

therefore in matters of defence the bases might, as defence, come within the jurisdiction of the federal government. Still the point made by Mr. Hollett is this: how can they abrogate to themselves the rights which would pass to the province, the right to the reversions under the lease, which would be transferred to the province under section 92?

**Mr. Butt** The logic of it is that it would revert to the federal government.

**Mr. Chairman** As defence, but as a matter of civil and property rights, no. Mr. Hollett, if I may interrupt you at this, I would like to declare a brief recess.

*[Short recess]*

**Mr. Hollett** ....Now Mr. Chairman, in looking at this whole matter of this information which has been brought back to us from Canada by the delegation which went from this Convention to find out if there were any equitable basis for union between Newfoundland and Canada, and in studying these books which have been brought back, and all this information, I feel that it would be wise if we pause for a little while in our deliberation and take a look at Canada, relative particularly to these agreements which the Canadian government is endeavouring to make, and which they have made with some of the provinces.

As we know, these tax agreements have not been signed by Ontario, Quebec and Nova Scotia as yet, and I want, before I go on to that, to give the delegates a sort of refresher on this business of confederation. To that end I want us to remember that in 1864 British North America was just a number of inconsiderable colonies dispersed along a narrow belt of territory from the Atlantic to the Pacific. In the centre was the Province of Canada, stretching 1,000 miles from Gaspé to the Detroit River, linked together commercially by the St. Lawrence River system and the Grand Trunk Railway built in 1850, and consisting of a million French Canadians and a million and a half English, Irish and Scotch settlers, whose chief industries were agriculture, lumbering, shipbuilding, fishing and considerable manufacturing.

Britain had adopted a free trade policy, and the Reciprocity Treaty with the United States was not to be renewed. The St. Lawrence was frozen up for six months of the year, and the northern

United States were not too friendly at that time. On the Atlantic seaboard there were the colonies of Nova Scotia, New Brunswick and Prince Edward Island, as well as Newfoundland, with a total population of 800,000 in 1864. Nova Scotia was still prosperous, her prosperity based on the era of wooden ships and the high prices following the American Civil War. It was a colony of fishermen, sailors and traders. Nova Scotia had enjoyed representative government for 100 years, and had a culture all her own. She had fish, lumber, agriculture and coal, and traded with New England, the West Indies, Europe, and indeed the whole world all seasons of the year. New Brunswick, the home of United Empire Loyalists, had much the same natural resources as Nova Scotia. Prince Edward Island had agriculture, fishing and shipbuilding. All three were prosperous on account of the demand for their products by the United States and the high prices then existing. Then in the centre was the Red River District (now Manitoba), with 10,000 souls, mostly half-breeds. In the west were two separate colonies, one on Vancouver Island, and British Columbia on the mainland. They united in 1866 to form one colony, but not more than 10,000 people lived there. Such was British North America in 1864, or just before the idea of confederation was mooted. Between all these colonies there were no commercial dealings whatsoever.

There were various causes for the desire of confederation: there were conflicting interests, personal ambitions of some statesmen, and there was the question of commercial greed between the various colonies; most of all there was fear of the American empire. Confederation as finally consummated was only a compromise, for it was the hope and wish of Sir John A. Macdonald and most of the Fathers of Confederation that a real legislative union could be brought about, and not merely a *loosely* bound number of antonomous provinces. "I have always contended", said Macdonald in one of the debates, "that if we could agree to have one government and one parliament, it would be the best, the cheapest, the most vigorous and the strongest system of government we could adopt." Lower Canada (Quebec), New Brunswick and Nova Scotia, however, were against such an idea for various reasons, and so Macdonald, Sir Charles Tupper and others who