REPORT

Submitted to His Honour the Lieutenant-Governor by the Hon. James Dunsmuir and the Hon. D. M. Eberts on their mission to Ottawa as a Delegation from the Government of British Columbia.

By Command.

J. D. PRENTICE,

Provincial Secretary.

Provincial Secretary's Office,
March 15th, 1901.

REPORT OF THE DELEGATION.

To His Honour the Lieutenant-Governor in Council:—

Sir,—In accordance with your instructions, the undersigned beg to report that they proceeded as a Delegation to Ottawa to lay before the Government of Canada certain matters requiring adjustment between the two Governments, and to present certain claims of the Province of British Columbia for increased recognition at the hands of the Dominion.

As you are aware, the matters referred to were fully discussed before our departure, and were as follows:—

1. Chinese and Japanese immigration.
2. The right of the Province to a greater share of the revenues arising out of the Chinese Immigration Act.
3. The fisheries.
4. The encouragement of ship-building on the British Columbia coast.
5. Readjustment of the lumber tariff, in the interests of the local industry.
6. Financial relations of the Province of British Columbia and the Dominion of Canada.
7. Co-operation of the Dominion with the Province in the matter of railway development in British Columbia.
8. The settlement of the Songhees Indian Reserve.
9. Readjustment of boundaries of Indian Reserves in British Columbia.
10. The right of the Province to administer the minerals under Indian Reserves.
11. The right of the Province to the foreshores, and the minerals under the same.
12. The salaries of Judges.
13. Amendment of the Naturalization Act, to prevent fraudulent naturalization of aliens.
14. The claims of Robert Angus for compensation for timber seized within the Dominion Railway Belt.
16. Claims for compensation in connection with small-pox quarantine along the International Boundary Line.

And several other matters of mere minor import.

The Delegation left Victoria on the 5th January, and arrived in Ottawa on Saturday, the 11th, and on that day met Sir Wilfrid Laurier, and arranged for a meeting for the following Tuesday. Owing, however, to the death of Queen Victoria, news of which was received shortly after our arrival, and the near approach of the opening of Parliament, which took place on the 6th of February, negotiations extended over a longer period than was at first anticipated. The Ministers were very busy preparing for the work of the Session and meeting delegations from various quarters; consequently their time was greatly occupied, and the opportunities of interviewing the several Members of the Administration were more limited than would have been the case under ordinary circumstances.

However, we are pleased to report that we were afforded every facility possible of presenting our case to individual Members and the Government as a whole, and were cordially received. Our representations were courteously considered throughout, and fully discussed. Subsequent to the preliminary interviews with Sir Wilfrid Laurier, we had conferences on the 17th with Honourable David Mills, Minister of Justice; on the 18th, with Sir Wilfrid Laurier, Prime Minister; on the 19th, with Sir Louis Davies; on the 20th and 21st, with the Honourable A. G. Blair, Minister of Railways; on the 22nd, with Honourable Clifford Sifton, Minister of the Interior; on the 25th and 28th, with Mr. Blair; on the 28th, with Mr. Mills, and on the 31st, with Sir Wilfrid Laurier and the Members of the Cabinet. We left Ottawa on February 2nd. In consideration of the fact that the views of the Delegation were subsequently crystallized and submitted in the form of a series of letters and memoranda to Sir Wilfrid Laurier, Prime Minister, and to the several Ministers to whose Departments the subjects respectively pertained, it has been deemed unnecessary, as well as inadvisable, to enter into a report in detail as to the verbal representations made, and the nature of the discussions arising thereout.

We have, therefore, the honour of presenting herewith, in order, as a report, the correspondence as a whole, and in so doing have confidence in assuring you that to whatever extent the Delegation may have been successful in impressing their views on the Government at Ottawa, and obtaining compliance therewith, they have not neglected in any respect to place in a full and favourable light the claims of your Government for earnest and immediate consideration.

JAMES DUNSMUIR,
D. M. EBERTS.

The Premier to Sir. Wilfrid Laurier.

VICTORIA, B. C., October 9th, 1900.

Right Hon. Sir Wilfrid Laurier, G.C.M.G.,
Prime Minister, Ottawa, Canada.

DEAR SIR WILFRID,—There are several matters affecting the mutual interests of the Province of British Columbia and the Dominion of Canada, concerning which the Government is anxious that I should make representations to you, and I am very desirous, on my own account as well, that you should have an opportunity of carefully considering the views of my colleagues and myself concerning them, which, I may say, are shared by a large majority of the people of British Columbia. The matters in question have, for some time past, been under discussion in the Legislature, on the public platform and in the press, and I have no doubt that on account of the increasing interest felt in the East in the affairs of this Western country, they have already been brought under your notice. I propose going to Ottawa at an early date, hoping to have the pleasure of a personal interview, and an intimation from you as to a favourable time to see you would be appreciated.

In the first place, you will have observed by the various expressions of opinion, and, particularly from the attitude of the Legislative Assembly, that there is a strong and growing feeling regarding the immigration of Mongolians. In the opinion of the Government the time has fully arrived when some decisive steps should be taken by the authorities, having complete and effective jurisdiction to permanently end the state of affairs complained of.

The question is not without its difficulties, I admit; but the continued unrestricted immigration of Chinese and Japanese cannot but result in the agitation now on foot being persisted in and growing into undesirable prominence. From the representations made by the Japanese Consul to this Government, it would appear that His Imperial Majesty's Government has decided to prohibit the emigration of Japanese, or rather to greatly restrict it. It depends, of course, on how far the proposed restriction goes, as to whether it will be satisfactory or not. It may appear to you unreasonable that the people of British Columbia should desire to limit the privileges of a nation which has friendly treaty relations with Great Britain; but there are local considerations as well as Imperial interests which must be taken into account. Owing to the geographical relation of Great Britain to the continent of Asia, this Province is the landing place for Oriental immigration to the Pacific Coast, and conse-

quently the competition to which the labouring classes here are exposed is keenly felt, in a way that cannot be appreciated in other parts of Canada. This applies to Japanese and Chinese alike.

I am not at all clear as to whether the powers of the Province can constitutionally be applied to effect a remedy, but during the recent Session of the Legislature several earnest efforts were made to encompass the ends in view—with what success will appear when the legislation comes before your Government for review. What I feel particularly is this, that an unquestionable remedy lies with the Dominion authorities, and having promised the House that we would use our utmost influence with your Government, and through the Dominion Government with the Imperial authorities, to bring about a settlement, I cannot too strongly urge upon your attention the great desirability of dealing effectively with our representations. The theory upon which the rights of other nations are based is undoubtedly a strong argument against enacting the restrictive measures which we are so desirous of seeing enforced; but it is a condition, not a theory, with which we have to contend. Other things being equal we could not complain. If the people against whom we desire a measure of protection were, in their standard of living, on a par with our own, the competition of Japanese and Chinese would be a legitimate one; but I need not point out to you what has been contended so often and with so much force against an indiscriminate and unrestricted immigration of Mongolians, that, without lowering the general standard of living necessary to meet the decrease in wages, it is not possible for white labour to exist in the face of a system that has grown up under conditions entirely foreign to Anglo-Saxon communities, wholly inapplicable in this country, and out of harmony with our institutions. I am not prepared to say that there is not at the present time, and that probably for a little time to come there will not be, some avocations in which Chinese and Japanese may be employed with actual benefit to the whole community. I believe there are. These, however, are limited, and even respecting these it is desirable to change the conditions as soon as possible. The introduction of machinery will, in time, in all probability, afford very largely a substitute for such labour, and, in any event, if the employment of Mongolians in a limited way may be justified, it certainly is very undesirable that any increase in the demand for their services should take place, or that their employment should not be reduced to an absolute minimum.

A good deal has been said about public sentiment being educated to discourage the employment of Mongolian labour wherever possible, and while that may be commendable in itself, it will fail in practice to meet the case; because in large industries, more particularly, the temptation to obtain the cheapest form of labour, and to utilize it whenever and wherever available, will undoubtedly exist.

In my opinion, the only satisfactory way to deal with the whole subject is by the increase of the per capita tax in such a measure as to surely limit the number of immigrants, and by enactment of legislation, similar to the Natal Act, to regulate their employment while in the country. It is true that the Dominion Government has increased the per capita tax from $50 to $100 per head, but, as you will have already ascertained, the concensus of opinion, so far as this Province is concerned, is that it fails to meet the requirements. Sentiment throughout British Columbia is absolutely opposed to any temporizing with the question. The opposition of the Imperial authorities must not be allowed to stand in the way of the interests of this, an integral and most loyal part of the Empire, and if sufficient remedies have been permitted to be exercised in other colonies, they cannot consistently be refused to Canada, our case being all the stronger from the fact that by our direct geographical relation as a highway of traffic to the Orient we are particularly exposed to the evils of such immigration.

We look to the Dominion to afford us relief, and while I am absolutely opposed to an unconstitutional exercise of remedies by the Province, by the very nature of things, if they are denied to us by the proper authorities, we shall have a continuance of undesirable and hasty and ill-advised legislation. It will, furthermore, create an irritation prejudicial to the harmony which hitherto has always characterised our relations with the Dominion, and which is so necessary in giving full effect to the objects of Confederation.

I am sending as an appendix to this letter copies of the resolutions which have been passed during the recent Session of the Legislature, together with copies of the Acts relating to immigration and the regulation of labour. I also append a list of the resolutions and references which appear in our Journals and Sessional Papers since Confederation, from which you will see that it has always been a live question in the minds of the people, and that as time has gone on the expressions of public sentiment have become more pronounced and frequent. This

Government desires to see the question finally and satisfactorily disposed of, and I can see no reason why it should not be taken hold of now as well as at some future time.

If the Government of Japan intends to adhere to the policy it has announced, it will possibly dispose of the matter as far as Japanese are concerned, but we want some definite assurance on that point. I am aware that the difficulties with respect to the Japanese are greater than with respect to the Chinese, on account of the difference in the status of the two nations; but the conditions of competition being identical, the problem, so far as we are concerned, is the same in both cases.

While on this subject I wish to call your attention to the frauds which have been perpetrated in connection with the naturalization of Japanese. This would seem to suggest some necessary amendments to the Naturalization Act in order to prevent the recurrence of such abuses in the future. The evasions of the Act which have taken place are of the most scandalous nature, and I have no doubt that, after the subject has been thoroughly investigated, you will have further representations from the Honourable the Attorney-General.

In this connection, also, I desire, on behalf of the Government, to bring again to the attention of your Government the apportionment of the revenues arising out of the operation of the Chinese Immigration Act. While only one-quarter of the revenue so derived is returned to the Provincial Treasury, practically this Province has to suffer the whole of the evils arising from such immigration. What we beg to propose, and believe to be our right, is that the moneys remaining over after the expenses of administering the Act are met should be paid to this Government. The right of the Province to the present apportionment is, I understand, based upon the material effects of Chinese immigration in the Province, and is regarded as a compensation for resultant local evils. If the principle of any apportionment at all is a right and just one, then the claims of the Province to the whole of the revenue is equally obvious. I think that is so clear as not to admit of argument. The numbers of Chinese who find their way to Eastern Canada are small, and the effect on the labour market, in consideration of the largeness of the total population, is, in the aggregate, so insignificant as not to be appreciable. On the other hand, our population is so comparatively limited that any influx of Chinese is felt in a correspondingly increased ratio.

Another matter for adjustment is the administration of our fisheries, and the apportionment of revenues arising therefrom, based on the decision of the Privy Council. As a matter of fact, the judgment is not sufficiently definite and clear, and the present status of the question points to the advisability of a further reference to the Courts in order to ascertain more fully the respective limits of jurisdiction, and the kind of jurisdiction, that should be exercised by the respective Governments; or, in the absence of such reference, to a better understanding between the respective Governments. We feel that the necessity for the development of the fisheries within Provincial limits demand that the revenues arising out of licences should be shared by, if not wholly transferred to, the Province. For instance, in 1898-1899 the cost of the fisheries was $8,500, while the revenue from licences was $46,000. It must be conceded that very little has been done by your Government towards the encouragement of the fishing industry, while the cost of preserving order is borne by, and the responsibility of police protection rests with, the Province. This is a state of affairs manifestly unfair, and one which I hope to see placed on a more satisfactory basis. Since the fishing industry is still in its infancy in British Columbia, and since the jurisdiction of the Province has been greatly extended by the recent judgment of the Privy Council referred to, this Government feels a very large share of responsibility in relation to future development.

Perhaps, however, in a sense, the most important feature of policy affecting the relations of the two Governments is that of railway development. No other Province of the Dominion demands the same consideration in this respect. For one reason, the requirements of the other Provinces have, in the past, been recognised to a much larger degree, and for another, the physical features of British Columbia present obstacles not elsewhere encountered, and for still another and more important reason, the per capita contribution of British Columbia to the Dominion Treasury, compared with the money we receive in return, demands, in fairness, that we should receive more liberal treatment. It has been pointed out to your Government, and demonstrated over and over again by statistics taken from the Dominion Public Accounts, that the per capita contribution is several times that of the average for the whole Dominion. Added to that, we pay in freight, on all goods consumed, a sum many times greater than that of the consumer east of the Great Lakes, which adds proportionately to the burden of our

contributions; and then, to the through rate you have to add the local rate from the terminal points back to the consumer, which is also relatively very much greater than that paid in the East. Such facts as these, which have led in later years to a dissatisfaction yearly more and more finding expression, and one that will eventually develop into an emphatic demand for better terms, suggest special reasons for your consideration of some systematic and comprehensive effort by the Dominion Government towards railway building and other forms of development in British Columbia.

There is a well-known disposition on the part of the people of Eastern Canada to regard the building of the Canadian Pacific Railway as a sort of contribution to British Columbia sufficient for all time to come. The fact is that, by the building of that railway, an outlet in the whole of the North-West has been afforded for the Canadian manufacturer and the wholesaler, greater in its benefits than the sum of all the other acts of statesmanship since Confederation, not to speak of the tremendous possibilities which have been opened up for trans-oceanic traffic, and the importance which this development has given to Canada in the eyes of the world. In my opinion, it has made Canada a nation, and, in a large measure, saved it from the fate of annexation with the United States, which only the vision of a Confederation of Provinces, united by a railway and cemented by trade interests, could have averted. As the situation is at the present time, British Columbia is paying for those advantages and Eastern Canada is reaping them.

We think the form which the co-operation of the Dominion Government should take is particularly in the direction of railway development. This is especially what the resources of the Province require, for, as yet, only the rim of the Province has been touched. You are fully conversant with the advantages which the construction of an all-rail route to the Yukon would afford, and, with that mainly in view, the Province is anxious to join hands with the Dominion, for, apart from the desirability of conserving our own trade for our own people, such an undertaking would assist in the development of the whole northern part of British Columbia, the richness of which is being demonstrated daily. It would also form a link in an internal system of development yet to be undertaken. British Columbia is intersected by a succession of rich mineral belts from the south to the extreme north. Throughout the centre of British Columbia, for its entire length, extends a great and comparatively level plateau, admirably adapted for a trunk line of railway, from which would ultimately radiate branch lines to the Coast through easy passes, everywhere tapping localities capable of remarkable development and of creating immense traffic—a wonderful natural system of communication, of which a parallel is not presented in any other Province of the Dominion. Of this great task, the Province, burdened as it is with excessive contributions to the Dominion Treasury, cannot assume the sole responsibility. Having this mainly in view, we desire to enter into negotiations with your Government for the purpose of arriving at some equitable basis of mutual effort, and especially with reference to an all-Canadian route to the Yukon through the northern districts of British Columbia.

This is not a new departure. During the Session of 1898, the policy of the Government of this Province, as announced in the House, was based on views to which, in the main, it still adheres, a policy rendered the more justifiable and necessary by events of subsequent development and the more recent phases of the Alaska Boundary question. The then Premier advocated proceeding towards railway development, having in view joint action based on some determined ratio of assistance, and announced a policy of co-operation as between the two Governments. You are familiar with the political events which, since that time, interrupted the proposed negotiations.

Since the present administration came into power, it has had this matter repeatedly on consideration, and, during the recent Session, in dealing with charters for railway companies seeking entrance to the north country, it took strong grounds conformable with the lines laid down by the Dominion itself during the past several years.

On this point I submit a copy of a report of the Railway Committee, and extracts from the Colonist's and Times' accounts of the debate which arose when the report in question was presented to the House.

The Government furthermore held that, until the delimitation of the Alaska Boundary had been finally effected, it was inadvisable to grant charters for railways to or through undefined or disputed territory, and until that dispute was settled efforts should be concentrated upon an enterprise wholly within Canadian territory, and one that would as well open up and develop new and promising districts in the Province. This Government is prepared to enter

Chinese Regulation Act, 1884: return of papers in connection with the collection of revenues under the same and the enforcement of the Act. Page 355.

1890.—Petition against employment of Chinese on public works of the Province; against employment of Chinese on contracts for public works, or where a grant of money or land is given in aid of any works, and asking the Government to use their influence with the Dominion to have a similar clause inserted in all contracts made by them in this Province. Page 391.

Petition against the employment of Chinese in the coal mines as a measure in the interests of safety and pointing out the immunity from accidents in the coal mines during the period that no Chinese were employed. Page 393.

1892.—Petitions to exclude Japanese and Chinese being employed in coal mines; one from Nanaimo, Wellington and Comox, signed by about 3,000 persons, and another from Vancouver, signed by 700 members of the local trade unions. Pages 465 and 475.

Chinese Immigration Act: report of the Executive Council, approved 3rd March, 1891, praying the Dominion Government to increase the restrictive character of the Chinese Immigration Act of Canada. Page 627.

1894.—Copy of report of the Executive Council, approved 29th March, 1893, conveying copy of resolution passed by the Legislative Assembly, praying that the Dominion Government might increase the per capita tax on Chinese immigration to $100, and increase the amount of the revenues returnable to the Province; and reply of the Dominion Government stating the undesirability of increasing the tax owing to trade relations with China. Page 1003.

1897.—Report from Minister of Trade and Commerce, Ottawa, respecting the desirability of increasing capitation tax on Chinese, and submitting that British Columbia is entitled to three-fourths of such revenue, in reply to a resolution of the Legislative Assembly respecting the same. The minute states that similar representations have been received from British Columbia, and declines to consider the request. Page 949.

Naturalization of Chinese and Japanese: papers relating to the proposal embodied in a resolution of the Legislative Assembly asking that a residence of ten years be required for naturalization, and the reply of the Minister of Trade and Commerce to the effect that the suggestion is not practicable considering the relations and treaties existing between the British Government and those of China and Japan. Page 1277.

1898.—Chinese and Japanese labour in metalliferous mines: return to an order of the House for copies of all correspondence relative to such employment. Page 769.

1899.—Chinese and Japanese immigration: papers respecting the number of Chinese and Japanese landed in the Province during the years 1897-98. Page 1383.

Chinese per capita tax: papers respecting the proposed increase of the per capita tax on Chinese immigrants; report of the Privy Council, approved 15th May, 1899, with reference to a resolution passed by the Legislative Assembly requesting the per capita tax to be increased to $500, being adverse to any interference with the Chinese Immigration Act as it stands. Page 1385.

JOURNALS.

1872, 26th February.—Motion to tax Chinamen $50.00 per head per annum, lost; yeas 7, nays 15. Page 15.

28th February.—Motion to prohibit Chinese labour on Provincial and Federal works, lost; yeas 5, nays 17. Page 16.

1873-74, 12th January.—Motion to impose per capita tax on Chinese residents, negatived. Page 18.

1876, 9th May.—Committee of the Whole for the purpose of considering expediency of taking steps towards preventing immigration of Mongolian population; report adopted by House. Page 46.

1878, 31st July.—Resolution passed by Legislative Assembly against employment of Chinese on public works, and favouring insertion of clause in all contracts to that effect. Page 82.

1879, 19th February.—Select Committee appointed to report on the best means of dealing with the Chinese population and preventing further immigration. Page 20.

March 28th.—Report of Select Committee recommending an Address to the Dominion Government asking that measures be adopted to effectually prevent further immigration of Chinese. Page 47.

April 7th.—Draft of Address to Dominion Government by Select Committee, signed by Geo. A. Walkem, Chairman (now Mr. Justice Walkem), in which representations to the Dominion Government are very strong. Page 55.

1880, April 19th.—Petition from anti-Chinese Association. Page 17.

April 21st.—Resolution passed urging Dominion Government to pass an Act similar in principle to the Queensland Act. Page 20.

April 22nd.—Resolution passed requesting the Dominion Government to empower the Province of British Columbia to pass an Act entitled the Chinese Tax Act, copy of which is included in resolution. Page 21.

1882, February 28th.—Resolution passed requesting the Dominion Government to induce contractors on the Canadian Pacific Railway to employ white labour only. Page 10.

Report of the Executive Council, approved 9th March, urging on the Dominion Government the desirability of giving effect to the foregoing resolution. Page 11.

Reply from the Dominion Government, and further representations from the Executive Council of the Province. (*See* pages 232, 233, Sessional Papers, 1884.)

1883, January2 6th.—Order in Council *re* influx of Chinese. (*See* Sessional Papers, 1884.) Page 5.

1884, February 18th.—Royal assent to Act Regulating Chinese Immigration. Page 77.

1883, 7th December.—Committee of the Whole to consider best means to prevent Chinese immigration; reported that Select Committee be appointed to draft an Act to restrict the immigration of Chinese; report adopted. Page 12.

January 21st.—Reported Acts to regulate the Chinese population and to prevent their immigration, with Address to the Governor-General on the subject; report adopted. Pages 37 and 38.

Question—by Mr. Duck—as to what had been done by the Government *re* carrying out the view of the House on Chinese immigration, with reply of Government. Page 18.

1885, February 25th.—Resolution regarding disallowance of Act regulating and preventing immigration of Chinese, and making further representations to the Dominion Government in favour of restrictive legislation. Page 46.

March 9th.—Royal assent to another Bill preventing Chinese immigration. Page 72.

February 9th.—Resolution *re* disallowance of an Act to prevent immigration of Chinese, and representations to the House of Commons on the Chinese question, praying for enactment of laws to prohibit further immigration. Page 30.

February 23rd.—Report of Select Committee on Chinese question. Page 43.

1885, February 17th.—Amendment to the Chinese Regulation Act, 1884; Bill introduced. Page 26.

February 25th.—Bill withdrawn, being out of order. Page 36.

March 11th.—Select Committee appointed to prepare a clause to be inserted in all Private Bills, regulating employment of Chinese in connection therewith. Page 47.

March 17th.—Report of Select Committee received. Page 52.

February 26th.—Motion to insert clause in all Private Bills, withdrawn. Page 37.

March 1st.—Motion negatived to reduce tax for mining licences, and also to prevent Chinese from cutting hemlock timber on Crown lands. Page 38.

February 1st.—Order for Return of licences granted under "Chinese Regulation Act, 1884"; number of arrests and convictions, etc. Page 11.

February 1st.—Resolution requesting papers to be brought down referring to "An Act to Prevent Immigration of Chinese," 1884 and 1885. Page 11.

February 5th.—Return *re* Chinese destitution. Page 13. (*See* Sessional Papers.)

February 8th.—Return of papers ordered by the House *re* Acts to Prevent Immigration of Chinese, 1884 and 1885. Page 15. (*See* Sessional Papers, 1886.)

February 8th.—Papers referring to "Chinese Regulation Act, 1884." Page 15. (*See* Sessional Papers, 1886.)

February 19th.—Return of revenue under Chinese Regulation Act. Page 30.

1887, 22nd March *et seq.*—Divisions on motion to add Chinese clause to certain Bills, negatived. Pages 60, 63, 64, 82 and 86.

1890, March 18th.—Petition *re* Chinese labour on public contracts. Page 67.

March 19th.—Petition from miners of Nanaimo, Wellington and Comox against Chinese working underground in colleries. Both petitions ordered printed. Page 69.

1891, February 5th *et seq.*—Motions to insert sections providing against employment of Chinese on work undertaken in pursuance of Private Bills, negatived. Pages 23 to 26, 64, 69 to 71, 88 to 90, 138.

February 19th.—Resolution favouring reference to the powers of the House to pass Acts containing clauses prohibiting the employment of Chinese, to the Supreme Court of the Province, and long amendment thereto. Both motion and amendment were withdrawn. Pages 40-41.

January 22nd.—Resolution in favour of Chinese clause in all Private Bills; debate adjourned. Page 7.

February 24th.—Resolution in favour of increasing the per capita tax from $50 to $200 and amendment. Motion as amended, carried. Page 50.

February 25th.—Amendment not to include Japanese under same restriction as Chinese, carried, 16 to 14. Page 53.

February 27th.—Resolution *re* Chinese immigration, asking that it should be made more restrictive, passed, 18 to 10. Page 56.

1892, March 28th *et seq.*—Insertion of Chinese restriction clause in private Bills, negatived. Pages 77, 95, 138 and 146.

April 1st.—Resolution *re* increased restriction of Chinese immigration; previous question moved and carried, 14 to 13. Pages 85 and 86.

February 17th.—Petition from 2,689 miners of Nanaimo, Wellington, and Comox against Chinese and Japanese working underground; ordered printed. Pages 18 and 21.

February 19th.—Petition from Alberni District *re* Chinese and Japanese. Page 24.

February 22nd.—Petition *re* Chinese and Japanese. Page 24.

March 3rd.—Petition from Vancouver Trades and Labour Council *re* Chinese and Japanese working underground. Page 37.

March 9th.—Resolution passed for return of correspondence, etc., *re* resolution of last Session asking that the Chinese Immigration Act of Canada be made more restrictive in its provisions. Page 46.

March 16th.—Presentation of papers ordered by the House respecting the foregoing Resolution. Page 62.

1893, 17th February.—Resolution *re* "Chinese Immigration Act," requesting the Dominion Government to make it more restrictive in certain ways, carried, 15 to 14. Pages 26 to 27.

March 20th.—Resolution adopted requesting the Dominion Government to increase the per capita tax to $100, and to give this Province 75 per cent. of the said tax. Pages 77-91.

February 23rd.—Mr. Keith's Bill to amend the "Coal Mines Regulation Act, 1888," and the "Coal Mines Amendment Act, 1890," was negatived by 16 to 12. Page 35.

1894, 29th January.—Resolution *re* amendment of the "Municipal Act" to enable Corporations to tax persons or companies employing Chinamen $50 per year for each Chinaman; ruled out of order. Page 15.

January 25th.—Resolution adopted praying the Dominion Government to increase the per capita tax to $100, and expressing the opinion that three-fourths of all moneys received should be paid to the Province. Page 10.

February 8th.—Resolution passed praying for copies of all correspondence *re* Resolution of 1893, praying the Dominion Government to increase the per capita tax to $100, etc. Page 31.

February 15th.—Copies of the above referred to papers presented to the House. Page 41.

1895, 22nd December (1894).—Resolution praying that the per capita tax be increased to $100, and that three-fourths of all moneys received in British Columbia should be paid to the Province. Page 55.

January 24th.—Resolution adopted in favour of the Government taking steps against Chinese holding liquor licences. Page 88.

February 8th.—Section introduced to amend "An Act to further amend Act 44 Victoria, Chapter 19," against employment of Chinese or Japanese; negatived, 17 to 10. Page 114.

1896, February 12th.—Question as to steps to test the constitutionality of the section of the "Coal Mines Regulation Act" prohibiting the employment of Chinese underground. Page 37.

1897, February 15th.—Resolution adopted urging the desirability of increasing the per capita tax to $100, and that three-fourths of all moneys received should be paid to British Columbia. Pages 12 and 34.

April 20th.—Return of papers *re* increase of capitation grant. Page 120.

April 26th.—Return asked for as to number of Chinamen who are tenants of the Crown. Page 131.

April 26th.—Enquiry as to steps taken to prevent employment of Chinese in the mines of the Union Colliery Company. Page 131.

April 30th.—Resolution urging on Dominion Government the necessity of Chinese and Japanese residing ten years before becoming naturalized. Page 141.

March 18th.—Government asked as to what action it would take with reference to a Bill from the recent decision of the Supreme Court *re* "Coal Mines Regulation Act." Page 64.

April 28th.—Resolution requesting the Dominion Government, *re* treaty with Japan, to make such stipulations as will prevent unrestricted immigration of Japanese into Canada. Page 136.

1898, 6th April.—"Coal Mines Regulation Act" read a second time, 17 to 19. Page 107.

February 28th.—Return of correspondence *re* employment of Chinese or Japanese in metalliferous mines in the Province. Page 32.

1899, February 7th.—Act to amend the "Coal Mines Regulation Act"; second reading, page 43; third reading, page 46.

February 2nd.—Resolution *re* employment of Chinese and Japanese, making representations to the Dominion Government, withdrawn. Page 38.

January 18th.—Return of copies of all correspondence between the Dominion and Provincial Governments with reference to the legislation against Japanese. Page 20.

February 24th.—Return showing number of Chinese and Japanese that have become naturalized British subjects in British Columbia. Page 95.

January 11th.—Question as to communications received by the Provincial Government from the Dominion Government, relative to a protest by the Emperor of Japan against the "Labour Regulation Act, 1898." Page 11.

January 11th.—Resolution adopted to memorialize the Dominion Government to increase the per capita tax on Chinese, and to urge the claims of the Province to three-fourths of the revenue. Page 10.

January 16th.—Resolution requesting the Dominion Government to furnish information regarding the number of Chinese and Japanese landed during 1897-1898. Page 16.

February 25th.—Long resolution adopted requesting the Dominion Government to increase the per capita tax on Chinese to $500. Page 99.

January 25th.—Order of the House for Return showing number of Chinese and Japanese naturalized since 1890. Page 27.

February 20th.—Return ordered showing number of Chinese and Japanese naturalized in British Columbia to the present time. Page 65.

February 14th.—Debate on resolution asking for copies of reply sent by the Province to the Dominion Government, relative to the suggestion that the "Labour Regulation Act, 1898," be repealed, adjourned. Page 53.

February 16th.—Resolution carried. Page 58.

February 16th.—Resolution *re* enforcing the Sanitary Regulations *re* Chinese. Page 57.

1900, 8th January.—Return ordered of all correspondence, etc., between the Dominion and Provincial Governments, relative to the disallowance of the "Labour Regulation Act, 1898."

February 1st.—Amendment to "An Act to amend the Coal Mines Regulation Act." Debate on same defeated by 18 to 17.

February 2nd.—Bill introduced to regulate the length of hair that may be worn by employees in metalliferous and other mines.

February 9th.—Resolution against admission of Mongolians to the rights of citizenship, and memorializing the Dominion Government to change the naturalization laws to that effect. After several amendments, motion carried, 28 to 2.

February 12th.—Adjourned debate on the "Coal Mines Regulation Act."

STRATFORD, 17th October, 1900.

MY DEAR MR. DUNSMUIR,—I beg to acknowledge the receipt of your very important letter. The character of the questions submitted for the consideration of the Dominion Government is such that it would be far preferable to have them discussed verbally rather than in writing.

I am most happy indeed, to have the expression of your intention to visit Ottawa at an early day. I would specially ask you to come as soon as possible after the elections are over. It would take fully a week, if not more, to go over the ground covered by your letter, in order to have some satisfactory results. If you would kindly let me know the date that I should expect you, I would make my arrangements accordingly, as I propose to take a short trip either in November or December.

Until I have had the pleasure of a personal interview with you, I will refrain from any observation with reference to the subjects mentioned in your letter. In the meantime, let me assure you that I will endeavour to meet your wishes in the most friendly spirit, though I can see some very serious difficulty in successfully handling some of the subjects to which you refer.

Believe me, etc., etc.,
(Signed) WILFRID LAURIER.

The Hon. J. Dunsmuir,
Premier, British Columbia,
Victoria, B. C.

VICTORIA, 13th November, 1900.

Right Hon. Sir Wilfrid Laurier, G.C.M.G.
Prime Minister, Ottawa, Canada.

SIR,—I am directed by the Hon. James Dunsmuir, Premier, to acknowledge the receipt of your favour with reference to his proposed visit to Ottawa to interview you on the relations of the Province of British Columbia with the Dominion of Canada, and to state in reply that Mr. Dunsmuir cannot leave for the East at as early a date as you suggest and as he originally intended, but that he will endeavour to go to Ottawa about the middle of December, or some time before the next Session of the Dominion House of Commons. I am further directed to say that the Premier would have written you personally and at greater length, but has been obliged to leave for San Francisco on business.

I have, etc.,
(Signed) R. E. GOSNELL,
Private Secretary.

QUEBEC, November 22nd, 1900.

R. E. Gosnell, Esq.,
Private Secretary to the Premier,
Victoria, B. C.

DEAR SIR,—I am directed by Sir Wilfrid Laurier to state that the most suitable time for him to receive the Hon. Mr. Dunsmuir, at Ottawa, would be at the beginning of the month of January, 1901. If this would be convenient to Mr. Dunsmuir, please let me know.

Yours truly,
(Signed) RODOLPHE BOUDREAU,
Private Secretary.

VICTORIA, 7th December, 1900.

To Right Hon. Sir Wilfrid Laurier, G.C.M.G.,
Prime Minister, Ottawa, Canada.

SIR,—I am directed by the Honourable James Dunsmuir, Premier, to say in reply to a note by your Private Secretary, dated 22nd November, that it is his intention to go to Ottawa, for the purpose indicated in previous letters, about the first week in January proximo. I am further directed to convey the thanks of the Premier for arranging for an interview.

I have, etc.,
(Signed) R. E. GOSNELL,
Private Secretary.

BRITISH COLUMBIA'S SHARE OF CHINESE HEAD TAX.

As is pointed out in the letter to Sir Wilfrid, any refund to British Columbia of the head tax was based, in the first instance, on the right of British Columbia to compensation for local evils arising out of such immigration, and that, therefore, logically, as the evil effects of Chinese immigration were almost wholly local the Province was entitled to, if not all of such revenue, the greater portion of it.

Of late years, frequent resolutions have been passed by the House asking for a return of three-fourths of such revenue. In this connection a table of population is submitted showing the relative populations of Canada and British Columbia for the different census periods, and to show how much greater British Columbia is affected than the rest of Canada.

The percentage of Chinese in British Columbia was, therefore, sufficient to have a very material effect on the labour market, while in the East it was infinitesimal in its effect.

At the present time, while the Chinese and Japanese number about 15,000 in a population of 150,000, there are not more than 3,000 or 4,000 in Eastern Canada, in a population of about 5,500,000, and these do not, to any appreciable extent, enter into competition with the whites as they do in British Columbia. There can, therefore, be absolutely no question as to the rights of the Province in regard to the revenue claimed.

The Legislature has frequently asked for three-quarters of the revenue from the Chinese head tax.

CHINESE AND JAPANESE NATURALIZED IN 1900.

	JAPANESE.	CHINESE.
Victoria	240	38
Nanaimo	1	1
Vancouver	437	41
New Westminster	232	3
Chilliwack	173	..
	1,083	83
		1,083
Total number of Chinese and Japanese naturalized		1,166

POPULATION OF CANADA AND BRITISH COLUMBIA.

	1871.	1881.	1891.	1901.
British Columbia	36,250	49,500	98,500	150,000
Canada	3,500,000	4,250,000	4,840,000	5,500,000

Average population.	1871-81.	1881-91.	1891-1901	Total average.
British Columbia	43,000	75,000	125,000	81,000
Canada	3,900,000	4,600,000	5,000,000	4,500,000

Between 1871 and 1881 the average population of British Columbia was.....		43,000
Of which there were Indians.....	26,000	
Chinese.....	3,000	
		29,000
		16,000
In Canada for the same period.....		3,900,000
Less Indians and Chinese.....		125,000
		3,775,000
Between 1881 and 1891 the average population of British Columbia was.....		75,000
Of which there were Indians.....	24,000	
Chinese.....	6,000	
		30,000
		45,000
In Canada for the same period.....		4,600,000
Less Indians and Chinese.....		120,000
		4,480,000
Between 1891 to 1901 (estimated), British Columbia.....		125,000
Indians.....	23,000	
Chinese and Japanese.....	12,000	
		35,000
		90,000
In Canada for the same period.....	5,000,000	
Less Indians.....	115,000	
		4,885,000

In 1891 the Chinese were $\frac{1}{11}$ of the population of British Columbia, and $\frac{1}{526}$ of the population of Canada.

In 1891 the Indians were $\frac{1}{4}$ of the population of British Columbia, and $\frac{1}{50}$ of the population of Canada.

At the present time the Indians and Chinese are $\frac{1}{10}$ of the population of British Columbia, and $\frac{1}{49}$ of the population of Canada.

The Chinese in Canada east of the Rockies in 1891 were an insignificant part of the population—about 400.

At present they may possibly number 2,000.

Co-operation in Railway Development.

RUSSELL HOUSE, OTTAWA, 28th January, 1901.

Right Hon. Sir Wilfrid Laurier, G.C.M.G.,
Prime Minister, Ottawa, Canada.

DEAR SIR WILFRID,—I beg to enclose herewith a memorandum containing certain statements of fact respecting the financial relations between the Province of British Columbia and the Dominion of Canada, to which your attention is respectfully directed. They are, I submit, worthy of your most serious consideration, inasmuch as upon the statements in question are based the claims for increased recognition laid before you by myself and my colleague, the Honourable the Attorney-General, and inasmuch, too, as they crystallize and enforce the arguments advanced in our various interviews.

Intimately associated with the question of re-adjustment of financial relations is that of the problem of railway development in British Columbia, which has become a matter of serious concern to the Government. It has occupied the attention of the Government of the Province for several years past, and the conviction has become strong in the minds of the public, as well as of the Administration, that it forms part of the duty of the Dominion Government to co-operate with the Province of British Columbia in giving effect to a comprehensive policy of railway construction by means of which mutual assistance will be rendered in a fixed and definite ratio.

In my first letter to you, Sir Wilfrid, I intimated that in view of the inadequate return to the Province for the revenues contributed to the Dominion, a sense of injustice being done had been created in the public mind which would ultimately result in a Provincial agitation for better terms. I feel confident that the statement of receipts and expenditure, and the memoranda which accompany this, are sufficient to convince your Government that the demand for better treatment is well founded, and that political wisdom alone would dictate the expediency of anticipating any general movement of the kind suggested by adopting a policy such as has been suggested. I feel sure, too, that a spirit of fairness to all parts of the Dominion, independent of political considerations, will prompt you to give our representations that measure of consideration which their importance merits.

In considering the subject, the peculiar circumstances and physical conditions by which the Province is surrounded, must have special cognizance. These may be enumerated as follows:—

(*a.*) Its remoteness from the populated centres of Eastern Canada and the seat of Government:

(*b.*) Its vast extent, wide distribution and diversity of resources, and its sparseness of population:

(*c.*) Its rugged exterior and the physical obstacles to communication and development.

All these things on the one hand have rendered the cost of living greater, and the problem of development much more difficult, than in the eastern Provinces; while, on the other hand, the wealth of natural resources and the potential character of the population attracted to the country have had marked results of a national as well as provincial character. In other words, under serious disadvantages of a peculiar kind the Province so handicapped has nevertheless made remarkable development, with a corresponding influence on the progress of the whole of the Dominion.

We claim that on account of the very large per capita contributions of the Province to the Dominion, as compared with the rest of Canada, it is entitled to greatly increased recognition in the way of expenditure on works of public development; but even if the ratio of our contributions were not as three to one, as it is at the present time, the material results to the Dominion arising out of the greater development of British Columbia would, as a business arrangement, more than compensate for the outlay involved by reason of any comprehensive scheme that might be mutually undertaken by the two Governments.

The problem, therefore, is this:—

First, the Province is entitled to increased subsidies or financial assistance in some form.

Second, the direct results to the Dominion will justify increased expenditure without in any way increasing the financial burdens of the Dominion as a whole.

Since 1885, the year in which the completion of the C. P. R. took place, the revenues from the Province of British Columbia to the Dominion of Canada have more than trebled, and the ordinary revenues have exceeded the expenditure by the latter in British Columbia by $16,310,000, or by an average of over $1,000,000 per annum. This increase has become greater, as is shown by the accompanying statement, each year since 1885—the result largely of internal railway and mining development.

Owing to the closely associated interests of the Province and the Dominion in respect to railways, it is now practically essential to their construction, in a country where traffic has to be created and the cost per mile is so heavy, that railway companies should receive assistance from both Governments. This is to say, as a matter of fact, that the Provincial lines of railway, aided by the Province to a limited extent, will not be constructed without additional aid from Ottawa, and *vice versa*. Since so large a part of the Province still remains undeveloped by railways, and such railway development has such a quickening effect on the revenues of the country, and is so essential to all other forms of development, it is highly important that an agreement should be reached whereby the two Governments should unite on certain definite lines with a view to creating a comprehensive system of communication—first, as to the general direction and extent of the lines to be built at present and in the future; and second, as to the principle or mode of assistance. In other words, a joint railway policy is what we suggest. Since so much depends on joint action, that action, so far as possible, should be uniform and well-defined.

As pointed out in my former letter to you, the peculiar physical contour of British Columbia lends itself to a system already indicated by the natural water-ways and valleys of the country. Now that there are already practically two main trunk lines traversing the southern part of the Province east and west, and a promise of a third line further north through the Yellow Head Pass, it is important that a system of local lines as colonization roads and feeders, with radial branches to the Coast, should be considered. To illustrate, I quote from the chapter on "Railways" in the "Year Book of British Columbia":—

"No reference has been made to the main line of the C. P. R. through British Columbia, which was built and completed some time ago as a consummation of the national idea of a transcontinental railway linking all the Provinces together, and none at this late date is necessary to elucidate its magnitude, importance or results. It is its own living witness. Leaving it out of the question, however, in so far as it answers the purpose for which it was constructed, the main problem of railway construction is yet to be dealt with, and the exploitation of the Canadian Yukon gold fields is helping in the solution in a most wonderful way. The railway of the future is neither the Penticton line nor the British Pacific, nor any one yet built or projected, but one of which all these would become tributaries and essential links. Reference is made to a railway from the south to the north, extending through the great interior plateau of British Columbia, and as far north as the mineral belt is accessible, and having its outlet, it may be, in Alaska at the mouth of the Yukon, and connecting ultimately with the Siberian Railway now pushing eastward to a Pacific port. It has long been talked of as a possibility but has never until the present entered the pale of practical politics. The recent live issues respecting routes to the Yukon have brought it prominently to the front, not only as a possibility but as a probability as soon as the financial resources of the country will permit or capital is available. The maps accompanying this book will show the various routes that have been advocated, and it will be observed that they all, somewhere, culminate in this line, which marks itself out as the undertaking in chief. With the resources of the various sections south to north developed there is not necessarily any rivalry in the conception of the different routes, not even of the one from Edmonton; because, taking the Boundary country as a start, and following up the Okanagan Lakes to and by way of Vernon to Kamloops, from Donald and Golden, from Revelstoke and from Kamloops, through to Canoe River Valley; from Ashcroft through Cariboo; from Bute Inlet to Quesnel; from Edmonton *via* Tété Jaune Cache; from Kitimaat to the proposed Stickine and Teslin line; or from any of the ports at present in Alaska—there is a *raison d' etre* for the existence of each. They would all form feeders to the central line, which in turn, as a main artery of the system, would afford them traffic and incidentally develop a series of very rich districts, through which smaller networks of vein communication would be distributed. Instead of acting as rivals they would materially assist in the success of each other, and altogether would constitute the most complete exemplification of the benefit of an all-Canadian and British Columbian route to the Klondike."

I append a map with lines drawn showing existing railways, and also possible railways, suggested by natural routes of travel, which, as development goes on, will, from time to time, be built. I suggest that the two Governments should come to an understanding as to how far this principle should extend, and in which directions it could be made applicable in future railway construction. The promulgation of a policy based on these lines would give a definite bent to railway building, to settlement and development in general in the future.

As to the ratio of assistance to be given by the Dominion of Canada and the Province of British Columbia, respectively, to railways in British Columbia, in view of the contributions by British Columbia to the Federal Treasury, and in view of the relative benefits derived by the Dominion, as shown by the accompanying statement, we suggest that such assistance should be in the proportion of two-thirds to one-third. That is to say, if the total assistance decided upon be $12,000 per mile, the Dominion should pay of that amount $8,000 a mile and the Province $4,000 a mile; and in that proportion throughout. The necessity for co-operation on some such definite and well-understood lines is very evident if results in the very best interests of the Dominion and the Province are to be obtained. Owing to the peculiar relations of the Province and the Dominion in respect to railway control and the over-lapping jurisdiction referred to in my former letter, there will, without some concerted policy, always exist danger of conflict of authority and the lack of unanimity necessary to carry out railway enterprises successfully.

For the present it is proposed that the two Governments should co-operate in building the following lines as part of the general system:—

From Midway, in the Boundary Creek District, to the Coast, at some point south of the Fraser River, having a ferry connection with Vancouver Island:

From the present terminus of the Esquimalt and Nanaimo Railway to some point on the north end of Vancouver Island:

From some point on the British Columbia sea-board, say at Kitimaat, to some point on the northern boundary of the Province, to form part of an all-Canadian line to the Yukon.

With regard to the first-named line, so many representations have already been made to your Government regarding its advantages from a business point of view, and the rich character of the country to be opened up thereby, that I feel it will be unnecessary to go into many details in order to impress you with its importance. A very strong feeling exists in the mercantile community in favour of a more direct connection between the Coast cities and the interior mining districts, which would be served by such a line. The incidental development along the line itself would be very great. Numerous and important mineral discoveries have been made throughout all the country from Midway to the Hope Mountains, and that entire district is now regarded by authorities as one of the richest in minerals in the Province, containing as it does copper, gold, silver, coal and iron. I would also call your attention to the fact that east of the Hope Mountains, in what is known as the Similkameen District, are large areas of pastoral and some very rich agricultural lands; while on the south side of the Fraser River there exists one of the largest areas in the Province of arable lands, much of it very fertile delta or alluvial deposits. There is a considerable agricultural population in the Fraser Valley, to whom increased railway communication would be of great commercial advantage.

The proposed line from the present terminus of the Esquimalt and Nanaimo railway to the north end of Vancouver Island would pass largely through a mineralized district, and, if built, without doubt there would follow a mining development quite unsurpassed by that which has taken place, or is likely to take place, in any part of the Province. It is true that the agricultural resources of Vancouver Island are not so extensive as they are in some other parts of British Columbia, although there exists in numerous localities good farming lands in small areas; but this railway would serve other resources in an important degree.

It may be stated, as a fact, that from the Straits of Fuca to the north end of the Island, including the Island itself, the islands in the Gulf of Georgia and the adjacent coast of the Mainland, there is embraced, in contiguity, a greater combination of rich resource within a similar area than exists in any other part of Canada—large and extensive deposits of coal, iron, copper, gold, auriferous black sands, silver, building stone, slate, and other economic material; the largest compact area of timber in the Province; and important fisheries. All these various interests would contribute to the proposed line of railway and in their turn would be made available for the investment of capital and the development of lucrative industries. Apart from the lumber business, the utilization of our great supply of pulp wood and the settlement

of many agricultural valleys referred to would justify the undertaking. This line of railway would also form an important factor in the northern trade which is becoming every year more and more extensive. Pending the construction of the all-Canadian railway to the Yukon it could be utilized in connection with ferries from the Mainland at Vancouver to Victoria, and from the northern terminus to Skagway, for the transportation of loaded sealed cars, which could be carried across the strip of country in the United States without breaking bulk or examination by the U. S. Customs officials, thus obviating delays and every possibility of discrimination by the U. S. Customs officials against Canadian goods. When the proposed all-Canadian line is built, this same system of car transfer could be established between its terminus, or that of any other railway to the Coast, and the Island Railway. I need not refer to the advantages to be derived by our Coast cities from the establishment of such a system, which could be undertaken immediately the Island Railway is built. I may say, by the way, that the advantages of the situation are now enjoyed by the Puget Sound cities of the United States.

With reference to the proposed all-Canadian line to the Yukon, this, so far as British Columbia alone is concerned, would open up a new and important district and render available mining and agricultural resources of which, however, not so much is known as of many other districts; but if we may reason from analogy the conclusion is fully warranted that for the whole distance the minerals and other resources of the country would yield profitable traffic for a railway independent of what the Yukon country would contribute and the incidental advantage to Canadian interests in having a railway exclusively throughout its own territory.

This much, however, is common knowledge, that throughout the Kitimaat Valley there are thousands of acres of agricultural lands, and portions of the valley, towards the foot hills, are covered with splendid bodies of merchantable timber. Very rich and large bodies of quartz have been found on the Skeena along the line of the proposed railway. Placers have been washed successfully on the streams flowing into the Skeena. The Bulkley and other valleys, at no great distance from Hazelton, are, agriculturally, very rich, and the late discoveries of the finest coal, within easy reach of the proposed line, are reported equal in extent to those of the famous Crow's Nest Pass, and of equal merchantable value.

The fact must also be taken into consideration that the great Omineca country being worked on a large scale for gold would receive very much cheaper transportation than at present, which would enable those operating less rich properties, in a small way, to increase their volume of work. This road would also afford an outlet to the miners now working and prospecting on the head-waters of the Nation and other rivers. I need scarcely call your attention to the fact that this line traverses a portion of Cassiar, where, in the seventies, millions of dollars were extracted from the diggings. Miners are again taking up that country, and large hydraulic plants have been erected during the past year. Lately, too, very strong bodies of copper-bearing rock have been located.

I have not included in the foregoing any other undertakings. The lines already referred to are those we deem for the present to be the most pressing and important. There is still, however, a larger area of the Province to be taken into consideration, into and through which lines of railway will be built in due time, your assistance to which would be asked when the time has arrived to consider them as immediately in prospect. The whole interior of central and northern British Columbia presents a wide and rich field for exploitation, which, by the very nature of things, in a rugged country such as it is, cannot be opened without the construction of railways and numerous roads and trails.

I beg to remind you again that the Province of British Columbia is contributing at the present time about two million dollars to the Federal Treasury in excess of expenditure. This in itself would seem sufficient to entitle the Province to receive very large subsidies for purposes of development; but, apart from that altogether, it is not unreasonable to assume that, if the developments suggested were carried into effect, within five years the population directly resulting therefrom would be increased fifty thousand. At the present rate of taxation—which per capita is, roughly, $25 per head—such an increase would augment the revenue to the Dominion by a million and a quarter dollars annually, a sum in itself, together with one-half of the present annual net contribution of the Province to the Federal Treasury, more than sufficient within fifteen years to recoup the Dominion for its share of the total outlay necessary to build three thousand miles of railway.

As an illustration of the rapidity with which the population has found its way into parts of the Province opened up by railways, the most conspicuous example is that of Kootenay. Within ten years it has developed from a wilderness to a populated district, having numerous

thriving towns and villages producing largely in gold, silver and copper, and contributing in an important degree to the revenues of both the Province and the Dominion. This was alone made possible by the railway and steamboat lines, and the numerous minor accessories in the way of roads and trails which traverse it in various directions.

If the Province of British Columbia had returned to it each year a fair proportion of the net revenue contributed, it could itself undertake the problem of railway development, but I have hesitated for the present to concur in a suggestion that has been made to offer to the Dominion a commutation of all existing claims for an annual allowance of one million dollars a year for fifty years, to be applied to internal development. My hesitation is due not to the extravagance of the proposal, because I regard it as a wholly reasonable one, under the circumstances, but to the apprehension that it would so seriously disturb present Federal relations as to be regarded as impracticable. Upon mature consideration the Delegation have decided to appeal upon the merits of our cause to the Dominion for such a measure of increased expenditure, on the lines suggested, as would fairly compensate the Province in future.

I do not know that I can now add more in support of what has already been presented in our various interviews and memoranda; and I now await the reply of your Government to our representations.

Believe me to be, etc.,
(Signed) JAMES DUNSMUIR,
Premier.

MEMORANDUM *re* FINANCIAL RELATIONS.

This subject forms a most important part of the case of the Province, and upon it depends almost every other claim to recognition now being made. For the purpose of arriving at a basis of claim, the contributions of the Province to the Dominion Treasury in the way of taxes and all other incidental contributions, and of the expenditures of the Dominion, directly or indirectly, on account of the Province, have been ascertained year by year from the Public Accounts and Reports of the Auditor-General since 1872, the first year of Confederation so far as this Province is concerned, up to the present time, and estimated on a basis of previous years up to July 1st, 1901.

The principal source of revenue has been, of course, the Customs and Inland Revenue, but, in order to make the account complete, everything going to and coming from the Dominion has been included, except a few incidental items of revenue and expenditure, which do not alter the account materially and would in the aggregate about balance each other. In respect to the Customs, comparisons have frequently been made between the revenue contributed by British Columbia and the revenues contributed by other Provinces, but, taking the other Provinces individually, it is impossible to arrive at any just or accurate statement of their contributions to the Dominion, for the reason that the goods entered at the various ports where the Customs collections are made are distributed throughout the other Provinces by the wholesale trade, but in the case of the Province of British Columbia nothing imported through the Customs is exported to Provinces in the East, and therefore everything imported is consumed locally, and the tax is paid by the people of the Province.

As a basis of comparison, British Columbia must be taken in a relation to the rest of Canada as a whole. The statement of revenue and expenditure which accompanies the argument was carefully prepared and is substantially correct. No revision would materially alter the results; in some few instances the amounts set down are estimated. As a matter of fact, no two compilations would agree in detail, and in any event, as all details are not available in the Public Accounts and Auditor-General's Report, by Provinces for the whole period included, only access to departmental records would give absolute accuracy.

There is a way to arrive exactly at the per capita consumption and contributions of revenue for every Province, that is, for each year hereafter, and it is most important that it should be done in connection with the forthcoming census-taking, or under the auspices of the Department of Trade and Commerce. It is quite practicable, and, if carried into effect, would show accurately the volume and kind of inter-Provincial trade, the consumption in each Province, the amount of duty and freight paid—in brief, show the exact status of inter-Provincial relations.

In considering the subject of British Columbia's contributions to the Federal treasury as compared with the expenditure by the Dominion of Canada in that Province, reference must be had of what is general or national in its character and what is local. The Province is also chargeable with its fair share of the general expenditure.

Important public undertakings, such as through lines of railway, canals, coast protection, and marine service, are national, and are not chargeable locally, being for the general benefit. It is pointed out elsewhere, with the exception of the construction of the main line of the Canadian Pacific Railway in the Province, all such matters are included in the statement, in order that it may be made as full and fair to the Dominion as possible.

It is also pointed out that no distinction is made as to public works charged to capital and those charged to revenue, which, if done, would materially lessen the annual expenditure debited to the Province.

As will be seen by the statement submitted, the Province is debited with such expenditure as is necessary on account of the Indians, which, by the Terms of Union, devolve on the Dominion Government, notwithstanding that the Province handed over 500,000 acres of its best land as reserves; such as the Esquimalt Graving Dock, which is largely for the use of Imperial warships maintained for the defence of the Empire; such as the construction and maintenance of lighthouses, the marine service of the "Quadra," etc., etc., which are in the interests of navigation, and which, on the Atlantic coast, would not be charged to Nova Scotia or New Brunswick; and such as the mail service between Victoria and San Francisco, which is of general as well as of local benefit; and with all the subsidies for local lines of railways.

On the other hand it may be held that, as the Canadian Pacific Railway was originally built in conformity with one of the Terms of Union with British Columbia, it was specially for its benefit, and that a share of the cost should be charged to the Province. This is untenable, inasmuch as being a railway in the interests of Canada, it not only is a national undertaking, but has proved to be of inestimable benefit to the Dominion and to the Empire, far surpassing in relative importance local benefits; but apart from all that, the people of British Columbia pay directly and fully for every individual, and all collective, benefit received, in the way of freight and passenger rates. Such considerations dispose absolutely of the old and much-abused contention that the people of British Columbia are indebted to the rest of Canada for the Canadian Pacific Railway, and that forever they must regard that as a bar to further recognition. In the same way it would be unfair to Ontario to charge to its account the great cost of canals built in and through it, such canals simply completing the line of inland water communication from Lake Superior to the Gulf of St. Lawrence necessary in the interests of the carrying trade of all Canada. The same is true of the Crow's Nest Pass Railway, which is part of the general system and not a branch, in the essential sense of that term, and in this connection it must always be borne in mind that it was constructed not because British Columbia asked for it, but because the commercial interests in the East demanded it. As a matter of fact, however, the Province has paid the whole cost to the Dominion of the Canadian Pacific Railway construction in British Columbia.

Since 1872, the revenue contributed by British Columbia to the Dominion, up to July 1st, 1901, will have amounted to, roundly, $42,000,000. Taking the average of the population for the three census periods, 1871 to 1881; 1881 to 1891; and 1891 to 1901, at 81,000, and that of all Canada at 4,500,000 for the same periods—had the whole of the people of the latter contributed in the same ratio per capita, the revenue would have amounted to $2,333,-250,000 instead of $886,360,000.

In other words, $\frac{1}{55}$ of the population has contributed about $\frac{1}{20}$ of the revenue of Canada in 30 years.

Conversely, if the contribution of British Columbia, for that period, had been on the same basis as the rest of Canada, it would have amounted to only $15,957,000.

Taking the population at 5,250,000 and 125,000, respectively, the per capita contribution of all Canada in 1899 was $8.93 per head, and that of British Columbia $25.67 per head.

If the revenue from British Columbia had been on the same ratio as the rest of Canada, it would have amounted to only $1,116,250 instead of $3,194,808.

Taking the customs and excise alone, which amounted in 1899 to $34,958,000 for the Dominion, and $2,627,500 for the Province, on the same basis of population, the per capita contributions are $6.65 and $21.02. Had the whole population of Canada contributed in the same ratio as British Columbia, the taxation derivable from inland revenue and customs would have been $110,250,000, instead of $34,958,000.

Conversely, if British Columbia had contributed in the same ratio as the rest of the Dominion, the revenue from British Columbia from these sources would have been only $831,250.

In 1899, our Provincial contributions to the Dominion Treasury, from all sources, were $3,208,788; and our share of all expenditure by the Dominion was $1,334,618.

If the whole of Canada had contributed in the same ratio, the revenue of Canada for that year would have been $134,767,000, instead of $46,741,250.

Now then, coming to the statements of contributions to the Dominion Treasury and the expenditure from the same in British Columbia, the result of computation covering a period of thirty years, is as follows:—

The total amount expended by the Dominion in the Province up to 1st July, 1901—estimating the expenditure for the present year—will have been $28,915,386; the total contributed by British Columbia to the Dominion during the same period will be $42,474,292; leaving a balance in favour of the Province of over $13,500,000.

The expenditures in the Province include the $750,000 paid to the Esquimalt and Nanaimo Railway Company as a subsidy, and all the other railway subsidies; the debt of the Province assumed by the Dominion in 1872 and interest on the same, and everything else directly or indirectly connected with the Province, which has been paid for by the Dominion.

While the Province has a clear surplus of over $13,500,000 to its credit, apart, of course, from its legitimate share of the cost of government of Canada as a whole, on the other hand, the liabilities of the Dominion, which were $122,000,000 in 1872, have risen to $350,000,000 in 1900. The position of British Columbia, therefore, is, that it has not only practically paid its own way and recouped the Dominion for everything that it has cost, directly or indirectly, but, in addition, has become liable for its share of the debt of the Dominion, which, on a per capita basis, amounts to $9,500,000.

The practical aspect of the case is this:—A province has a certain population and contributes a certain revenue. What it pays as imposts to the treasury is, per capita, its impost or burden of government. Computations on that basis in various ways show, as a general and almost invariable result, that for a whole period of years the burden has been two and three-quarter times that of the rest of Canada, taken as a whole.

Dominion expenditure in the Province is, of course, greater per capita than that of the rest of Canada, but not in the same ratio, inasmuch as, taken together, there is a clear and a large surplus of revenue over expenditure.

That it is not true of the whole of Canada is shown by the general result that the net debt created since 1872 is over $190,000,000, and the *gross* debt over $230,000,000. The excess of expenditure over receipts has been $233,506,525.

In addition to the burden of government by direct imposts, there is the indirect impost on dutiable goods from the East upon which duty had previously been paid. The amount of this duty may be roundly estimated at between $250,000 and $500,000; but, added to this, is the aggregate freight bill of the Province, which, on account of its remote position from the centres of supply, increases the cost of living so materially, in effect 25 or 30 per cent. The consumer in this Province pays not only a through rate from Eastern Canada, which varies from $1.50 to $3.50, but also the local rate back from terminal points, which in some cases equals the through rate. In Eastern Canada, on the other hand, shorter distances from terminal points, the freight does not exceed 10 or 20 cents, at the outside, per 100 pounds.

In fact, taking all things into consideration, the cost of living on a similar standard is generally conceded to be about 35 per cent. greater than in Eastern Canada.

In this connection, too, we must also consider the very much greater cost per capita involved in the development and government of a Province like British Columbia, where the physical features are so rugged and distances so great, and communication so difficult and expensive, and the population is comparatively sparse.

So far as its products are concerned, British Columbia must compete in markets with other provinces and other countries in which the cost of production is very much less.

Were it not for the great natural wealth of the Province, and the natural attractions for people with money, the drain upon its resources by the burdens referred to would have placed it, financially, in an unenviable position.

It was the disadvantages of position and other circumstances in Confederation that led to the recognition of better terms for Nova Scotia, the financial relations of which were several times adjusted.

To overcome the natural disadvantages under which British Columbia has laboured, it requires population, and, to acquire population development on a comprehensive scale is necessary. In view of the disproportionate revenue it has contributed to the Dominion, and the outlet it has afforded for the products and energy of Eastern Canada, it claims a commensurate share of financial assistance.

In connection with this subject consideration must be taken of the character of the population of British Columbia and Canada, respectively, for several periods. It will be seen that in British Columbia, heretofore, Indians and Chinese have formed a large percentage of the population. It is necessary to point out that the Chinese—living on a very low basis—consume but little compared with the rest of the population, and pay duty and add revenue to the Dominion revenue in a similar proportion. The same is true, but not to the same extent, of the Indians of the Province. So that the burden of taxation has largely fallen on a small white population, a fact which adds very materially to the claims of the Province for increased recognition.

In 1871 the total white population was 32,250; in 1881 there were 29,000 Indians and Chinese out of a total population of 49,500; and in 1891 the Indians and Chinese numbered 33,000 of a population of 100,000.

EXPENDITURE AND RECEIPTS.

	Expenditure.	Receipts.
1872	$1,129,694	$ 376,318
1873		385,645
1874	831,302	388,919
1875	744,341	461,732
1876	768,185	549,870
1877	638,586	463,120
1878	686,997	495,784
1879	704,262	601,469
1880	679,638	531,133
1881	677,226	695,330
1882	632,085	790,233
1883	1,075,907	1,081,774
1884	689,893	1,015,924
1885	751,091	1,118,945
1886	1,058,856	1,064,937
1887	728,166	1,083,447
1888	892,112	1,111,370
1889	896,384	1,276,286
1890	929,640	1,471,060
1891	1,005,809	1,862,145
1892	1,011,730	2,067,369
1893	1,167,581	1,883,646
1894	1,188,461	1,788,760
1895	1,008,187	1,602,756
1896	960,038	2,029,759
1897	1,105,110	2,291,135
1898	1,133,779	3,240,087
1899	1,190,172	3,194,808
1900	1,495,394	3,455,531
1901 (estimated)	•1,450,000	3,750,000

Revenues, 1872-1901.

Customs	$28,326,756
Warehouse fees	48,776
Petroleum inspection	7,664
Casual	4,519
Chinese immigration	783,529
Excise	3,445,531
Weights and measures	1,397,751
Gas inspection	9,691
Electric inspection	9,038
Methylated spirits	4,152
Casual	1,430
Post Office	2,365,514
Money orders	49,609
Premium, discount and exchange	58,447
Interest on investments	257,536
Savings Banks	36,176
Telegraphs	98,140
Penitentiary	44,436

By inadvertence, several of the aggregates shown in the totals on the opposite pages include details which do not properly belong under their respective heads. There are also several omissions which render the totals incorrect. The corrected statement appears in detail elsewhere.

Sinking Fund	872,448
Redemption	471,093
Charges, management	185,846
Lieutenant-Governor	243,000
Administration of Justice	1,027,665
Penitentiary	765,190
Experimental Farms	114,187
Quarantine	155,851
Immigration	26,731
Pensions	500,000
Militia	207,424
Public works and buildings	1,319,698
Harbours and rivers	1,006,341
Dredging	472,127
Telegraphs	1,054,514
Agency Public Works	84,240
Mail subsidy	661,190
Dominion steamers	542,656
Carried forward	10,618,574

Revenues, 1872-1901.

Customs	$28,326,756
Warehouse fees	48,776
Petroleum inspection	7,664
Casual	4,519
Chinese immigration	783,529
Excise	3,445,531
Weights and measures	1,397,751
Gas inspection	9,691
Electric inspection	9,038
Methylated spirits	4,152
Casual	1,430
Post Office	2,365,514
Money orders	49,609
Premium, discount and exchange	58,447
Interest on investments	257,536
Savings Banks	36,176
Telegraphs	98,140
Penitentiary	44,436
Experimental Farm	.....
Esquimalt Graving Dock	218,504
Sick Mariners' Fund	126,433
Steamboat inspection	48,944
Examination of masters and mates	4,004
Casual	44,419
Fisheries	352,000
Superannuation	45,000
Dominion lands and timber	600,901
Miscellaneous	340,892
Estimated, 1901	3,750,000
Total	$42,474,292

Expenditure, 1872-1901.

(1901 estimated.)

Public Debt (Interest)	$ 865,037
Premium, discount and exchange	43,336
Sinking Fund	872,448
Redemption	471,093
Charges, management	185,846
Lieutenant-Governor	243,000
Administration of Justice	1,027,665
Penitentiary	765,190
Experimental Farms	114,187
Quarantine	155,851
Immigration	26,731
Pensions	500,000
Militia	207,424
Public works and buildings	1,319,698
Harbours and rivers	1,006,341
Dredging	472,127
Telegraphs	1,054,514
Agency Public Works	84,240
Mail subsidy	661,190
Dominion steamers	542,656
Carried forward	10,618,574

Brought forward	$10,618,574
Lighthouses	677,150
Meteorological	18,315
Marine Hospitals	97,585
Steamboat inspection	41,127
Fisheries	103,360
Hatchery	68,661
Indians	1,852,213
Subsidies	6,472,719
Dominion lands	160,895
Customs	1,105,900
Excise	255,995
Weights and measures	22,951
Gas and electric light	9,412
Esquimalt Dry Dock	637,790
Post Office	3,022,082
Estimated, 1901	1,450,000
Railway subsidies	1,139,760
Total	$28,915,386

[NOTE.—The table giving the several amounts, of which in the above is shown the aggregates, is printed separately elsewhere.]

Fisheries and Ship-building.

AT OTTAWA, January, 23rd, 1901.

Sir Louis H. Davies,
Minister of Marine and Fisheries.

MY DEAR SIR LOUIS,—Pursuant to your request made during our interview on the subject of the fisheries, I have the honour to submit to you a written proposal embracing the views of the British Columbia delegation as to what, in their opinion, should form a reasonable and fair settlement of the matters in dispute between the two Governments.

Accompanying this is a memorandum in which is set forth briefly the considerations which have influenced the British Columbia Government in asking for a re-adjustment of the present relations in respect to the administration and development of our fisheries. Consequently, it will be unnecessary in this letter to enter as fully into the merits of the case as I otherwise would.

The right of the Province to fishery revenue arising out of licences, as far as inland waters and rivers are concerned, is admitted, and I shall not discuss that phase of the subject. The right of the Province to fisheries within territorial waters, or the three-mile limit, is still an open question, with, I am advised, a strong probability in our favour in case of a reference to the Courts.

It has been suggested, however, that on grounds of public policy an arrangement should be entered into whereby the Dominion would continue the administration and control of all the fisheries of the Province, and the Delegation are, subject to the will of the Legislature, agreeable to negotiate terms of settlement on that basis.

I recognise that the Dominion Government, with the accumulated experience of years and the machinery of administration already in existence, can, at least for a few years to come, more economically and with greater efficiency, continue the work of your Department than could the Province.

I recognise, also, that in case the foreshore fisheries are held to belong to the Dominion, it is undesirable that there should be divided control, which probably would result in conflict of authority. It is obviously better that either one or the other Government should be in complete control.

STATEMENT OF REVENUE CONTRIBUTED BY BRITISH COLUMBIA TO THE DOMINION.

	1872.	1873.	1874.	1875.	1876.	1877.	1878.	1879.	1880.	1881.	1882.	1883.	1884.	1885.	1886.	1887.	1888.	1889.	1890.	1891.	1892.	1893.	1894.	1895.	1896.	1897.	1898.	1899.	1900.	1901.	Total, 30 years.
Customs	$353,865	$306,437	$337,451	$415,317	$490,226	$406,106	$426,607	$517,262	$451,553	$601,002	$680,839	$911,167	$886,884	$969,296	$883,888	$887,376	$859,453	$975,169	$1,076,020	$1,344,358	$1,407,008	$1,217,718	$1,191,648	$1,055,899	$1,397,196	$1,542,000	$2,290,272	$2,090,000	$2,354,775	Estimated	$28,326,792
Warehouse Fees			519			625	1,632	330	955	620	4,267	100						1,335	8,637	14,911	3,767				1,680	2,678	2,140	2,300	2,280		48,776
Petroleum Inspection																					1,387	1,880	1,880	1,820	141	75	134	172	175		7,664
Casual																								33			2,818		1,668		4,519
Chinese Immigration															11,247		15,695	40,558	56,208	107,786	166,502	113,491	105,022	72,475	88,301	123,120	109,754	220,310	215,102		1,445,571
Excise	1,457	5,724	10,657	11,226	14,957	20,300	25,000	32,095	35,255	46,448	57,055	68,156	57,967	62,643	87,073	93,046	87,530	110,709	138,041	152,891	237,043	247,584	242,000	251,785	294,172	327,000	420,510	512,223	512,495		4,163,042
Weights and Measures							1,132	1,092	1,092	2,259	1,231	1,065	1,004	1,564	1,224	1,852	1,517	1,651	295	339	312	377	478	343	385	437	577	475	792		21,463
Gas Inspection							179							1,075	830	757	816	850	90	80	54	269	728	685	409	362	478	445	545		8,652
Electric Light Inspection																								40			752	780	(750)		2,322
Methylated Spirits																					55	155		690	524	1,244	1,225	119	(1,000)		5,012
Casual																										530					530
Post Office		14,704	9,748	10,899	12,725	16,135	19,028	18,612	18,186	22,519	23,224	30,158	35,567	43,229	46,304	57,560	70,216	65,407	79,336	106,873	127,635	136,748	148,684	140,126	161,645	204,219	247,282	248,795	250,000		2,365,561
Money Orders				646	1,432	1,747	1,777	1,905	1,728	2,172	2,458	3,250	4,351	4,630	4,723	5,231	5,381			8,178											49,609
Public Debt:																															
Premium Dist. & Ex	2,462		2,803	2,920		461	2,475	14,880	3,941			19,500	135	8,000	150	585	135														58,447
Interest on Investments	18,534	6,233	1,810	5,770	5,550	5,650	5,650	6,350	6,150	6,150	6,150	32,922	14,519	14,162	14,850	15,048	15,560	15,157	14,628	15,040	15,604	16,049									257,536
Public Works:																															
Telegraphs			10,121	9,489	9,257	7,326	8,531	5,180	8,078	8,641	8,500	8,500	8,500	8,500	8,500								961	907	907	1,367	1,830	2,204	(2,500)		119,799
Penitentiary		39,043							51	109	20	39	141	1,041	1,089	2,456	715	195	653	489	472	639	607	357	869	863	771	1,482	(1,628)		53,729
Experimental Farm																			17	79	67	450	409	457	589	530	1,101	675	(800)		5,174
Esquimalt Graving Dock																	5,337	14,812	13,566	29,467	18,416	23,204	10,787	6,338	10,222	7,515	62,228	10,316	6,660		218,868
Marine:																															
Sick Mariners' Fund		502	975	1,533	2,350	1,879	2,612	2,866	2,843	2,250	3,083	3,109	3,355	3,098	2,808	3,851	4,890	5,278	4,747	6,150	6,451	7,130	7,216	6,792	6,726	8,056	8,558	8,247	9,708		127,063
Steamboat Inspection		236	66	600	406	450	342	621	461	606	682	588	873	1,191	928	941	936	1,125	1,647	1,738	1,946	2,166	2,358	2,128	2,430	2,727	7,012	6,612	6,188		48,004
Examination of Masters and Mates																			69	127	131	189	117	418	475	719		859	(900)		4,004
Casual		252	12,449	3,085	12,440											12,600					563	2,953			52		25				44,419
Fisheries					60				10		672	792	128	366	923	944	6,935	6,416	11,368	12,914	8,192	40,264	25,338	23,517	26,411	39,888	47,865	45,802	53,195		352,000
Superannuation																															45,000
Dominion Lands and Timber																	36,154	37,424	64,508	60,225	71,232	71,798	49,927	36,772	35,000	26,806	33,853	42,202	35,000		600,901
Miscellaneous																															340,892
Estimated, 1901																														Estimated	3,750,000
	376,318	385,645	388,919	461,732	549,870	463,120	495,784	601,469	531,133	695,330	790,233	1,081,774	1,015,924	1,118,945	1,064,937	1,083,447	1,111,370	1,276,286	1,471,060	1,862,145	2,067,369	1,883,646	1,788,760	1,602,756	2,029,759	2,291,135	3,240,087	3,194,808	3,455,531	3,750,000	42,475,349

ITISH COLUM

	1888.	1889.	1890.	
76	$859,453	$975,169	$1,076,020	$
...	.....	1,335	8,637	
...	.....	.....	.....	.
...	.....	.....	.....	.
..	15,695	40,558	56,208	
46	87,530	110,709	138,041	
52	1,517	1,651	295	
57	816	850	90	
...	.....	.....	.....	.
...	.....	.....	.....	.
...	.....	.....	.....	.
60	70,216	65,407	79,336	
31	5,381	.....	.....	
85	135	.....	.....	.
48	15,560	15,157	14,628	
...	.....	.....	.....	.
56	715	195	653	
...	.....	.....	17	
...	5,337	14,812	13,566	
51	4,890	5,278	4,747	
41	936	1,125	1,647	
...	.....	.....	69	
00	.....	.....	.....	
44	6,935	6,416	11,368	
...	.....	.....	.....	
...	36,154	37,424	64,508	
...	.....	.....	.....	
...	.....	.....	.....	
47	1,111,370	1,276,286	1,471,060	

T OF

	1888.
0	$29,200
1	797
3	16,542
...	.....
8	9,166
0	9,000
9	31,228
...	33,000
...	.....
0	1,899
0	1,463
...	.....
0	6,229

a proportionately increased revenue from year to year.

EXPENDITURE BY THE DOMINION ON ACCOUNT OF THE PROVINCE OF B. C., 1872-1901.

	1872-3.	1874.	1875.	1876.	1877.	1878.	1879.	1880.	1881.	1882.	1883.	1884.	1885.	1886.	1887.	1888.	1889.	1890.	1891.	1892.	1893.	1894.	1895.	1896.	1897.	1898.	1899.	1900.	1901.	Total, 30 years.
PUBLIC DEBT:																														
Interest	.....	$55,480	$55,480	$55,480	$55,480	$55,480	$55,480	$55,480	$55,480	$54,480	$49,640	$34,200	$29,200	$30,000	$29,200	$29,200	$28,207	$27,214	$27,214	$27,214	$27,214	$27,214	.....	.....	.....	.....	.....	.....	.....	$865,037
Premium D. & E.	.....	3,009	2,803	.....	2,385	1,203	.....	.....	1,397	7,557	5,499	6,441	3,780	82	161	797	1,427	696	968	494	.....	4,637	.....	.....	.....	.....	.....	.....	.....	43,336
Sinking Fund	$166,620	46,720	46,720	49,640	53,047	59,860	74,947	65,700	64,727	54,993	23,847	16,547	14,878	9,735	20,093	16,542	16,307	15,355	15,873	16,464	17,676	6,157	.....	.....	.....	.....	.....	.....	.....	872,448
Redemption	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	438,000	.....	.....	.....	.....	.....	33,093	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	471,093
Charges, man	.....	10,671	10,425	7,528	10,414	9,764	8,875	8,515	6,960	7,208	10,073	8,046	7,930	8,062	8,648	9,166	6,801	5,210	3,854	4,114	3,792	7,219	3,696	$3,700	$3,767	$3,764	$3,862	$3,782	.....	185,846
Lieutenant-Governor	.....	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	.....	243,000
Administration of Justice, Judges, &c.	67,197	42,717	30,592	40,528	37,566	32,525	35,604	32,852	32,232	24,750	27,353	28,160	31,114	31,028	31,309	31,228	30,415	35,815	39,840	40,515	39,268	38,840	36,199	37,552	43,896	43,322	43,578	41,670	.....	1,027,665
Penitentiary	.....	15,864	8,036	8,548	7,117	29,336	26,333	15,196	16,162	15,970	19,848	28,207	27,746	32,894	.....	33,000	35,190	41,736	37,840	36,712	42,548	43,650	43,358	37,190	39,919	40,269	42,074	40,447	.....	765,190
Experimental Farms	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	14,023	9,163	10,381	14,142	9,320	9,720	8,863	3,762	8,735	8,735	8,593	(8,750)	.....	114,187
Quarantine	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	445	1,445	1,762	1,800	1,899	1,769	1,656	2,056	3,791	20,633	10,320	15,980	8,017	18,390	18,391	17,529	(20,000)	.....	145,883
Immigration	5,000	5,200	500	.....	.....	.....	.....	.....	.....	.....	.....	920	1,000	1,000	1,200	1,463	5,650	5,854	7,061	4,733	770	.....	.....	.....	.....	.....	.....	.....	.....	40,351
Pensions, &c.	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	500,000
Militia	529	3,219	9,517	6,840	5,873	5,011	6,241	5,615	7,474	7,827	5,274	7,009	6,856	6,098	6,000	6,229	5,113	9,263	4,584	12,195	5,235	5,500	6,000	6,500	11,000	15,000	15,442	(16,000)	.....	207,444
PUBLIC WORKS:																														
Buildings	92,415	46,888	27,543	92,949	48,782	3,015	816	13,078	15,483	13,839	26,902	33,967	36,792	17,635	35,978	24,225	13,906	38,090	49,128	39,334	111,790	135,771	35,678	69,944	117,813	69,952	33,069	75,516	.....	1,319,698
Harbours and Rivers	101,156	.....	.....	.....	4,000	.....	710	10,610	1,934	3,284	3,070	18,203	6,564	6,116	16,351	29,918	52,900	56,985	53,842	59,768	80,622	93,763	71,194	27,368	25,530	117,720	93,946	70,787	.....	1,006,341
Dredging	.....	8,736	22,607	17,732	567	5,122	.....	15,758	7,545	2,114	10,497	37,951	20,095	17,457	15,000	17,994	14,711	14,413	19,404	23,374	18,000	53,144	21,848	10,777	21,000	30,258	31,688	14,315	.....	472,107
Telegraphs	.....	29,021	46,818	37,329	31,169	34,164	48,518	35,578	40,357	38,646	30,516	37,190	38,385	45,004	16,528	6,433	16,400	24,841	16,071	15,600	15,675	11,852	16,455	3,556	10,056	12,607	17,305	378,500	.....	1,054,514
Agency	.....	2,530	2,577	2,502	2,063	2,688	2,496	2,819	2,595	2,196	2,811	2,750	2,685	3,998	4,000	4,539	4,500	5,300	5,500	6,352	4,998	1,860	2,131	2,279	2,200	1,791	1,989	2,091	.....	84,240
Mail Subsidy	.....	54,000	54,000	54,000	53,883	54,000	54,000	54,000	29,270	17,640	17,640	17,640	17,640	17,640	17,640	13,230	14,700	19,707	17,640	17,640	17,640	17,640	5,000	5,000	5,000	5,000	5,000	5,000	.....	661,190
MARINE:																														
Dominion Steamers	.....	10,556	41,797	19,157	16,096	12,701	8,460	9,735	9,040	8,455	25,484	16,432	11,650	13,625	12,000	12,254	8,394	11,261	65,102	25,689	47,745	20,627	18,879	29,480	22,972	23,000	20,065	(22,000)	.....	542,656
Light Houses	28,378	32,708	27,228	28,186	17,433	14,456	15,153	15,577	25,999	17,804	17,349	18,086	18,218	11,549	15,000	24,644	16,630	16,358	33,692	34,144	24,457	27,277	28,663	24,770	34,143	31,718	42,530	(35,000)	.....	677,150
Meteorological	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	100	1,514	1,325	1,500	1,500	1,500	1,500	1,500	2,000	2,876	(3,000)	.....	18,315
Marine Hospital	.....	1,231	3,882	3,408	3,093	3,837	4,167	3,007	3,053	3,162	3,906	3,969	2,905	3,144	3,450	3,479	3,853	3,123	3,423	3,570	2,018	3,913	4,872	5,804	4,465	4,415	5,186	(5,250)	.....	99,585
Steamboat Inspection	.....	.....	336	1,175	.....	1,085	.....	930	.....	175	341	.....	230	1,475	1,500	1,830	2,142	1,748	2,523	2,196	2,550	2,083	2,396	3,234	2,887	2,900	3,641	(3,750)	.....	41,127
Fisheries	.....	.....	.....	.....	635	686	1,424	1,400	5,192	1,599	4,100	2,232	1,437	1,879	3,500	3,632	4,334	3,634	4,321	6,158	5,491	5,283	6,219	6,227	8,509	8,508	8,460	(8,500)	.....	103,360
Hatchery	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	11,873	5,406	5,500	5,654	4,933	4,203	3,340	2,897	3,631	3,273	2,869	2,817	3,390	2,389	3,736	(3,750)	.....	69,661
Indians	.....	29,000	25,000	25,000	25,000	57,200	45,532	41,561	42,318	43,000	43,732	45,891	51,989	48,284	61,834	66,834	82,923	102,074	88,056	90,022	106,883	107,082	101,536	91,542	92,310	112,936	109,796	114,878	.....	1,852,213
Subsidies	366,000	330,294	225,050	218,247	208,217	208,094	208,094	208,086	208,019	207,366	207,996	207,996	212,151	212,151	212,151	212,151	212,151	212,151	212,151	242,242	242,242	243,585	242,689	242,689	242,689	242,689	242,689	242,689	.....	6,472,719
Dominion Lands	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	14,455	13,440	10,340	10,350	10,340	10,195	9,488	10,983	10,500	10,500	9,750	9,774	8,730	7,350	7,350	7,350	.....	160,895
Customs	11,542	19,634	19,056	23,323	23,094	21,365	22,308	21,168	21,884	22,503	22,546	25,489	30,733	30,320	32,382	42,422	42,821	42,827	49,389	51,808	56,143	60,734	62,228	65,219	66,770	28,196	93,216	96,780	.....	1,651,052
Excise	1,286	6,137	5,318	6,208	5,683	5,805	5,766	5,664	5,523	5,720	5,708	6,160	5,857	7,031	7,082	7,646	7,463	6,378	6,606	11,823	13,252	14,374	14,578	15,522	16,242	18,293	18,793	20,077	.....	255,995
Weights and Measures	.....	.....	.....	.....	.....	.....	411	165	707	594	419	543	1,395	512	600	1,267	292	295	239	2,128	1,518	1,929	1,939	2,160	904	577	2,157	(2,200)	.....	22,951
Gas and Electric Light	.....	.....	.....	.....	.....	.....	150	165	120	175	150	151	366	210	250	413	181	90	80	495	536	641	902	900	884	478	1,025	(1,050)	.....	9,412
Esquimalt Dry Dock	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	45,562	363,632	.....	97,372	7,949	19,870	14,766	16,591	4,784	10,016	10,420	12,355	10,770	11,746	11,957	13,262	.....	651,052
Post Office	96,768	68,687	70,056	60,378	63,049	60,230	69,777	47,979	63,411	61,028	64,206	76,268	85,965	109,287	149,669	165,851	174,658	161,785	177,160	147,967	150,000	170,000	202,308	196,263	235,489	225,000	227,781	230,000	.....	3,611,020
Chinese Immigration	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	1,450	13,188	13,250	13,703	28,805	70,150	29,357	21,037	25,137	31,150	30,600	51,130	.....	.....	328,957
Miscellaneous	192,803	.....	.....	1,027	.....	370	.....	.....	1,344	.....	.....	.....	900	.....	.....	.....	.....	.....	.....	1,445	.....	.....	.....	.....	6,000	5,175	16,729	.....	.....	225,793
Estimated 1901	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	1,450,000	1,450,000
Railway Subsidies	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	1,139,760	1,139,760
	1,129,694	831,302	744,341	768,185	683,586	686,997	704,262	679,638	677,226	632,085	1,075,907	689,893	750,796	1,058,856	728,166	892,112	896,364	929,640	1,005,809	1,011,730	1,167,581	1,185,461	1,008,187	960,038	1,106,110	1,183,779	1,192,192	1,495,394	2,589,760	28,968,091

Our inland lakes and rivers, too, under careful cultivation, are capable of large production, and with the growing development of the mines of the interior there will follow a large population and ready market.

In view of present conditions and the possibilities of the future, based on the growth of the industry in the past, it is fair to assume that the revenue will ultimately reach $100,000 per annum.

We are agreeable, therefore, to recommend to the Government of British Columbia that, in lieu of an annual payment of $50,000 by the Dominion to the Province, the control of the fisheries be allowed to vest exclusively in the Dominion. It is understood, of course, that such an arrangement is subject to ratification by the Legislative Assembly of British Columbia.

Yours very faithfully,

(Signed) JAMES DUNSMUIR.

MEMORANDUM *re* FISHERIES.

Under the decision of the Judicial Committee of the Privy Council in the "Fisheries Case" (1898 Appeal Cases), the respective rights of the Provinces and the Dominion are still very much in doubt.

In a general way the fish, as a property or asset, would seem to belong to the Provinces, but jurisdiction in respect to legislation and the right to licence remains very much involved, with still further rights to be determined in regard to fishing within the three-mile limit.

There is no doubt, however, that the Provinces are entitled to a very much larger share of control, though not of regulation, and to obtain revenue by licensing.

However, the Judicial Committee of the Privy Council showed a disinclination to determine abstract rights, or to discuss academically the issues involved, desiring rather that definite issues should be submitted to them. Their Lordships laid down certain principles as to the rights of the Dominion and the Provinces, but intimated very clearly that a number of cases might arise under their decision which would have to be decided according to the special circumstances in each case.

It is plain, therefore, that the issues are so involved that the "spheres of influence" of the Dominion and the Provinces, respectively, would only be ultimately defined after a number of definite cases had been submitted, involving litigation and delay. The wisest and most practical course would seem to be that of settlement by convention. An agreement might, therefore, be suggested, defining, without litigation, what share of control each of the Governments should exercise.

In the preliminary report of the Deputy Minister of Marine and Fisheries (1899), reference is made to an understanding with the authorities of the several Provinces to allow the matter to remain in abeyance. This would imply, at least, that an arrangement had been made with British Columbia to continue the administration of the fisheries, as in the past, but by reference to the several Departments no correspondence can be found bearing on the subject.

The second part of the case, so far as the fisheries are concerned, refers to the claims of the Province to greater consideration. In the past the condition of affairs has given to the Federal authorities the entire revenue derivable from the industry, with no comparable returns, so far as British Columbia is concerned, in respect to expenditure of public money and the development of fisheries on the Pacific Coast.

The disparity is so great as to render it extraordinary that it should not have suggested itself to the Dominion authorities.

For the fiscal year ending 1898-1899, the report of which is the last published, the total fisheries revenue for all of Canada was $76,447.75, of which British Columbia alone contributed $45,801.75, or about three-fifths the entire amount of revenue.

On the other hand the expenditures on account of the fishery industry in Canada, including cost of administration, fish hatcheries, fishery protection service, fishery bounties and other expenditures, amounted in the same year to $408,754.93, of which British Columbia's share was $12,195.61.

Considering the extent of the sea coast of British Columbia and the great value of the fisheries requiring development, special encouragement should have been given, as has been done for some years in the Maritime Provinces, in the nature of the services referred to.

Taking the year 1898-1899 as an instance, the position of affairs is thus presented :—

Fisheries, all Canada, salaries, etc	$ 95,278 59
British Columbia, salaries, etc	8,459 47
Fisheries Protection, all Canada	105,133 27
British Columbia	None.
Fish hatcheries, all Canada	34,522 57
British Columbia	3,736 14
Fishery bounties, all Canada	164,493 73
British Columbia	None.
Oyster Cultivation, all Canada	4,361 33
British Columbia	None.
Cultivation of eels, all Canada	1,100 00
British Columbia	None.
Miscellaneous, all Canada	3,955 35
British Columbia	None.

It will be seen, therefore, that during the year in question, while British Columbia contributed three-fifths of the revenue derivable from the fishery industry, it enjoyed only one thirty-sixth of the entire expenditure, whereas from the importance of its geographical position, value and extent of its food fishes, the great length of its coast line, and the evident disadvantages suffered by the Province, in comparison with the fisheries of the Eastern Coast on account of distance from market and the higher price of labour, it should have had special consideration.

Taking previous years, while the distinction is less marked, in some cases a similar discrimination is noticeable throughout, as will be seen by the accompanying table, in which the balance of revenue contributed on account of fisheries over expenditure is conspicuous:—

In 1898 the total expenditure in Canada was $441,725, of which British Columbia's share was $11,500 ;

In 1897 British Columbia contributed two-fifths of the fisheries revenue, while her share of the expenditure was about one thirty-seventh ;

In 1896 British Columbia contributed one-fourth of the revenue, and her share of the expenditure was one forty-eighth ;

In 1895 British Columbia contributed over one-fourth of the revenue, and her share of the expenditure was one-fiftieth.

In 1894 British Columbia contributed one-third of the revenue, and her share of the expenditure was one fifty-third ;

In 1893 British Columbia contributed one-third of the revenue, and her share of the expenditure was one forty-fifth ;

In 1892 British Columbia contributed one-sixth of the revenue, and her share of the expenditure was one-fortieth ;

In 1891 British Columbia contributed one-fifth of the revenue, and her share of the expenditure was one-fiftieth ;

In 1890 British Columbia contributed one-fifth of the revenue, and her share of the expenditure was one-fortieth.

Reference to the reports of the Minister of Marine and Fisheries and the Public Accounts shows that throughout the past years nothing has been done towards the development of the fisheries on the Pacific Coast, apart from the payment of the salaries of overseers and the cost of conducting the hatchery, and a single experimental shipment of oysters and lobsters. No special protection to fisheries is afforded, while in the Maritime Provinces the cost of that service is $106,000.

In the Maritime Provinces and Quebec, which contributed a sum equal to about one-third that contributed by British Columbia, a sum amounting to $160,000 in bounties is distributed.

The value of the fisheries in British Columbia is about one-fifth of those of the whole of Canada.

It is learned with pleasure that the Dominion Government has decided to build and equip two cruisers for the protection of the deep-sea fisheries on the Pacific Coast. This, however, it is observed, does not affect the revenues contributed by British Columbia, as they have been wholly derivable from licences to fishermen who fish for salmon in the rivers and

inlets, which are within Provincial jurisdiction. The cruisers aim to protect the fisheries within the three-mile limit, jurisdiction over which is still claimed by the Dominion.

It is submitted, in lieu of such benefits as are and have been conferred on the Eastern Coast in fostering and protecting the fishing industry in the way of fishery protection service, experimental work in hatcheries and the establishment of oyster and lobster fisheries, fishing bounties and kindred matters, that a sum should be donated annually to bonusing ship-building on the Pacific.

The rights in and to the fisheries for the future may be considered apart from the question of ship-building, but in view of the disadvantages under which the Province of British Columbia has laboured in the past, as compared with the advantages enjoyed by the fisheries of the Maritime Provinces, and as some measure of compensation, it is suggested that a sum of $100,000 should be set aside each year out of the Consolidated Revenue Fund for ten years, as a bonus to encourage ship-building on the Pacific Coast.

As appendices to this Memorandum are submitted:—

(*a.*) Copy of letter to Sir Wilfrid Laurier from Hon. James Dunsmuir, dated 2nd October, 1900.

(*b.*) Letter to Hon. James Dunsmuir from the lumbermen of the Province of British Columbia.

(*c.*) Letter from John Hendry, President of the British Columbia Mills, Timber and Trading Company.

Honourable James Dunsmuir,
Ottawa, Ont.

DEAR SIR,—The matter of promoting building and owning of sea-going vessels in British Columbia appears to us of such importance that we beg to address you on the subject in the hope that some steps may be taken towards its accomplishment.

From its extended coast line, our Province is emphatically a Maritime Province, and from its position on the one shore of the Pacific, whilst large consuming communities occupy the other, it should certainly be a ship-building and ship-owning one, possessing a merchant marine of its own to carry across the Pacific our own productions instead of being dependent upon others for this most important accessory to trade and commerce.

Viewed merely as an industry, ship-building is a most important one to introduce, and if encouraged at first we feel sure would soon attain to large dimensions. The experience gained from what has already been done in this line in United States territory to the south of us has proved our timber to be pre-eminently suitable for ship-building and spars, so that our Province is well adapted to be the field of such an industry, which would, without doubt, attract desirable settlers and furnish good employment for numbers of mechanics.

Two of the most important productions of our Province are of considerable bulk—viz., coal and lumber—requiring a considerable number of vessels for their transportation. The Province exports largely of both, and could increase its exports were it provided with carriers of our own instead of being almost wholly dependent for carriers on those who are chiefly our competitors and who take advantage of their position to hamper the extension of our trade by discriminating rates against British Columbia loading ports.

This is especially the case in the lumber trade, 1s. 3d. to 2s. 6d. per 1,000 feet more freight being charged to load in British Columbia than on Puget Sound, thus greatly hampering the trade of the Province with all the ports in Australia, China, South America and Africa.

The necessity of a speedy acquisition of carriers owned in the Province is the more apparent from the fact that the United States Government propose to bonus its merchant marine, which will further increase the disadvantages the trade labours under, and probably seriously interfere with its successful prosecution.

Vessels of the type best fitted for our trade in the Pacific are built in the adjoining State of Washington at a cost of about $65 per ton for those of from 600 to 800 tons, and about $60 per ton for those from 800 to 1,000 tons register tonnage. Until the business got fairly established, vessels could not be built at the same price in British Columbia, and we therefore hope that the Government may grant some assistance to equalise the difference until the industry is fairly established. We would suggest the granting of a bonus equivalent to $15

per ton register on all vessels of 600 tons built in the Province within a stated term after the passage of the Act.

We feel sure that such a course would result favourably to the Province by, firstly, establishing an important industry which would employ a large number of men; secondly, by creating a fleet of vessels owned in the Province, thereby attracting and fostering a sea-faring population, whilst their outfitting, supplying and repairing would largely increase business in our ports; and thirdly, that by the possession of such a fleet our export trade would be extended and increased to the advantage of all.

I am addressing you on this subject at this time in the hope that whilst at Ottawa you might be able to induce the Dominion Government to grant assistance to this undertaking, which I think British Columbia is entitled to ask for in view of similar assistance granted to other industries in the Eastern Provinces.

Yours very truly,
(Signed) JOHN HENDRY.

Vancouver, B.C., January 16th, 1901.

VICTORIA, December 12th, 1900.

The Honourable Jas. Dunsmuir,
Premier of British Columbia.

SIR,—The undersigned, who are interested in the shipping of the Province, realise the urgent necessity of protecting the Province against the unjust discriminations of American shipping against our ports, and we would respectfully ask your Government to assist in establishing the industry of ship-building in British Columbia.

Bonus.

We would ask a bonus for five years, amounting to $10 (ten dollars) per ton register, on each vessel built in this Province, either of iron, steel, or wood, from 450 tons register and upwards.

Further Bonus.

We further ask that $5 (five dollars) per ton register be given as a bonus to all iron, steel, or wood ships constructed in the Province, for a further term of five years after the expiration of the first five years.

Cost of Building.

We submit that the cost of building a vessel in the Province of about 800 tons register is about $80 per ton, or $64,000.

Wages.

We estimate that the wages spent on construction would be about 75 per cent., or $48,000 on a ship of 800 tons.

Number Employed.

Probably 50 men would be employed for 9 months in building a ship of 800 tons, and, reckoning the usual estimate of 4 persons depending on each man for a livelihood, there would be 250 people gaining a maintenance for 9 months for each vessel constructed here.

General Benefit.

Every industry in the Province would benefit directly or indirectly by the establishment of this industry. Even the agricultural community would derive benefit from the increased circulation of money spent in ship-building.

Freight.

It is estimated that $36,000 per annum are spent in freight to each vessel of 800 tons loaded in the Province, which should be spent here instead of going away.

Discrimination.

United States ports discriminate against our lumber to the extent of 60 cents per one thousand feet, and this is a clear loss to our mills—the 60 cents per thousand feet is probably the average profit at the present time.

Justification.

We contend that we are justified in asking a bonus for several reasons—

1. The higher prices for materials imported, consequent on duties and heavy freight:
2. It is necessary to get Government assistance in establishing a ship-building plant here:
3. The bonus is required to induce outside capital to come into the Province.

We have, etc.,
(Signed) JOHN G. COX.

The Province of British Columbia, with its extensive shore line, is emphatically a "Maritime" Province, and must depend for its future advancement and prosperity on the extension of its over-sea commerce, while its possession of ample supplies of timber of unsurpassed fitness for the purpose, seems to indicate it as peculiarly adapted to be the seat of such an industry and branch of commerce as ship-building and ship-owning.

This is the more evident from the fact that the type of vessel best suited for trade in the Pacific is that of the wooden vessels constructed on this Coast, a large fleet of which, built in the States of Washington, Oregon and California, have been operated in the trade of the Pacific with the most marked success.

Two of the principal products of the Coast, and of our own Province in particular, lumber and coal, are commodities of considerable bulk, requiring a large number of vessels for their transportation, and the trade in lumber alone from Puget Sound and British Columbia with countries on the Pacific and with Africa amounted last year to 200,000,000 feet, of which British Columbia contributed only 60,000,000 feet.

This trade is certain to expand with the further development of these countries, notably Australia, China and South Africa. The tonnage in the Pacific adapted to the trade is far below the requirements, so that not only would there be assured business for the vessels, but their existence would assist greatly in the expansion of other business.

If we consider the subject with reference to British Columbia alone the situation is, that we have our natural products of lumber and coal on the one side of the Pacific, while large consuming communities requiring these very products occupy the other. The natural outcome of this condition is that one or the other of the two should own and operate the vessels engaged in their mutual trade, and, from the fact that our Province is better adapted for ship-building than these countries are, that one should be British Columbia.

We are not in a position to give statistics as regards the coal trade, but considering the lumber trade alone we find that during 1900 sixty (60) vessels loaded cargoes in British Columbia for the markets already mentioned, the aggregate amount of freight paid on the transportation of our lumber being very nearly $850,000.00. British Columbia should build and own the vessels for this trade, and profit, in the first place, by the establishment within the Province of the ship-building industry giving employment to a large number of mechanics and other labourers; and secondly, by the owning and operating of these vessels, thus keeping to the Province the large sums paid to others for the transportation of our products, whilst in addition there would be the advantages to be gained in the growing up of a hardy sea-faring population within its limits.

The importance to the Province of ship-building and ship-owning has been considered in the foregoing remarks only in reference to that industry by itself, but it becomes of still greater importance when considered in relation with those branches of trade of the Province which require vessels for the prosecution of their business, and for which they are at present almost wholly dependent on those owned by our greatest competitors. This is particularly the case in the lumber trade; the vessels best suited for the trans-Pacific trade being chiefly owned in San Francisco, and largely owned, or controlled, by those interested in the lumber trade, who take advantage of their position to hamper the extension of British Columbia's trade by making discriminating rates against British Columbia loading ports to the extent of 2s. 6d. per 1,000 feet in comparison with loading ports on Puget Sound.

It is evident that to secure business the British Columbia manufacturer must make good to his customer this difference in freight by a proportionate reduction in price or lose the business, and as competition is extremely keen, and prices cut down to the lowest possible point, this cannot always be done, and the business is consequently lost to the Province.

As already mentioned, the entire shipments of lumber from Puget Sound and British Columbia combined, the same kind of lumber being produced by both, were in 1890 200,000,000 feet, of which British Columbia shipped only 60,000,000 feet, while the producing capacity of the mills in British Columbia situated so as to be able to engage in this foreign trade is at least 175,000,000 feet per annum if the mills are operated only ten hours per day. Of this cut about 120,000,000 feet would be available for this foreign trade, or nearly double the business done last year, whilst the mills on Puget Sound shipped during the same period 140,000,000 feet, of which 63,000,000 feet, being 3,000,000 feet in excess of the entire quantity shipped by British Columbia, was taken by our sister colony of Australia, which would certainly give the preference to British Columbia on equal terms, especially as the timber of British Columbia has the preference at equal prices. British Columbia, therefore, has done but half the business that could be done with its mills running day time only, whilst the Puget Sound mills have been taxed to their utmost, working day and night to supply the demand, and this condition is almost entirely owing to British Columbia not having a merchant fleet of its own.

A great increase in this trade is confidently expected in the near future, but it is a certainty that the business will go past us unless prompt steps are taken to promote the creation of a fleet of home-owned vessels. This is the more necessary that there is now under the consideration of the United States Government a "Ship Subsidy Bill," which, if it goes into effect in its present form, will make it impossible for British Columbia manufacturers to compete in prices with manufacturers in the United States.

This measure provides that United States vessels trading from a United States port to a foreign port, shall receive a bonus per register ton of $1\frac{1}{2}$ cents per 100 miles of distance for the first 1,500 miles, and one cent for each additional 100 miles of the outward voyage, and the same on the inward. Applying this to, say, a voyage to Australia, the distance being roughly 6,500 miles, the bonus would be $22\frac{1}{2}$ cents for the first 1,500 miles, and 50 cents for the remaining 5,000 miles, or a total of $72\frac{1}{2}$ cents per register ton on a voyage to Australia. On the carrying of the ordinary type of vessel used in the Pacific in the lumber trade, this would amount to about 55 cents per M. feet, so that an American vessel would demand, if to be loaded in British Columbia, the 2/6d., or 60 cents already referred to, plus the bonus, which would be forfeited if she sailed from a British Columbia port in place of one in the United States, thus making, in all, a discrimination of $1.15 per 1,000 feet against British Columbia, a difference completely beyond the power of the British Columbia manufacturer to equalize.

This measure will, therefore, have the effect not only of greatly stimulating the increase of the United States merchant marine, but also of capturing almost entirely the trade of the Pacific for United States manufacturers. This must be so evident that it is of the utmost importance that the Government take prompt steps to counteract and, if possible, forestall the disastrous effects to be apprehended from such legislation by the United States.

It cannot be expected that at the commencement vessels can be built as cheaply in British Columbia as they now are on Puget Sound, where the industry has been established for many years, with extensive and fully equipped plants and a large force of mechanics, well used to the work, to draw from. There would be difficulties to surmount in the inception of the industry in British Columbia, wages and supplies would be higher than south of the line, and it would be necessary to offer a substantial inducement to cause parties to embark in the business and establish proper plants in the Province. This should take the form of a bonus per register ton on the vessels built, so that it would be available also for any one inclined to take up the business of owning and operating vessels, and not merely go to enrich a shipbuilding company.

The period during which such assistance would be necessary, it is difficult to estimate, but when it is considered that vessels require a considerable time for their construction, it may be suggested that ten years would not be too long a period in which to expect the industry to become fairly established.

The subject is of such importance to the Province, and the necessity for prompt and energetic action so great, that it is hoped it may engage the earnest and favourable attention of the Government at the earliest possible date.

Representations to Hon. the Minister of the Interior.

AT OTTAWA, ONT., January 28th, 1901.

The Honourable Clifford Sifton,
Minister of the Interior, Ottawa, Ont.

MY DEAR MR. SIFTON,—I beg to hand you herewith, memoranda of the British Columbia delegation, respecting the following matters, already discussed during several interviews you were good enough to afford us:—

(1.) Establishment of a mint in British Columbia.
(2.) Proposed Dominion Mining Commission.
(3.) Delimitation of the Southern Boundary Line of British Columbia.
(4.) Representations respecting the lumber tariff.

May I request the honour of an early reply.

I would also beg to have a definite proposal in the matter of the Songhees Reserve, so that, if possible, a basis of settlement may be reached during our visit to Ottawa.

Yours very faithfully,
(Signed) JAMES DUNSMUIR.

MEMORANDUM REGARDING ESTABLISHMENT OF MINT IN BRITISH COLUMBIA.

This matter has been the subject of various resolutions in the Legislative Assembly. Of course, in Crown Colony days there was a local mint, situated at New Westminster, which resulted in the circulation of most of the gold producod in the Province.

On the 12th of April, 1897, a resolution was passed in the Legislative Assembly that the Lieutenant-Governor urge upon the Dominion Government the desirability of taking into early and favourable consideration the question of establishing a Mint in British Columbia.

A similar resolution was passed on the 25th of March, 1898; and again on the 17th February, 1899; the latest being on the 27th of August, 1900, at the last Session of the British Columbia Legislature.

The following figures, taken from the Statistical Year Book, strongly support the claim of British Columbia as the most desirable location for the establishment of a Mint.

The gold out-put of the Provinces for 1899, was as follows:—

Ontario	$ 420,444
Yukon	16,000,000
Saskatchewan	15,000
Quebec	4,916
British Columbia	4,202,473
Nova Scotia	617,604
Total	$21,260,437

The primary object of the establishment of a Mint is to retain in the Dominion its own gold product, for the first change of hands which it undergoes at all events, and it seems apparent that this object would be defeated in the event of the Mint being located elsewhere than on the Pacific Coast. The United States have a branch mint at San Francisco and a purchasing agent for gold at Seattle, and it will be useless to attempt to compete with either of these institutions should the item of distance, with the necessarily added cost of transportation and insurance, be increased by the establishment of the Mint in any other part of Canada.

It is estimated that the gold out-put of British Columbia for 1900, when all returns are at hand, will be found to be at least five and a half millions of dollars.

It may be stated that, as far as they can, the Municipal Councils and Boards of Trade of the Province are doing all in their power by endeavouring to secure practically co-operative transportation companies, to improve the passenger accommodation on the Canadian boats, or those making Victoria and Vancouver their home ports.

If the same charge be made at a Mint in British Columbia for assaying gold, and equal facilities for turning it into cash as are offered by the American authorities at Seattle and San Francisco, there is no reason why any of the product of Canadian placer mines should find its way out of Canada in the first instance. By the present lack of such facilities, British Columbia particularly, and Canada generally, loses a most valuable part of the trade incidental to the northern mining industry, that is, from returning successful miners, which at present all goes to the United States cities, principally Seattle and San Francisco.

On the 29th of March, 1898, the following Minute of Council was passed by the British Columbia Executive, and a copy forwarded to the Honourable the Secretary of State, in accordance with a resolution of the Legislative Assembly:

"Whereas the establishment of a mint in Canada will be of great benefit, commercially and otherwise;

"And whereas the Province of British Columbia is the most suitable Province wherein such mint should be established;

"Be it therefore resolved that an humble address be presented to His Honour the Lieutenant-Governor, requesting him to communicate with the Dominion Government urging upon the Government the desirability of the establishment, at the earliest possible date, of a mint, such mint to be erected in the Province of British Columbia."

In a communication to the Minister of Mines from the Provincial Mineralogist on this subject, the existing conditions are summarised and remedies suggested.

He states that practically all the gold from the north goes directly to the United States, either from the banks in the north or is brought down by returning miners. The gold brought down by the latter is at once converted into cash, a very large percentage of which is spent in the city where such cash is received in the purchase of supplies, either for immediate consumption or to be again taken north.

It may be fairly stated that Seattle owes its present size and importance as a coast city to this particular trade, produced and developed by the gold taken, either directly or indirectly, out of Canadian placers.

The reason why the gold is taken to Seattle is because the United States assay office there buys it at a higher price than is or can be paid for it in British Columbia. The gold is bought in Seattle at exactly the same rate as if handed in to the Mint at Washington, the United States Government paying the express and insurance charges on the bars from the branch office to the mint, so that the only deduction made from the gross value of the dust is the assay charge.

Gold brought to Victoria or Vancouver is taken to a bank and by the bank sent to the British Columbia Government assay office. The charges there are practically the same as the Seattle assay office, but the bank in British Columbia has to send the bars to the mint, and in addition to again paying assay charges has to defray the cost of expressage, insurance and other charges, and at the same time provide for a fair business profit. The price obtained for gold dust taken to Seattle is higher, therefore, than that paid in British Columbia cities by the above charges, which amount to about two per cent. on the gross value of the gold.

To meet this competition, British Columbia must be in a position to offer at least as good terms as Seattle, and the Provincial Mineralogist makes the following suggestion, as an alternative proposal, in case the mint should not be established in British Columbia.

The Government of British Columbia to be authorised to purchase, as agents for the Dominion Government, all gold offered, at the same rate as that paid by the United States Government; the Local Government establishing the necessary offices and being responsible for all losses. The gold to be handed to an agent appointed by the Dominion Government, and the weight and fineness of the gold to be guaranteed by the British Columbia Government.

The Provincial Mineralogist points out that, of course, the assay fees will not begin to pay the expenses of an assay office, and the difference would have to be borne by the local Government, who would also be responsible for the gold and the correctness of the weight and assays.

The Dominion Government would have to pay the expressage, interest, and other charges on value during transit.

This proposition, if carried into effect, would at least have a tendency towards securing the retention of the gold in Canada, and at the same time attract the trade which the Canadian cities now lose by the gold being taken elsewhere, but, in view of British Columbia's position as a gold producer in the Dominion, it should be clear to anyone that that Province is the one entitled to the mint when one is established.

DOMINION MINING COMMISSION.

From the press, as will be observed by the Appendix to this Memorandum, it is learned that the Dominion Government propose issuing a Mining Commission, presumably to inquire into conditions affecting silver and lead mining, smelting, refining, transportation and marketing of ores.

The Province of British Columbia also proposes to issue a Mining Commission to inquire into matters affecting internal control and development of mining. The respective scopes of these two Commissions should be quite distinct, and the Honourable the Minister of Mines for British Columbia has suggested to the delegation to ascertain definitely from the Honourable the Minister of the Interior, at his earliest convenience, what subjects the Dominion Commission is intended to cover; and further intimated to the Delegation his great willingness to assist the Dominion Commission in every way possible in their inquiries.

Memorandum by the Honourable the Minister of Mines.

The Minister of the Interior (Hon. Clifford Sifton) stated on several occasions during his recent visit to the Kootenays, that it was the intention of the Dominion Government to appoint a Commission to inquire into the mining industry of Canada, and principally British Columbia. As to the scope of this Commission nothing was said by him, so far as can be ascertained from newspaper reports, but that it will deal with the silver-lead question seems assured.

Mr. McBride (Minister of Mines for British Columbia), when in the Kootenays recently, was interviewed by members of the Rossland Board of Trade and Chamber of Mines, on which occasion Mr. J. B. McArthur, president of the latter, and also president of the election committee of Mr. W. A. Galliher, M.P., made, *inter alia*, the following remarks:

"Mr. Sifton is going to take up the question of the advertisement of the mineral resources of British Columbia, and in fact of the whole of Canada. I am not prepared at the present time to disclose all he says, but he is going to take it up energetically in connection with the Yukon. He is also going to take up the silver-lead question, and there is no doubt whatever in his mind that the Government will protect that industry, and an important announcement will be made by him shortly; in fact, something will be done within the next sixty days."

In an interview with the Vancouver Province newspaper, reported in its issue of the 24th of November, 1900, Hon. Clifford Sifton is reported to have said:—

"I may as well tell you now that the importance of the mining industries of this Province have never been so fully borne upon me as during this last trip of mine. It is a subject of great scope, and one that must be treated with all possible care and consideration. I shall therefore urge upon my colleagues the advisability of appointing a strong and thoroughly competent Commission to inquire into the whole matter and report at an early date. The Commission, if appointed—and I have every reason to believe it will be—would deal not only with mining but also with matters of smelting and refining; in fact, it would take up and report upon the whole connection which the mining industry has with the general business of the country, including of course its relation to the customs tariff and the bearing which that has on it."

The Minister further added that action on the report of such Commission could safely be looked for within a year, inasmuch as the administration was fully alive to the requirements of the mining districts as well as of the coast.

On the 12th December, 1900, a meeting of the Associated Boards of Trade of British Columbia was called at the request of Mr. G. O. Buchanan, of Kaslo, at which meeting it is learned that two letters, one to the Hon. Mr. Sifton, and the other to the Hon. Mr. Fielding, were submitted by Mr. Buchanan, containing proposals as to the Mining Commission, and that these proposals were adopted. It is assumed that these letters are on file, and therefore unnecessary to produce here.

Memorandum respecting the Southern Boundary Line of British Columbia.

Owing to physical difficulties the work of the Survey Commission in British Columbia is incomplete, portions of the Boundary Line being only imperfectly indicated, so that in places it is uncertain as to whether certain mining claims are in Canada or the United States.

Trouble has already occurred in the Mount Baker District.

It is asked that an arrangement be made without delay for an exact delimitation of the Boundary Line.

In this connection, the Provincial Mineralogist writes to the Minister of Mines for the Province as follows:—

"I would again beg to call to your attention the fact that the Southern Boundary Line of this Province has never been regularly marked except at points widely separated, and that, in consequence, a number of mineral claims are in debatable ground.

"I refer particularly to Tobacco Plains, Boundary Creek District and Mount Baker District. Disputes have already occurred and much bad feeling has been engendered which would not have been had the line been marked plainly and finally.

"This is strictly within the jurisdiction of the Dominion Government, and I would suggest that proper representations be made to Ottawa that this boundary line be run this coming summer by joint survey with the United States authorities."

Memorandum respecting the Lumber Tariff.

Representatives of the lumbering industry have interviewed the Government of British Columbia, and also several of the Ministers of the Federal Government, with reference to certain conditions detrimentally affecting their interests.

So far as the Province is concerned, the lumbermen have asked two things:—

First.—To continue the rebate on dues on account of lumber exported, which, for the purpose of assisting the industry, the Province has allowed for some years past; and

Second.—To urge upon the Dominion authorities the claims of the lumber industry to consideration.

The case of the lumbermen has already been fully presented by Mr. C. M. Beecher, and others, in a recent interview with the Honourable the Minister of Finance and the Honourable the Minister of the Interior, and is also contained in the letters which are appended.

The Delegation cannot too strongly urge upon the Dominion Government consideration of these representations. The disabilities under which the lumber industry of the Province at present labours are:—

(1.) Tariff discrimination;

(2.) Discrimination by ship-owners in favour of Puget Sound ports as against British Columbia;

(3.) High freight rates as the result of a scarcity of ships.

The remedy of the first grievance lies in either a reciprocity of tariffs or in a reciprocity in timber products.

In regard to the two latter, the remedy suggested is the bonusing of ship-building, whereby British Columbia will possess a fleet of its own, and its industries will become independent of foreign ship-owners and foreign ports.

A separate memorandum on the subject of the bonusing of ship-building has been submitted to the Honourable the Minister of Marine and Fisheries.

In the matter of a tariff on lumber, the millmen of British Columbia claim that they are entitled to equal consideration with Manitoba and the North-West. The increase in trade and population on the Coast, through the prosperity of the lumber or any other industry, means an increased market for the products of the North-West Territories. Moreover, since the British Columbia mills entered the North-West market, the price of lumber has been reduced $5.00 per thousand, and that of shingles from $3.00 to $1.75 per thousand, so that the prairie farmers have profited accordingly.

To illustrate the conditions existing as between British Columbia and the Pacific Coast south, it may be stated that for the year 1900 the total of cargo and rail shipment was 777,043,447 feet, while that of British Columbia was approximately 85,000,000. There are 444 mills in the State of Washington, with a daily capacity of 8,380,000 feet; in British Columbia there are 97 mills of 3,645,000 feet daily capacity; the capacity of the shingle mills in the State of Washington is 28,700,000, and that of British Columbia 4,000,000. The States of Oregon and California approximate in production that of the State of Washington, where there are about 24,000 operatives employed in the lumber industry alone. The State of Washington has a market of 75,000,000 persons, with Canada as an additional outlet, while the mills of British Columbia are excluded from the market of the United States and have, at the same time, to compete in its own territory with the American mills.

It is stated that, in consequence of a tariff being imposed on American lumber equal to that imposed by the United States on Canadian lumber, the North-West Territories will suffer. Apart from the fact that the British Columbia millmen have agreed not to increase the present prices, it should be borne in mind that the North-West Territories products are all protected, and a market is easily found for them in British Columbia. The mill-owner pays duty on his machinery and other equipment for his mill and business. British Columbia being a large consuming Province, and mostly a non-manufacturing one, imports very considerably, and is, therefore, a heavy contributor to the Federal treasury in customs dues.

At OTTAWA, ONT., January 28th, 1901.

The Honourable Clifford Sifton,
Minister of the Interior, Ottawa, Ont.

Re MARQUETTE CLAIM.

MY DEAR MR. SIFTON,—I hand you herewith copies of the correspondence in the above, the facts in connection with which are set forth in the report of the Deputy Commissioner of Lands and Works.

It appears from that report, that on the 2nd June, 1896, in pursuance of an application by J. B. Marquette, attorney and agent of Robert Angus, a licence was granted to cut timber on a limit at the head of Stave Lake; and that on the 3rd of August, 1897, a renewal of the licence was granted by the Provincial Government. At the date of the granting of this licence the boundary of the Railway Belt was defined by Dominion Order in Council, approved 27th May, 1887, which boundary, so far as it relates to the limit in question, is coloured green on the map attached to the correspondence sent herewith. On the 2nd of July, 1896, however, the Deputy Minister of the Interior communicated to the Provincial Government that the Dominion Government had decided to accept the alternative mentioned in the Order in Council of the Provincial Government of the 6th December, 1895, which provides that—

"The Province shall accept as the boundary of the Railway Belt the line laid down and marked out by the Dominion Order in Council, approved on the 27th May, 1887, and by the map attached thereto * * * * , or the nearest section line to the boundary of the Belt, which would be found by actual measurement, as may be found by the Minister of the Interior most convenient."

The changes effected in the boundary belt by this decision were general throughout the Province, and there was nothing at the time to call particular attention to its effect at Stave Lake, the position of which was not shown on the Dominion maps furnished to the Provincial Lands and Works Department.

The Crown Timber Agent for the Dominion, at New Westminster, seized and confiscated 200,000 feet of lumber, valued at $1,400, belonging to Mr. Angus, on the ground that the timber was cut from property within the Forty-Mile Belt; and Mr. Angus makes a claim for compensation to the Provincial Government.

There is no question that, when the licence was first granted, the limit was outside of the boundary of the belt as then determined. Such being the case, the Deputy Commissioner of Lands and Works points out that it is difficult to understand the harsh action of the Agent of the Dominion Government in seizing the logs cut by Angus, and of thereby bringing upon him great financial loss; and that it might have been expected that the Dominion Government would respect the licence which was legally, and under full authority, granted by the Province.

I submit the claim for your careful and, I hope, favourable consideration.

Yours very faithfully,
(Signed) James Dunsmuir.

At Ottawa, Ont., February 2nd, 1901.

The Honourable Clifford Sifton,
Minister of the Interior, Ottawa, Ont.

My Dear Mr. Sifton,—Adverting to our conversation in the matter of the Songhees Indian Reserve, at Victoria, and in conformity with your request, I beg to submit the following proposal:—

Proposal *re* Songhees Reserve.

(1.) The Dominion of Canada to surrender, absolutely, to the Province all their rights to the nineteen acres set for the use of the Esquimalt and Nanaimo Railway as a right of way; and to so much of that part of the Songhees Reserve as lies north of the present travelled Esquimalt Road and east of the Craigflower Road:

(2.) The Dominion of Canada to be authorised to sell the residue of the Reserve and apply the proceeds, together with such moneys as they have in hand attached to this Reserve, to the re-habilitation of the Songhees Indians upon another Reserve satisfactory to the Dominion, to be provided for by the Province, the Province to have the reversion in any surplus available over and above the cost of such re-habilitation.

Adjustment of Indian Reserves.

I would also call your attention to the fact that it is advisable that joint action should be taken at an early date by the Dominion and Local Governments as to the adjustment of Indian Reserves in British Columbia, other than the Reserve above mentioned.

In some instances large tracts of very valuable agricultural lands are held by a very small number of Indians. Under the earlier Orders in Council referring to Indian Reserves it appears that it was the intention, from time to time, as there was a diminution or augmentation in the number of a tribe, to decrease or increase the boundaries of the reserve. I would, therefore, beg respectfully to point out to you that this would be an opportune time to take up the question, and would ask you to take steps to carry out the intention of the Government as shown in the Orders in Council referred to. I would accordingly suggest that a Commission be appointed, one Commissioner to be appointed by the Dominion Government, one by the Provincial Government, those two to appoint a third Commissioner as Umpire; the scope of the Commission to be such as will have the effect of carrying out the terms of the Orders in Council referring to the adjustment of the reserves. I think, under the circumstances, I could agree with what you said during our conversation yesterday, that, taking everything into consideration, it might be inadvisable to appoint as Commissioner any person from the Province of British Columbia.

Co-operation of Mining Commissions.

May I also take the liberty of calling your attention to the scope of the proposed Mining Commission to be appointed by the Dominion, and to express the hope that at an early date we will hear from you on the subject as to who the Commissioners will be, the date on which

they will probably sit, and the scope of the Commission. As I mentioned to you yesterday, the question of appointing a Provincial Commission to look into mining matters is receiving the attention of the Local Government, and possibly it might be advisable that the two Commissions should sit contemporaneously, and probably before a definite conclusion was come to by either Commission the Commissioners would be able to exchange views on the different matters which had come before them.

ADMINISTRATION OF MINERALS UNDER INDIAN RESERVES.

Further adverting to our conversation, I would propose that the Local Government be empowered—at their own expense—to administer the base minerals, including coal, lying under Indian Reserves, the Dominion receiving for the relinquishment of any right of administering the base minerals, including coal, under Indian Reserves, one-half of any royalty and taxation on coal, and half of the taxes, either direct or revenue by way of royalty, collected on base minerals other than coal, and gold and silver (which are clearly within the right of the Province). Any arrangement made under this proposal to be without prejudice to the rights of the Province or the Dominion to the minerals under Indian Reserves, but solely for the purpose of promoting the mining industry in the Province.

It is understood, of course, that the reversionary right of the Province to the Indian funds so derived shall remain intact.

The above proposals are, of course, made subject to ratification by the proper authorities.

Yours very faithfully,
(Signed) JAMES DUNSMUIR.

Salaries of Judges, &c.

AT OTTAWA, ONT., February 1st, 1901.

The Honourable David Mills, Q.C.,
Minister of Justice, Ottawa, Ont.

MY DEAR MR. MILLS,—You are already in possession of my views on the subject of increasing the salaries of the Supreme Court Judges of British Columbia, and I would also remind you of the question of increasing the jurisdiction of the County Court Judges of Vancouver Island to include the whole of the Island. I am pleased that you are willing to recommend the appointment of further County Court Judges in British Columbia when and so often as the Local Government name territories in which, in the opinion of the Local Government, there is a sufficient amount of work to warrant the appointment of a County Court Judge.

We have had a great deal of trouble with reference to the improper naturalization of aliens, and I would respectfully suggest in this connection that the Naturalization Act should be so amended as to empower a Judge of either the Supreme or County Court, upon cause shown, to declare null and void any naturalization papers which have been improvidently or fraudulently obtained or issued.

Yours very sincerely,
(Signed) D. M. EBERTS.

Expenses connected with Quarantine.

Victoria, Sept. 28th, 1900.

The Honourable the Attorney-General,
Victoria, B. C.

Sir,—I have the honour to submit a copy of a letter I sent to the Minister of Agriculture asking for a refund of expenses incurred while carrying out quarantine regulations on the boundary line during the small-pox epidemic last February and following months. I also enclose a copy of Mr. Fisher's reply.

I had an interview with Dr. Montizambert about September 1st, and he requested me to send a full account of expenses. I herewith enclose this account for your approval and direction regarding same.

I have, etc.,
(Signed) C. J. Fagan,
Secretary.

Victoria, B.C., August 20th, 1900.

The Honourable Sidney Fisher,
Minister of Agriculture,
Ottawa, Canada.

Sir,—I had the honour to write to you on May 22nd, asking for a refund of expenses incurred by this Board during the small-pox outbreak in the States of Washington, Montana and Idaho. As I then stated, our Government, thinking only of the safety of the country, undertook to guard the boundary line. This was done with such effect that only nine cases got an entrance to British Columbia. You will recognize the need of immediate action when I tell you, I myself saw cases with small-pox pustules on their faces, walking around the town of Republic; and I was told on reliable authority that a man, with the disease well advanced, travelled ninety miles in a Spokane railway car; there were then fifty cases in the City of Spokane, a town with which we had constant and continued communication. When I saw and heard of such occurrences, I considered it was my duty to act promptly, and I think events have justified our action. I believe it is no exaggeration when I say that the number of cases occurring in the three states to the immediate south of us—Washington, Idaho and Montana—numbered well into the thousands. Our communication with these states was constant, yet we only had nine cases. We did well for ourselves, but I also think we did well for Canada.

Now, a great deal of this work did not belong to us. We did it because it was left undone, and by so doing we undoubtedly protected not only British Columbia but many other provinces.

We started our quarantine arrangements on January 25th, and carried them on rigidly till some time in May, when I was advised by your department that now the Dominion Government would undertake this work. This action, I am told, resulted from the fact that small-pox appeared in Winnipeg. Now, I am sure it will only need my calling your attention to this matter to have it righted. We have paid out considerable sums for work which it now appears should have been done by the Dominion Government. The work was done well, and with due regard for economy. Although it was to me a great source of worry, looking to results, I do not regret it. I only feel sorry, that being alive to the public needs, should cramp the limited resources of this Board.

I have laid this matter before Mr. Morrison. He told me that it was only a question of placing the matter before the Minister to have it righted. I therefore leave it, with confidence, in your hands, and will be pleased to answer all questions and give full particulars and proof of services.

I have, etc.,
(Signed) C. J. Fagan,
Secretary.

OTTAWA, August 27th, 1900.

C. J. Fagan, Esq.,
Secretary, Provincial Board of Health,
Victoria, B. C.

DEAR SIR,—I beg to acknowledge yours of August 20th, in regard to the claim of your Board for compensation for the work done in connection with small-pox in British Columbia.

Dr. Montizambert is at present in the West, and I cannot answer you further until his return. Probably you will see him when he comes from the Yukon to British Columbia and can discuss the matter with him, so that he will be fully cognizant of the other side of it when he returns to headquarters.

I am, etc.,
(Signed) SIDNEY FISHER.

ACCOUNTS PAID BY THE BRITISH COLUMBIA GOVERNMENT FOR QUARANTINE SERVICES DURING THE SMALL-POX EPIDEMIC, FROM JANUARY 22ND TO MAY 10TH, 1900.

Astley, W. J.—January 22nd to February 2nd.—Services as Quarantine Officer between Waneta and Northport; travelling expenses *re* same	$ 55 35
Allan, M. E.—February 15th to February 27th.—Board and lodging of Quarantine Officer Wright on duty between Rossland and Northport	12 25
Armstrong, G. S.—January 28th to May 9th.—Services as Quarantine Officer at Northport at $100 per month; three telephone messages *re* same	343 63
Brown, J. R.—January 30.—*Re* small-pox—Stage fare to Osoyoos and return to act as guard	2 00
Banbury, I.—January 26th to February 28th.—Board and lodging for Quarantine Officer Hislop at Midway	85 50
Boldrick, F.—February 19th to May 31st.—Services as Special Constable to assist Quarantine Officer at Huntingdon, at $2.50 per day	235 00
Cunningham, G.—March 1st to May 10th.—Salary as Special Constable to assist in quarantine work at Midway; expenses *re* same	165 00
Cummins, H. C.—February 2nd to May 10th.—Salary as Quarantine Officer between Northport and Nelson; travelling expenses *re* same	278 25
Cameron, A.—February 5th to February 28th.—Salary for quarantine duties at Cascade	57 50
Cameron, J. G.—January 29th to May 10th.—Salary as Quarantine Officer at Creston; expenses *re* same	287 35
Curtis, D. S.—January 16th to May 19th.—Drugs, vaccine, disinfectants, &c., supplied to Huntingdon Quarantine	138 40
Davidson, J. N.—February 2nd to March 31st.—Board and lodging for Quarantine Officer Cummins at Waneta and Fort Sheppard Railway	112 25
Dolan, J.—January 30th.—Sending a man back across Boundary line who escaped Quarantine Officer at Port Hill, Idaho	1 50
Dufuesue, J. C.—March 28th to April 31st.—Salary as Quarantine Officer at Myer's Creek	35 00
Darraugh, D. J.—January 27th to February 19th.—Hire of saddle-horse for two days, and board and lodging while acting as Constable to assist Quarantine Officer at Grand Forks	33 00
Dinsmore, J.—January 31st to March 10th.—Board, hire of horse for two days, and telephone messages to Dr. Jakes, *re* quarantine work at Carson	71 45
Fagan, C. J.—January 25th to March 23rd.—Trip through the Kootenays and Washington, via Spokane, *re* small-pox epidemic; travelling expenses *re* small-pox	169 65
Farish, J. C.—January 26th to May 4th.—Salary as Quarantine Officer at Huntingdon, at $100 per month; travelling expenses *re* same, $23.33	347 33
Folger, C. H.—February 18th to May 9th.—Guard at Covert's Rand, Boundary Quarantine	55 00

Great North-Western Telegraph Company.—January 22nd.—Telegram *re* small-pox from Quarantine Officer at Spokane	59
Henderson Bros.—February 5th.—Four tubes of vaccine supplied to Dr. Sutherland at Blaine Quarantine	4 00
Hill, C. P.—January 24th to March 31st.—Board and lodging for Quarantine Officer at Port Hill, Idaho	93 00
Hislop, C. G.—January 24th to May 11th.—Services as Quarantine Officer at Midway and Carson, and travelling expenses *re* same	294 40
Jakes, R. W.—February 28th to May 10th—Salary and travelling expenses as Quarantine Officer at Kettle River boundary	203 20
Kirkup, J.—January 26th—Travelling expenses to Midway, *re* quarantine duties	7 50
Lambly, C. A. R.—March 2nd to May 8th—Salary as Special Quarantine Officer guarding boundary line in the Similkameen Valley, Osoyoos, &c., $234.50; also salaries paid to W. Haynes and C. E. Pittendrigh as assistants to Quarantine Officer at Fairview, $227.50	462 00
Lister, R. B.—February 27th to March 19th—Fares travelling to New Westminster, Huntingdon, &c., acting as Constable at Huntingdon quarantine, and board and lodging while assisting Quarantine Officer at Huntingdon	37 05
McMynn, W. G.—January 24th to February 25th—Hire of horse and telephone messages, *re* quarantine at Midway	18 00
Miller, R.—January 20th to February 22nd—Sixteen meals supplied Quarantine Officer Wright, on duty between Sheep Creek and Northport	4 00
Merryweather, W. G.—January 23rd to February 5th—Board and lodging for Quarantine Officer Wright, on duty between Sheep Creek and Northport	17 75
Moulton & Co.—January 26th to April 27th—Board and lodging for Dr. Farish, Quarantine Officer at Huntingdon; rent of building for fumigating mail, &c.	227 50
McDonald, E. A.—February 23rd to March 31st—Fifty-seven meals at 50 cents, supplied Quarantine Officer Wright between Sheep Creek and Northport	28 50
McLeod, A.—January 30th to April 8th—Services as Health Inspector, at $2.50 per day, at Fernie quarantine	172 50
McAulay, E. J.—March 18th to April 9th—Guard at White Camp, on Boundary Line	55 00
McMynn, W.G.—April 20th—Expenses incurred in enforcement of the small-pox regulations at Midway	3 75
Palmer, C. H.—January 22nd to January 31st—Salary as Quarantine Officer at Kootenay River boundary, expenses *re* same	41 80
Paterson, A. N.—January 31st to March 13th—Lodging of Quarantine Officer Wright on duty at Sheep Creek for 41 days at 50 cents	20 50
Phillipps, M.—February 1st to April 16th—Salary as Quarantine Officer at Tobacco Plains, on Boundary Line	125 00
Ritchet, F.—February 11th to March 31st—Fifty-five meals supplied Quarantine Officer Wright while on quarantine duties between Sheep Creek and Northport, at 75 cents	41 25
Redman, J. B.—February 13th to February 22nd—Special Constable at Nelson, on Boundary Line, near Grand Forks, at $2.50 per day	20 00
Rankin, G. W. A.—March 16th to March 20th—Guard at Carson, at $2.50 per day, during quarantine	10 00
Rogers, F.—March 5th to April 30th—Team and buggy for Dr. S. Smith, *re* quarantine work at Grand Forks	45 50
Steel, R. J.—February 10th to February 12th—Services as Special Constable at Waneta quarantine; expenses *re* same	15 50
Short, A. A.—January 29th to May 11th—Salary as Quarantine Officer at Myers Creek; expenses *re* same	274 00
Smith, R. B. S.—March 8th to March 10th—Services as Quarantine Officer at Grand Forks; expenses *re* same	161 50
Sutherland, A. A.—January 25th to May 1st—Services as Quarantine Officer at Blaine; expenses *re* same	161 00
Teetzel & Co.—February 15th—Expressage for one bottle of disinfectant for use of Quarantine Officer at Waneta	75

Wright, P.—January 22nd to May 10th—Salary as Quarantine Officer at Sheep Creek and Northport; travelling expenses *re* same	328 80
Winter, C.—January 26th to May 10th—Services and expenses of Quarantine Officer at Osoyoos	218 50
Wells, W. L.—March 20th to April 9th—Salary as Night Guard at Carson during quarantine	50 00
White, R. B.—February 9th to May 10th—Salary and expenses of Quarantine Officer at Osoyoos	240 00
Widdicombe, J.—February 28th to May 10th—Salary and expenses of Quarantine Officer at Grand Forks	191 40
Total	$6,059 65

Official Precedence.

At OTTAWA, January 31st, 1901.

The Honourable Sir Wilfrid Laurier, G.C.M.G.,
Premier, Ottawa, Ont.

DEAR SIR WILFRID,—I send to you, herewith, a file of the correspondence which has taken place between the Dominion Government and those of the Provinces of Ontario and British Columbia, relative to the question of precedence of Provincial Ministers and Speakers, and the terms upon which the title "Honourable" should be conferred upon them for life. This matter has been before you for discussion during our visit, but I send you now the correspondence for your information. As most of the documents are originals, will you kindly return them to me, at Victoria, when you have perused them.

Yours very faithfully,
(Signed) JAMES DUNSMUIR.

OTTAWA, 4th March, 1901.

The Honourable James Dunsmuir,
Premier, Province of British Columbia,
Victoria, B. C.

SIR,—I have the honour, by direction of the Right Honourable the President of the Council, to acknowledge the receipt of your communication of the 28th January last, respecting the financial relations between the Province of British Columbia and the Dominion of Canada.

I have, etc.,
(Signed) JOHN J. MCGEE,
Clerk of the Privy Council.

[TELEGRAMS.]

VICTORIA, 6th March, 1901.

Sir Wilfrid Laurier, Ottawa.

Would be pleased to have your immediate and kind consideration of our communications. House in Session and much depends on nature of your reply, particularly with reference to railway development, fisheries and questions Oriental immigration and British Columbia's share of capitation tax.

JAMES DUNSMUIR.

Ottawa, Ont., March 6th, 1901.

Hon. James Dunsmuir, Victoria.

Will try to give you an answer as early as possible.

Wilfrid Laurier.

12th March, 1901.

Rt. Hon. Sir Wilfrid Laurier,
Prime Minister, Ottawa.

Government strongly urged bring down papers connected with delegation to Ottawa. If agreeable to you, will comply.

James Dunsmuir.

Ottawa, Ont., March 12, 1901.

Hon. Jas. Dunsmuir,
Victoria, B.C.

I have no objection at all.

Wilfrid Laurier.

VICTORIA, B. C.:
Printed by Richard Wolfenden, Printer to the King's Most Excellent Majesty.
1901.

PM