior and obtained a railroad charter from the provincial government. Under CPR pressure, the Dominion disallowed this charter, but in an effort to appease British Columbia the CPR built the Columbia and Kootenay from Nelson to Robson on Lower Arrow Lake. The following year the provincial government chartered the Nelson and Fort Shepard which

---


59 John Pahey, Inland Empire, p. 126.
allowed Corbin's railroad system direct access to Nelson. Although the Dominion attempted to delay Corbin's charter, Corbin finally gained Dominion approval for his railroad.\textsuperscript{60} When the Nelson and Fort Shepard was completed Nelson had direct connection with Spokane, and the CPR's Columbia and Kootenay railroad was temporarily worthless. Cornelius Van Horne bitterly commented that the Columbia and Kootenay was a "railroad from nowhere to nowhere."\textsuperscript{61} In 1892 the CPR built the Nakusp and Slocan into the Slocan silver mines. The following year Hill received a charter for the Kaslo and Slocan, another railroad into the same district. In 1898 the British Columbia Southern railroad gave the CPR access to the Crow's Nest Pass coal fields. Three years later the provincial government chartered the Crow's Nest Southern which allowed Hill to build a railroad from the Great Northern main line into these same coal fields. In 1899 the CPR continued the Columbia and Western from Rossland into the boundary district in an effort to capture the trade generated by opening of the copper mines in that district. Three years later Hill received a charter for the Vancouver, Victoria and Eastern, which enabled Hill to construct a railroad from the United States into this

\textsuperscript{60} Ibid., pp. 127-28.

\textsuperscript{61} Ibid., p. 126.
mining district.

It appears that the British Columbia government had only limited success in its efforts to counterbalance the power of the CPR and American railroads. In 1903 CPR lines constituted the majority of railroad mileage in British Columbia, and the CPR's main line was British Columbia's major link with the rest of Canada. Moreover, the CPR had been the major force opposing American economic domination of the Kootenays. Though the provincial government tried to curb the power of the CPR, fear of American economic control in British Columbia limited the extent to which American railroads, particularly the Great Northern, could be used to counterbalance the CPR.

However, the major weakness of the British Columbia government's railroad program was its subsidy policy. The first land granted by the British Columbia government for railroads was the Railway Belt conveyed to the Dominion in the province's terms of Confederation. As amended by the 1884 Settlement Act, the British Columbia government conveyed to the Dominion the Railway Belt (11 million acres of land), plus the Peace River Block (5.5 million acres): a total of 14.5 million acres. In the Settlement Act the provincial government also conveyed 1.9 million acres to the Dominion for the Esquimalt and Nanaimo Railroad. The rights given with this acreage illustrate some of the province's generosity in its land subsidies. The Esqui-
malt and Nanaimo Railway Company received rights to all coal, coal oil, ores, stone, clay, mines, minerals, and timber on its land.\textsuperscript{62}

Premier William smithe began the policy of using provincial land as an inducement for projects to develop the economy of British Columbia. Although Robert Cail and Margaret Ormsby both believe that smithe wanted to give grants of land only for bona fide projects, some of smithe's grants of land and money, particularly to the CPR, appeared overly generous. "\textquote[With more liberality than good sense the smithe government readily agreed on February 23, 1885 to grant an additional 6,000 acres west of Fort Moody to the Canadian Pacific Railway, plus a number of sizeable lots in Granville, for the extension of its line into Vancouver . . .\textquotenbspp These concessions were criticized by many people because the CPR would have had to undertake this extension, even without government assistance, for Fort Moody was an inadequate terminus for the CPR.\textsuperscript{64} In 1886 the provincial government gave the CPR $75,000 for a 17-mile spur to New Westminster; a line which the CPR would have constructed even if the provin-

\begin{footnotesize}
\begin{itemize}
\item \textsuperscript{62}\textit{Robert Cail, Land, Man and the Law}, p. 142.
\item \textsuperscript{63}\textit{Ibid.}, p. 144.
\item \textsuperscript{64}\textit{Ibid.}, p. 144.
\end{itemize}
\end{footnotesize}
cial government did not provide assistance.65

From the late 1880s through 1903, the British Columbia government granted numerous subsidies to railroads. Most of these subsidies were grants of land, oftentimes 20,000 acres per mile, although sometimes the British Columbia government guaranteed interest on the bonds of railroad companies. British Columbia historians have noted the ease of obtaining a railroad charter and land subsidy from the provincial government during these years.

Almost anyone of any standing in the community could obtain a railroad charter and the valuable rights that accompanied it. The process was the essence of simplicity: all an applicant had to do was insert on a printed form the names of the directors of his company, the location of the termini and of the registered office; obtain the sponsorship by a private member for a railway bill and by a cabinet minister for a subsidy act.66

Though most people felt that some of the railroads were necessary, and should be aided by the government, some of the grants aroused questions even at the time. In 1869 the provincial government promised a subsidy of 20,000 acres per mile, totalling approximately 14 million acres, to the Canadian Western Central Railway for a railroad from Yellowhead Pass to Nanaimo. The railroad was not

65 Ibid., p. 144.

In the Southern Interior 3.7 million acres were given to the CPR for construction of the British Columbia Southern. In 1897 the Cassiar Central was promised 700,000 acres of mining land.

In the late 1890s the British Columbia government finally attempted to give some direction to development by offering cash payments for railroads to specific locations. In 1897 $4,000 per mile, payable after the railroad's completion, was offered for a railroad from the Pacific Coast to Penticton, from Penticton to Boundary Creek, and from Bute Inlet to Quesnel. This same offer was repeated in 1898, with two more locations added, and once more in 1900. In 1902 the provincial government upped these offers to $5,000 per mile, payable after each ten miles. Between 1885 and 1903 none of these offers were accepted.

---

67 British Columbia, Statutes, 1889, 52 Victoria, no. 34.

68 Ibid., 1890, 53 Victoria, no. 40.

69 Ibid., 1897, 60 Victoria, no. 35.

70 Ibid., 1897, 60 Victoria, no. 24.

71 Ibid., 1898, 61 Victoria, no. 30; and 1900, 63 Victoria, no. 52.

72 Ibid., 1902, 2 Edward, no. 9, no. 42, no. 55, no. 70.
The Dominion government also provided assistance for railroad development in British Columbia. The BNA Act gave the Dominion the right to declare any railroad "wholly situate within a province [either] before or after their execution . . . to be for the general advantage of Canada." In 1882, the Dominion government voted a subsidy of $5,200 per mile, designed to pay for the cost of rails, which could be given to intra-provincial railroads that were for the "general advantage of Canada." Between 1885 and 1905 the Dominion government gave subsidies to some railroads in British Columbia; most of the railroads built by the CPR received a Dominion subsidy.

Between 1885 and 1903 land subsidies promised by the British Columbia government to provincially chartered railroad companies (excluding the Railway Belt and Peace River Block) totalled approximately 28 million acres, over 12 percent of the province's land (see Table 3). Fortunately for the province, few of these railroads were built, and only 8.2 million acres were conveyed to railroad companies (see Table 4). These 8.2 million acres, coupled with the 14.5 million acres ceded to the Dominion, meant that 22.7 of British Columbia's 234 million acres (ten per-

---


74 Ibid., p. 443.
TABLE 3
SUBSIDIES GIVEN BY THE BRITISH COLUMBIA GOVERNMENT, 1884 TO 1903

<table>
<thead>
<tr>
<th>Railroad</th>
<th>Status of Railroad Charter</th>
<th>Subsidy Promised</th>
<th>Total Approximate Acreage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ashcroft and Cariboo</td>
<td>Lapsed 20,000 acres/mile</td>
<td>1,500,000</td>
<td></td>
</tr>
<tr>
<td>British Columbia Southern</td>
<td>Built 20,000 acres/mile</td>
<td>3,750,000</td>
<td></td>
</tr>
<tr>
<td>Canadian Western Central</td>
<td>Lapsed 20,000 acres/mile</td>
<td>14,000,000</td>
<td></td>
</tr>
<tr>
<td>British Columbia Yukon</td>
<td>Built 5,120 acres/mile</td>
<td>160,000</td>
<td></td>
</tr>
<tr>
<td>Cassiar Central</td>
<td>Lapsed 10,240 acres/mile</td>
<td>700,000</td>
<td></td>
</tr>
<tr>
<td>Columbia and Kootenay</td>
<td>Built 200,000 acres</td>
<td>200,000</td>
<td></td>
</tr>
<tr>
<td>Columbia and Western</td>
<td>Built 20,000 acres/mile</td>
<td>1,350,000</td>
<td></td>
</tr>
<tr>
<td>Esquimalt and Nanaimo</td>
<td>Built 1,900,000 acres</td>
<td>1,900,000</td>
<td></td>
</tr>
<tr>
<td>Kaslo and Slocan</td>
<td>Built 10,240 acres/mile</td>
<td>250,000</td>
<td></td>
</tr>
<tr>
<td>Kootenay and Athabasca</td>
<td>Lapsed 300,000 acres</td>
<td>300,000</td>
<td></td>
</tr>
<tr>
<td>Nelson and Fort Shepard</td>
<td>Built 10,240 acres/mile</td>
<td>580,000</td>
<td></td>
</tr>
<tr>
<td>Okanagan and Kootenay</td>
<td>Lapsed 20,000 acres/mile</td>
<td>2,500,000</td>
<td></td>
</tr>
<tr>
<td>Stickeen and Teslin</td>
<td>Lapsed 5,120 acres/mile</td>
<td>500,000</td>
<td></td>
</tr>
<tr>
<td>Yukon Mining, Trading and Transport</td>
<td>Lapped 5,120 acres/mile</td>
<td>500,000</td>
<td></td>
</tr>
<tr>
<td>Upper Columbia Navigation and Tramway</td>
<td>Built 2,000 acres/mile</td>
<td>1,700</td>
<td></td>
</tr>
</tbody>
</table>

Total: 28,191,700 (approximate)

Actual amount earned by railroads: 8,191,700 (approximate)
<table>
<thead>
<tr>
<th>Railroad</th>
<th>Status of Railroad Charter</th>
<th>Subsidy Promised</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chilliwack</td>
<td>Lapsed</td>
<td>Guarantee on bonds</td>
</tr>
<tr>
<td>Midway and Vernon</td>
<td>Lapsed</td>
<td>$5,000/mile</td>
</tr>
<tr>
<td>Nakusp and Slocan</td>
<td>Built</td>
<td>Guarantee interest on bonds of up to $25,000/mile</td>
</tr>
<tr>
<td>Nicola Valley</td>
<td>Built</td>
<td>Guarantee interest on bonds of up to $25,000/mile</td>
</tr>
<tr>
<td>Pacific Northern and Omineca</td>
<td>Lapsed</td>
<td>$5,000/mile</td>
</tr>
<tr>
<td>Shuswap and Okanagan</td>
<td>Built</td>
<td>Cash payment, guarantee interest on bonds</td>
</tr>
<tr>
<td>Victoria and Sidney</td>
<td>Built</td>
<td>Guarantee interest on bonds up to $300,000</td>
</tr>
</tbody>
</table>

*SOURCE: British Columbia, Statutes; and British Columbia, Sessional Papers, 1899.*
**TABLE 4**

RAILROADS CONSTRUCTED IN BRITISH COLUMBIA,
1885 TO 1905

<table>
<thead>
<tr>
<th>Railroad</th>
<th>Dominion Subsidy</th>
<th>Provincial Subsidy</th>
</tr>
</thead>
<tbody>
<tr>
<td>*Arrowhead and Kootenay</td>
<td>None</td>
<td>None</td>
</tr>
<tr>
<td>+Bedlington and Nelson</td>
<td>None</td>
<td>None</td>
</tr>
<tr>
<td>*British Columbia Southern</td>
<td>$11,000/mile ($3,400,000)</td>
<td>20,000 acres/mile (3,750,000 acres)</td>
</tr>
<tr>
<td>British Columbia Yukon</td>
<td>None</td>
<td>5,120 acres/mile (160,000 acres)</td>
</tr>
<tr>
<td>*Columbia and Kootenay</td>
<td>$3,200/mile ($65,000)</td>
<td>200,000 acres</td>
</tr>
<tr>
<td>*Columbia and Western</td>
<td>$3,200/mile ($325,000)</td>
<td>20,000 acres/mile (1,550,000 acres)</td>
</tr>
<tr>
<td>+Crow’s Nest Southern</td>
<td>None</td>
<td>None</td>
</tr>
<tr>
<td>Esquimalt and Nanaimo</td>
<td>$750,000</td>
<td>1,900,000 acres</td>
</tr>
<tr>
<td>+Kaslo and Slocan</td>
<td>None</td>
<td>10,240 acres/mile (250,000 acres)</td>
</tr>
<tr>
<td>*Nakusp and Slocan</td>
<td>$3,200/mile ($110,000)</td>
<td>Guarantee interest on bonds</td>
</tr>
<tr>
<td>*Nicola Valley</td>
<td>$3,200/mile ($125,000)</td>
<td>Guarantee interest on bonds</td>
</tr>
<tr>
<td>#Nelson and Fort Shepard</td>
<td>None</td>
<td>10,240 acres/mile (580,000 acres)</td>
</tr>
<tr>
<td>+New Westminster Southern</td>
<td>None</td>
<td>None</td>
</tr>
<tr>
<td>#Red Mountain</td>
<td>None</td>
<td>None</td>
</tr>
<tr>
<td>*Shuswap and Okanagan</td>
<td>$3,200/mile ($160,000)</td>
<td>Guarantee interest on bonds</td>
</tr>
<tr>
<td>*Vancouver and Lulu Island</td>
<td>None</td>
<td>None</td>
</tr>
</tbody>
</table>

119
TABLE 4—Continued.

<table>
<thead>
<tr>
<th>Railroad</th>
<th>Dominion Subsidy</th>
<th>Provincial Subsidy</th>
</tr>
</thead>
<tbody>
<tr>
<td>+Vancouver, Victoria and Eastern</td>
<td>None</td>
<td>None</td>
</tr>
<tr>
<td>+Victoria and Sidney</td>
<td>None</td>
<td>Guarantee interest on bonds up to $300,000</td>
</tr>
</tbody>
</table>

Total (approximate) $4,955,000 8,190,000 acres

* CPR $4,205,000 5,300,000 acres
+ Great Northern ----- 250,000 acres
# D. C. Corbin ----- 580,000 acres

SOURCE: British Columbia, Sessional Papers, 1899; and Harold Innis, A History of the Canadian Pacific Railway, pp. 139-43.
<table>
<thead>
<tr>
<th>Name of Railroad</th>
<th>Location</th>
<th>Eventual Status of Railroad Charter; Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adams River</td>
<td>Central Interior</td>
<td>Lapsed</td>
</tr>
<tr>
<td>Alice Arm</td>
<td>Vancouver Island</td>
<td>Lapsed</td>
</tr>
<tr>
<td>Arrowhead and Kootenay</td>
<td>Southern Interior</td>
<td>Built by CPR</td>
</tr>
<tr>
<td>Ashcroft and Cariboo</td>
<td>Central Interior</td>
<td>Lapsed</td>
</tr>
<tr>
<td>Atlin Short Line Railway and Navigation Company</td>
<td>North</td>
<td>Lapsed</td>
</tr>
<tr>
<td>Atlin Southern</td>
<td>North</td>
<td>Lapsed</td>
</tr>
<tr>
<td>Barkerville, Ashcroft and Kamloops</td>
<td>Central Interior</td>
<td>Lapsed</td>
</tr>
<tr>
<td>Bedlington and Nelson</td>
<td>Southern Interior</td>
<td>Built by Great Northern</td>
</tr>
<tr>
<td>Bedlington and West Kootenay</td>
<td>Southern Interior</td>
<td>Lapsed</td>
</tr>
<tr>
<td>British Columbia and Northern</td>
<td>North</td>
<td>Lapsed</td>
</tr>
<tr>
<td>British Columbia Southern</td>
<td>Southern Interior</td>
<td>Built by CPR</td>
</tr>
<tr>
<td>British Columbia Yukon</td>
<td>North</td>
<td>Built by a British company</td>
</tr>
<tr>
<td>Burrard Inlet and Fraser Valley</td>
<td>Lower Mainland</td>
<td>Lapsed</td>
</tr>
<tr>
<td>Burrard Inlet Railway and Ferry Company</td>
<td>Lower Mainland</td>
<td>Lapsed</td>
</tr>
<tr>
<td>Canadian Western Central</td>
<td>Central Interior</td>
<td>Lapsed (old Yellowhead Pass-Bute Inlet route)</td>
</tr>
<tr>
<td>Canadian Yukon</td>
<td>North</td>
<td>Lapsed</td>
</tr>
</tbody>
</table>
### TABLE 5—Continued.

<table>
<thead>
<tr>
<th>Name of Railroad</th>
<th>Location</th>
<th>Eventual Status of Railroad Charter; Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cariboo</td>
<td>Central Interior</td>
<td>Lapsed</td>
</tr>
<tr>
<td>Cassiar Central</td>
<td>North</td>
<td>Lapsed</td>
</tr>
<tr>
<td>Chikat and Klehine Railway and Navigation Company</td>
<td>North</td>
<td>Lapsed</td>
</tr>
<tr>
<td>Chilliwack</td>
<td>Lower Mainland</td>
<td>Lapsed</td>
</tr>
<tr>
<td>Columbia and Carbonate Mountain</td>
<td>Southern Interior</td>
<td>Lapsed</td>
</tr>
<tr>
<td>Columbia and Kootenay</td>
<td>Southern Interior</td>
<td>Built by CPR</td>
</tr>
<tr>
<td>Columbia and Western</td>
<td>Southern Interior</td>
<td>Built—Robson to Rossland section by Heinze; CPR acquired railroad 1898, built Rossland to Boundary section</td>
</tr>
<tr>
<td>Comox and Cape Scott</td>
<td>Vancouver Island</td>
<td>Lapsed</td>
</tr>
<tr>
<td>Crawford Bay</td>
<td>Vancouver Island</td>
<td>Lapsed</td>
</tr>
<tr>
<td>Crow's Nest Southern</td>
<td>Southern Interior</td>
<td>Built by Great Northern</td>
</tr>
<tr>
<td>Delta, New Westminster and Eastern</td>
<td>Lower Mainland</td>
<td>Lapsed</td>
</tr>
<tr>
<td>Delta</td>
<td>Lower Mainland</td>
<td>Lapsed</td>
</tr>
<tr>
<td>Downie Creek</td>
<td>Southern Interior</td>
<td>Lapsed</td>
</tr>
<tr>
<td>East Kootenay</td>
<td>Southern Interior</td>
<td>Lapsed</td>
</tr>
<tr>
<td>East Kootenay Valley</td>
<td>Southern Interior</td>
<td>Lapsed</td>
</tr>
<tr>
<td>Esquimalt and Nanaimo</td>
<td>Vancouver Island</td>
<td>Built by Robert Dunsmuir; acquired by CPR 1905</td>
</tr>
</tbody>
</table>
**TABLE 5—Continued.**

<table>
<thead>
<tr>
<th>Name of Railroad</th>
<th>Location</th>
<th>Eventual Status of Railroad Charter; Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Flathead Valley</td>
<td>Southern Interior</td>
<td>Lapsed</td>
</tr>
<tr>
<td>Fraser River</td>
<td>Lower Mainland</td>
<td>Lapsed</td>
</tr>
<tr>
<td>Kamloops and Atlin</td>
<td>Central Interior</td>
<td>Lapsed</td>
</tr>
<tr>
<td>Kaslo and Lardoc-Duncan</td>
<td>Southern Interior</td>
<td>Lapsed</td>
</tr>
<tr>
<td>Kaslo and Slocan</td>
<td>Southern Interior</td>
<td>Built by Great Northern</td>
</tr>
<tr>
<td>Kitimat</td>
<td>North</td>
<td>Lapsed</td>
</tr>
<tr>
<td>Kootenay and Athabasca</td>
<td>Southern Interior</td>
<td>Lapsed</td>
</tr>
<tr>
<td>Kootenay and Northwest</td>
<td>Southern Interior</td>
<td>Lapsed</td>
</tr>
<tr>
<td>Kootenay, Cariboo and Pacific</td>
<td>Southern Interior</td>
<td>Lapsed</td>
</tr>
<tr>
<td>Kootenay Central</td>
<td>Southern Interior</td>
<td>Built after 1903</td>
</tr>
<tr>
<td>Kootenay Lake Shore and Lardoc</td>
<td>Southern Interior</td>
<td>Lapsed</td>
</tr>
<tr>
<td>Kootenay Railway and Navigation</td>
<td>Southern Interior</td>
<td>Lapsed</td>
</tr>
<tr>
<td>Lake Bennett</td>
<td>North</td>
<td>Lapsed</td>
</tr>
<tr>
<td>Lardreau and Kootenay</td>
<td>Southern Interior</td>
<td>Lapsed</td>
</tr>
<tr>
<td>Lardreau</td>
<td>Southern Interior</td>
<td>Lapsed</td>
</tr>
<tr>
<td>Liverpool and Canoe Pass</td>
<td>Southern Interior</td>
<td>Lapsed</td>
</tr>
<tr>
<td>Midway and Vernon</td>
<td>Southern Interior</td>
<td>Lapsed</td>
</tr>
<tr>
<td>Morrissey, Fernie and Michel</td>
<td>Southern Interior</td>
<td>Lapsed</td>
</tr>
</tbody>
</table>
### TABLE 5-Continued.

<table>
<thead>
<tr>
<th>Name of Railroad</th>
<th>Location</th>
<th>Eventual Status of Railroad Charter; Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mount Tolmie Park and Cordova Bay</td>
<td>Lower Mainland</td>
<td>Lapsed</td>
</tr>
<tr>
<td>Nakusp and Slocan</td>
<td>Southern Interior</td>
<td>Built by CPR</td>
</tr>
<tr>
<td>Nanaimo-Alberni</td>
<td>Vancouver Island</td>
<td>Lapsed</td>
</tr>
<tr>
<td>Nelson and Arrow Lake</td>
<td>Southern Interior</td>
<td>Lapsed</td>
</tr>
<tr>
<td>Nelson and Fort Shepard</td>
<td>Southern Interior</td>
<td>Built by D. C. Corbin; acquired by Great Northern 1898</td>
</tr>
<tr>
<td>New Westminster-Fort Moody</td>
<td>Lower Mainland</td>
<td>Lapsed</td>
</tr>
<tr>
<td>New Westminster and Vancouver Short Line</td>
<td>Lower Mainland</td>
<td>Lapsed</td>
</tr>
<tr>
<td>New Westminster Southern</td>
<td>Lower Mainland</td>
<td>Built by Great Northern</td>
</tr>
<tr>
<td>Nicola, Kamloops and Similkameen Coal and Railway</td>
<td>Central Interior</td>
<td>Built after 1903</td>
</tr>
<tr>
<td>Nicola Valley</td>
<td>Central Interior</td>
<td>Built by CPR</td>
</tr>
<tr>
<td>North Star and Arrow Lake</td>
<td>Southern Interior</td>
<td>Lapsed</td>
</tr>
<tr>
<td>Okanagan and Kootenay</td>
<td>Southern Interior</td>
<td>Lapsed</td>
</tr>
<tr>
<td>Osoyoos and Okanagan</td>
<td>Southern Interior</td>
<td>Lapsed</td>
</tr>
<tr>
<td>Pacific Northern and Eastern</td>
<td>North</td>
<td>Lapsed</td>
</tr>
<tr>
<td>Pacific Northern and Omineca</td>
<td>North</td>
<td>Lapsed</td>
</tr>
<tr>
<td>Pacific and Peace River</td>
<td>North</td>
<td>Lapsed</td>
</tr>
<tr>
<td>Name of Railroad</td>
<td>Location</td>
<td>Eventual Status of Railroad Charter; Comments</td>
</tr>
<tr>
<td>----------------------------------</td>
<td>-------------------</td>
<td>-------------------------------------------------------------------</td>
</tr>
<tr>
<td>Portland and Stickeen</td>
<td>North</td>
<td>Lapsed</td>
</tr>
<tr>
<td>Quatsino</td>
<td>Vancouver Island</td>
<td>Lapsed</td>
</tr>
<tr>
<td>Queen Charlotte Island</td>
<td>North</td>
<td>Lapsed</td>
</tr>
<tr>
<td>Red Mountain</td>
<td>Southern Interior</td>
<td>Lapsed, Built by D. C. Corbin; acquired by Great Northern 1898</td>
</tr>
<tr>
<td>Revelstoke and Cassiar</td>
<td>Central Interior</td>
<td>Lapsed</td>
</tr>
<tr>
<td>Rock Bay and Salmon River</td>
<td>Vancouver Island</td>
<td>Lapsed</td>
</tr>
<tr>
<td>Shuswap and Okanagan</td>
<td>Southern Interior</td>
<td>Lapsed, Built by CPR</td>
</tr>
<tr>
<td>Skeena River and Eastern</td>
<td>North</td>
<td>Lapsed</td>
</tr>
<tr>
<td>Skeena River Railway</td>
<td>North</td>
<td>Lapsed</td>
</tr>
<tr>
<td>Southeast Kootenay</td>
<td>Southern Interior</td>
<td>Lapsed</td>
</tr>
<tr>
<td>South Kootenay</td>
<td>Southern Interior</td>
<td>Lapsed</td>
</tr>
<tr>
<td>Stickeen and Teslin Railway</td>
<td>North</td>
<td>Lapsed</td>
</tr>
<tr>
<td>Vancouver and Grand Forks</td>
<td>Lower Mainland</td>
<td>Lapsed</td>
</tr>
<tr>
<td>Vancouver and Lulu Island Electric Company</td>
<td>Lower Mainland</td>
<td>Lapsed</td>
</tr>
<tr>
<td>Vancouver and Lulu Island</td>
<td>Lower Mainland</td>
<td>Lapsed, Built by CPR</td>
</tr>
<tr>
<td>Vancouver and Westminster</td>
<td>Lower Mainland</td>
<td>Lapsed</td>
</tr>
</tbody>
</table>

125
TABLE 5-Continued.

<table>
<thead>
<tr>
<th>Name of Railroad</th>
<th>Location</th>
<th>Eventual Status of Railroad Charter; Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vancouver, Northern and Yukon</td>
<td>North</td>
<td>Lapsed</td>
</tr>
<tr>
<td>Vancouver, Northern, Peace River</td>
<td>North</td>
<td>Lapsed</td>
</tr>
<tr>
<td>and Alaska</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Vancouver, Victoria and Eastern</td>
<td>Southern Interior</td>
<td>Built: short section in Boundary district built by James Hill, 1902; most of railroad constructed by CPR, 1910s</td>
</tr>
<tr>
<td>Vancouver Westminister, Northern</td>
<td>North</td>
<td>Lapsed</td>
</tr>
<tr>
<td>and Yukon</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Vernon and Okanagan</td>
<td>Southern Interior</td>
<td>Lapsed</td>
</tr>
<tr>
<td>Victoria and Northern America</td>
<td>Vancouver Island</td>
<td>Lapsed</td>
</tr>
<tr>
<td>Victoria and Saanich</td>
<td>Vancouver Island</td>
<td>Lapsed</td>
</tr>
<tr>
<td>Victoria and Seymour Narrows</td>
<td>Vancouver Island</td>
<td>Lapsed</td>
</tr>
<tr>
<td>Victoria and Sidney</td>
<td>Vancouver Island</td>
<td>Built by Great Northern</td>
</tr>
<tr>
<td>Victoria, Vancouver and Western</td>
<td>Vancouver Island</td>
<td>Lapsed</td>
</tr>
<tr>
<td>Yale Northern</td>
<td>Lower Mainland</td>
<td>Lapsed</td>
</tr>
<tr>
<td>Yukon Mining, Trading and</td>
<td>North</td>
<td>Lapsed</td>
</tr>
<tr>
<td>Transportation</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

cent) were alienated during the years from 1871 to 1903. Much of this alienated land remained undeveloped by its holders; in the 20th century the provincial government re-purchased about half of the 22.7 million acres.  

By 1903, ninety-four railroads had been chartered by the British Columbia government (see Table 5). Eighteen railroads (nineteen percent of those chartered) had been built. Seven railroads had earned land grants; five of these railroads were in the Southern Interior. Three of these were owned by the CPR, one by D. C. Corbin, and one by James Hill. Four railroads received payment of interest on bonds; three of these were owned by the CPR, the other by James Hill. Seven railroads did not receive any subsidies; four belonged to James Hill, and one to D. C. Corbin. Two short CPR lines, both under fifteen miles, did not receive any subsidies.

Twelve of the eighteen railroads built from 1885 to 1903 were located in the Southern Interior. All of these railroads, except the Shuswap and Okanagan, were connected with the mining development of that region. One railroad was built in the Central Interior, two in the Lower Mainland, and two on Vancouver Island. Until 1900 when the British Columbia Yukon was built, as part of the Klondike gold rush, no railroad was constructed north of the CPR

75 Robert Cail, Land, Man and the Law, p. 167.
main line. This was the only railroad constructed in the North before 1903.

<table>
<thead>
<tr>
<th>Region</th>
<th>Railroads Chartered</th>
<th>Railroads Built</th>
</tr>
</thead>
<tbody>
<tr>
<td>Southern Interior</td>
<td>37</td>
<td>12</td>
</tr>
<tr>
<td>Central Interior</td>
<td>10</td>
<td>1</td>
</tr>
<tr>
<td>Lower Mainland</td>
<td>14</td>
<td>2</td>
</tr>
<tr>
<td>Vancouver Island</td>
<td>12</td>
<td>2</td>
</tr>
<tr>
<td>North</td>
<td>21</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>94</td>
<td>18</td>
</tr>
</tbody>
</table>

The British Columbia government faced difficult circumstances in developing its railroad policy from 1885 to 1903. Railroads were necessary for the economic development of the province. This was especially true of the mining in the Kootenays. The geography of the province increased the necessity for railroads and made construction difficult and expensive. Finally, railroads involved Canadian-American rivalry. The CPR and Great Northern, the major railroad companies in British Columbia, were both large, powerful organizations which attempted to exploit the situation in British Columbia.

One of the cries heard most often in a British Columbia newspaper in the 1890s was the need for railroads, particularly in the region served by the newspaper. The Victoria Colonist pointed out the importance of railroads to the mining communities:

Those engaged in the mining industry in many parts of this province find themselves hampered for want of railway accommodations ... What is wanted for such districts is better means of transport. Before they can be made to yield their riches a rail-
road is a necessity. The railroad will bring in men and material and will cause what is now nothing better than a barren desolate mountain side or an unproductive canyon to become the seat of a busy and prosperous population, which will every day add to the wealth of the province and send large contributions to its treasury.76

The Phoenix Pioneer in the Boundary district expressed a similar sentiment, "We need more railways and more capital generally for the opening up of our immense resources."77

The British Columbia government realized that railroads were essential to develop the economy of the province. Until railroads reached an area, its natural resources remained unused, bringing no wealth to the provincial government or to the economy of British Columbia. This situation was clearly recognized not only by the government, but also by railroad companies. Harry Abbott, Pacific Superintendent of the CPR, told the Victoria Colonist in an interview:

I cannot see that the province will lose anything by giving land grants to these lines. Much of the land along their routes is valueless, except for timber and minerals, and whether arable or sterile it is of no value to the province until opened up by railways. Railways through such wildernesses do not offer any inducement to capitalists to invest unless subsidized with land grant or guarantee.78

The expense of building railroads in British Columbia and

76 Victoria Colonist, January 22, 1890, p. 2.

77 Phoenix Pioneer, February 7, 1902.

78 Victoria Colonist, March 28, 1890, p. 1.
the province's need for these railroads in developing the economy of the province, meant that the provincial government had to offer inducements to railroad companies. Land was the province's main financial asset.

It was easy for the province to give generous land subsidies, for these subsidies did not appear to cost anything to the provincial government. However, by 1903, the lands conveyed to the Dominion and to the railroad companies totalled 22.7 million acres, ten percent of the total acreage in British Columbia, a figure which acquires even larger significance because the vast area of northern British Columbia was undeveloped and largely inaccessible before 1903. Of the 22.7 million acres alienated, 11 million was in the Railway Belt, 6.2 million in the Southern Interior, and 1.9 million on southern Vancouver Island. The conveyance of these lands took much of the economic control of British Columbia from the provincial government. The land alienated by the British Columbia government included most of the province's arable land (only 3 percent of the land in British Columbia, 7 million acres, was considered arable), and much of its natural resources (over 25 percent of the province's timber lay within the lands alienated). In addition to the land conveyed, many other acres were reserved for railroad companies which had been promised land grants if
their railroads were built.\textsuperscript{79}

This large-scale alienation of provincial land made it very difficult for the British Columbia government to attract immigrants. The Dominion government did not actively promote settlement of its land in British Columbia. Outside of the Railway Belt much of the land found in the valleys scattered throughout British Columbia was granted to provincial railroad companies, or reserved for railroads which had been chartered but not built. Of the 8.2 million acres actually awarded to railroad companies for completed railroads, 5.3 million acres went to the CPR.\textsuperscript{80} Like the Dominion government, the CPR was more interested in promoting settlement of the Prairies than of British Columbia. In 1912 the British Columbia government repurchased 4.1 of the 5.3 million acres granted to the CPR.\textsuperscript{80} The failure of the Dominion government and the CPR to sell their lands helped to retard settlement in British Columbia. "Immigrants needed railroads, but they also needed the land tied up by sub-

\textsuperscript{79}Several issues of the Cranbrook Herald in 1903 discussed the coal lands reserved by the provincial government for the Columbia and Western Railway in Block 1593. The February 5, 1903 issue noted that there was a "great deal of speculation as to how and when the government reserve south of Morrisey and on the United States boundary will be thrown open."

sidies."

Given the conditions of late 19th century business, the geography of British Columbia, and the economic situation between 1885 and 1903, subsidies of land or interest guarantees to railroads were necessary. Despite the extenuating circumstances in British Columbia, however, the decisions made by the provincial government showed a lack of foresight and political leadership. Failure to use subsidies wisely, and to promote an organized program of railroad construction, demonstrated the ineffectiveness of the British Columbia government. The 8.2 million acres given by the government for intra-provincial railroads was the largest amount granted by any of the provinces. 82 "That only slightly more than 8,000,000 acres were taken up was no fault of the legislature. Either its members knew with a fair degree of certainty that many of the lines to which they had made a land grant were entirely speculative or, more damning still, they did not care." 83

The generous subsidies, the continual time extensions given to railroads, and the personal gain for the politicians, turned the subsidy policy into a vast give-

81 Ibid., p. 158.
82 Ibid., p. 162.
83 Ibid., p. 167.
away: described as "the great potlatch" by Margaret Urmsby, or "the great barbecue" by Martin Robin. "It is significant that the largest subsidies in cash or lands or both were granted to well-known public figures, but all who asked, received."\(^{84}\)

Even as early as 1890 the Victoria Colonist, a newspaper which normally supported the British Columbia government, warned:

The Government should be moderate even in the encouragement which it gives to railroads. It will not do for it to incur obligations which will hamper it in the future and deprive it of great part of its influence. The railway projectors should depend as little as possible on Government aid. Private enterprise and individual energy should do their part to develop the mineral wealth of the country. If the district is as rich as the petitioners hope and believe the railroads will soon pay will. Little more should be expected from Government than leave to build the road and a moderate grant of land.\(^{85}\)

However, the advice was not heeded. By 1903 the British Columbia government, through its railroad policy, had alienated ten percent of the province's land, retarded settlement, given away much of British Columbia's natural resources, and much of the government's control over the economy.

Mining was the only sector of British Columbia's

\(^{84}\)Ibid., p. 156.

\(^{85}\)Victoria Colonist, January 22, 1890, p. 2.
economy to achieve significant development in the years from 1871 to 1903. Without American activity in the Kootenays, mining probably would not have become important until a later period, since Canadian interest developed only when American industry threatened to gain economic control.

Lode mining involved companies with large capital. Although dominance of the mining industry by companies was inevitable, the British Columbia government did little to establish control over the mining industry. Mining in the Kootenays showed the government's dependence on companies for economic development; a dependence which was increased because the companies were necessary to counter American economic dominance of the Kootenays.

The colony of British Columbia was founded because of the gold rush of 1858. After the three rushes from 1858 to 1864, placer gold production declined. Though individuals made their livelihood from gold mining, this mining did not sustain a large permanent population, nor did it play a major role in the provincial economy.

In the 1870s there were some mining strikes in the Omineca and Cassiar regions of northern British Columbia. However, this mining was not developed to any great extent because of the inaccessibility of the area. The one permanent mining development from 1870 to 1886 was the Dunsmuir coal mines at Nanaimo on Vancouver Island. This
coal was used for consumption in the province and as fuel for ships in the Pacific. The Dunsmuir collieries remained the primary source of coal for the province until the opening of the Crow's Nest Pass coal fields in 1898.86

In 1886 the Hall brothers, two Americans, found ore veins on Toad Mountain in the Kootenays, near present-day Nelson. Their claims marked the beginning of mining in the Southern Interior and brought a number of American miners into the area.87 The mining was encouraged when the United States, in 1888, removed its tariff on ore, provided that the imported ore had a higher value of silver than lead. The 1890 Sherman Silver Purchase Act increased the demand for silver in the United States. The major obstacle to the development of mining in the Kootenays was transportation, but completion of the Nelson and Fort Shepard in 1893 gave the Nelson mines direct railroad connection with American smelters; and the production from the mines around Nelson increased rapidly. In the early 1890s the silver mines in the Slocan district, northwest of Nelson, began production. The repeal of the Sherman Silver Act in 1893 slowed production, but railroads into the region revitalized the mines.


87 John Fahey, Inland Empire, pp. 94-95.
The center of mining in the Kootenays was not occupied by these two areas for long. In 1890 ore was discovered on Red Mountain (Rossland), and the first ore samples sent to Butte for smelting yielded $85 per ton in silver, gold, and copper.\(^8\) The same year the LeRoi Mining and Smelting Company, the first major one in Rossland, was formed by a group of American businessmen, and capitalized at $2,500,000.\(^8\) Although the 1893 depression slowed the development of the Rossland mines, the richness of the ore could not be ignored. Corbin made plans for a line from the Spokane Falls and Northern to Rossland, while E. G. Topping, who had pre-empted a townsite on the Columbia River near Rossland, brought F. Auguste Heinze from Butte. Heinze was impressed by the Rossland mines and the possibilities available in the Kootenays.\(^9\) Heinze and Corbin were unsuccessful in forming a working alliance, and the resultant competition between these two men precipitated the Rossland boom.\(^9\)

\(^8\)Ibid., p. 144.


\(^9\)John Fahey, Inland Empire, pp. 148-151.

\(^9\)Ibid., pp. 157-158.
Heinze received 1/3 of the lots in the townsite of Trail, and land to build a smelter. Unsuccessful in his efforts to buy the LeRoi, largest of the Rossland mines, Heinze did obtain a contract with the owners of the LeRoi for shipments of ore.\textsuperscript{92} His Columbia and Western railroad charter was used to build a railroad line from Rossland to Trail. In February, 1896, Heinze's Trail smelter "blew in". For this smelter Heinze received a $7,000 provincial bonus and a Dominion bonus of $30,000.\textsuperscript{93} Meanwhile, Corbin obtained a charter for the Red Mountain Railway, which he built in 1896. In 1898 Corbin built a smelter at Northport, in Washington, near the International Boundary, but it had only half of the capacity of Heinze's smelter, and operated for only a few years.\textsuperscript{94}

Heinze's smelter was soon enlarged, and in 1897 was smelting 530 tons a day, the largest production in Canada.\textsuperscript{95} The Rossland boom had begun. In 1895 there were twenty-nine mining companies in Rossland; in 1896

\textsuperscript{92}Sarah MacNelis, \textit{Copper King at War} (Missoula, Montana: University of Montana Press, 1968), p. 34.

\textsuperscript{93}John Fahey, \textit{Inland Empire}, p. 151.

\textsuperscript{94}Ibid., pp. 175-176.

\textsuperscript{95}F. W. Howay, W. N. Sage, and H. F. Angus, \textit{British Columbia and the United States}, p. 283.
there were 271 with a total capitalization of almost $300,000,000. The value of the ore produced by the Rossland mines increased from $100,000 in 1895 to $1,000,000 in 1896 and to $2,000,000 in 1897. The population of Rossland reached 6,000 by 1897.96

The growth of mining in the Kootenays, particularly the Rossland boom, alarmed the British Columbia government and Canadian business. This mining was achieving the economic growth that people had been expecting in British Columbia since 1871. However, the profits were going to American business, because the CPR and Canadian investors had been cautious and reluctant to take a chance on the Kootenay mines. A concentrated effort by Canadian and British business was needed if the mining in the Kootenays was to be integrated into the British Columbian and Canadian economy.97

In 1895 Premier Turner visited Britain in an effort to attract British investment in the Kootenays.98 Some British capitalists and engineers came to the province to

---

96 John Church, "Mining Companies in the West Kootenay and Boundary Regions," p. 81; and Harold Innis, Settlement and the Mining Frontier, p. 277.

97 John Fahey, Inland Empire, Chapter 13; and John Church, "Mining Companies in the West Kootenay and Boundary Regions," p. 93.

98 John Church, "Mining Companies in the West Kootenay and Boundary Regions," p. 93.
assess the mining potential of the Kootenays. Eastern Canadian investors formed the War Eagle Consolidated Mining and Development Company, Limited in 1897 to buy the War Eagle, the second largest producer of the Rossland mines. The United States reinstatement of its import duty on ore the same year gave an added impetus to the search for Canadian markets for the minerals produced. The LeRoi mine was sold in 1898 to the British-American Company, based in London, for $5,000,000. This company also bought some other smaller Rossland mines before selling its holdings to the CPR in 1900. In 1898, the CPR bought Heinze's properties in British Columbia for a reported $800,000. The same year the CPR completed the British Columbia Southern Railroad, which linked the Rossland mines with the Crow's Nest Pass coal fields. The West Kootenay Light and Power Company's 250,000-horsepower plant, constructed in the late 1890s, was the most powerful source of energy in British Columbia. In 1901, the Dominion government established a subsidy on lead smelted in Canada, giving a further

99 Ibid., pp. 116-117.

100 Ibid., p. 123.

101 Ibid., p. 50.

impetus to smelting lead at Trail, and to the development
of the lead mines in the East Kootenays. By 1901 the
concentrated effort by British and Canadian business,
particularly the CPR, had established Canadian control
over the Kootenay mining, was sending the smelted minerals
to Canadian markets, and was beginning to challenge
Spokane's supremacy as the center of trade for the
Kootenays.

In the years before 1903 mining developed in other
areas of the Southern Interior besides Rossland, although
the production of most of these districts was considerably
lower. Two other important mining developments in the
Southern Interior were the copper mines of the Boundary
district, and the Crow's Nest Pass coal fields. From 1900
to 1903 three smelters were built for the copper mines of
the Boundary district, two of them controlled by American
companies. Access in the Boundary district was much
easier from the United States than from CPR lines, and the
CPR did not actively compete for the business of this
district. The Boundary district was an important producer
of copper from 1900 to 1920. The Crow's Nest Pass coal


fields began production in 1898 with the completion of the B.C. Southern railway. The coal and coke from this area found a ready market in the smelters of southern British Columbia, and within four years the Crow's Nest Pass fields replaced the coal mines on Vancouver Island as the prime producer of coal in British Columbia.  

Mining in northern British Columbia was limited in the years before 1903. In 1898 there was a gold rush to the Atlin Lake area that was an offshoot of the Klondike gold rush, and there was some mining in the Cassiar region in the 1890s. However, the inaccessibility of the north, and the lack of adequate transportation, prevented mining in northern British Columbia from developing on a large scale until the 20th century.

The figures in Table 6 show the growth of mining in the Kootenays, and the importance of mining in this area compared to other parts of British Columbia. The Canadian Annual Review statistics give another indication of the development of mining in the Kootenays. In 1901

---

105 Harold Innis, Settlement and the Mining Frontier, p. 283.


107 One of the most frequent comments in the Atlin Claim was the lack of adequate transportation and hopes for government action in improvement of communication.
<table>
<thead>
<tr>
<th></th>
<th>1887-1892</th>
<th>1893-1897</th>
<th>1898-1902</th>
<th>1903-1907</th>
<th>1908-1912</th>
<th>Total 1887-1912</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Lode Gold</strong></td>
<td>---</td>
<td>0.2</td>
<td>0.9</td>
<td>1.1</td>
<td>1.2</td>
<td>3.4 million ounces</td>
</tr>
<tr>
<td>(in millions of</td>
<td>ounces)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Silver</strong></td>
<td>0.3</td>
<td>11.0</td>
<td>20.2</td>
<td>15.4</td>
<td>12.6</td>
<td>59.6 million ounces</td>
</tr>
<tr>
<td>(millions of</td>
<td>ounces)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Lead</strong></td>
<td>1.8</td>
<td>87.3</td>
<td>191.0</td>
<td>211.4</td>
<td>194.0</td>
<td>685.7 million pounds</td>
</tr>
<tr>
<td>(millions of</td>
<td>pounds)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Copper</strong></td>
<td>---</td>
<td>10.4</td>
<td>82.2</td>
<td>191.6</td>
<td>219.5</td>
<td>503.7 million pounds</td>
</tr>
<tr>
<td>(millions of</td>
<td>pounds)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Value of lode</td>
<td>0.4</td>
<td>14.7</td>
<td>48.1</td>
<td>72.6</td>
<td>70.0</td>
<td>206.0 million dollars</td>
</tr>
<tr>
<td>metals (millions</td>
<td>(dollars)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Coal</strong></td>
<td>2.6</td>
<td>4.7</td>
<td>6.7</td>
<td>7.1</td>
<td>11.3</td>
<td>32.4 million long tons</td>
</tr>
<tr>
<td>(million long</td>
<td>tons)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Coke</strong></td>
<td>---</td>
<td>0.1</td>
<td>0.4</td>
<td>1.1</td>
<td>1.0</td>
<td>2.6 million long tons</td>
</tr>
<tr>
<td>(million long</td>
<td>tons)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1858-1863-1863-1893-1893-1893-1893-1893-</td>
</tr>
<tr>
<td><strong>Placer gold</strong></td>
<td>36.0</td>
<td>14.5</td>
<td>6.0</td>
<td>7.5</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(value in millions</td>
<td>of dollars)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
TABLE 6-Continued.

Production of lode metals to 1912

<table>
<thead>
<tr>
<th>Area</th>
<th>Silver (millions of ounces)</th>
<th>Lode gold (millions of ounces)</th>
<th>Lead (millions of pounds)</th>
<th>Copper (millions of pounds)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Slocan</td>
<td>53.8</td>
<td>---</td>
<td>299.7</td>
<td>---</td>
</tr>
<tr>
<td>East Kootenay</td>
<td>8.4</td>
<td>---</td>
<td>355.0</td>
<td>---</td>
</tr>
<tr>
<td>Nelson</td>
<td>5.5</td>
<td>0.3</td>
<td>19.2</td>
<td>13.4</td>
</tr>
<tr>
<td>Boundary</td>
<td>5.0</td>
<td>1.0</td>
<td>---</td>
<td>334.9</td>
</tr>
<tr>
<td>Rossland</td>
<td>3.4</td>
<td>2.0</td>
<td>---</td>
<td>86.7</td>
</tr>
<tr>
<td>Lardreau</td>
<td>2.2</td>
<td>---</td>
<td>10.5</td>
<td>---</td>
</tr>
<tr>
<td>Areas outside the Kootenays</td>
<td>1.3</td>
<td>0.1</td>
<td>1.3</td>
<td>68.7</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>59.6 million ounces</strong></td>
<td><strong>3.4 million ounces</strong></td>
<td><strong>685.7 million pounds</strong></td>
<td><strong>503.7 million pounds</strong></td>
</tr>
</tbody>
</table>

British Columbia produced 82 percent of the silver, 67 percent of the copper, and 96 percent of the lead in Canada. 108

From 1871 to 1903 the British Columbia government encouraged the efforts of the individual miner. The 1871 laws of British Columbia included a provision for "free miners' certificates" which were issued to men or women over sixteen, at a cost of $5 per year. 109 A free miner was allowed to hold unlimited claims by purchase, and two claims by pre-emption in a district. The "free miners' certificate" lauded by the CPR in its 1902 promotional brochures had changed little since 1871. In 1902 any man or woman eighteen years old could purchase a certificate for $5 a year. This certificate entitled a person to stake a rectangular claim that could not exceed 1,500 feet square (approximately 52 acres). The claim was granted on a yearly lease, with $100 work required on the claim each year. When $500 had been spent on a claim, a person received the land as a Crown grant for $25. 110

In addition to the "free miners' certificate",


109 Robert Cail, Land, Man and the Law, pp. 73-75.

110 The Province of British Columbia, 1902 (CPR promotional brochure, University of Montana library).
mining land could be purchased. A half acre of mining land in 1871 cost $50 plus the cost of survey, but in 1883 the same price purchased a full acre of mineral land. Efforts to encourage mining brought a lowering of the price to $25 an acre in 1886, although this price was soon raised with the development of mining in the Kootenays. In 1898, after the Rossland boom, the cost of an acre of mining land rose to $500.111

An 1883 "Act to Encourage Coal Mining" permitted coal lands to be purchased at $10 an acre east of the Cascades, and $5 an acre west of these mountains. An 1892 amendment to this act permitted a person to buy up to 640 acres of coal lands from the government at $5 an acre. However, the person had to first lease the land for five years at 10¢ per acre, pay for the survey of the land, and pay a royalty of 5¢ per ton on the coal mined.112

The British Columbia government did not establish control over the mining companies. The laws made it easy to form a mining company, and the government made little effort to ensure that the company was bona fide. Many companies were incorporated but never existed beyond paper and the worthless stock they peddled, for a company's prospectus could be used to attract capital.

111 Robert Call, Land, Man and the Law, p. 79.
112 Ibid., p. 80.
without the company having to show that it held clear title to its claim. Not until 1897 did the British Columbia government attempt to provide some control over the mining companies. The "British Columbia Companies Act" made it mandatory for a company incorporated outside British Columbia to secure a license or registration to operate in the province, and also required the companies to operate under the laws of the province. Penalties were established against companies which made false or misleading statements. However, the act failed to require the companies to publish annual or semi-annual statements.

Cail notes that the numerous changes in the provisions of the various mining laws by the British Columbia government produced confusion and a large amount of litigation. Questions of mineral rights in the Railway Belt also produced complications.

In 1900 the British Columbia government imposed taxes on the mining industry. All coal was taxed at 5¢ per ton, and a 9¢ per ton tax was placed on coke. A two percent tax was placed on the gross output of a mine, less the cost of ore treatments and transportation to the

---

113 John Church, "Mining Companies in the West Kootenay and Boundary Regions," p. 111.
114 Ibid., p. 147.
115 Robert Cail, Land, Man and the Law, p. 82.
In the same year some mine safety acts and an eight-hour work day law were passed, but the government did little to enforce these laws.\footnote{Martin Kobin, The Rush for Spoils, pp. 75-76.}

The lumber industry was one of the first industries formed in British Columbia, beginning in the colonies of Vancouver Island and British Columbia in the 1850s.\footnote{Ibid., p. 76.}

In the 20th century lumber has become the largest sector of British Columbia's economy. Between 1871 and 1903, despite the province's vast forests, the lumber industry achieved only moderate growth, and had a market limited primarily to local demand.

From 1871 to 1884 timber was sold by two methods: land sales, and leases. From 1871 to 1896 timber lands were sold at the same price as agricultural land, for the provincial government did not classify timber lands differently from any other land in the province. The government also leased timber lands at rates from 1¢ to 10¢ per acre per year, usually 1¢ an acre, and charged a royalty of 20¢ to 25¢ per thousand board feet on the timber cut. These leases stipulated that a leaseholder

\footnote{W. Kaye Lamb, "Early Lumbering on Vancouver Island," British Columbia Historical Quarterly Volume 2 (1958).}
must be the owner of an operating sawmill. In 1873, 54,000 acres were being leased, most of this by three sawmills. In 1886 the acreage totalled approximately 90,000 acres. Considering the millions of acres of timbered land in the province the amount of land leased was very small. The British Columbia government began a timber licensing system in 1884, in addition to land sales and leases.

In 1888 the provincial government passed the first legislation attempting to provide some control over timbered land, and to secure more revenue from lumber. Future leases were to be limited to a 30-year period. An annual rent of 10¢ per acre was established, along with a royalty of 50¢ per thousand board feet of timber cut. Leaseholders who owned sawmills with a capacity of 1,000 board feet per day for each 400 acres leased received cutting rights in any forested area they selected. The 1888 legislation established a "special" one-year license which was intended to encourage immediate cutting.

---

120 Ibid., p. 97.
121 Ibid., p. 100.
of timber in an area. Each person or company was allowed only one license at a time. The license, which cost $50 per year and permitted cutting of 1,000 acres of timber, could be renewed but was not transferable. The royalty was also 50¢ per thousand board feet. A provision was included that half of this royalty would be rebated if the lumber was exported outside the province.\(^{123}\) (This effort to encourage extra-provincial sales of lumber was not successful.) The 1888 laws also provided for a "hand logger's license" which cost $10 a year and enabled "any person to cut timber upon Crown lands, not being timber limits, without any reservation as to area; but such license shall be personal, and shall only grant authority to the person named herein .\(^{124}\)" The "hand logger's license" secured the interests of the individual, self-operating logger.

The major loophole in the 1888 laws was that purchase of timber lands was still possible. This loophole was not closed until 1896 when the British Columbia government prohibited any further purchase of government timber lands. Timber lands were defined as land which contained 8,000 board feet per acre west of the Cascades, and 5,000 board feet east of those mountains. However,

\(^{123}\text{Ibid., p. 234.}\)

\(^{124}\text{Ibid., p. 234.}\)
this law was not strictly enforced until 1905.\footnote{Robert Cail, \textit{Land, Man and the Law}, p. 94.}

Leases and "special" licenses remained the means of obtaining Crown timber from 1896 until 1905. In 1901 the area covered by the special license was reduced from 1,000 to 640 acres, but two licenses could be held at one time. The 1901 laws also provided for pulp licenses, but the first pulp mills in the province were not built until 1908.\footnote{\textit{W. A. Carrothers, Forest Industries of British Columbia}, p. 236; and Herbert Carmichael, "Pioneer Days in Pulp and Paper," \textit{British Columbia Historical Quarterly} Volume 9 (1945).} The 1901 acts further stated that all timber cut on Crown land must be processed in British Columbia.\footnote{\textit{W. A. Carrothers, Forest Industries of British Columbia}, p. 236.}

Growth of the lumber industry was limited between 1871 and 1903. From 1881 to 1890 only 550 MBF (million board feet) of timber was cut in British Columbia. During the 1890s 1,527 MBF were cut, while 4,754 MBF were cut from 1901 to 1910 (most of this after the timber license system adopted in 1905).\footnote{F. W. Howay, W. N. Sage, and H. F. Angus, \textit{British Columbia and the United States}, p. 302.} There were several reasons for this modest growth. Conditions in British Columbia's forests, particularly in the Pacific coast region, ham-

\begin{flushright}
\footnote{Robert Cail, \textit{Land, Man and the Law}, p. 94.}
\footnote{\textit{W. A. Carrothers, Forest Industries of British Columbia}, p. 236; and Herbert Carmichael, "Pioneer Days in Pulp and Paper," \textit{British Columbia Historical Quarterly} Volume 9 (1945).}
\footnote{\textit{W. A. Carrothers, Forest Industries of British Columbia}, p. 236.}
\footnote{F. W. Howay, W. N. Sage, and H. F. Angus, \textit{British Columbia and the United States}, p. 302.}
\end{flushright}
pered development. Along the coast the large diameter of the trees made timber falling a slow process. The size of the trees, rugged terrain, and the soft ground hindered access to the timber and made transportation of the logs difficult. The size of the logs caused problems in sawing the logs at the mill. Certain equipment became necessary: special saws at the mill, railroads and barges to haul the timber, steam donkeys to move the logs. These factors particularly hampered the individual logger and small operators, favoring large companies with the capital to invest in the necessary equipment, especially in the coastal region.129

From 1871 to 1903 the growth of the British Columbia forest industry was also hindered by a limited market in British Columbia and lack of markets outside the province. The United States had sufficient timber for its own needs during these years. Settlement on the Canadian prairies did not produce much demand for British Columbia lumber until the 20th century.130 In addition, over 25 percent of British Columbia's timbered lands were held by railroad companies and by the Dominion in the Railway Belt


130 Ibid., preface.
and Peace River Block. 131

British Columbia historians believe that the failure of the British Columbia lumber industry to achieve large-scale growth from 1871 to 1903 was the only reason large amounts of the province's timber lands were not alienated. 132 Though the government attempted to foster the growth of the lumber industry through "special" licenses, leases, and the "hand logger's license", it failed to protect the province's timber by not withdrawing timber lands from sale until 1896.

The real growth of the lumber industry in British Columbia began in the years after 1905. Increasing demand for lumber on the Prairies led to the establishment of many sawmills in the Interior. United States' demands for lumber opened the American market to the British Columbia lumber industry. During the 1905-1907 timber license spree the McBride government sold 9.6 million acres of timber licenses. 133 The provincial government's revenue

130 Ibid., preface.


133 A. G. Flumerfelt, "Forest Resources," p. 494; and H. Duane Hampton, "Conservation of Natural Resources:
from the lumber industry rose from 7 percent in 1901 to 41 percent in 1907.  

Agriculture has always been a part of British Columbia's economy, although it has never achieved the importance of mining and the lumber industry. Although agriculture achieved some growth as the population of British Columbia slowly expanded, large-scale development did not occur until the 20th century with the growth of Vancouver and the settlement of the Prairies. The agriculture policy of the British Columbia government from 1871 to 1903 has been universally criticized by historians of the province, for despite difficulties in competing with the dominion's homestead policy, the provincial government made no serious effort to institute a land policy that would attract settlers.

Except for a brief period when "free grants" were given, land in British Columbia was disposed by two methods


\footnote{Martin Robin, The Rush for Spoils, p. 93.}

from 1871 to 1908: pre-emption or sale. The Land Ordinance of 1870, which became the basis for land laws of the new province, allowed pre-emption of 320 acres east of the Cascade Mountains, 160 acres west of those mountains. Improvements of $2.50 per acre were required, along with four years of "continuous bona fide personal residence of the pre-emptor." After this time the pre-emptor could buy the land for one dollar an acre, payable in four equal installments. The 1870 Ordinance provided for the sale of land by auction, with one dollar an acre as the base price. Since there were few settlers in British Columbia during the early years of the province, there was little competition for this land. Sale by auction was soon discarded and land was sold at one dollar an acre. Naturally, this made pre-emption virtually meaningless during the first years of the province. The 1870 Land Ordinance also allowed lease of pastoral and hay land at 3¢ to 6¢ per acre per year. 136

In 1873 the De Cosmos government allowed "free grants" of land, at the discretion of the Lieutenant-Governor, to any settler as soon as $2.50 per acre improvement had been made on their land. A settler could receive up to 250 acres of land, surveyed or unsurveyed, that was suitable for cultivation. Residence was required

on the land for six months of each year until the grant was given. A "free grant" could not be obtained if a person had already received land by other means. The "free grant" policy was rescinded in 1879.157 If continued by the British Columbia government, these grants might have offered some inducement for settlers to come to British Columbia. At a time when the Dominion government was offering 160 acres of homestead land on the Prairies, the additional 90 acres, and the conveyance of the grant as soon as the improvements had been made, might have proved attractive to many people. No explanation has been given for the abandonment of the "free grants".

In 1884 the first major revisions were made in the land laws of British Columbia. The one dollar per acre price for pre-empted land remained, along with the requirements for pre-empting land. However, land for purchase was now divided into two categories; agricultural and timbered land was sold for $2.50 an acre, while waste land (land unfit for agriculture or not containing a large amount of timber) cost $1 an acre. The provision for pastoral leases was removed. In addition, a person could not buy more than 640 acres of unsurveyed land.158

157 Ibid., p. 23.
158 Ibid., pp. 37-45.
A new classification for land by sale was adopted in 1891. First class land (agricultural, timbered, and hay land) cost five dollars an acre; second class land (agricultural land needing irrigation) was sold for $2.50 an acre; third class land (waste land) continued at one dollar an acre. The person buying the land was also required to pay the cost of the land survey. Land by pre-emption remained unchanged. 139

The British Columbia government's land policy was not one that would attract many settlers to the province. During these same years, the Dominion government offered 160 acres of free land to homesteaders on the Prairies, while the CPR sold its prairie land for one dollar to three dollars an acre. 140 The high land prices of the British Columbia government offered no incentive for a settler to come to the Pacific province. Moreover, within the Railway Belt and Peace River Block, the federal government offered agricultural land at one dollar an acre, while in 1902 the CPR sold its arable land in the Kootenays (earned from land grants for provincially chartered railroads) for one to five dollars per acre. 141 It was un-

139 Ibid., pp. 46-47.
141 The Province of British Columbia, 1902, p. 54.
fortunate that the British Columbia government tried to use its land as a source of revenue, instead of as an inducement to attract settlers, for the settlers would have contributed far more revenue to the government in taxes than the land sales. Several other reasons contributed to the slow development of agriculture in British Columbia from 1871 to 1903. Only three percent of the land in the province was arable, and was scattered in many areas of the province. The numerous small districts tended to keep agriculture primarily on a local level. Much of the arable land in the province was within the Dominion government's Railway Belt and Peace River Block.

The types of agriculture in British Columbia were fruit growing, raising vegetables, dairying, and cattle ranching. These forms of agriculture required skills which most farmers did not possess. Fruit raising and cattle ranching also required a larger initial investment than raising grain on the prairies. Most of the fruit growers in British Columbia were wealthy individuals from England, while cattle ranching involved people with money, or the formation of cattle companies.

In the 1890's dairying began to be important on Vancouver Island, and the growing population of Vancouver

---

142 Robert Cail, Land, Man and the Law, p. 21.

143 Ibid., p. 46.
gave an impetus to farming in the Lower Mainland.\textsuperscript{144} The growth of mining in the Kootenays increased the cattle ranching in the Central Interior.\textsuperscript{145} In 1871 there were 30,000 cattle in British Columbia; in 1891 there were 250,000.\textsuperscript{146} The CPR promotional brochure of 1890 discussed agriculture in vague terms, while the 1902 brochure showed pictures of farms and mentioned specific fruits and vegetables being grown in the Okanagan, and varieties of fruit raised in the orchards of the East Kootenays.\textsuperscript{147}

Despite some growth in agriculture in the 1890's, the Canadian Annual Review noted in 1902: "At the Pacific coast agriculture is rather an important possibility than a subject of large present consequence."\textsuperscript{148} One indication of the relative unimportance of agriculture was that in the early British Columbia governments, the position of

\begin{itemize}
  \item \textsuperscript{144}R. E. Gosnell, \textit{A History of British Columbia}, p. 187.
  \item \textsuperscript{145}W. W. Lang, "Some Pioneers of the Cattle Industry," \textit{British Columbia Historical Quarterly} Volume 6 (1942).
  \item \textsuperscript{146}Robert Cail, \textit{Land, Man and the Law}, p. 45.
  \item \textsuperscript{147}The Province of British Columbia, 1890; and The Province of British Columbia, 1902.
  \item \textsuperscript{148}J. Castell Hopkins, editor, \textit{Canadian Annual Review}, p. 245.
\end{itemize}
Minister of Agriculture was usually given to the same Cabinet member who held the important position of Minister of Finance. A Department of Agriculture was not formed in British Columbia until 1894.\textsuperscript{149}

The most interesting agricultural scheme in British Columbia was one proposed by Michael Baillie-Grohman. Baillie-Grohman wanted to drain the marshlands of lower Kootenay Lake (near present day Creston) which flooded every spring by building a canal across the mile between the Kootenay River and Columbia Lake (present day Canal Flats), and in the spring diverting water from the Kootenay River into Columbia Lake, to prevent the Kootenay River from flooding the marshlands. Baillie-Grohman built his canal and received 30,000 acres of land from the British Columbia government. However, the project became worthless because the Dominion government, under pressure from the CPR, refused to allow Baillie-Grohman to divert water into Columbia Lake. The CPR argued this diversion would raise the level of the Columbia River, threatening CPR tracks and bridges along this river.\textsuperscript{150}

\textsuperscript{149} R. E. Gosnell, "History of Farming," p. 546.

The agricultural policy of the British Columbia government was largely unsuccessful from 1871 to 1905. The government did face many obstacles: geography, a small amount of arable land scattered throughout the province, federal government control of much of this arable land, and a lack of markets. However, the provincial government, in the land policy it adopted, offered no inducement to attract farmers to the province. The government did not provide loans to help farmers, did not start experimental stations, nor aid in establishing co-operatives as was done on the Prairies. Failure to assist agriculture deprived the British Columbia government of a potentially significant source of revenue, income which would be independent of large-scale industry, and of a potential population which would not be dependent on large companies for their livelihood.

Fishing in British Columbia was based on the salmon-canning industry. Though the salmon-canning industry began in the 1871 to 1905 period, this industry did not become an important part of the British Columbia economy until after 1905.

The first salmon cannery in British Columbia was built in 1870, but difficulties slowed their development.  

---

Much of the technology needed for the industry was not invented until later years. The question of jurisdiction between the dominion and province over salmon fishing was not finally resolved until the early 1900s. (The dominion controlled offshore fishing while British Columbia controlled fishing within the province. The salmon fishing covered both jurisdictions.) The dominion government did not actively promote the development of fishing in British Columbia. In 1900 $55,000 of the dominion's $79,000 in fishery revenues came from British Columbia, while the dominion only spent $13,000 on the fisheries in the province during that year. British Columbia's major effort to encourage the fishing industry, the "Crofter Colonization Scheme", failed.


153 British Columbia, Statutes, 1892, 55 Victoria, no. 11 and no. 15; and K. L. Gosnell, A History of British Columbia, p. 159. In the "Crofter Colonization Scheme," the British Columbia government proposed to give 500,000 acres of land to an English colonization company after this company brought 1,250 families of fishermen from the United Kingdom and made $100,000 in improvements for the settlement of these families on land along the Pacific Ocean. These settlers would be both farmers and fishermen, similar to the crofters of the Scottish Highlands. Though the British Columbia government established a Crofter Colonization Commission and reserved land for this project, the colonization company did not bring any settlers to British Columbia.
The British Columbia government did try to promote the interests of the individual fisherman by opening the Fraser River to all bona fide fishermen in 1892. However, the costs of transportation, the canneries, and the fish meant that the salmon industry was inevitably bound to come under the control of a few large companies. In 1891 three large companies controlled seventy percent of the canning of the Fraser River salmon. However, these three companies had business difficulties, compounded by a rise in the costs of raw fish, while prices on the world market were declining. The 1900 fishermen's strike also hurt the companies. In 1902, the British Columbia Packers Association, backed by eastern Canadian capital, gained control of over half the salmon canneries on the Fraser River, plus some canneries along the Pacific coast. This began the permanent establishment of a few companies controlling the salmon-canning industry.

In the first years of the 20th century, the salmon-canning industry became an important part of the British


155 Ibid., p. 282.

156 Ibid., p. 290.

157 Margaret Ormsby, British Columbia: a History, p. 358.
Columbia economy. The 1901 Provincial Fisheries Act included measures that better regulated the fisheries, established fishery officers, and provided funds for the construction of fish hatcheries. The provincial government allowed fishermen to use fish traps and purse seines which increased the yield of fish and opened new fishing areas. The salmon-canning companies established agreements on a number of basic issues with the fishermen's union and reached agreements among themselves on purchase and selling prices of fish, and amounts of fish to be canned. The development of motorboats made fishing easier and helped increase the amount of fish caught. In the canneries the "iron chink" for cleaning fish, and the automatic can-making machine, speeded production and reduced operation costs. All of these developments made large-scale salmon-canning a profitable industry in the years after 1905, but the growth of the industry also


159 Margaret Ormsby, British Columbia: a History, p. 358.


161 Margaret Ormsby, British Columbia: a History, p. 539.

162 Ibid., p. 539.
made conservation efforts necessary.

Like most other sectors of the economy, fishing did not attain significant growth until the years after 1903. Though the British Columbia government did foster the interests of the individual fisherman, the salmon-canning industry became dominated by a few large companies; companies with the capital necessary to buy fish, build canneries, and transport their product to markets.
CHAPTER VIII

CONCLUSION

In 1909 Richard McBride, "glad-hand Dick", became premier of British Columbia. Thirty-two years old, McBride's youthful vigorous leadership symbolized a new period in British Columbia history. British Columbia, like the rest of Canada, was beginning the economic boom that the Dominion had been expecting since Confederation; a boom which populated the Prairies, brought a marked growth in Canada's industrial production, and accelerated the development of natural resources in British Columbia. During McBride's premiership, 1909 to 1916, the mining boom in the Kootenays continued; agriculture, particularly fruit growing and ranching, expanded; and the production of the salmon-canning industry increased. The lumber industry, however, achieved the largest growth, as British Columbia became Canada's major producer of wood products. Northern British Columbia began to develop, particularly with the construction of two new transcontinental railroads, the Grand Trunk and the Canadian Northern.¹

¹Margaret Urmsby, British Columbia: a history, pp. 557-541.
The McBride government contained elements both old and new in British Columbia politics. McBride's thirteen years as premier ended political factionalism, and brought a continuity and strength which provincial government had lacked from 1871 to 1903. His capable Minister of Finance, Robert Tatlow, produced a budget surplus by 1905, the second in British Columbia's history.  

McBride's success was not achieved without a price. Much of the provincial government's improved financial situation was due to the growth in the economy, but this development resulted in the emergence of large-scale companies with sizeable capital, and "glad-hand Dick" did nothing to discourage their power. The lumber industry received its major impetus from the timber licensing system used from 1906 to 1907, which brought a major increase in government revenue at the price of large-scale devastation of British Columbia's timber lands.  

mining, fishing, and the timber industry became controlled by a few companies during the McBride years. These companies also used their wealth and power to influence provincial politics. James Donar, writing in Canada and Its Provinces in 1914, noted: "Politics were once of some

---

2 Ibid., pp. 257-58.

3 W. A. Carrothers, Forest Industries of British Columbia, p. 257.
account apart from industry in British Columbia. They have now small effect there apart from industry." In McBride's later years as premier, much of the provincial government's financial surplus was dissipated in railroad involvements.5

The British Columbia government from 1871 to 1903 operated under several handicaps. In its brief colonial period the colony was largely neglected by Britain. The end of the mining rushes left the colony with a small population and a large debt. Financial considerations brought British Columbia into the Dominion before the colony had a population and economic base which could successfully support the province. Unlike the rest of western Canada, British Columbia had to support itself without much assistance from the federal government. A large amount of the province's most valuable land was alienated in railroad grants. British Columbia's economy differed from that of the Prairies, tending towards the dominance of large companies with sizeable capital. Mining in the Kootenays increased the provincial government's dependence on the companies. Geography added


certain difficulties. There were several causes for unsuccessful political leadership by the provincial government: the Island-Mainland rivalry, the lack of political parties, friction with the Dominion government, inability to secure quality leadership in the first years of the province, and a series of caretaker governments during the years of the Smiler faction.

Nevertheless, the provincial government could have administered British Columbia better. Much energy was wasted in friction with the federal government. The provincial government made no serious effort in its land policy to attract immigrants and did not withdraw timber lands from sale until 1896. British Columbia historians have severely criticized the provincial government's railroad subsidies. Poor management of its finances, and no serious effort to counteract its dependence on the industrial companies, also characterized the British Columbia government during these years. The provincial government failed to formulate long-range plans for development of British Columbia.

It is difficult to assess the long term effects of the years from 1871 to 1903 on the history of British Columbia. The province has generally lacked effective political leaders, and not produced politicians of national importance. Companies still remain important in the economy of the province and influential in politics. Most
important, the people of British Columbia appear to have inherited from these years attitudes about the province and provincial government which still exist today. Many people in the province believe that their economy is controlled by the companies; that government and the companies are working together against the interests of the people; and that British Columbia even today remains a "company province".
SELECTED BIBLIOGRAPHY

In writing this thesis, the restricted amount of material available presented major difficulties. The original intention of the thesis was to cover one aspect of British Columbia's history during these years, but lack of material necessitated widening the scope of the paper; so that the thesis, in its present form, generally surveys British Columbia's economic and political growth from 1871 to 1903. The research for this paper has also provided indications of the type and quality of historiography available.

The difficulties in research for this thesis are similar to those experienced by others who have ventured into this field. Most works about later 19th century western Canadian history concentrate on the settlement of the Prairies and pay little attention to events in British Columbia. Books that deal with British Columbia from 1871 to 1903 rely primarily on three secondary sources: British Columbia: a History by Margaret Ormsby; A History of British Columbia, Part 2, by Robert Gosnell; and British Columbia and the United States by F. W. Howay, W. N. Sage, and H. F. Angus. The recent publication of Robert Gail's 1956 thesis in book form as Land, Man and the Law provides
a fourth work which will become part of the basic historiography of British Columbia during the later 19th and early 20th centuries. In addition to these four books, Inland Empire by John Fahey has also been used for this thesis.

The framework provided by these books, however, contains many deficiencies. The authors' research and the information provided is often inadequate. Ormsby's British Columbia: a History uses primary sources, although these are mainly limited to the Victoria Colonist, and a few series of correspondence. R. E. Gosnell, who was involved in British Columbia government during the 1890s, provides useful insights into some aspects of British Columbia's history, but many areas are not discussed. British Columbia and the United States contains footnotes but no bibliography, and relies heavily on newspapers and the Sessional Papers. The book does provide the most inclusive treatment of the various areas of British Columbia's economy from 1871 to 1903. John Fahey's Inland Empire gives the best available account of American-Canadian rivalry in the Kootenays during the 1890s. Fahey uses newspapers as his major source of information.

Robert Cail's book is by far the best-researched available on the early history of British Columbia. Cail has used the British Columbia Statutes extensively in writing about the legislation formulated by the provincial government.
Two major problems exist with all of these books. Maps and statistical information are virtually non-existent, and the facts that are available tend to reappear in every book. Though 1907 is generally regarded as a political watershed, and the early 1900s as a time of economic changes, none of these books attempt to develop any interpretation regarding the early history of British Columbia. These books tend to treat British Columbia's history during the years from 1871 to 1903 in general terms instead of exploring the numerous issues. The few conjectures which are made are seldom supported with evidence.

The research for this thesis has gone beyond these basic books, although the value of other secondary works has been limited. Some books have provided important information in certain areas. For example, Pierre Berton's *The National Dream* and *The Last Spike*, Harold Innis's *A History of the Canadian Pacific Railway*, and J. Lorne McDougall's *Canadian Pacific* were useful for the section on railroads. The articles in the *Canada and Its Provinces* volumes provided considerable information on British Columbia's economy. However, many of the books and most of the magazine articles were of little value.

Use of primary sources in this thesis is limited, although these sources have been included wherever possible. Documents relating to British Columbia's
history from 1871 to 1903 have not been published. An effort to gain access to primary sources via theses was largely unsuccessful. Requests were made to the University of British Columbia library for twelve papers but only four were received. These four theses did contain useful information. The major sources of primary material are the Public Archives of Canada in Ottawa, and the Public Archives of British Columbia in Victoria. Time and finances limited archive research to one week in Victoria. Material which does exist in the British Columbia Archives regarding British Columbia from 1871 to 1903 is fragmentary, and not well-organized. The premiers' correspondence, which might have given some insight into the thoughts of British Columbia's leaders, was very incomplete except for two books of letters of John Robson, and several letters of John Turner. The records of the Land Office are virtually impossible to use, since they are not organized by either date or locality. Reports by many of the other government agencies are incomplete, for many did not compile yearly reports. From the archive's listings, it does not appear that diaries and other personal records of major figures exist. Undoubtedly, extensive research in the archives would produce more information about the economy and politics of British Columbia from 1871 to 1903. The government Journals of the Legislative Assembly, Gazette, Statutes, and Sessional Papers provide a basic
framework of events and public actions. The *Victoria Colonist* carries detailed coverage of events in the Legislative Assembly. Examination and compilation of information from these sources would provide more insights, which could probably be supplemented by extensive searching for material in the archives. The process would undoubtedly be slow and tedious, but is necessary to give a clearer picture of the early history of the province. The topics for research in British Columbia's early provincial history are virtually unlimited, for the British Columbia Archives for this time period have not been researched thoroughly, and the issues remain largely unexplored. This thesis attempts to provide the foundation for further research into some of these areas.
Sources Consulted

Books


Ricker, John and Saywell, John.  *How Are We Governed?*  


Rothenburger, Mel.  *'We've Killed Johnny Ussher!*.*  

Rushton, Gerald.  *Whistle Up the Inlet.*  

Scott, David and Hanic, Edna.  *East Kootenay Saga.*  

Toronto: Oxford University Press (Canadian branch), 1971.

Toronto: The Ryerson Press, 1943.

Trimble, William.  *The Mining Advance into the Inland Empire.*  


Woodcock, George.  *Amor De Cosmos.*  
Toronto: Oxford University Press (Canadian branch), 1975.

Periodicals


Sage, Walter N. "From Colony to Province." British Columbia Historical Quarterly Volume 3 (1939): 1-14.


Theses


Newspapers

The Atlin Claim. (Years consulted: 1898-1902).

The Cranbrook Herald. (Years consulted: 1898-1903).

The Inland Sentinel (Kamloops). (Years consulted: 1880-1888).

The Nelson Miner. (Years consulted: 1892-1893).

The Phoenix Pioneer. (Years consulted: 1900-1902).

The Rossland Evening Record. (Years consulted: 1896-1897).
The Victoria Colonist. (Years consulted: 1890-1892).

Correspondence

Davie, A. E. B. Correspondence Outward, 1887, 1888. Public Archives of British Columbia.

Robson, John. Outward Correspondence, Private, October 1891-May 1892. Public Archives of British Columbia.

Semi-Official Correspondence. Public Archives of British Columbia.

Smith, William. Outward Correspondence, 1887. Public Archives of British Columbia.


Government Documents


British Columbia. Department of Lands and Works. Lands and Works Reports. (Years consulted: 1873-1900).

British Columbia. Sessional Papers, 1887.


British Columbia. Sessional Papers, 1899.

British Columbia. Statutes. (Years consulted: 1871-1903).

Other

Great Northern Railway Company. Annual Report. (Years consulted: 1890-1902).
The Province of British Columbia, 1890. (CPR promotional pamphlet). University of Montana library.

The Province of British Columbia, 1902. (CPR promotional pamphlet). University of Montana library.