

The Expansion of the Canadian Federation: Terms of Territorial Growth

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INTRODUCTION

The union of “the Province of Canada, Nova Scotia, and New Brunswick...into one Dominion under the Crown of the United Kingdom of Great Britain and Ireland, with a Constitution similar in principle to that of the United Kingdom” was to “promote the interests of the British Empire” (BNA, Prologue). With the division of the Province of Canada into Quebec and Ontario under the British North America Act of 1867, Canada had four original provinces to which it has since added six more: Manitoba (1870); British Columbia (1871); Prince Edward Island (1873); Alberta (1905); Saskatchewan (1905); and Newfoundland (and Labrador) (1949).¹ With its 10 provinces and the Yukon, Northwest, and Nunavut territories, Canada has a remarkable record of geographic expansion.² Yet few political scientists south of the 49th parallel think of the Canada federation in terms of its geographic growth (cf. Stepan 1999; Weissert 2011).

The purpose here is to attempt to explain the geographic growth of the Canadian federation through the mid-twentieth century.³ Why would policy makers and stakeholders of the Canadian federation want to expand the number of member provinces, when to do so would undermine their relative position in Ottawa?

We find several reasons for the expansion of the Canadian federation: security, commerce, and nationalism and cultural ambition. Political scientists, legal scholars, and political historians typically focus on only one cause, however. The most prominent reason given for individual states to form a federation or for existing federations to agree to add additional member-states is to promote military and diplomatic security (Riker 1964; Volden 2004; McKay 2004). For Riker, the central elites (i.e., the federation’s leading politicians and ranking public officials) seek to avoid or preempt external or internal threats to their positions. In order to do so, they engage in negotiations with representatives from one or more regions over the terms by which the new region is to be admitted to the federation (Riker 1964, 12–13).

Several scholars explain Canada’s expansion in these terms, with some explicitly referring to a Canadian “empire” (Coates 1987; Smith 1991). They point out that Canadian and British officials, wary of their unpredictable and volatile neighbor to the south and cognizant of their vulnerability after the Union

victory in the Civil War, sought to unify British North America (Scott 1977; Berger 2013).

Others, while they do not dispute that the United States posed a formidable threat, see the growth of the Canadian union as being more about economics and culture. McKay amends Riker’s argument to emphasize that economic and cultural factors—beyond military and diplomatic imperatives—may explain the establishment or expansion of a federation (McKay 2004, 182–83; Smiley 1975). Smiley (1965, 91–92) agrees: the “very creation of the Canadian confederation and the territorial expansion of the original union across the continent were, to some extent at least, responses to the pressures from the United States.” But Smiley views the establishment of the “Intercolonial Railway” and, later, the construction of a transcontinental railroad, the imposition of a protective tariff, the formation of a chartered national banking system, and the establishment of a national air-transportation system as means by which to further differentiate Canada from the United States and to make the Dominion more economically independent. Canadian expansion was also to promote its “moral and intellectual” identity and bolster its dual French-Canadian and Anglo culture (Smiley 1965).

Still others regard Canada’s expansion in precisely such materialist terms. The “fundamental problem of Canadian federalism [was] that of a wealthy and powerful center versus a poorer and less protected circumference” (Brady 1938, 961). Although Brady recognizes Canada has subsidized its outlying provinces, he observes that the center-periphery relationship has been “too frequently suspected of being used to reward political friends and of being refused to political enemies” (Brady 1938, 962). He and other scholars suggest that what began as a defensive measure—the establishment of a unified Canada—continued not for reasons of security or because of cultural ambitions, but for the pursuit of economic development and resource extraction (Smiley 1975).⁴

We propose that the federation’s policy makers and stakeholders agree to add member provinces (or states, regions, cantons, prefectures, etc.) only insofar as such expansion makes them better off, for the reason that the existing federation presumably already has a national defense, an integrated economy with an attendant infrastructure, enforced standards and regulations, an operating national government,

and an internationally recognized identity and differentiated culture. By contrast, the separate regions have smaller and less diverse economies, enjoy fewer economies of scale in the provision of public goods—for example, defense, communications and transportation infrastructure, commonly held rules and regulations—and have a less established and well-known identity. In addition, the outlying regions stand to benefit

which to assess the relative merits of the various explanations of the growth of the Canadian federation.

FEDERATION AND EXPANSION

The British North America Act of 1867 provided “for the eventual submission into the Union of other parts of British North America” (BNAA, Prologue). The Canadian Parliament

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from the influx of capital and immigrants, and are in a position to profit from access to new markets, from the union’s preexisting defense, infrastructure, governing institutions—legislative process, administrative expertise and capability, and judicial system—and from its distinct national identity. We anticipate, then, that the negotiations between the center and the region on the latter’s admission into the federation will necessarily be imbalanced.

The federation’s leading politicians and top officials will agree to the admission of new member states, and consequently accept a relative decline of their existing political influence, only if they are themselves well compensated in return. In short, we expect new federation members to have to pay a “price of admission” (Biber 2004), notwithstanding the fact that regions being considered for admission into the federation may have abundant natural resources, feature deep-water ports, offer potential markets for the center’s goods and services, and have other attributes attractive to the center’s policy makers. By extension, the larger, more militarily secure, and wealthier the federation, *ceteris paribus*, the more a region will have to “pay” to join the union.

In order to determine which of these explanations best accounts for the growth of the Canadian federation, we consider the official terms by which new provinces were admitted into the union. We recognize this investigation constitutes but a first pass, since a more dispositive account would require an in-depth review of the particular circumstances by which each new province was admitted, an examination of each set of center-region negotiations, and a study of not only the terms of provincial admission. It would further demand the study of subsequent national legislation with respect to land usage, taxation, economic development, and other issues, so as to determine if the existing provinces discriminated politically against the later-admitted provinces. All the same, we submit that this brief investigation represents a step forward, given that none of the extant political analyses of Canadian expansion of provide specific metrics or precise indicators by

could admit new provinces “on such terms and conditions” as the “Addresses from the House of the Parliament of Canada and from the Houses of the respective Legislatures of the Colonies or the Colonies or Provinces of Newfoundland, Prince Edward Island, and British Columbia” express, subject to decision by the Queen and “the advice of Her Majesty’s Most Honorable Privy Council” (BNNA, §146). Admission on “such terms and conditions” as agreed to by the Canadian Parliament and the regions (“the Colonies”) is precisely Riker’s bargaining (1964, 12-13).

These negotiations had to resolve two issues, in particular. One is the balance between the federal government and the member states: what political powers are to be assumed by or ceded to the national government upon the formation of a federation or with the expansion of a union, and which are to be retained by or granted to the provinces? How much authority does the federal government have vis-à-vis its member states, in other words, and in which policy domains?

The other issue is the relative political power of the federation members: to what extent are the separate states equal as fellow members of the federation? Do new member states enjoy the same rights and privileges vis-à-vis the national government as the existing states, the previously admitted states, or the original states?⁵ And if there is political asymmetry among the member states, what is the basis for this differential treatment? (The Canadian provinces do not have equal numbers senators in the upper house,⁶ for instance, unlike in the United States.)

Growing the Union

Manitoba, forged out of Hudson Bay Company lands, was the first new province to be admitted to the Canadian federation. The Lieutenant Governor of Manitoba—who, like all provincial lieutenant governors, was appointed by the Canadian Governor General (BNAA, §58)—had jurisdiction over electoral boundaries (Manitoba Act, §16), could appoint his own five-person executive council and the seven members of Manitoba’s Upper House, and was to govern “the North-West

territories and land not a part of Manitoba” (ibid., §6). Manitoba was to have two senators in the Canadian upper house and four members of the House of Commons, each with four-year terms.

Whereas the original four provinces could dispose of the land within their boundaries as they decided (BNAA 1867, §91, cl. 24; BNAA §93, cl. 5), Canada had jurisdiction over Manitoba’s public lands (Manitoba Act, §30). It also had

communications, provide for and operate a steam service between Prince Edward Island and the mainland railway network, construct a “Steam Dredge Boat,” pay \$45,000 annually so as to enable the PEI government to purchase privately held lands, transfer \$30,000 for support of legislature, and allow for PEI to incur a debt of up to \$4,701,050 for building railways and canals (Prince Edward Island Terms of Union 1873).

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authority to select and set aside Indian lands (Manitoba Act, §31). In return, Manitoba received annual interest payments of 5% on \$472,090 in principal (i.e., \$23,604.50 annually) (Manitoba Act, §24); it received \$30,000 to cover the expenses of the new provincial government (Manitoba Act, §25, §26); and—like all later admitted provinces—it received an annual grant from the Canadian government equal to \$.80 per head, which was augmented according to the increase in population as indicated by later decennial censuses (Manitoba Act, §25).

In contrast, British Columbia, which was admitted to Canada on July 7, 1870, retained authority over its public lands. Canada was liable for British Columbia’s debts (British Columbia Terms of Union, Schedule, §1), moreover, and because British Columbia was not indebted as were other provinces, the new province received annual payments equal to 5% of the difference of per-capita debt for Nova Scotia and New Brunswick, combined, and the 60,000 population of British Columbia (BCTU, Sched., §2). Too, British Columbia received an annual subsidy of \$35,000 to pay for its government and the per capita payment (BCTU, Sched., §3).

British Columbia, the largest of the non-original provinces, obtained other benefits upon its admission to the Canadian federation. The Canadian government agreed to establish and operate mail service from Victoria to San Francisco and a ferry service from Victoria to Olympia (BCTU, Sched., §4). It agreed to pay for the provincial government’s expenses (BCTU, Sched., §5) and to maintain the naval station and build a new dry dock at Esquimalt (BCTU, Sched., §9, §12). And it agreed to build a transcontinental railway to connect the Pacific with the existing provincial railways—under the condition that the Dominion would own the public lands for as many as twenty miles on either side of the right of way in exchange for a \$100,000 annual payment to the new province (BCTU, Sched., §11).

But the Dominion was to manage the Indian lands in trusteeship and to continue British Columbia’s Indian policies from when it had been a colony (BCTU, Sched., §13). The new province was to receive three senators and six MPs (BCTU, Sched., §8).

Canada also assumed all of Prince Edward Island’s debts upon admission on June 26, 1873. It was to pay for the PEI government salaries and federal services (e.g., lighthouses, a hospital, geological surveys, a penitentiary), maintain telegraph

PEI ceded taxing authority to the Dominion, though—as did all of the other provinces—and Canada owned PEI’s public lands. PEI did not receive a single senator, however; it was to have six representatives in the Canadian House of Commons.

Saskatchewan and Alberta were both admitted on July 20, 1905, under essentially the same legislation (Saskatchewan Act 1905; Alberta Act 1905). Both were to be ruled by an appointed Lieutenant Governor; both were to receive \$50,000 for the support of the government and legislature; both were to be paid \$475,375 per year in interest; and both were to be subsidized as their populations grew in size. They were initially to be paid \$250,000 for up to 400,000 in population (quinquennial censuses), \$562,000 upon reaching 800,000 in population, and then \$750,000 for up to 1.2 million in population. And both provinces were to be paid \$93,750 a year, for the first five years, for the construction of public buildings.

Canada again retained all public lands, the “mines, and minerals and royalties incident thereto,” and the rights to the waters. Saskatchewan and Alberta each received four senators (until the next census), and Saskatchewan received two MPs, Alberta one.

The Newfoundland Act of 1949 represented an unusual case, since Newfoundland and Labrador had been independent since 1869, when Newfoundland cast a negative vote in the “confederation election” of that year. Upon admission to the federation, Newfoundland received six senators and seven members of the House of Commons; the Chief Justice of the Supreme Court was to assume the role of Lieutenant Governor until the first Lieutenant Governor was appointed (no other province received this privilege); Canada would assume Newfoundland’s debts; and Newfoundland would retain its financial surplus. In addition, Newfoundland was to receive annual subsidies of \$180,000, and another of \$1,100,000. It would also receive annual “Transitional Grants” equal to \$6,500,000 for the first three years and then gradually lesser amounts; it would receive \$1,050,000 in the tenth year, for instance, and \$350,000 in the twelfth and final year of Newfoundland’s transition to becoming a province (Newfoundland Act 1949).

The national government would take over the operation and expenses of Newfoundland’s transportation, navigation, defense, telecommunications, and other public services, but

Newfoundland kept all of its “lands, mines, minerals, or royalties” (Newfoundland Act 1949).

Newfoundland was the last province admitted into the Canadian federation. None of the current three territories, Northwest Territory, Yukon and Nunavut, is likely to soon become a province because of their low populations (around 30,000 residents each), remoteness, and inhospitable climates.⁷

LOGIC(S) OF FEDERAL EXPANSION

In all of the new provinces, the Canadian federation subsidized the establishment of their new provincial governments, assisted them financially, and assumed governmental functions related to the federation. In each new province, too, the Governor General of Canada appointed the Lieutenant Governor. And in the maritime provinces, the national government assumed responsibility for sea connections.

The terms of admission for Canada’s new provinces fall into roughly two categories. British Columbia and Newfoundland kept their public lands (as had the four original provinces) and received either few conditions upon admission and/or generous financial compensation. Also, and with the partial exception of PEI, Canada gave more infrastructural help to British Columbia and Newfoundland and Labrador (e.g., ferry service, railway construction) than its other new provinces. In contrast, Manitoba, PEI, Saskatchewan, and Alberta ceded their public lands to the national government upon admission, such that the national government exercised control over the vast public lands (Alberta is as large in land area as Texas, and Saskatchewan and Manitoba are each only slightly smaller than Alberta). Neither did the Canadian national government have to construct railways or provide other infrastructural assistance for Manitoba, Saskatchewan, or Alberta.

Beyond these two general observations about Canadian expansion, at least three different logics appear in play.

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The easy terms by which British Columbia was admitted suggests strategic motives. Canada moved quickly to admit British Columbia so as to secure the Pacific coast as part of the Canadian federation, not unlike the United States adding California in 1850. Indeed, British Columbia became a Canadian province 44 years before Saskatchewan and Alberta were hived off of the North-West Territories, not unlike California vis-à-vis the later-admitted Great Plains and Mountain states. Given that British Columbia retained its land and received generous support from Ottawa when it was admitted as a new province, federation elites were likely motivated for reasons of security and strategic positioning (Berger 1970; Brady 1938; Scott 1997; cf. Riker 1964).

The terms by which Canada admitted Newfoundland in 1949, for their part, appear to reflect Newfoundland’s and Labrador’s histories of political independence (Newfoundland

was an independent state under the British Commonwealth from 1907 through 1933). Given the price Canadian leaders were seemingly willing to pay to admit the province of Newfoundland, and given the fact that Newfoundland retained its lands, reasons of national aggrandizement or cultural cohesion, rather than security concerns or economic potential, appear to have led federation policy makers to incorporate Newfoundland. Since Newfoundland had an “exit option” of continued independence, the federation had the worse of the two years of negotiations. There may also be another reason: with five of the seven Newfoundland’s new MPs being in the Liberal Party and with the Liberal Party controlling the 20th Canadian Parliament (1945-1949), Liberal leaders may have sought to add to their parliamentary majority—which they proceeded to do in the 21st Parliament (1949-1953).⁸

But the terms by which Manitoba, Saskatchewan, and Alberta were admitted—and all are landlocked, since Manitoba did not extend up to Hudson’s Bay until 1912—especially the cession of their public lands to the Canadian government, appear consistent with the materialist explanations of Canadian expansion. The mining, railroad, and other industries based in Ontario and Quebec stood to greatly benefit from the incorporation of these new regions as provinces.

PEI has a mixed record: it received financial aid and transportation subsidies, on the one hand, but ceded its (less extensive and less resource-rich) public lands, on the other.

In sum, Ottawa policy makers agreed to expand the Canadian federation for diverse reasons: security; commercial prospects; nationalism and cultural aggrandizement; and possibly partisan dominance. At the very least, Canada’s political history puts the lie to the claim that Canadian and British officials followed the British colonial model of “orderly development... fewer abuses and injustices than its American counterpart

[and]...little of the obsessive, all-consuming drive to speedy, efficient development and exploitation of natural resources” (William R. Hunt cited in Coates 1987, 145). Whereas Coates contrasts Canada’s territorial control with the United States’ construction of a “continental empire through purchase, war, occupation, and negotiation” (Coates 1987, 146), it is not the case that Canada rejected republicanism and shied away from expansionism (ibid.) The terms by which the new provinces were admitted do not necessarily indicate an imperial model of the Canadian government exploiting its new provinces. On the contrary, there were prolonged negotiations on the addition of new provinces/states in Canada—just as there were in the United States. Both federations were characterized by European-American settlements, moreover, and strong cultural identities that went beyond simple material interests and political domination.

All the same, there is a germ of truth to Coates's argument. Canadian expansion generally happened without "war" and "occupation"—unlike the United States and the Southwest—and without its newly annexed areas being under military control—unlike the first governments of Louisiana, Florida, New Mexico, California, and the Philippines [Thomas 2001]. These same features of Canadian federal expansion may also thereby explain why the new provinces generally paid less of a "price" in their formal terms of annexation than we expected.

There is a caveat, though. Making the decline of the relative influence of federation leaders less onerous with expansion was the fact that the Canadian Parliament increased its total number of representatives whenever it added new provinces. In fact, sometimes Parliament added more new provincial MPs than the number of new members joining from the new provinces, and at other times Parliament added additional seats to the lower house without adding new provinces.⁹

A further investigation into the logics of Canadian federal expansion demands the additional study of center-region relations, however. It calls, too, for a comparison of how the growth of the Canadian federation compares to those of other Anglophone settler-state federations with aboriginal populations, such as the United States and Australia. ■

NOTES

1. This list ignores boundary changes of the provinces and territories as a result of the addition or subtraction of land areas or islands, and ignores other name changes (e.g., "Yukon Territory" to "Yukon" [2003]).
2. By comparison, the United States since 1867 admitted fourteen new states: Nebraska (1867); Colorado (1876); South Dakota (1889); North Dakota (1889); Washington (1889); Montana (1889); Wyoming (1890); Idaho (1890); Utah (1896); Oklahoma (1907); Alaska (1959); and Hawai'i (1959).
3. This is not an examination of contemporary Canadian federalism (e.g. Gainer 1976).
4. Cairns (1977) argues that it is the drive of the provinces themselves for more land and more control of their local governments, in combination with their size and distinct histories, that has created a fragmented Canada. The result has not been centralization or a unified Canada, as is implied by cultural, economic, or military factors carrying the day, but a diffusion and complication of governing authority.
5. Membership in the 182-member House of Commons was proportioned by population (BNA §32). Any change in these numbers was to be come after the next decennial census, with the 65 House members from Quebec to be used as the base proportion of population per province to number of MPs. The House of Commons could increase in size, however, as long as the proportional-representation ratio as established in the BNA remained constant (per §52).
6. Canada's upper house was not called a "House of Lords," even though it was based on the British system of government and its members were initially appointed for life. The more populous provinces had and have fewer senators than they would purely on the basis of population, while the smaller provinces received and receive relatively more senators (BNA, §22).
7. With their relative autonomy, their relatively large populations of First Peoples, and their individual delegates in the House of Commons, the territories are in many ways *de facto* provinces.
8. No such partisan motives appear to characterize the previous admissions of Manitoba in 1870, British Columbia in 1871, PEI in 1873, or Saskatchewan and Alberta in 1905.
9. The House of Commons added 4 additional MPs in 1870; 6 in 1871; 9 in 1872; 6 in 1873; 13 in 1905; and 7 in 1949. Canada began with 181 MPs in 1867; it expanded to 262 MPs by 1949, and currently has 301 MPs, including one per territory ("Composition of the House," <http://www.parl.gc.ca/marleaumontpetit/DocumentViewer.aspx?Sec=Cho4&Seq=2&Language=E>).

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