

CONCORDIA UNIVERSITY

Graduate Studies

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Entitled IMMIGRATION POLICY AND THE RAILWAYS:

THE FORMATION OF THE RAILWAY AGREEMENT

Complies with the regulations of this University and meets the accepted standards with respect to originality and quality

For the degree of

MASTER OF ARTS

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ABSTRACT ,

IMMIGRATION POLICY AND THE RAILWAYS:
THE FORMATION OF THE RAILWAY AGREEMENT

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The use of Canada's immigration policy to promote its agricultural development and to provide traffic for its railways is examined through a study of the formation of the "Railway Agreement" signed in September, 1925, between the Dominion Department of Immigration and Colonization and the country's two railways.

By this agreement the railways gained the authority to select, transport, and the responsibility to place immigrants from eleven central and eastern European countries as agriculturists, agricultural workers, and domestic servants. Officials of their colonization departments became immigration agents for Canada on the continent of Europe.

The agreement exemplified the nature of the relationship between government and railways in Canada's immigration policy and activities in the 1920's. It is best understood within the context of Canada's British, continental European, and United States immigration policy in the years following World War I.

PREFACE

In 1928 Mackenzie King's Liberal government responded to controversy surrounding Canada's immigration situation with an inquiry into the general subject of immigration, conducted by the House of Commons Select Standing Committee on Agriculture and Colonization.

The most pressing immigration issue in 1928 was the change in Canada's immigration patterns brought about by the Railway Agreement that had been signed in the fall of 1925. By this agreement the Canadian Pacific Railway and the Canadian National Railways became immigration agents for Canada with the authority to select agricultural immigrants in eleven central and eastern European countries and to place them in agricultural work in Canada.

It was a widening of Canada's invitation in these countries of central and eastern Europe, running counter to the preference most English Canadians had for immigrants from Britain, northwestern Europe, and the United States. English Canadians in the 1920's wanted their country to be built with British stock and with those others able to assimilate readily into the Anglo-Canadian way of life.

After the railways became immigration promoters on behalf of the government "non-preferred" continentals began

to outnumber the British in Canada's immigration figures. This unacceptable situation, accompanied by the increasing problem of unemployed continentals drifting into Canada's urban areas, evoked widespread discontent with the immigration policy the railways and the government had instituted in 1925.

This paper examines the background and the events leading to the formation of the 1925 Railway Agreement which changed the thrust of Canada's immigration policy and was to bring widespread and negative reaction from Canadians.

It was primarily written from the continental and railway agreement files of the Dominion Department of Immigration and Colonization and the railway agreement files in the colonization records of the Canadian National Railways. Both of these record groups are located in the Public Archives of Canada. There is a wealth of Canadian immigration and colonization history in the Canadian National's colonization records, much of it as yet unused. Only one colonization file of the Canadian Pacific Railway was available at CPR archives at Montreal but it provided some valuable information concerning the final stages of negotiations in 1925.

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CHAPTER I

OVERVIEW OF IMMIGRATION POLICY 1919-1923

Canada has traditionally looked to immigration to populate its vast and sparsely populated land and to provide a cheap labour pool for its economic development. The government freely encouraged immigration during the years of railway building and western expansion by giving away vast areas of unoccupied land on its western prairies. The period of heaviest migration, beginning around 1900, populated the prairies and developed the wheat economy. The immigration of these boom years had reached its peak in 1913 before the outbreak of World War I reduced, to a trickle, the flow of immigrants to Canada.

Initially Canada did not encourage immigration in the years immediately following World War I. The demobilization of Canadian forces and the end of the war's economic activities created a surplus of labour which made the promotion of immigration impractical. The country involved itself in reabsorbing the returning soldiers into the economic system and restarting life on a peacetime basis.

The Immigration Act was applied to encourage only "those whose purpose in life is to occupy farm lands either as owners, tenants, or labourers" and those "to assist in the

development of our natural resources" and domestic servants.^{1.} Immigrants were welcomed if they could establish themselves in the agricultural economy by means of farm employment or land purchase but the government did not involve itself in job placement or assisted settlement. The only assistance provided by the government was directed to establishing ex-servicemen from Canada and the British Isles as farmers. The Imperial Government provided passage grants and the Canadian Government, through its Soldier Settlement Board, assisted in settlement on the land.^{2.}

The rationale of those who administered Canada's immigration policy was the same as that of Canadian governments in the era of western expansion before the war. W.R. Little, Commissioner of Immigration, indicated his department's thinking. "Agriculture is a basic industry....if all the land in this country were under cultivation, I assume there would be some appreciable decrease in the cost of living."^{3.}

The countries that could supply agriculturists and domestics acceptable under dominion policy were the British

1. Public Archives of Canada(hereafter cited as PAC), Department of Immigration and Colonization, Records, RG 76, (hereafter cited as I&C), Vol.29, file 653, pt.2, Official Circular No. 8.

2. Canadian Annual Review(hereafter cited as CAR), 1920, p.243.

3. I&C, Vol.611, file 902168, W.R.Little to J.E. Featherstone, Aug. 12, 1919, p.3.

Isles, United States, Norway, Sweden, Denmark, Iceland, France, Belgium, Holland, and Switzerland.⁴ It was recognized by the department that the supply of agriculturists in the British Isles was limited.⁵ The other nations, though not as favoured as the "mother country," were still acceptable nationalities from which agricultural immigrants could be obtained. Because of the depressed Canadian labour market, non-agricultural immigrants, even from these "preferred countries," were not wanted and not encouraged to come to Canada.⁶

The rest of the Continent of Europe was considered undesirable as a source for Canadian immigrants.⁷ The department divided the continent into zones, preferred and non-preferred. Besides the British Isles, the preferred countries were Norway, Sweden, Iceland, Denmark, France,

4. I&C, Vol.29, file 653, pt.2, F.C.Blair, Sec. I&C, to F.J.McClure, Passenger Mgr. Robert Redford Co., Mar. 2, 1920, Vol.611, file 902168, Little to F.C.C.Lynch, Sup. Natural Resources Intelligence Branch, Dept. of the Interior, Sept. 24, 1920.

5. I&C, Vol.611, file 902168, W.D.Scott, Acting Dep. Min., to Hon. Mr. Calder, Acting Min., June 24, 1919, p.3.

6. I&C, Vol.611, file 902168, Little to Lynch, Sept, 24, 1920, Vol.29, file 653, pt.2, Blair to D. Welderspoon, Nov. 13, 1919.

7. I&C, Vol.611, file 902168, J. Obed Smith, Sup. of Emigration, to Dr. G.C.Creelman, Agent General for Ontario, Nov. 26, 1920, Little to Lynch, Sept. 24, 1920.

Holland, Belgium, and Switzerland.^{8.} The rest of the continent was termed non-preferred and treated as such in the framing and administration of the Immigration Act and regulations. The preferred and non-preferred distinction for the continent was practiced by the Department of Immigration and Colonization during this post war period and perhaps as far back as 1910.^{9.} The term non-preferred was never used in the Act or regulations or in the department's annual reports. It can, though, be frequently found in the correspondence and directives of its officials.

The policy of selection and exclusion operated with general restrictive regulations, preferred nationalities and desired occupation groups being exempted in practice.

Certain standard prohibited classes such as criminals, charity immigrants, those mentally or physically defective or diseased, and those of undesirable moral character were mandatory and applied to all countries and types.¹⁰ The

8. The United States was also a preferred country. Its citizens were generally permitted as free an entry into Canada as were the most preferred of Europe, British subjects.

9. Canada, House of Commons, Select Standing Committee on Agriculture and Colonization, Immigration Inquiry, (hereafter cited as SSC), testimony, W.J.Egan, Dep. Min. I&C, Mar, 21, 1928, p.46. Egan was unsure of the exact date when this practice began but he stated that it had definitely been in use since 1918 and probably as far back as 1910.

10. An Act respecting Immigration 9-10 Edward VII, Chap.27, Section 3, assented to 4th May, 1910.

other tools of selection; the monetary, continuous journey, and passport requirements, operated to exclude those below the non-preferred continental line. Immediately after the war when Canada in its economic difficulties was restricting immigration, rules were relaxed for certain classes from "desirable countries".

For example, the money requirement was relaxed for agricultural and domestic immigrants from the British Isles and continental preferred countries.¹¹ It was common practice also to exempt other immigrants from these countries especially if they were going to ensured employment or to join close relatives.¹²

All immigrants from non-preferred countries were subject to the monetary requirement. They were required to have \$50 in hand and a ticket to destination between November 1st and March 1st and \$25 during the rest of the year.¹³ High unemployment in 1920, made the non-preferred immigrant even less desirable and in November, 1920, the amount for the winter season was raised to \$250 for mechanics, artisans, and labourers.¹⁴

11. I&C, Vol. 29, file 653, pt. 2, Official Circular No. 8.

12. SSC, testimony, Egan, Mar, 21, 1928.

13. I&C, Vol. 611, file 902168, Little to Lynch, Sept. 24, 1920.

14. CAR, 1920, p. 245, I&C, Vol. 611, file 902168, Blair to Cory, Mar. 1, 1921.

Under Order in Council, P.C.23, immigrants were required to come to Canada by a continuous journey from their native or naturalized country and upon a through ticket purchased in that country or prepaid in Canada.^{15.} In this immediate post war period it was particularly useful in barring Russian and Ukrainian refugees living in Germany, Poland, Roumania, Czecho-Slovakia, and other countries^{16.} as well as non-preferred Europeans living in the United States.^{17.} Even during this restrictive period the continuous journey regulation was relaxed for agricultural and domestic immigrants who were citizens or subjects of preferred countries.^{18.}

British subjects and United States citizens were also exempt from the passport regulation.^{19.} It did apply to nationals of both preferred and non-preferred countries on the continent. The department wanted to determine an immigrant's nationality in this post war period of changing

15. I&C, Vol.28, file 653, pt.15, Immigration Act & Regulations.

16. I&C, Vol.611, file 902168, Blair to E.Kemp, Oct,13,1921.

17. PAC, William Lyon Mackenzie King Papers, MG26 (hereafter cited as W.L.M.K), J4, Vol.80, file 623, Asst. Dep. Min. I&C to Egan, Mar.9, 1925.

18. I&C, Vol.29, file 653, pt.2, Official Circular No. 8.

19. I&C, Vol.28, file 653, pt.14, Dept. Memorandum, May, 1922.

boundaries in central Europe; it also wanted to be sure that he had a passport that rendered him deportable.^{20.}

Most non-preferred aliens were not wanted and the passport and continuous journey regulations were used to ensure that Canada did not accept any that it was unable to deport.^{21.}

The most pressing task facing the immigration department as the war ended was the restriction of immigration from central, southern, and eastern Europe. Fear of the "red element"^{22.} and ethnological prejudice^{23.} prompted the strengthening of restrictive clauses in the Immigration Act in 1919 to prevent any post-war tide of refugees. Canada was not to be a haven for the distressed of Europe.

More prohibited classes were added to increase protection against unwanted immigrants, namely illiterates, alcoholics, anarchists, those likely to become public charges, those involved in wartime espionage activities, and "persons of constitutional psychopathic inferiority".^{24.}

Section 41 deemed prohibited and made liable to

20. I&C, Vol. 611, file 902168, Blair to Calder, Oct. 2, 1919.

21. I&C, Vol. 99, file 13098, pt. 3, Asst. Dep. Min. to John Bassett, Nov. 26, 1925.

22. I&C, Vol. 611, file 902168, Blair to Calder, Oct. 2, 1919.

23. I&C, Vol. 611, file 902168, Smith to Creelman, Nov. 26, 1920.

24. An Act to Amend the Immigration Act, 9-10 Geo V, Chap. 25, Section 3, June 6, 1919.

deportation those suspected of a wide range of acts, ideas, or words considered to be subversive or dangerous by the government. It was rewritten to increase protection against those involved in or suspected of being involved in anarchistic activities.^{25.}

Section 38 allowed the government to prohibit immigration according to race, class, occupation, or character. It was strengthened to allow the government additional grounds to exclude those not easily assimilated socially or economically in Canada.^{26.} Department officials intended to use this as the authority for further restrictions if any were needed to limit unwanted immigration from European countries.

Two orders in council were passed in 1919 under the authority of section 38 to eliminate specific European nationalities and ethnic groups. The enemy alien regulation, P.C. 1203, prohibited all subjects of Germany, Austria-Hungary, Bulgaria, and Turkey from emigrating to Canada.^{27.}

25. An Act Respecting Immigration 9-10 Edward VII, Chap.27, Section 41, May 4, 1910, An Act to Amend the Immigration Act 9-10 Geo V, Chap.26, June 6, 1919, See Appendix A for new Section 41.

26. An Act Respecting Immigration 9-10 Edward VII, Chap.27, Section 38, May 4, 1910, An Act to Amend the Immigration Act 9-10 Geo V, Chap, 25, June 6, 1919, See Appendix A for revised Section 38.

27. I&C, Vol.29, file 653, pt.2, P.C. 1203, June 9, 1919.

P.C. 1204 debarred Doukhobor, Hutterite, and Mennonite immigrants. Its aim was abundantly clear: "Steps should be taken to prohibit the landing in Canada of immigrants deemed undesirable owing to their peculiar customs, habits, modes of living and methods of holding property and because of their probable inability to become readily assimilated."^{28.}

Keeping out unwanted immigrants continued to be a problem for the department despite its battery of restrictive regulations. "At the present moment," one official noted, "we are casting about for some more effective method than we have in operation to prevent the arrival here of many of the nondescript of Europe, whose coming is regarded more in the light of a catastrophe than anything else."^{29.}

The monetary requirement was losing its restrictive effect. Steamship lines were advising immigrants to write to their friends and relatives in Canada for the money.^{30.} H.M.Mitton, Canadian Government agent at Antwerp, said, "in the case of 90% of the continental emigrants the money is found for them by their relatives and friends in Canada being returned by them on arrival"^{31.}

28. I&C, Vol. 29, file 653, pt. 2, P.C. 1204, June 9, 1919.

29. I&C, Vol. 611, file 902168, Blair to P.M. Buttler, Nov. 10, 1920.

30. I&C, Vol. 611, file 902168, Smith to Blair, May 24, 1921.

31. I&C, Vol. 611, file 902168, Mitton to Smith, May 23, 1921.

Furthermore, the steamship lines were working against the continuous journey by opening offices in the interior of Europe to give a through booking and often arranging for friends and relatives in Canada to send a prepaid ticket.^{32.}

In 1920 7% of Canada's immigrants were from countries other than the United States or the British Isles. In 1921 that figure had risen to 18%. Apparently within this 18% there were too many "undesirable continentals".^{33.}

As the United States quota law, passed in May, 1921, would not apply to Canadians entering the United States, the department feared a new influx of "undesirable" Europeans coming to Canada in order to slip into the United States by the back door.^{34.} No non-preferred continentals were wanted in Canada, especially during the high unemployment of the winter of 1920-21.

In the spring of 1922 the government began to speak cautiously of encouraging agricultural immigration. "I believe," said C.A. Stewart, Acting Minister of Immigration and Colonization, "that conditions today are favourable

32. I&C, Vol. 29, file 653, pt. 2, Little to Cory, May 17, 1921. Vol. 611, file 902168, Mitton to Smith, May 23, 1921.

33. Canada Year Book, 1925, p. 175.

34. I&C, Vol. 29, file 653, pt. 2, Little to Cory, May 17, 1921.

for agricultural immigration...the people we bring in must be able to establish themselves and they must be farmers ...we must be careful, at the moment, not to swell the ranks of the unemployed".³⁵.

In May the department began revising its methods of selection to more actively encourage British immigration and to allow agricultural and domestic servant classes to come from the continent. Order in Council, P.C. 717, in May, 1922, and its revised version, P.C. 183 of February 15, 1923, changed the criterion for admission from monetary to occupational. Fitness was now determined by occupation and opportunity for employment in Canada rather than by the amount of money an immigrant might be able to show at time of arrival.

Those eligible to emigrate to Canada were bona fide agriculturists with sufficient means to begin farming, bona fide farm labourers, and domestic servants with reasonable assurance of employment. All other occupation groups were excluded. British subjects and United States citizens of all occupation groups were freely admitted. Previously the exemption made for British and United States immigrants had been by an ill-defined understanding

35. CAR, 1922, p. 270.

outside the law. Now it was written into the regulation.^{36.}

The occupation restrictions of P.C 183 were not applied to nationals of continental preferred countries either. This exemption was by private agreement with the transportation companies and was never made public.^{37.}

The good harvest of 1922 promised more prosperous conditions throughout the Canadian economy and immigration policy makers began to assume the expansionist views of pre war days. Acting Minister of Immigration and Colonization, Charles Stewart, was making such statements as, "A continuation of our present prosperous conditions will undoubtedly in the near future make it possible to absorb not only agriculturists but all these people in other walks of life who are anxious to come to Canada from Great Britain and elsewhere."^{38.} A short time later he said, " I know that Canada needs between 3,000,000 and 4,000,000 more

36. I&C, Vol. 28, file 653, pt. 15, P.C. 183. See Appendix B for text of P.C. 183.

When P.C. 183 was first passed United States citizens, other than farmers, farm labourers, and domestic servants, were required to show the immigration officer at port of entry that their labour was required in Canada. This restriction was cancelled by P.C. 642 on April 11, 1923, giving all U.S. citizens the same free entry as British subjects.

37. SSC, testimony, Egan, March 8, 1928, p. 6.

38. W.L.M.K., J4, Vol. 80, file 623, Statement of Immigration Policy, September 11, 1922.

citizens, I am anxious to bring in people and I do intend to recommend a very comprehensive policy of immigration to the Government of Canada". In November, 1922, Stewart announced a stepped up publicity campaign in Great Britain, to be gradually extended into the Scandanavian countries, Holland, Belgium, and France.^{39.}

Now under P.C.183 agriculturists, farm labourers and domestic workers from continental non-preferred countries were permitted to emigrate to Canada, but this was no open door policy in continental Europe. The department wanted and would accept only bona fide agriculturists with the means to begin farming, farm labourers, and domestics with assurance of employment, and immediate families of any legal resident of Canada who was in a position to receive and care for his dependents.^{40.} Most of non-preferred Europe was still considered undesirable.

The large proportion consists of city dwellers not interested in anything but settlement in our cities and engaging as tailors, shoemakers, peddlers, fruit vendors, and kindred occupations. This class of immigration is discouraged in every possible way as it is not desired to increase the already too evident flow from the country to the city.^{41.}

39. CAR, 1922, p.281.

40. I&C, Vol.28, file 653, pt.15, P.C.183.

41. I&C, Vol.99, file 13098, Blair to H.H.Hansard, Solicitor, Canadian National Railways, May 4, 1923. p.2.

The department extended its inspectional work to various points on the continent. The office at Antwerp became the head of the new inspectional system and offices were opened at Paris, Hamburg, Danzig, Bucharest, Riga, and the Hague.^{42.} Preliminary inspection and visa of passport by department agents at one of these inspectional points were required for immigrants sailing from the continent. In cases of non-preferred continentals the officers were instructed to grant a visa only if satisfied that the immigrant strictly complied with the occupational requirements of P.C. 183 and with all the other regulations.^{44.} Continental inspection and passport control

42. Canada Sessional Papers, Department I&C, Annual Report, 1923-24, Report of the Special Commissioner of Emigration at Antwerp, T.B. Willans, p.21.

In addition to inspectional work, the Hague office was intended as an information office for prospective immigrants from Holland and other preferred countries.

I&C, Vol. 611, file 902168, Blair to Willans, Jan, 29, 1923, p.1.

43. Visa or vise meant an endorsement on the passport by the I&C inspector denoting that the immigrant had passed preliminary inspection as to fitness and could proceed to Canada. Final inspection remained as always at the port in Canada. x

44. I&C, Vol. 611, file 902168, Blair to Willans, Jan. 29, 1923, p.2. Vol. 99, file 13098, Statement by R.J. Stead, Dir. of Publicity, I&C, May 9, 1923.

Department I&C, Annual Report, 1923-24, Report of Special Commissioner of Emigration at Antwerp, Willans, p.21.

were used to eliminate all non-preferred continentals but agriculturists with some capital and farm and domestic workers with employment prospects.^{45.}

The department loosened the policy in several ways to allow for selection of good prospects for Canada's agricultural economy. P.C. 1204 was amended in June of 1922 to permit the entry of Mennonites and Hutterites, only Doukhobors remained debarred. It was likely that the Canadian Pacific Railway's interest in bringing Mennonites to Canada had something to do with this change.^{46.}

Authority was granted under P.C. 183 to relax the continuous journey regulation for farmers, farm labourers,

45. I&C, Vol. 99, file 13098, Memorandum: Re: P.C. 183 & 185. A revised passport regulation went into effect February 15, 1923, at the same time as the revised occupation regulation. Except for British subjects, United States citizens, and agricultural immigrants landing in Canada from the United States, all immigrants were required to present a valid passport from country of citizenship within one year of issue. Immigrants sailing from the continent of Europe were required to have their passports vised by a Canadian immigration inspector stationed on the continent.

Since I&C officers did not cover Denmark, Norway, Sweden, or Finland the department did not require immigrants from these countries to secure a passport examination vise. It was required for preferred continentals from France, Belgium, Holland, and Switzerland which were in the department's inspectional area.

46. I&C, Vol. 29, file 653, pt. 3, P.C. 1181, June 2, 1922. See James Hedges, Building the Canadian West (New York: Macmillan, 1939), pp. 368-76 for a discussion of the Canadian Pacific Railway's Mennonite movement.

and domestics.⁴⁷ The literacy test, one of the standard requirements of the Immigration Act, was often waived if an agriculturist or domestic was otherwise desirable.⁴⁸

These exemptions were made in cases of immigrants from non-preferred countries at the discretion of the department inspectors on the continent.

The enemy alien regulation, P.C. 1203, was cancelled in April, 1923. Now nationals of Germany, Austria, Hungary, Bulgaria, and Turkey were eligible to emigrate to Canada provided they were farmers, farm labourers, female domestics or wives and children under eighteen of any legal resident of Canada.⁴⁹

This restriction had been regarded as a temporary arrangement, brought about as feelings ran high immediately after the war. Exemptions had been common in individual cases of wives and children of men already settled in Canada and in cases where a relative or friend engaged in farming in Canada made application on behalf of the intending

47. I&C, Vol. 28, file 653, pt. 15, Little to J.T. Shaw, M.P., March 13, 1923, Vol. 262, file 216882, J. Bruce Walker, Dir. of European Emigration in London, to Egan, July 24, 1925.

48. I&C, Vol. 611, file 902168, Blair to Willans, Jan. 29, 1923, p. 1.

49. W.L.M.K., J4, Vol. 81, file 637, Memorandum Relating to Changes in Immigration Law, Immigration Regulations, and in Organization and Administration During the Period Since the Liberal Government Came Into Power, p. 5.

immigrant.^{50.}

The Immigration Act was amended in May, 1923, removing from the prohibited classes any references to former enemy aliens and those who were regarded as dangerous or hostile during the war.^{51.}

The department had been convinced by the steamship lines and by its own officials on the continent that these restrictions were hampering good agricultural prospects from coming to Canada.^{52.}

In 1923, with the certainty of another bountiful harvest, the government began to actively promote immigration. The official announcement was made in September by newly appointed Minister of Immigration and Colonization, James A. Robb. "It is believed that the time has come to extend operations with a view to encouraging the migration of the largest possible number of those classes Canada can absorb. ...The greatest need is for those able and willing to settle on the land and assist in agricultural development."

50. I&C, Vol. 29, file 653, pt. 3, Blair to Stewart, Mar, 21, 1923 & Mar. 29, 1923.

51. I&C, Vol. 28, file 653, pt. 15, Little to Stead, June 18, 1923.

52. I&C, Vol. 29, file 653, pt. 3, Memorandum: Blair to Stewart, March 29, 1923, & Mitton to Blair, July 22, 1922.

According to Robb, "British immigration must hold first place in the program".⁵³ The Britisher, as in the past, would be the most preferred immigrant. "Canada seeks insurance against her people being other than of Imperial and British preference, and this she can accomplish by making it possible for those in the cradle of the British Empire to proceed to and successfully settle in the Dominion."⁵⁴

The government had already begun to give financial assistance to British migration. Earlier in 1923 the Canadian and British governments concluded the first of the Empire Settlement Agreements by which both contributed funds to provide transportation loans and passage grants for specified groups of British agricultural immigrants.⁵⁵

The other preferred countries in Europe were also used to provide immigrants who could be integrated into the

53. Manitoba Free Press, Sept. 12, 1923, reporting on policy statement issued by James A. Robb, Min. I&C, Sept. 11, 1923.

54. Department I&C, Annual Report, 1922-23, Report of the Superintendent of Emigration for Canada, in London, J. Obed Smith, p. 18.

55. CAR, 1923, p. 266.

Three classes of British immigrants were eligible; children, female household workers and nominated persons. The Canadian government agreed to place during 1923, 5,000 selected British juveniles and to provide them with free transportation. Both governments contributed to a fund to provide passage loans to female household workers and individuals nominated by British subjects in Canada for employment on their farms.

agricultural economy and assimilated into the Anglo-Canadian way of life.

The search for immigrants was carried more and more into the less favoured areas of Europe after 1923 to obtain the farm labour required by Canada's recovering wheat economy. Hungary, Czecho-Slovakia, Yugo-Slavia, Germany, Poland, Esthonia, Lithuania, and Latvia were among those non-preferred countries considered to have the greatest numbers of experienced farm labourers, likely to remain at this work in Canada.^{56.} The regulations encouraged this immigration and the department's inspection machinery and passport control system ensured that only the best of these continentals could come to Canada.

56. I&C, Vol. 611, file 902168, Willans to Blair, Oct. 9, 1923. & Blair to Egan, Oct. 31, 1923.

CHAPTER II

IMMIGRATION POLICY AND THE RAILWAY'S RESPONSE

1923 AND 1924

The expansion of Canada's immigration policy in 1923 was welcomed by its railway interests. CPR President, E.W.Beatty, told CPR shareholders; "In spite of the slowness which has marked this country's grappling with the problem generally, some progress has been made, and the conditions today are more satisfactory and more hopeful than at any time during the past four years." ¹.

When immigration did not return to pre-war levels CPR officials began urging the need for a larger population for Canada and to criticize the government's restrictive approach to immigration. Even during the economic slump of 1921 Beatty had said, "We should be very careful not to frame our immigration policies on the principle that temporary depression and temporary unemployment are justification for barriers...It must be a continuous flow of the right kind of people." ².

1. CAR, 1922, p.908, CPR Annual Report, E.W.Beatty, 5th Annual Presidential Address, May 2, 1923.

2. CAR, 1921, p.408.

CPR officials continually emphasized that Canada needed foreign capital to develop new industry and more people to man the industries, expand the agriculture, and spread the burden of taxation by their numbers.³

The Canadian Pacific Railway had been an integral part of Canada's immigration and agricultural development since it received its 25,000,000 acres of prairie land and began building its transcontinental railway. In the interest of building traffic the company had promoted agricultural settlement on the lands adjacent to its lines. Its priority was always actual occupation and successful cultivation. The freight revenue generated by a producing wheat farmer was more valuable than revenue from inflated land prices.⁴ With its own organization to administer its land grant,⁵ the CPR had become the most active colonization agent for western Canada. However, after years of selling

3. Ibid.,

4. Chester Martin, Dominion Lands Policy, (Toronto: McClelland and Stewart, 1973), See Chap. 5, section 2, "CPR Land Policies"; pp.80-7.

5. Ibid., p.82.
Hedges, pp.387-90.

The sale of CPR lands began at Winnipeg in 1881 from an office which became the General Lands Department. As CPR's Manitoba and southern Saskatchewan lands were alienated the centre of the land selling activities moved west to Calgary. The Calgary office developed an agency organization in the United States. In 1912 land administration was reorganized as a Natural Resources Department at Calgary.

and colonizing its land and influencing immigration, CPR found that it did not have the degree of desired settlement in the territory adjacent to its lines. Agricultural development had not kept pace with land sales and homestead patents.

The settlement of these unoccupied, privately-owned lands were an important concern as the CPR established a more comprehensive, nation-wide colonization organization in 1916 with headquarters at Montreal. The new Department of Colonization and Development under Colonel J. S. Dennis as Chief Commissioner, became CPR's chief agency for recruiting settlers for its territory in western Canada.^{6.}

When American immigration to Canada's western prairies did not recover after the war^{7.} the CPR organization expanded overseas.^{8.} The British Isles and continental Europe became its chief source of immigrants.^{9.}

In the post war period the CPR developed a formidable colonization machine,¹⁰ more extensive than either its new

6. Hedges, pp.347-52.

7. Ibid., p.382.

8. CAR, 1920, p.313.

9. Hedges, p.357.

10. See Appendix C for a description of the CPR colonization organization given by Assistant Director of Colonization, J.N.K. Macalister. His description was given in 1928, when the CPR organization had developed to its fullest extent.

rival, Canadian National Railways, or the Department of Immigration and Colonization. Capitalizing on its past successes in agricultural development, it wanted an open immigration policy now to populate the unsettled lands tributary to its western lines and to build passenger traffic for its North Atlantic steamship service.^{11.}

The CPR stood proudly on its record as Canada's chief colonizer and partner to the government in national development. As a railway it claimed the status of national institution, entitled to the same treatment and consideration as the public railway system.

This company is Canada's largest property owner and largest taxpayer. No other corporation or citizen has a greater interest in the national welfare, nor contributes, I think, more to its advancement....Its railway was projected and constructed for the purpose of carrying out one of the terms of Confederation, namely the construction of a trans-continental railway connecting the railways of Eastern Canada with the seaboard of British Columbia, and the contract with the Dominion Government contains a provision for its perpetual operation. It can therefore justly claim to be in the truest sense a national work.^{12.}

President E.W. Beatty,
CPR Annual Meeting,
Presidential Address,
May 2, 1923.

11. CAR, 1925, p.633. CPR Annual Report, 1924.

12. CAR, 1923, p.908.

The CPR felt its preeminent position threatened by the government's new child, the rival Canadian National Railways. It reacted defensively to government - sponsored railway competition, complaining that it was financed by taxation which was in part assessed to the CPR.

It was the CPR's nature to react to this competition by public crying while working to increase its own profitability. Pressing the government to increase immigration to support all Canada's railways and to lessen its railway debt, was one argument the CPR used as it worked to ensure the position it had built with its government's help. "We have huge railway systems which can only be maintained by traffic, and increased traffic can only be secured by agricultural expansion in the West, the proper utilization of our resources in mines and timber and consequent industrial expansion in the East." 13.

A larger immigration was a means to increase passenger and freight revenue when there were two railways competing for Canada's traffic and the government's favour.

The Canadian Pacific's younger rival, the Canadian National Railways, was equally anxious to have Canada's immigration restrictions relaxed and promotional activities

13. CAR, 1922, p.494, Speech by Beatty, Sept. 30, 1922.

expanded. The energetic Sir Henry Thornton had begun direction of the new railway system in October of 1922. His prime task was to build up enough freight and passenger traffic to carry the overhead and maintenance expenses of its large mileage.^{14.} Speaking in Port Arthur in January of 1923, he urged that a cry for more immigrants should go up from one end of Canada to the other.^{15.} He continued to publically promote immigration at every opportunity as did his counterpart at the CPR.

He wanted to reduce the tremendous inherited debt and to put the CNR on a paying basis by settling and making productive the vacant lands tributary to CNR's 22,000 miles of railway.^{16.} Needing a colonization organization that could compete with the CPR's established operation, Thornton consolidated the colonization machinery the CNR had inherited from its component organizations^{17.} and

14. Canada, Sessional Papers, CNR, Annual Report, 1922, p.23.

15. CAR, 1923, p.264.

16. CNR, Annual Report, 1922, p.23.

17. There were colonization agencies scattered through Canada, United States, Great Britain, and on the continent of Europe which had belonged to the many independent roads that now comprised the CNR system.
CAR, 1923, p.351,

expanded its own Industrial and Resources Department. ^{18.}

The work of restructuring CNR's existing colonization machinery began in February, 1923. On August 1st its Industrial and Resources Department was superseded by a new organization with headquarters at Montreal. In October a British branch was added ^{19.} under the direction of Dr. W. J. Black, who had come from the Deputy Minister's job at the Dominion Department of Immigration and Colonization. ^{20.}

The CNR organization adopted three primary purposes: to hasten occupation and cultivation of vacant lands adjacent to CNR lines, to ensure that districts served by its railways would have their share of new settlers arriving in Canada, and to make certain that farmers adjacent

18. The CNR had already developed an organization to promote land settlement and business development in the territory tributary to its western lines. The Industrial and Resources Department, Western Lines, had its headquarters at Winnipeg with a branch at Edmonton. Most of its efforts before 1923 had been directed at persuading American farmers to relocate in CNR territory. It had an American organization, which had its headquarters at this time at Chicago, with branches at Boston and Seattle. PAC, Canadian National Railways, Records, RG30, (hereafter cited as CNR), Deposit 39, Vol. 5567, Annual Reports, Industrial and Resources Dept., Winnipeg, Nov, 1919, Jan, 1921, Jan, 1922, Jan, 1923, Edmonton, Jan, 1922.

19. CAR, 1923, p. 351,

20. Canada, House of Commons, Debates, Feb. 16, 1925. p. 207. Black was appointed director of the entire organization in November, 1924, located at Montreal.

to CNR lines had adequate labour to increase their production.^{21.}

In 1924, CNR offices were opened in preferred areas of Europe, namely at Oslo, Copenhagen, and Rotterdam.^{22.} The department worked with the dominion and provincial governments to obtain the greatest number of agricultural immigrants for its territory.^{23.} Clearly, the government's national railway was assuming an increasing role in Canada's immigration and colonization activities,^{24.} along with the CPR and the dominion department. A second government financed immigration and colonization department was developing to enable the Canadian National to compete as a railway with the privately owned Canadian Pacific.

In 1924 the government tried to use immigration policy to increase Canada's agricultural production and to build a population of British stock. There were several new

21. SSC, testimony, Dr.W.J.Black, Mar.30,1928,p.283,

22. W.L.M.K., Vol.81,file 637, Brief Summary of CNR Colonization Department's Activities with Special Reference Preferred Countries,p.2.

23. CAR,1923,pp.351-53, CAR,1924,p.111.

24. See Appendix D for a description of CNR's colonization organization by Director, Dr.W.J. Black. His description was given in 1928 when the organization was fully developed. This is most certainly not a detailed and thorough description of the organization. It was Black's answer when asked by the committee to outline the structure and function of his organization.

schemes to aid British immigration. In January, a rebate of \$15 was arranged with the steamship companies for British immigrants travelling third class to Canada between March and November. The previous agreements for loans and grants to juveniles, and farm and domestic workers were enlarged. In August the Dominion and British governments agreed to cooperate in the "Three Thousand Family Scheme". They would assist in the settlement in Canada of 3,000 selected families over a three year period. The British government was to make loans for stock and equipment. The Canadian government would find suitable farms and houses with long term payments and provide settlement supervision.^{25.}

Unfortunately for Canada's expanded immigration policy, conditions overseas and in Canada had changed since pre-war days, affecting an immigrant's ability to successfully settle in Canada and limiting the numbers that could be accommodated. There were no longer vast areas of free land in western Canada.^{26.} The free homesteads still available

25. CAR, 1924, pp.186-87.

26. See Martin, Dominion Lands Policy, pp.227-28 for a summary of the free lands still available in the prairie provinces.

were far away from railway lines.^{27.} Furthermore, the country was having trouble supporting the existing railway mileage, so the government could not encourage settlement in areas that would require additional railway construction.^{28.} The sharp decline of railway building meant that there was no longer a ready source of employment for immigrants on arrival.

Ocean transportation costs were far higher than before the war. For immigrants the days of cheap ocean passage were over. High inflation in Europe after the war reduced still further the savings that many Europeans had available for settlement in Canada.^{29.} In view of existing circumstances, if Canada wanted agricultural immigrants able to settle and remain settled on the land, direction and financial assistance would have to be provided either by the government or by outside colonization agencies such as those being developed by the railways.

The government's attempt to attract British immigrants with the financial assistance and colonization services of its special British schemes proved disappointing. The

27. Department I&C, Annual Report, 1923-24, Report of the Deputy Minister, p.5.

28. I&C, Vol.99, file 13098, Memorandum, Sept.15, 1923.

29. Department I&C, Annual Report, 1923-24, Report of the Deputy Minister, p.6.

supply of experienced British farm hands was limited.^{30.}
 Canada was recruiting agricultural labour in a country that
 had a surplus population of urban workers.^{31.} There were
 few British farmers with capital available to come to
 Canada.^{32.} The only significant movement of British farming
 families was the subsidized "Three Thousand Family Scheme".^{33.}

Immigration and Colonization Deputy Minister Egan testified at the Immigration Inquiry of the Select Standing Committee on Agriculture and Colonization in 1928 that the department had done everything possible to induce the British immigrant to come to Canada.

If he is a farm labourer we have gone as far as to bring him over and place him on the farm. We have guaranteed to place any number. There is cooperation between the railways and ourselves so far as British farm labour is concerned. We have given them quotas which they have never been able to fill, because they cannot get the required material in the old country; We ourselves, have tried in every way, with our settlement schemes and our special rates. 34.

30. Department I&C, Annual Report, 1924-25, p.23.

31. W.L.M.K., J4, Vol.80, file 623, Memorandum: O.D. Skeleton, 1924.

32. Department I&C, Annual Report, 1923-24, p.18.

33. These families did not begin to arrive in Canada until 1925. In 1925 a group of 500 families were settled by the department.
CAR, 1925-26, p.163.

34. SSC, testimony, Egan, March 14, 1928, p.34.

Clearly the British immigrant was not going to populate Canada's vacant agricultural lands especially those on its western prairies and provide increased traffic for Canada's railways.

British immigration totaled 72,919 or 49% of Canada's immigration during the 1923-24 fiscal year and 53,178 or 48% during 1924-25.³⁵ In 1923-24, 53% of the Britishers went to Ontario and only 26% settled in the three prairie provinces and in 1925-25 54% went to Ontario and only 20% to the prairie provinces.³⁶

Much of the prairie land left available was not of the best quality. British immigrants were more reluctant to undertake and endure the hard life of the prairies and generally less able to succeed on marginal land than farmers from the continent, particularly those from central and eastern Europe.³⁷ Britishers without capital were certainly not willing to undertake the communal life of group settlement, a method used with much success by the

35. Department I&C, Annual Report, 1923-24, p.7.
1924-25, p.8.

36. Ibid., 1923-24, p.15.
1924-25, p.17.

37. I&C, Vol.253, Egan to Black, Feb. 10, 1925, p.1.
& John Barnett, Superintendent, Land Settlement Branch,
to Egan, Oct.26, 1926.

CPR organization to settle Mennonites from the continent
 on large abandoned farms. 38.

Notwithstanding these problems, the CPR and CNR actively solicited British settlers for their respective territories. Like the dominion department, both had more extensive British organizations and spent more money and effort recruiting British colonists than any other immigration. 39. As indicated by Egan's testimony, the department welcomed the cooperation of the two railways in the British schemes. Also both railways were free to bring from the continental preferred countries those eligible under the immigration regulations without any special permission of the department. 40.

All three agencies recruited actively in the United States. Unfortunately for their efforts, American immigration to Canada's western prairies had not recovered since the war. American farmers caught with heavily

38. SSC, testimony, Black, Mar.30, 1928, pp.285,292-93. Macalister, Mar.21, 1928, p.235, Hedges,pp.368-75.

39. SSC, testimony, Black, April 13, 1928, p.321, Macalister, Mar.27, 1928, pp.263-64.

40. W.L.M.K, J4, Vol.80, file 623, F.C.Blair, Assistant Deputy Minister to Egan, Mar, 9, 1925, p.7. Blair previously cited as Secretary, I&C had become assistant deputy minister by 1925.

mortgaged land and falling agricultural prices were unable to liquidate their holdings and did not have the means or the will to relocate in Canada.^{41.}

The dominion department had never developed an organization to promote immigration on the continent. Recognizing the railways' value in recruiting, it began to use their colonization machinery in 1924 to secure families for settlement and individuals for agricultural employment.

The first of three schemes to recruit and settle agricultural families from the continent on the prairies was authorized in June of 1924. It appealed to continental farmers lacking the capital to begin farming on their own, even on marginal land.

The CPR and CNR were requested to select 650 continental families. Each family was required to have a minimum of \$500 in its possession in addition to transportation expenses. The department handled the settlement onto farm lands under the control of its Land Settlement Branch.

In February, 1925, the department launched two similar continental family schemes with the railways: "the 1,000 Continental Families Scheme" and "the 200 Families Scheme".^{42.} The monetary requirements and settlement

41. Department I&C, Annual Report, 1922-23, pp.22-23.

42. Department I&C, Annual Report, 1924-25, p.31.

arrangements for the 1,000 scheme were the same as in the 1924 plan. The 200 scheme differed slightly in its details from the other two. One hundred families were to be placed on homestead land and one hundred on improved farms in an area north of Winnipeg. Families from preferred countries were eligible but in the rest of the continent these schemes were limited to Hungary, Jugo-Slavia(except Dalmatians from the coast), Germany, Poland, and Czecho-Slovakia.^{43.}

With these very structured schemes the department showed its concept of cooperation on the continent with the railways. "It is the desire of the department to place the selection and bringing forward of the families in the hands of your company and the CPR."^{44.} The department's Land Settlement Branch provided partially prepared farms for these families on easy terms. Many of these farms offered were those the Land Settlement Branch had left on its hands from its settlement scheme for returning soldiers.^{45.} There were strict criteria for the nationality, occupation, and means of the families accepted for government assisted placement. Only agricultural family units were eligible,

43. I&C, Vol, 253, file 193745, Dep.Min. to Black, Feb, 10, 1925.

44. Ibid.

45. I&C, Vol. 253, file 193745, Barnett to Egan, Oct. 26, 1926. & Dep.Min. to Black, Feb. 10, 1925.

preferably of the peasant type who were willing to get along on a minimum of living expenses.

The dominion department maintained control of the movement of these families once in Canada as well as the circumstances of their location. They were required to deposit their funds with a department agent at the port of entry. Of the \$500 required, \$400 had to be deposited as a guarantee that the family would take up land and would have sufficient means to purchase equipment and livestock. The money was held in trust and administered on behalf of the settler. The amount of money required for those to be placed on homesteads was slightly less; \$300 minimum with \$250 to be deposited.^{46.} They had to be destined to Winnipeg, and to arrive there during the spring and summer season.^{47.} Only nine families sailed under the 1924 scheme.^{48.} In 1925 eighty-eight families proceeded under the 1,000 scheme and thirty-eight under the 200 scheme.^{49.} Obviously the continent was not going to provide any number of agricultural families, at least under the conditions imposed by these schemes.

46. I&C, Vol. 253, file 193745, Dep. Min. to Black, Feb. 10, 1925.

47. I&C, Vol. 253, file 193745, Dep. Min. to J.S. Dennis, Chief Commissioner, Dept. Colonization & Development, CPR, Feb. 10, 1925.

48. Department I&C, Annual Report, 1924-25, p. 31.

49. Department I&C, Annual Report, 1925-26, p. 36.

The two 1925 schemes were launched in February and the 1924 plan in June. Both railways criticized the department for not realizing that orders for overseas colonists must be placed in the fall to give the families time to dispose of their holdings, not in the spring after they had planted their crops.^{50.}

The CPR told the department that the main reason for failure was the requirement that the families deposit \$400 at port of entry with a government agent. "All peasants of Central European countries are very suspicious of governments...and take the ground that the deposit is a payment to the Government for their admission."^{51.}

In the spring of 1924, by special permit of the department, 3,600 Jugo-Slav, Czecho-Slovak, and Hungarian farm workers were selected, brought forward, and placed by the railways; each railway bringing half. Next, the department authorized the railways to select and bring 4,500 continental farm workers in 1925, each company to place 1,250 and the department's Division Commissioner at Winnipeg to place the balance of 2,000. Actually some 6,727 came

50. CNR, deposit 50, file 3065-2, W.D. Robb, CNR Vice President to Sir Henry Thornton, Chairman and President, CNR, Sept. 4, 1925.

51. I&C, Vol. 262, file 216882, Beatty to Egan, Aug. 18, 1925. p. 8.

under this scheme during the 1925 season.⁵² There was no problem obtaining farm labour from the continent. With the farm labour schemes the department used the railways' ability to place as well as to recruit.

The railways brought and placed groups of farm labourers under applications gathered by their offices in western Canada as well as individual group movements for settlement. In the case of non-preferred continentals. application had to be made to the department for a permit.⁵³ The railways had to guarantee that the colonists were of the agricultural or domestic servant class and that they had either sufficient funds to begin farming or the assurance of employment.⁵⁴

To bring individual immigrants a nomination was needed from a resident farmer in Canada, guaranteeing farm employment. The field service of the department's Land Settlement Branch investigated the bona fides of the applications

52. Department I&C, Annual Report, 1924-25, p.31.
1925-26, p.36.

53. I&C, Vol.262, file 216882, Instructions to Division Commissioners, Sept.11,1925, Vol.263, file 216882, Blair to Egan, Nov.20,1925.

54. CNR, deposit 50, Vol.8305, file 3000-27, Dennis to Black, Jan.20,1925.

in Canada.^{55.} Inspectors on the continent would not endorse the passport of any non-preferred farm labourer or domestic unless the immigrant had been issued a departmental letter to the effect that he had employment at farm or domestic service.^{56.}

The department obtained an unwritten promise from the railways that they would be liable to any province if any "public charge" developed against non-preferred continentals they were sponsoring. It was an attempt to protect the government from the outcries of provincial governments who were responsible for the support of indigent immigrants.

The Canadian Pacific's organization was especially active in recruiting and settling groups from non-preferred areas. With its affiliated organizations, the Canadian Mennonite Board, the Lutheran Immigration Board, and the Association of German-Canadian Catholics the CPR brought out and placed several groups in 1924.^{57.} For its part,

55. CNR, deposit 50, Vol. 8305, file 3000-27, Dennis to Black, Jan. 20, 1925, Vol. 29, file 653, pt. 3, Dep. Min. to D.F. Kellner, M.P., May 2, 1924, Vol. 262, file 216882, Blair to Egan, July 24, 1925.

56. Department I&C, Annual Report, 1924-25, p. 28.

57. Department I&C, Annual Report, 1924-25, p. 32, W.L.M.K., J4, Vol. 80, file 623, Egan to James Robb, Min. I&C, Aug. 29, 1925. Hedges, pp. 368-73.

the CNR was extending its organization into the preferred areas of the continent and developing the contacts that would enable it to rival the CPR in gathering immigrants from the non-preferred areas after 1925.

In 1924 the dominion Immigration and Colonization Department clearly recognized that few immigrants were able to start life in Canada on their own and that much financing, directional effort and aftercare were needed. As it looked to continental immigration it used the railways' organizations rather than extend its own on the continent. While the department continued to occupy itself with its British schemes, as public opinion in Canada demanded, the railways became its cooperating agencies on the continent.

Although the department allowed the railways to determine occupational suitability within the special continental farm labour schemes, it maintained its control of the administration of the regulations. By directing the flow according to its judgement of demand in Canada and by reserving the right to interpret the occupational and placement requirements of P.C. 183, the department, not the railways, controlled the flow of non-preferred immigrants into Canada.

CHAPTER III

THE PROPOSAL

By the beginning of 1925 the department's cooperating agencies, namely Canada's two major railways, were demanding a greater measure of autonomy for their immigration and colonization work. In January, the railways began to campaign for a new deal for themselves within dominion immigration policy so they could more fully direct their colonization resources to their own benefit.

Negotiations began, that were to lead to a formal agreement between the Department of Immigration and Colonization and the colonization departments of the two railways in the field of non-preferred continental immigration.

The idea for a new understanding originated with J. S. Dennis, Chief Commissioner of the Canadian Pacific's Department of Colonization and Development. He drafted the initial proposal which he then submitted to Dr. W. J. Black, Director of the Canadian National's Colonization, Agriculture, and Natural Resources Department for alterations and additions. Dennis suggested that the two jointly sign a proposal and present it to their respective chiefs. Then the railway heads would jointly present his

case to Prime Minister King and his cabinet.^{1.}

The memorandum drafted by Dennis was a strongly worded argument for increased authority and involvement by the railways in the Dominion's immigration policy and activities. He argued from the premise "that the solution of the problems with which Canada is faced, of National Debt, excessive railway mileage, and need for industrial expansion can only be reached through the medium of a comprehensive and vigorously administered policy of immigration."^{2.}

He acknowledged the well known and generally accepted dominion immigration policy, based on occupational and national preference. Although the government and most Canadians preferred British and northwestern European immigrants, Dennis was more interested in the agricultural potential in the non-preferred areas of continental Europe.

Dennis thought the existing policy to be flexible enough to accommodate his desire to increase immigration and to allow the railways a share in administering the policy. He criticized the department's methods of selection and invitation. Arguing that the colonization

1. CNR, Vol. 8305, deposit 50, file 3000-27, Dennis to Black, Jan. 20, 1925.

2. CNR, Vol. 8305, deposit 50, file 3000-27, Draft Memorandum: Dennis to Black, Jan. 20, 1925.

departments of the railways were better qualified to promote immigration and to supervise the admission of those eligible, he maintained that the railways could obtain more agricultural immigrants for Canada.^{3.}

Criticisms of the British and United States fields of operation were part of his attempt to discredit the government's administration of immigration policy. Admitting that it had actively promoted immigration in both areas, Dennis conveyed the impression without offering any proof that the job was being badly handled.

He particularly wanted to discredit its use of the continuous journey regulation. Dennis stated that 1924 Department of Immigration and Colonization figures showed that 4,65 immigrants were rejected at United States-Canada border points for "Indirect Passage". He insinuated that there were suitable agricultural immigrants among those rejected, claiming that the application of this regulation was contravening the intent of government immigration policy.^{4.}

The department's practice of assisting only farmers, agricultural and domestic workers, and juveniles from Great Britain, Dennis found narrow and ineffective.

3. Ibid.

4. Ibid.

Since Britain could provide few agricultural immigrants, he recommended that the dominion government select young urban workers and give them agricultural training. He wanted the department to do more in the field of assisted settlement for British families. He was doubtful that the department was properly handling the only British family scheme that it had undertaken, "The Three Thousand Family Scheme".^{5.}

Dennis reserved his sharpest criticism for the department's activities on the continent. He claimed that the department had never properly solicited agricultural immigrants in either the preferred or non-preferred zones.^{6.} implying that there were many desirable agricultural colonists being overlooked in the department's efforts to keep out those Canada did not want. Although he admitted that virtually all continental countries curtailed emigration promotion by laws and regulations, Dennis pointed out there was nothing to prohibit the department from publishing advertisements, provided that the inquiries were directed to an office in Canada. Of the department's agents on the continent "they are more concerned in limiting

5. Ibid.

6. Ibid.

immigration than in encouraging it".^{7.}

On the other hand, an open door policy on the continent would flood Canada with unwanted urban immigrants from non-preferred areas. He favoured some organization to solicit, select, and transport the maximum numbers admissable under the policy. As long as the government had no organization on the continent to promote immigration, he argued the railways should be free to function as agencies administering immigration policy.^{8.}

He claimed that the administration of existing regulations was hampering railway colonization organizations and hence was limiting desirable immigration.

It was in bringing in non-preferred continentals that Dennis found the rules of the department most frustrating. He wanted to bring out groups without having to obtain a special permit, without having to guarantee that they were farmers or domestics and that arrangements had been made for their location in Canada. Dennis was frustrated by the delays in moving immigrants because of the department's practice of investigating nominations for non-preferred agricultural workers and domestic servants submitted by Canadian farmers under the auspices of his CPR organization.

7. Ibid.

8. Ibid.

It was "defeating and burdensome" to have to obtain the department's approval of the immigrants the railways solicited, transported, and assisted in locating in Canada.^{9.}

Canadian Pacific felt itself a co-partner in dominion immigration, entitled to the authority and freedom to conduct business on behalf of Canada.

Since the Department of Immigration and Colonization had no organization for immigration promotion outside of Great Britain and the United States, Dennis proposed that the colonization departments of the railways be given a blank permit to recruit, select, and forward from any country any immigrants "of a desired nationality and agricultural qualifications".^{10.} Although it was not specifically mentioned in this preliminary proposal, Dennis wanted a free hand to recruit in the non-preferred areas of central Europe, without the constraints of the department's continental inspection system.

To direct the handling of immigrants even more into the hands of the railways, he asked that foreign steamship lines be required to submit their applications for admission of immigrants to the railways rather than to department officials.^{11.}

9. Ibid.

10. Ibid.

11. Ibid.

He offered a vague guarantee that the railways would return any "who were found to be undesirable in character or not in possession of the necessary qualifications and resources as fixed under the existing policy".

His final argument was that this proposal would reduce the expenses of the dominion department, coordinate the work of the three immigration organizations and increase immigration under Canada's policy.^{12.}

Black, on behalf of the Canadian National, made some minor alterations. After Dennis had approved his changes, a final draft was prepared for presentation to the railway chairmen. In effect, it was a memorandum drafted by Dennis with the critical tone softened by Black. On the basic argument and on the proposal they were in full agreement. The solution to Canada's main problems was a comprehensive and vigorous immigration policy, administered by the railways, who should be given blank permits to select and admit immigrants.

In the final draft the criticisms of the government's United States organization remained but it was softened and more general. Black altered Dennis's statement on the "Three Thousand Family Scheme", replacing it with a simple statement that much care would have to be exercised with

12. Ibid.

the scheme and that both railways were doing all they could do to help the scheme succeed.¹³ He deleted entirely the statement that department officials on the continent were "more concerned in limiting immigration than in encouraging it." They both signed the memorandum and at Dennis's urging, put the proposal immediately into the hands of the railway chairmen.¹⁴

Dennis and Black reflected different attitudes in their approach to the government. Dennis was the aggressive and demanding representative of the Canadian Pacific. He had been the driving force behind CPR colonization since well before the war when he headed its land development and sales operation at Calgary. He presided over the expansion of the organization in 1916, becoming its Chief Commissioner. The formation of the Canada Colonization Association, CPR's major land settlement agency, had been his project, as was constant promotion of an aggressive immigration policy for national development.

Black's tone was conciliatory and his approach was one of constructive criticism. A former President of the Manitoba College of Agriculture, he had recently spent

13. CNR, deposit 50, Vol. 8305, file 3000-27, Black to Dennis, Jan, 27, 1925.

14. CNR, deposit 50, Vol. 8305, file 3000-27, Dennis to Black, Jan. 30, 1925.

almost two years as Deputy Minister in the Department of Immigration and Colonization. Reflecting the conciliatory attitude of the Canadian National organization, he indicated his desire to cooperate with government and work under its leadership. The Canadian Pacific, independent and determined to maintain its influential position in Canadian affairs, wanted no constraints imposed on its colonization organization by dominion immigration officials.

Dennis sent the final joint proposal to CPR chairman Beatty on January 30th with his suggestion that it would enable the Canadian Pacific colonization organization "to increase the movement of desirable agricultural colonists from continental countries at least 100% this year."¹⁵.

At the same time, Black started the proposal up the CNR corporate ladder. He presented it to CNR Vice President W.D.Robb, with the request that Robb approach Chairman Sir Henry Thornton with the idea. To push the matter along, he mentioned that Beatty had received the proposal from his colonization department and wanted to discuss ways to improve the immigration situation with Sir Henry.¹⁶.

15. Canadian Pacific Railway Archives (hereafter cited as CPR), Dennis to Beatty, Jan. 30, 1925.

16. CNR, deposit 50, Vol. 8305, file 3000-27, Black to W.D. Robb, Jan. 30, 1925.

Robb sent the proposal to Thornton the same day, urging that it was time for Thornton and Beatty to push the government into opening the field of immigration in non-preferred central Europe to the railway colonization departments.

Thornton approved the proposal immediately and agreed to present it to the government.¹⁷ At the same time Beatty instructed Dennis to prepare a draft letter to Prime Minister King outlining the immigration situation and "containing a frank demand for change in methods by Government".¹⁸ The final argument was drafted and the campaign taken to Mackenzie King on February 14th in a letter signed by both Beatty and Thornton.

This historic document began with a simplistic attempt to show the economic value of increased agricultural colonization to Canada. It argued that the total immigration for 1922, 1923, and 1924 of over 300,000¹⁹ was a poor showing for the total of \$12,396,826.73 spent by Canada's

17. CNR, deposit 50, Vol. 8305, file 3000-27, W.D. Robb to Thornton, Feb. 7, 1925, & Feb. 13, 1925.

18. CPR, telegram, Beatty to Dennis, Feb. 11, 1925.

19. CPR, Beatty & Thornton to W.L.M. King, Feb. 14, 1925.
Department I&C, Annual Report, 1924-25, Statistics:

year ending March 31, 1922	-	89,999
1923	-	72,887
1924	-	148,560
		<u>311,446</u>

three immigration departments, the dominion department and the colonization departments of the two railways.²⁰

Using these figures, the railways pointed out that it cost \$33.55 for each immigrant brought to Canada. Except for the expenditure of the Canadian Pacific, this money all came from public funds. It was argued that Canadian taxpayers were not getting much for their money, a statement designed to touch a politically sensitive nerve. The cost of living and level of taxation were problems that the government acknowledged and had pledged to solve in the February 5th speech from the throne.²¹

Basically this argument was superficial, ignoring the many factors affecting immigration. The figures showed an increase in 1924 after the banner harvest of 1923, indicating that immigration levels were not entirely under the control of the government. The argument assumed that the dominion department was operating solely as a colonization and development agency, ignoring the fact that its budget had to provide, as well, for the administration of the act and regulations. It insinuated that the railways, one of them

20. CPR, Beatty & Thornton to King, Feb. 14, 1925.

	1922	1923	1924
Dominion	1,664,190	3,986,100	3,647,000.
CPR	445,800.	884,409.	1,145,193.
CNR	109,528.	202,283.	354,230.

21. Canada, House of Commons, Debates, Feb. 5, 1925, p. 2.

a private company, were spending considerable money on behalf of the Canadian people and were thus entitled to more consideration.

The claim was made that for every new agricultural colonist, a job would be created in industry. Manitoba, Saskatchewan, and Alberta were said to have 25,000,000 acres of land available for immediate settlement and cultivation within fifteen miles of railway lines. The 25,000 acres of "selected land available for immediate cultivation" had been estimated by the railways in prior statements to promote immigration.^{22.}

This area, if divided into 78,000 farms of 320 acres each, could increase the farming population by 312,000 (assuming four to a family). The Department of Trade, Commerce, and Labour estimated the annual budget of purchases for a family of four at \$1,500. Applying this figure to the 78,000 families, they argued that there would be a \$117,000,000 annual increase in purchasing power to benefit Canadian industry.^{23.}

The railway sponsored Canada Colonization Association had declared in 1922 the settling of this territory as its

22. CAR, 1922, p. 274.

23. CPR, Beatty & Thornton to King, Feb. 14, 1925.

goal. The CCA was a project of CPR colonization chief J.S.Dennis, who interested a group of western businessmen in founding an organization in 1919 to undertake the systematic settlement of the undeveloped areas tributary to CPR lines. In 1922, with the CNR a co-sponser, a plan was set up to settle 10,000 acres of vacant land close to the railways in the prairie provinces and also some in Ontario, Quebec, the Maritimes, and British Columbia. The dominion government assisted the CCA financially with this work from October, 1922 to January, 1924. The railways then carried on alone until the CNR dropped its support in the beginning of 1925 to form its own land settlement agency. The CCA continued as the land settlement arm of the CPR.^{24.}

It is not clear what happened to the CCA's ambitious 1922 settlement campaign. A study of the work of the CCA would, I think, indicate how the Canadian Pacific handled those it brought to western Canada during this period. Begun and dominated by the CPR, the main work was the settlement of Mennonites along CPR lines in the west.^{25.}

24. CAR, 1922, pp. 278-9, CAR, 1924, p. 198, Hedges, pp. 366-76.

25. Hedges, p. 376.

In any event, the railways knew that the King government would be receptive to a proposal that claimed to fill up these empty spaces. The argument, however, glossed over the fact that extensive financial assistance, directional effort and aftercare were necessary for successful colonization of agricultural immigrants. There was no mention of assuming responsibility for job placement or of using the railway land settlement agencies for establishing farmers on their own farms. There was seemingly no consideration of whether these 78,000 farmers would be able to earn an adequate living on these western farms.

In this final presentation, the minor or peripheral criticisms of the British and United States fields of operation were passed over. The department's policy of active encouragement and free entry for this immigration allowed the railways to operate freely in these fields. It was the non-preferred continental field with its great numbers anxious to emigrate that interested these immigration promoters.

They argued that desirable continental immigration was being discouraged because the department's administration of the law was "faulty in detail and surrounded by too many regulations". In fact, department machinery was not so much faulty as it was intentionally restrictive.

As to the charge of too many regulations, there were only three that affected movement from the continent, P.C.183, the occupation regulation, P.C.185, the passport regulation, and P.C.23, continuous journey. The railways implied that the regulations were constantly changing and that it was hard to be sure at any one time what the admission requirements were.^{26.} In actual fact, there had been no new immigration orders in council or regulations for two years. What did change from time to time were the working arrangements. The point was not that rules were being changed but rather that it was the department and not the railways that set the rules.

The claim that improper application of the continuous journey regulation was keeping agricultural immigrants out of Canada showed the conflicting position of the railways and department officials. Although authority was granted in P.C.183 by which the examining officer could relax the continuous journey requirement for immigrants of the agricultural and domestic servant classes, the regulation remained a restrictive tool in department inspections on the continent and of non-preferred aliens coming from the United States.^{27.}

26. CPR, Beatty & Thornton to King, Feb. 14, 1925.

27. W.L.M.K, J4, Vol. 80, file 623, Blair to Egan, Mar. 9, 1925.

It is impossible to determine the number of bona fide agricultural immigrants rejected on the grounds of indirect passage, a regulation the railways considered an obstacle to their operations.

It was the department's system of continental inspection that the railways wanted to bypass. "The fact being that these officials in their operations under existing regulations are a restraining influence upon the movement of colonists rather than a staff maintained to promote immigration."

The memorandum proposed that the government allow the railway colonization organizations to handle the entire operation. "The government should grant to the two railway organizations...a general permit to obtain from any country within which colonists of the desired nationality and agricultural qualifications can be obtained, the right to proceed vigorously in obtaining and forwarding colonists without being subjected to the present restrictive regulations imposed by the Department of Immigration and Colonization." 28.

This would allow the railways to act as Canada's immigration agents. It would mean that on the continent

28. CPR, Beatty & Thornton to King, Feb. 14, 1925.

the eligibility of non-preferred continentals would be judged by immigration promoters rather than by government inspectors. The railways and especially Dennis and the CPR obviously regarded government administration as simply a lot of red tape.^{29.} They wanted to control the operation.

The obligation that the railways were prepared to assume was the one that Dennis had proposed in his original draft; "That the Colonization and Development departments of the two transportation companies shall be obliged to return to the country of their origin any colonists who are found to be undesirable in character or not in possession of the necessary qualifications and resources as fixed under the existing policy." The liability and obligations of the railways were already set out in the law. The Immigration Act required the carrier to return free of charge to country of origin any immigrant rejected or deported under the provisions of the act within five years of arrival.^{30.}

The railways were offering nothing new, but were only trying to convince the government that under railway

29. CPR, Beatty to D.E. Conroy, May 26, 1925.

30. I&C, Vol. 28, file 653, pt. 15, Immigration Act: Obligations of Transportation Companies in Cases of Rejections and Deportations, Sections 44-48.

administration there would be no large numbers of ineligible immigrants arriving at Canadian ports.

The railways presented themselves as national institutions. As such, foreign steamship lines promoting immigration traffic on the continent would take their applications to the railway colonization departments for approval rather than to the dominion department. They sought "to relieve the Department of Immigration and Colonization of the present flood of applications from foreign steamship lines who have no interest other than the transportation of colonists, and other more or less irresponsible colonization organizations"³¹. Assuming of course that the Canadian Pacific organization would put Canadian interests before steamship profits. The reference to "other more or less irresponsible colonization organizations" meant little as most of the colonization organizations active in Canadian immigration were affiliated with the Canadian Pacific.³²

It was not surprising that this last idea had originated with Dennis. The Canadian Pacific competed with these foreign lines for the North Atlantic passenger traffic. Immigrant recruiting on the continent was done

31. CPR, Beatty & Thornton to King, Feb. 14, 1925.

32. W.L.M.K, J4, Vol. 80, file 623, Egan to J, Robb, Mar, 1925.

by steamship booking agents. CP's steamship recruiting would be much more productive if its parent CPR was the immigration inspection authority.

The idea to coordinate Canada's immigration activities under railway leadership also came from the Canadian Pacific which termed government administration incompetent.^{33.} The Canadian National, by contrast, was far more willing to work under government leadership in immigration. At the same time it was dissatisfied with the present situation and joined its rival to obtain its share of any increased business.

Prime Minister King acknowledged receipt of Beatty and Thornton's letter on March 2nd. stating "it would receive careful and immediate consideration by the Cabinet!" He forwarded the proposal to Minister of Immigration and Colonization James Robb, with the instructions to discuss it with department officials and then to bring the matter before cabinet.^{34.}

The railways had reason to feel that the King government would respond favourably to their proposal. The premise of their argument, that increased immigration was the solution to Canada's problems, had been repeatedly

33. CPR, Beatty & Thornton to King, Feb. 14, 1925.

34. W.L.M.K, J1, Vol. 122, King to James Robb, Mar. 2, 1925.

endorsed by King.³⁵ The rhetoric and platitudes used by the railways to promote the cause of agricultural immigration in this campaign had long been incorporated into the government's declared policy. The priorities in the Speech from the Throne of February 5th could have been written by Dennis.

The problem of the cost of living is the most important and the problem of taxation incidental thereto. Their ultimate solution lies largely in increased production and in the development of new and wider markets...It is to be borne continually in mind that the existing burden of taxation is due mainly to uncontrollable expenditure in the nature of payments and obligations arising out of the war and to the encumbered position of the National Railways. To aid in an increase of production, through the development of our vast natural resources, every effort is being made to attract the right class of immigrants to Canada, and to secure their settlement in the undeveloped areas served by our great transportation systems. 36.

It was the old national policy dusted off in the hope of easing Canada's burden of public debt and to support its railways. King's government had no well developed plans to carry out the priorities in the throne speech. This was clearly indicated in his diary entry of January 22nd. "At meeting of Cabinet this afternoon, we spent a lot of time discussing cost of living, tariff, taxation etc.

35. W.L.M.K, J5, Vol.22, file 87, Speeches, Jan 15, 1925, Quebec City, Jan.12, 1925, Toronto.

36. Canada, House of Commons, Debates, Speech from the Throne, Feb.5, 1925.

No one seemed to have any definite ideas. The truth is this side of Administration is very weak. There is not the guidance of experts there should be." 37.

The government's immigration plans remained on the level of rhetoric and platitude. No plans were being drawn up by the immigration department³⁸, nor was King's government even discussing possible courses of action.³⁹

The railway campaign appealed to King on the level of government policy rhetoric. It presented the common goals of government and railways as being achievable under railway leadership. The railways argued that the administration of the regulations by dominion department officials was contrary to the government's expressed desire to fill Canada's vacant spaces with producing farmers in the hope that King would be convinced to bypass his immigration department in favour of railway administration of immigration. A government which was generally disinclined to act itself might be expected to welcome this offer to

37. W.L.M.K, Diary, Jan.22,1925.

38. W.L.M.K, J4, Vols. 80&81, Notes & Memoranda, Immigration: No memorandums with new ideas for immigration promotion were presented to King during this period.

39. W.L.M.K, Diary, January, February, March, 1925. There was no mention during these three months of the immigration question being discussed by the cabinet or being weighed or considered by King.

act on its behalf.

The railways had expected that their plans would be challenged by Department of Immigration and Colonization officials, especially by Deputy Minister Egan.⁴⁰ This was hardly surprising since the memorandum was highly critical of his department's administrative methods and was a bid to take over some of his responsibilities. Egan immediately recognized the memorandum as the work of the CPR and not a combined effort of the colonization departments of both railways.⁴¹ One can feel his animosity toward the Canadian Pacific as the struggle began between the railways and the Department of Immigration and Colonization to determine which would interpret immigration policy and direct the flow of immigrants into Canada.

Egan spoke for the department in a long memorandum to his Minister, Robb. The basis of his argument was formulated by his Assistant Deputy Minister, F.C. Blair. While he rejected the proposal, the memorandum expressed the department's desire for increased cooperation with the railway colonization departments. Their value in recruiting, transporting, and locating in Canada was

40. CNR, deposit 50, Vol. 8305, file 3000-27, Black to Dennis, Jan. 20, 1925. CPR, Dennis to Beatty, Jan. 30, 1925.

41. W.L.M.K, J4, Vol. 80, file 623, Egan to Robb, March, 1925.

well understood by the department. There was no question of the department wanting to operate without a close association with Canada's railways. At the same time the department had no intention of handing over any of its administrative authority to the railways, especially its powers to select continental immigrants.⁴² It intended to maintain its scrutiny and veto over colonists the railway and any other colonization agencies brought in as agriculturists, agricultural labourers, and domestic servants.⁴³

Egan termed the railways' proposal as "open sesame without responsibility". He suggested that the function of the railway colonization organizations was recruiting, transporting, and placing immigrants within department schemes. He pointed out that the department was already allowing the railways freedom to select immigrants for Canada within the cooperative schemes undertaken in 1924 and those planned for 1925.⁴⁴

For the 1925 season the railways had been given the job of finding 1,500 agricultural families with some capital

42. W.L.M.K, J4, Vol.80, file 623, Egan to Robb, March, 1925, p.7, Blair to Egan, Mar.9, 1925, pp.3,6.

43. Ibid., Egan to Robb, pp.3,4,7.
Blair to Egan, p.4.

44. Ibid., Egan to Robb, pp.11,13-4.
Blair to Egan, p.7.

and 4,500 farm workers from the continent. Assistant Deputy Minister Blair maintained that this number, which was the maximum that the department felt could be placed in the west, would be all that the railway organizations could handle for 1925.^{45.}

Egan did suggest that the department might agree "to make their nominations as free as possible" if the railways would agree to place farm workers in employment at fair wages for at least one year and settle the farmers on the land.^{46.} While department officials insisted that they must control admission to Canada, they could not flatly close the door on Beatty and Thornton's proposal. The railways, especially the Canadian Pacific, controlled the greater part of Canada's colonization machinery.

45. Ibid., Blair to Egan,p.7.

46. Ibid., Egan to Robb,p.14.

CHAPTER IV

AN AGREEMENT ACHIEVED

The government made no immediate response to the railways' proposal even though Prime Minister King had instructed the Minister of Immigration and Colonization to bring the matter before cabinet, after receiving the views of his department officials.^{1.} Annoyed at the government's lack of response and its obvious disinclination to act in immigration matters, the railway chairmen next made a more forceful approach to the Prime Minister.^{2.}

On June 13, 1925, a letter was sent to King. It was drafted by the CPR colonization officers and signed jointly by Beatty and Thornton. Pointing to the lower immigration figures so far in 1925 as compared to the same period in 1924, they warned King that unless approval was soon given to their proposal they would be forced to reduce their colonization organizations. They intimated that the Canadian public would be shocked to learn that the railways could not operate their colonization depart-

1. There was no indication in King's diary during this period that the matter was discussed by cabinet or that it was even of any concern to himself or his government.

2. CPR, Thornton to Beatty, May 27, 1925, Beatty to Thornton, June 2, 1925.

ments because of inability to secure proper treatment from the government.³ Thornton wrote his own letter to King, saying unless the recommendations are effected "I think we shall have to retire from the colonization field and give it up as a bad job."⁴

King responded to these veiled threats by promptly arranging a meeting for July 2nd with himself, Beatty, Thornton, James Robb, and G.P.Graham, Minister of Railways and Canals.⁵ Beatty and Thornton found dealing direct at the ministerial level was effective. They obtained agreement in principle to their proposal and approval for their colonization officers to prepare a draft for an agreement between the Department of Immigration and Colonization and the two railways.⁶

After the conference Robb instructed his officials to agree on some working arrangement which would allow the railways to announce their association with the government in immigration.⁷ King had been convinced of the political

3. CPR, Beatty & Thornton to King, June 13, 1925.

4. W.L.M.K, J1, Vol.126, Thornton to King, June 15, 1925.

5. CPR, telegram, King to Beatty, June 29, 1925.

6. CPR, Beatty to J.S.Dennis, July 2, 1925.

7. I&C, Vol.262, file 216882, Egan to Beatty, July 29, 1925.

value of an agreement designed to increase immigration into Canada and presented as a cooperative effort by Canada's three immigration and colonization agencies.

The fact that Canada had two immigration departments, which were financed by the taxpayers was causing unfavourable comment in the House of Commons.⁸ The government could not merge the dominion department with that of the CNR for fear of alienating the CPR. Railways and Canals Minister, Graham said, "The CPR and the CNR each have an immigration department and the government of Canada must take care not to be allied with either."⁹ According to Robb, "We must show no discrimination as between the railways that bring people to the country."¹⁰ An answer to criticisms of poor results and expensive duplication of services was perhaps some form of coordination of the activities of the three departments.

The railways' draft for the agreement outlined an operating arrangement allowing them to select and bring immigrants and providing them with the cooperation of the dominion department in settlement and placement.

8. Canada, House of Commons, Debates, 1925, pp. 3408-419, 4158, 4192, 4194, 4196.

9. Ibid., p. 4196.

10. Ibid., p. 3419.

For a period of two years the Department of Immigration and Colonization would authorize the railways to invite citizens or residents from the following countries: Great Britain, United States, France, Holland, Belgium, Denmark, Norway, Sweden, Finland, Switzerland, Esthonia, Latvia, Lithuania, Russia, Poland, Germany, Czecho-Slovakia, Jugo-Slavia, Austria, Hungary, and Roumania.^{11.} The newcomers would be settled by the railways as agriculturists, agricultural workers, and domestic servants.^{12.}

The Department of Immigration and Colonization would admit all immigrants of classes not prohibited by the Immigration law, that the railways brought under this agreement. To facilitate such admission the department would endorse the passports of all immigrants for whom passports were required, upon presentation of a certificate signed by a representative of the railway.^{13.}

The department would make available its immigration halls and services of its Land Settlement Branch to assist the railways in receiving and settling the immigrants.^{14.}

11. The railways were so indiscreet as to refer to the first ten as preferred countries and the last ten as non-preferred.

12. CPR, Draft Agreement by CPR & CNR colonization officials, July, 1925, p.2.

13. Ibid., p.3.

14. Ibid., p.2-3.

The railways promised "to use their best efforts" to bring only immigrants of the above occupations from the above countries and to settle them in Canada. They agreed not to bring immigrants ineligible for admission under the standard provisions of the Immigration Act and agreed "to transport to the countries whence they emigrated all immigrants brought by them to Canada under the agreement, who, refusing to engage in agriculture, agricultural labour, or domestic service in Canada shall become public charges, within the period of one year from the date of their admission." 15.

Beatty sent a copy of the draft agreement to Egan for his "candid comments" before submitting it to the government.^{16.} Expecting hostility, he wanted to judge the nature and extent of the opposition.^{17.} Later, he would use these criticisms to show the Prime Minister that department officials were obstructing government-railway cooperation to promote immigration into Canada.

Clearly the government was leading its department of Immigration into a cooperative arrangement with the railways

15. Ibid., p.2.

16. CPR, Beatty to Egan, July 21, 1925.

17. CPR, Beatty to Dennis, July 30, 1925, Beatty to Thornton, Aug. 19, 1925.

which would allow railway employees to become immigration officials for Canada. Egan and his officials naturally responded forcefully and negatively to such a challenge to their administrative authority.

The dominion department claimed responsibility for determining fitness for immigration into Canada, suggesting the proposed agreement would leave this decision to "immigrant runners on the Continent who have neither the qualifications nor the inclination to make a proper selection" and making department inspectors a "rubber stamp".^{18.} The department admitted that railway officials were genuinely interested in colonization of Canada's vacant lands but they charged that the actual selection would be done on the continent by steamship agents whose only interest was in selling ocean passages.^{19.}

P.C. 183 emphasized present occupation as well as intended occupation. The railways' draft made no reference to an immigrant's present occupation in determining fitness; the department saw this as an opening to recruit anyone as a farmer. The promise to return any immigrant who became a public charge within one year after refusing

18. I&C, Vol. 262, file 216882, Blair to Egan, July 25, 1925, Egan to Beatty, July 29, 1925.

19. I&C, Vol. 262, file 216882, Blair to Egan, July 25, 1925.

to accept agricultural work was called an attempt to reduce the railways' liability under the Immigration Act.

Egan argued that there was no need for this agreement; the regulations and department machinery provided for the entry of bona fide agriculturists, and agricultural and domestic workers. The classes that the railways intended to bring were freely admitted now on possession of sufficient funds or with satisfactory assurance of employment.

Department officials knew they had no choice but to come to some agreement with the railways but were trying to arrange a form of cooperation without losing control of the selection process. They offered to continue the present cooperation to recruit and place families and farm labourers and declared themselves open to proposals for individual settlement schemes that the railways might want to propose.²⁰

Beatty relished the opportunity to argue the railways' case with Egan. His letter, drafted by Dennis, condescendingly replied to Egan's objections and attempted to discredit the position of the department. He maintained that the railway colonization departments were well qualified to select immigrants for Canada and ready to accept

20. I&C, Vol. 262, file 216882, Egan to Beatty, July 29, 1925.

responsibility for those they brought. He treated the department's unwillingness to relinquish control and misgivings about the operation of the agreement as obstructive and ridiculous.

He told Egan that the railways could not bring enough immigrants under the present department regulations to justify the cost of their immigration and colonization organizations.²¹ He made it clear that the proposed agreement was something that the railways were determined to have.

Beatty was undisturbed by Egan's opposition. He knew that King favoured the government-railway partnership and he was ready to force the government's hand. In answering Egan, he was countering departmental objections for the record before going to King.²²

Beatty was the aggressor but he carried the campaign with the full support of Thornton and the Canadian National organization. They, as well, wanted prompt action on the part of the government in opening the field of continental immigration to the railway organizations.²³

21. I&C, Vol. 262, file 216882, Beatty to Egan, Aug. 18, 1925.

22. CPR, Beatty to Dennis, July 30, 1925, Beatty to Thornton, Aug. 19, 1925.

23. CPR, Thornton to Beatty, Aug. 25, 1925.

Beatty requested another meeting with King, claiming that efforts to formulate an agreement which would secure larger numbers of immigrants had been constantly frustrated by Egan and his department. Beatty indicated that if the government was serious in its declaration of support for immigration and of the railways' efforts in the colonization of Canada, it would approve the railways' proposal. "If, however, this is not the Government's policy, then we should revise our programme as the waste of money is very great." ^{24.}

It was widely rumoured that an election was forthcoming. King, in fact, had decided privately back in March to call an election in 1925, probably in October. ^{25.} Beatty told King that a strong public stand on immigration by the government and support of the railways' proposal would be highly desirable as far as the CPR was concerned, "whether or not there is a general election". ^{26.}

He asked King to publically declare himself in favour of increased immigration to undercut the position taken by his Department of Immigration and Colonization. The approach proved effective. King assured Beatty that the

24. W.L.M.K, J1, Vol.111, Beatty to King, Aug.18, 1925.

25. W.L.M.K, Diary, March 7, 1925.

26. W.L.M.K, J1, Vol.111, Beatty to King, Aug.21, 1925.

government would support the railways' cause.^{27.} He arranged a meeting for September first.

On August 29th, Egan had presented a draft agreement to his Minister in a final attempt to have the department's interests and views represented in any new arrangement.^{28.}

This draft established that existing regulations and machinery provided for the admission of the classes that Canada needed and that an agreement was not intended to supersede any present or future regulations.

The department recognized the railways as partners in the work of immigration and colonization for Canada. Its concept of this partnership was far different from what the railways envisaged.

The department accepted the railways' cooperation in selection. "It being understood that final decision as to validity of documents and general fitness shall be left to the decision of the Canadian Immigration Inspector abroad." There was no provision for the endorsing of passports on the recommendation of railway employees.

Egan's draft authorized the railways to select, subject to several qualifications, presumably to be imposed by the

27. W.L.M.K, J1, Vol.111, King to Beatty, Aug.27, 1925.

28. W.L.M.K, J4, Vol.80, file 623, Egan to Robb, Aug.29, 1925.

dominion department; "the suitability of immigrants, the demand in Canada, and the arrangement made for proper placement or colonization, "due regard being paid to the arrival of immigrants at seasons when they may be readily placed in employment." 29.

The railways' version of cooperation emphasized freedom to select; the department's draft qualified that freedom and emphasized responsibility to place.

Egan's draft concluded that the agreement would remain in effect "so long as it is found to be accomplishing its intended purpose".³⁰ The department would accept the railways as partners only on their good behavior.

Several features of the railway draft were missing in the department's version. Preferred and non-preferred countries were not named. The department never allowed itself to be embarrassed by naming nationalities as unwanted in its documents. It also wanted to reserve to its own judgement the countries to which such an agreement would apply.

Egan declared his department had cooperated and was willing to continue cooperating with the railways. At the

29. I&C, Vol. 262, file 216882, Egan to Robb, Draft Agreement, Aug. 29, 1925.

30. Ibid.

same time he claimed the responsibility "to direct immigration for the benefit of the newcomers and in accordance with conditions existing in Canada." ³¹. The department wanted to use the railways to recruit and place, while retaining the final say in who was eligible to enter Canada.

The meeting which finalized the railway agreement was held in King's office on September first. King, Robb, Graham, Beatty, and Thornton were present. The agreement was concluded by ministers and railway heads, not by immigration civil servants and railway colonization officials.

Beatty presented the railways' case once more from a memorandum prepared by Dennis and approved by Black. ³².

He challenged the department's right to adopt working orders to administer immigration because "it has seriously delayed and in some cases prevented the admission to Canada of desirable colonists". He continued to argue that the railways provided Canada's colonization machinery on the continent but could not bring the immigrants Canada needed under the department's restrictive machinery. The solution, he argued, was for department inspectors to recognize the

31. W.L.M.K, J4, Vol.80, file 623, Egan to Robb, Aug.29, 1925.

32. CPR, Dennis to Beatty, Aug.31, 1925,
CNR, deposit 50, Vol.8309, file 3065-2, Dennis to Black,
Sept.1, 1925.

certificate issued by the railways and admit the holders to Canada. He promised that the selection of colonists would be made by "reputable, salaried officials" of the railways and not the "immigrant runners" of steamship lines.

Without such an agreement, he claimed the dominion department would continue to obstruct the work of the railways with its "centralized and bureaucratic control". The fact that the railways promised to bring only agricultural colonists and to return those found undesirable should provide ample security to the government and to Canada.³³ Canada's immigration machinery could be safely left in the hands of its railways.

The final form of the agreement was drawn up at this September 1st meeting and signed a few days later by Minister of Immigration and Colonization, Robb for the government and by Beatty and Thornton for their respective railways. The railways' draft had been accepted with only a few amendments. They had won their principle.³⁴

The government recognized the railways as agents of the Department of Immigration and Colonization on the

33. CPR, Dennis to Beatty, Aug. 31, 1925.

34. CPR, Beatty to Dennis, Sept. 2, 1925, CNR, deposit 50, Vol. 8309, file 3065-2, W.D. Robb to Thornton, Sept. 4, 1925.

continent.³⁵ They were authorized to select, for a period of two years, agriculturists, agricultural workers, and domestic servants and to settle them in Canada.

The department, by the terms of the agreement, would admit those the railways selected provided they were of the above classes and complied with the other requirements of Canada's Immigration law. Distribution, placement, and supervision were to be joint responsibilities of the parties to the agreement. The department would assist the railways in receiving and settling these immigrants by use of its Land Settlement Branch, immigration halls, and its officials.

To facilitate entry the department would vise the passports "of all immigrants of whom passports are by law required in accordance with instructions or regulations made by the Minister of Immigration and Colonization." ³⁶. It was agreed at the September first meeting that this meant the endorsing of passports on presentation of a certificate signed by an officer of either of the railways. The government would not permit a definite statement regarding the authority being given to the railways. For political

35. I&C, Vol. 262, file 216882, Memorandum on implementation of agreement, F.C. Blair, Sept. 10, 1925.

36. I&C, Vol. 262, file 216882, Copy of the Railway Agreement.

reasons the endorsing of passports for holders of railway certificates was covered in these general terms.³⁷ Understandably, the government was presenting the agreement to the public as a cooperative venture among the three organizations, not as an agreement to hand over any of Canada's immigration machinery to the railways.

In return the railways promised only "to use their best efforts" to bring immigrants of the stated occupations and to settle them in Canada. They agreed to bring only those eligible under Canada's immigration laws and to return those, who, refusing to work in one of the stated occupations became public charges within one year of admission.

The department succeeded in placing a clause in the final agreement to protect the government as it gave up administrative authority. "This agreement is not made with the object of superseding in any way the Immigration regulations that are now or may hereafter be in effect."³⁸

Dennis of the CPR, of course, saw this as a loophole for Immigration and Colonization officials to impose regulations that might obstruct the freedom to operate given

37. CPR, Beatty to Dennis, Sept. 2, 1925.

38. I&C, Vol. 262, file 216882, Copy of the Railway Agreement, Sept, 1925.

by the agreement.^{39.}

No countries were named in the final agreement. It was agreed that for the present it would operate in those non-preferred countries named in the railways' draft.^{40.}

These were Latvia, Poland, Roumania, Esthonia, Russia, Lithuania, Jugo-Slavia, Germany, Hungary, Austria, and Czecho-Slovakia. Both the department and the railways agreed that these were the non-preferred countries having significant numbers of suitable agricultural prospects. The rest of non-preferred Europe was not included in the agreement. The railways had no need of special certification to operate freely in preferred countries and the department did not want to give immigrants from preferred areas the impression that any special permission was needed to enter Canada.^{41.}

The railways had obtained their objective, the right to select and move non-preferred continentals to place on farms or in agricultural or domestic work in areas tributary to their railway lines. They would determine occupational suitability under P.C.183 and judge for

39. CPR, Dennis to Beatty, Sept. 3, 1925.

40. I&C, Vol. 262, file 216882, Deputy Minister to L.C. Moyer, Private Secretary to the Prime Minister, Oct. 23, 1925.

41. I&C, Vol. 262, file 216882, Deputy Minister to Dennis, November, 1925.

themselves demand in Canada and placement opportunities; their selection being subject only to the standard admission requirements of the Immigration Act and regulations.

On September 5th, ¹⁹²⁵ Prime Minister King launched his federal election campaign in a speech at Richmond Hill, Ontario. He referred to the recently concluded agreement as one of "enlightened cooperation...between the Department of Immigration and Colonization and the railway companies whereby their agencies overseas will be brought into more effective cooperation with each other and with the government." 42.

The only job left was mapping out the working arrangements. This was done by Egan and Blair in consultation with Dennis and Black. The two Immigration and Colonization officials accepted the railways' new status and tried now to build what safeguards they could into the operation of the system. Although the agreement was concluded by the prime minister and the railway chairmen, it was at this level that much of what it would mean in practice was decided.

The department would accept the railway certificate at face value. ^{43.} The railways' earlier version of the

42. W.L.M.K. J5, Vol. 23, file 90, Speech, Richmond Hill, Ontario, Sept, 5, 1925.

43. CPR, Egan to Dennis, Sept. 10, 1925.

certificate, which made no reference to the present occupation of the holder, was revised at the urging of the department officials. The final version, they hoped, would offer the government some measure of control over its use.⁴⁴ It contained a statement that the holder was a bona fide farmer, farm labourer, or domestic servant coming to Canada for the purpose of engaging in one of these occupations and that "occupation in the service stated is guaranteed by this company". It contained a photograph, signature, and a personal description of the holder. On the back it was stated in the immigrant's own language, that the certificate was issued free of charge, that it obligated the immigrant to engage in farm or domestic work in Canada, and that failure to engage in the occupation declared would endanger the immigrant to deportation.⁴⁵

It was a certificate of occupation and an assurance of placement in Canada. The railways promised that the certificates would be issued only by salaried representatives of their colonization departments, independent of any steamship interest.⁴⁶

44. I&C, Vol. 262, file 216882, Sept. 23, 1925.

45. I&C, Vol. 262, file 216882, Memorandum on implementation of agreement, F.C. Blair, Sept. 10, 1925.

46. CPR, Egan to Dennis, Sept. 10, 1925, I&C, Vol. 262, file 216882, Blair memorandum, Sept. 10, 1925.

The immigrant would present the certificate to the department examining officer on the continent, who would keep the original copy when granting the passport visa.^{47.} Without the railways' knowledge, the department issued instructions to its inspectors to keep a confidential monthly record of the immigrants holding certificates that they felt were not likely to engage in agricultural work in Canada. In other words, those they would not admit if they were still being held responsible for determining present and intended occupation.^{48.}

It was agreed by both parties that the certificate applied only to occupation and that department inspectors would not endorse the passports of holders unless the other immigration requirements were met.^{49.} Department inspectors would continue to determine eligibility as regarding validity of passport and any of the standard requirements of the Immigration Act such as health and character. Immigration and Colonization officials retained the final say for at least part of the admission requirements.

47. CPR, Egan to Dennis, Sept.10,1925.

48. I&C,Vol.262,file 216882, Deputy Minister to W.R. Little,Director of European Immigration,London,Sept.16,1925.

49. I&C,Vol.262,file 216882, Blair memorandum,Sept.10,1925.

The railways agreed to be the responsible parties for placement of those to whom they issued certificates. The department agreed to be responsible only for placement of certain quotas that it would request the railways to recruit from time to time. It wanted to keep its Land Settlement Branch free for work in Empire Settlement Schemes and its own continental plans. It was not interested in being generally responsible for the result of railway immigration selection.

The issue of "permit letters" for classes covered by the agreement was discontinued and department officials would now advise applicants to get in touch with one or other of the railways, promising not to recommend one over the other.⁵⁰

The railways agreed to the precautions taken in the form of the certificate and in its handling as the means of obtaining and keeping this arrangement with a minimum of departmental opposition and without causing possible public criticism.

Railway employees would determine who would qualify as an agricultural immigrant and thus be eligible under P.C. 183 in eleven non-preferred continental countries

50. I&C, Vol. 262, file 216882, Blair memorandum, Sept. 10, 1925. CPR, Egan to Dennis, Sept. 10, 1925.

at least for the next two years. The department and the country merely had their promise as to the qualifications of the agents making the selections and the criteria they would use. The railways' guarantee that they would place in agricultural and domestic work all that they brought to Canada could only be regulated after the fact.

Putting the agreement into effect awaited only the placing of the certificate issuing officers on the continent. CPR declared itself ready to place six or seven new colonization representatives, giving it certificate issuing officers in each country. The CNR was not so ready to launch a full scale blitz of the continent. Black, fearing that results from some countries would not justify the expense of a representative, planned to group two or three countries under one officer.⁵¹

When the agreement took effect on the 15th of November the CPR had named fourteen officers and the CNR had named four.⁵² The CNR knew that it would have to try to keep pace with its competitor. It was pleased with the agreement

51. CNR, deposit 50, Vol. 8305, Black to G.M. Dix, European Manager, Dept. Colonization, Agriculture, & Natural Resources, Sept. 11, 1925.
CPR, Egan to Dennis, Sept. 10, 1925.

52. I&C, Vol. 262, file 216882, Instructions to Division Commissioners, Nov. 4, 1925.

and planned in time to become equally active. Both of Canada's railways now had the opportunity to move as many immigrants to their territories as their colonization organizations could handle.

CHAPTER V

CONCLUSIONS

Government immigration activities had been much criticized in parliament and in the media for their high cost and their lack of results. Now perhaps the railways would find the immigrants Canada wanted without additional public expense.

How had Canada's immigration situation changed? The government could truthfully state that there had been no policy change. The agreement applied only to agricultural and domestic servant classes. It operated within P.C. 183 by its reference to present and future occupation and its promise of placement in Canada. The Immigration Act did not specify what manner of persons the Minister of Immigration and Colonization could appoint as immigration officials. Railway employees were eligible to be immigration agents for Canada and to administer the regulations.

The aim of Canada's immigration policy was still to attract agricultural and domestic servant classes and to ensure their settlement on the land or placement in employment. Now occupational fitness in eleven continental countries would be determined by employees of transportation companies, whose first aim was to promote immigration,

rather than by Immigration and Colonization agents whose primary concern was to prevent unwanted continentals from entering Canada. Demand in Canada for farm labourers and domestic workers from these countries and the validity of placement opportunities would be determined by railway colonization departments rather than by the government's Land Settlement Branch. It was in fact, if not in theory, a widening of Canada's invitation in central and eastern Europe.

The railways now shared with the country's Immigration and Colonization department the responsibility for administering immigration law. In that sense, the agreement was a cooperative venture. In its operation, the railways were not planning to cooperate with the department in recruiting nor the department with the railways in placement in Canada. There was no cooperation planned in any area between the two railways. They were rivals who had joined forces only for the campaign to widen their field of competition.

For both railways, increased immigration was the means to build passenger and freight revenue when they were unable to get rid of the Crows Nest Rates on western grain and flour and when there were two of them competing for Canada's traffic.

This agreement was a natural step in the evolution of

Canada's Immigration policy after World War 1, as to the widening of invitation in non-preferred Europe and to the increased authority granted to the railways in these countries.

Immigration was not promoted during the post war depression but those of acceptable nationalities who could establish themselves on the land were welcome. As the wheat economy began to recover in 1923, immigration activities were correspondingly expanded. The pre-war National Policy which promoted agricultural immigration to expand Canada's economy was being resumed. The promotion of immigration from Great Britain and northwestern Europe could not fill up the vacant spaces in Canada's agricultural areas. United States farmers were no longer coming to Canada in great numbers as in pre-war days. As well, Canadians were moving away from the farms into urban areas and many were drifting across the border into the United States. In 1925 the railway agreement marked the extension of Canada's immigration policy in central and eastern Europe in the search for agricultural prospects.

It was natural for the government to use its railways to handle immigration for national development. They were considered "national institutions", their economic interests and concept of Canada indistinguishable from those of their

national government. They commanded organizations capable of handling the recruiting and job placement necessary for a large scale movement of immigrants who had little or no means to begin life in Canada on their own.

Since the first days of the CPR, railways and immigration had been intertwined in Canadian government policy and activities. It was still government policy to improve the position of Canada's railways by promoting agricultural immigration. In 1925 the King government, with the railway agreement, hoped to promote the fortunes of two railway systems. This agreement came into being not only because the CPR organization had campaigned so hard for it, but because the government was trying to solve its railway problem with immigration.

King was naturally looking for ways to help the CNR system develop more traffic and lessen its burden on the taxpayers. There was also pressure to reduce the expensive duplication of Canada's two public immigration services. The government's answer was to establish the appearance of a form of coordination among the nation's three immigration and colonization agencies. The agreement did not reduce duplication between the government and the CNR, as there was no overlapping of services on the continent, but it was presented to the public as a coordinated effort that would

cut expenses and increase results.

The agreement was concluded five days before King announced a federal election. It was signed at this particular time as part of King's bid for CPR political support in his forthcoming campaign. It was, as well, meant to show the voters that the King government was looking to solve Canada's economic problems. The country still assumed that it needed large scale agricultural immigration to become prosperous and it, through its national government was still supporting its railway systems.

In 1925 the non-preferred continental became, if not desirable, at least acceptable material for national development. The railways, with this agreement, proved that large numbers of immigrants could be found for Canada in central and eastern Europe. As the numbers of non-preferred immigrants began to equal and threatened to surpass the numbers coming from the British Isles and other preferred areas and unemployed continental immigrants drifted into Canada's urban areas, especially in the west, Canadians began to complain loudly about the alien influx.

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[The following text is extremely faint and largely illegible. It appears to be a list of references or a detailed bibliography, possibly including titles of other works, authors, and dates. Some words like "Manitoba", "Dominion", and "Policy" are faintly visible.]

[Faint text, possibly a title or a specific reference entry.]

[The following text is also extremely faint and illegible. It appears to be a continuation of the list or a detailed discussion of the topic mentioned in the references above.]

Appendix A

An Act to amend The Immigration Act, 9-10 Geo V,
Chapter 25, Assented to 6th June, 1919.

Section 38. The Governor in Council may, by proclamation or order, whenever he deems it necessary or expedient,-

(c) prohibit or limit in number for a stated period or permanently the landing in Canada, or the landing at any specified port or ports of entry in Canada, of immigrants belonging to any nationality or race or of immigrants of any specified class or occupation, by reason of any economic, industrial or other condition temporarily existing in Canada or because such immigrants are deemed unsuitable having regard to the climatic, industrial, social, educational, labour or other conditions or requirements of Canada or because such immigrants are deemed undesirable owing to their peculiar customs, habits, modes of life and methods of holding property, and because of their probable inability to become readily assimilated or to assume the duties and responsibilities of Canadian citizenship within a reasonable time after their entry.

An Act to amend The Immigration Act, 9-10 Geo V,
Chapter 26, Assented to 6th June, 1919.

Section 41.

Every person who by word or act in Canada seeks to overthrow by force or violence the government of or constituted law and authority in the United Kingdom of Great Britain and Ireland or Canada, or any of the provinces of Canada, or the government of any other of His Majesty's dominions, colonies, possessions or dependencies, or advocates the assassination of any official of any of the said governments or of any foreign government, or who in Canada defends or suggests the unlawful destruction of property or by word or act creates or attempts to create any riot or public disorder in Canada, or who without lawful authority assumes any powers of government in Canada or in any part thereof, or who by common repute belongs to or is suspected of belonging to any secret society or organization which extorts money from or

Appendix A

in any way attempts to control any resident of Canada, by force or by threat of bodily harm, or by blackmail, or who is a member of or affiliated with any organization entertaining or teaching disbelief in or opposition to organized government shall, for the purposes of this Act, be deemed to belong to the prohibited or undesirable classes, and shall be liable to deportation in the manner provided by this Act, and it shall be the duty of any officer becoming cognizant thereof and of the clerk, secretary or other official of any municipality in Canada wherein any such person may be, forthwith to send a written complaint to the Minister, giving full particulars: Provided, that this section shall not apply to any person who is a British subject, either by reason of birth in Canada, or by reason of naturalization in Canada.

2. Proof that any person belonged to or was within the description of any of the prohibited or undesirable classes within the meaning of this section at any time since the fourth day of May, one thousand nine hundred and ten, shall, for all the purposes of this Act be deemed to establish prima facie that he still belongs to such prohibited or undesirable class or classes.

Appendix B.

P.C. 183

Wednesday, the 31st day of January, 1923.

(As amended by P.C. 642 of the 11th day of April, 1923.)

His Excellency the Governor in Council, on the recommendation of the Acting Minister of Immigration and Colonization, is pleased to rescind the Order in Council of the 9th day of May, 1922 (P.C. 717), and the same is hereby rescinded as from and after the 15th February, 1923;

His Excellency the Governor General in Council, under the authority of section 38 of the Immigration Act, 9-10 Edward VII, chapter 27, as amended by 9-10 George V, chapter 25, and having regard to unemployment conditions now existing in Canada, is pleased to make the following regulation, and the same is hereby made and established accordingly:-

From and after the 15th February, 1923, and until otherwise ordered, the landing in Canada of immigrants of all classes and occupations, is hereby prohibited, except as hereinafter provided:

The Immigration Officer in Charge may notwithstanding the provisions of P.C. 23 of the 7th January, 1914, permit to land in Canada any immigrant who otherwise complies with the provisions of the Immigration Act, if it is shown to his satisfaction that such immigrant is, -

(1) A bona fide agriculturist entering Canada to farm and has sufficient means to begin farming in Canada.

(2) A bona fide farm labourer entering Canada to follow that occupation and has reasonable assurance of employment.

(3) A female domestic servant entering Canada to follow that occupation and has reasonable assurance of employment.

(4) The wife or child under 18 years of age, of any person legally admitted to and resident in Canada, who is in a position to receive and care for his dependents.

Appendix B.

(5) Any United States citizen entering Canada from the United States who shall satisfy the Immigration Officer in Charge at the port of entry that he has sufficient means to maintain himself until employment is secured.

(6) Any British subject entering Canada directly or indirectly from Great Britain or Ireland, Newfoundland, the United States of America, New Zealand, Australia, or the Union of South Africa, who shall satisfy the Immigration Officer in Charge at the port of entry that he has sufficient means to maintain himself until employment is secured: Provided, that the only persons admissible under the authority of this clause are British subjects by reason of birth or naturalization in Great Britain or Ireland, Newfoundland, New Zealand, Australia, or the Union of South Africa.

And Provided further that the provisions of this Order in Council shall not apply to immigrants of any Asiatic race.

Appendix C.

THE STRUCTURE AND FUNCTION OF THE COLONIZATION
ORGANIZATION OF THE CANADIAN PACIFIC RAILWAY

Synopsis of testimony of J.N.K. Macalister, Assistant Commissioner of the Department of Colonization and Development, Canadian Pacific Railway, before the House of Commons, Select Standing Committee on Agriculture and Colonization, Immigration Inquiry, March 21, 1928.

The Canadian Pacific Railway conducted its immigration, colonization, and development activities through its own Colonization and Development Department with headquarters at Montreal. Colonel J.S. Dennis was its Chief Commissioner with J.N.K. Macalister as his assistant. H.C.P. Creswell was superintendent in the Montreal branch office which was the clearing house for settlement and farm employment opportunities. There was a Canadian Pacific port staff which met incoming ships and aided colonists with landing, customs, and boarding trains.

The department had its Canadian sub-headquarters at Winnipeg. The Canadian district offices were:

- Montreal - covering Quebec and the Maritimes.
- Toronto - covering Ontario
- Winnipeg - covering Manitoba
- Saskatoon - covering Saskatchewan with sub-office: at
Moose Jaw
- Edmonton - covering central and northern Alberta
- Calgary - covering southern Alberta and part of British
Columbia
- Vancouver - covering the remainder of British Columbia

Appendix C.

Each office had an assistant Superintendent of Colonization in charge, an office staff, and a staff of traveling colonization agents. The district offices in the west were supervised by the Superintendent of Colonization at Winnipeg.

There was a publicity branch located at the Montreal headquarters and a district branch for publicity at London. The publicity service prepared CPR advertising material and placed newspaper advertising in Canada, United States, and Great Britain. Its main publication was a monthly bulletin, Agricultural and Industrial Progress in Canada. Begun in 1919, it had a circulation of 12,000 in 45 countries. Its stated purpose was to interest capital in Canadian affairs and to promote desirable immigration into Canada.

A bureau of information was maintained at Montreal with branch libraries at London and Chicago. Its slogan was "Ask the Canadian Pacific About Canada".

The organization had a development branch at Montreal with sub-headquarters at London and a branch office at Winnipeg. Its purpose was to further the development of natural resources and industrial prospects along CPR lines. It examined resources and prepared reports on development possibilities. These reports were published by the publicity branch and were available to interested investors and developers.

Appendix C.

The sub-headquarters of the department was at London, under the charge of the European Colonization Manager. There was a district office at London and offices at Liverpool, Glasgow, and Belfast. Under the London sub-headquarters, sections were maintained for the recruitment of teenage boys and for female domestics. The CPR traffic department had eleven district offices and 2,500 agents active in emigration work.

The organization on the continent was in the charge of a Continental Superintendent based at London. There were offices at Oslo, Gothenburg, Copenhagen, and Rotterdam.

The Colonization and Development Department had no representatives in the non-preferred areas of the continent until the 1925 railway agreement. From the fall of 1925 certificate issuing officers were stationed in the countries included in the agreement. They examined and approved the emigrants as to occupation and then presented them to the Canadian government official for civil examination and passport visa. The above were the only representatives of the colonization organization but there were countless Canadian Pacific steamship agents on the continent digging up prospects.

The United States organization had its headquarters at St. Paul, with sub offices at Chicago, Omaha, Portland, and

Spokane. Each had an office staff and a travelling staff of agents who carried on lecture campaigns, showed films, distributed literature, and accompanied groups of prospects to Canada. The object of the American campaign was to sell CPR land.

The department maintained a division called the Canada Colonization Association. Its headquarters was in the Winnipeg office with branches at Saskatoon and Calgary. CCA's purpose was to make the unoccupied, privately owned farms along CPR lines productive. Its particular activity was placing families either without capital or with limited capital on developed and equipped farms.

The common method of settling families without much money was what CPR termed "joint and several liability contract". A group of families (generally 3 to 5) were settled on one large farm. They bought not only the farm but also existing CPR equipment and livestock. They all signed the contract; each family being responsible for the other. Field men supervised the progress of these groups. Families were given separate contracts when the CCA felt they could succeed on their own. If one of the group proved a failure, it was often replaced with a new family. Individual families with little capital were established in farm employment rather than being placed on their own farms. The majority of families

located under CCA supervision were from continental Europe, most of them Mennonites. CPR found it very difficult to get Scandanavian or British families to undertake the communal life of the "joint and several liability contracts".

The CCA did not buy the land or actually supply any money to purchase. It sought out owners of unused land, supervised its preparation for farming, and worked out the terms of purchase. It was the broker between the vendor and the colonist.

Opportunities for both agricultural settlement and employment were developed by the department's western organization. CPR's method of colonizing its territory was by the coordination and use of a vast system of affiliated organizations. Beginning before the war, it organized "extension of settlement clubs" in foreign communities in the west. Members of these clubs would encourage and help their friends and relatives to come to CPR territory. There were by 1928 some 25 federally chartered colonization associations cooperating with the Department of Colonization and Development.

Some of the most prominent and active of these Canada wide associations were the Lutheran Immigration Board, The Association of German-Canadian Catholics, the Atlantis Hungarian Board, the Canadian Mennonite Board of Colonization,

the Danish Immigrant Aid Society, the British Immigration and Colonization, and the Scottish Immigrant Aid Association. These organizations were partly financed by the Colonization and Development Department. Three or four of them functioned directly with the CCA, sharing the CCA's office space and helping to settle families they had brought to Canada.

CPR also operated with local colonization boards, which it began to establish around 1924. By 1928 there were 138 local colonization boards affiliated with the department, 118 in the prairie provinces, 15 in Ontario, 2 in British Columbia, and 1 each in Quebec, New Brunswick, and Nova Scotia. These grass root committees were made up of local bankers, merchants, and farmers allied with the CPR in the cause of increasing the agricultural population and production of their areas. The Colonization and Development Department generally provided a grant and assumed the travelling expenses of the officials. The active members surveyed the settlement opportunities such as farms available for sale or rent, campaigned among residents to persuade them to nominate their friends and relatives in Britain and continental Europe, and solicited applications for domestic and farm help from farmers.

CPR station agents in the prairies, being in close touch with the farming community, handled and forwarded

applications and nominations as well.

Agents of the local boards solicited nominations from farmers. The request was sent to the Montreal headquarters and from there to the London sub-headquarters. The request was then sent to the appropriate local CPR representative in Britain or on the continent. The person was contacted and if he emigrated the colonization board was paid a commission. This bonus was actually paid by the Canadian Pacific Steamship Line. \$5 was paid for a continental immigrant and \$2.50 for one from the British Isles. The steamship line was already making a substantial financial contribution to the fare of a British immigrant under the Empire Settlement Agreement. If a farmer's nomination was handled by one of the many steamship agents scattered throughout the west, then he received the commission.

Its steamship agents in the British Isles and in the continental countries where it was permitted, were paid commissions on the immigrants they secured. These steamship agents also gathered and handled people to fill the employment application quotas and found nominated individuals.

CPR claimed that the local colonization boards expended their commissions in their colonization activities and did not make a profit. Even so, Chief Commissioner Dennis, in his testimony before this committee, admitted that the

system had been plagued by fake nominations made by those with no intention of employing those requested.

The local boards also gathered applications which were sent to the Montreal head office. These applications were often merely verbal requests solicited by telephone from farmers by board members. Montreal, after receiving the applications gathered in the various parts of Canada, compiled a blanket order for domestic and farm help. In all, the local groups developed situations for single farm workers, domestics, and families. Canadian Pacific recruited the people overseas and delivered them to the local boards or affiliated associations who placed them in employment or settled them on the land.

The rationale of the entire colonization organization was to increase the traffic of the Canadian Pacific by promoting agricultural immigration into territories tributary to its lines. The immigration traffic, itself, was important as revenue on Canadian Pacific's North Atlantic Steamship lines.

Appendix D.

THE STRUCTURE AND FUNCTION OF THE COLONIZATION
ORGANIZATION OF THE CANADIAN NATIONAL RAILWAYS

Synopsis of testimony of Dr. W.J. Black, Director, Colonization, Agriculture, and Natural Resources, Canadian National Railways, before the House of Commons, Select Standing Committee on Agriculture and Colonization, Immigration Inquiry, March 30, 1928.

The Department of Colonization was organized in 1923. It had associated with it a Department of Agriculture and one of Natural Resources. The organization had three sections; Canadian, United States, and overseas. The headquarters was at Montreal. There were two divisions in Canada. The eastern division was administered from Montreal, with a sub office at Moncton. The chief office for the western provinces was at Winnipeg, with sub offices at Saskatoon and Edmonton. Vancouver had an office but it was concerned largely with natural resources rather than with the placement of people.

In the United States the organization was centered at St. Paul. It was a small organization, concerned with selling land to American farmers. Offices at Boston, Seattle, and Chicago were closed in the mid twenties because of insufficient business.

CNR's British and continental headquarters was at London. Local offices for the British Isles were at Liver-

Appendix D

pool, Glasgow, and Belfast. For the continent there was a superintendent at London, who operated under the European Manager. There were district offices at Oslo, Gothenburg, Copenhagen, and Rotterdam.

Beginning in the fall of 1925 CNR had certificate issuing officers in connection with the railway agreement. There were two offices at Warsaw, one at Prague, and one at Zagreb. There were three other officers who gave part of their time to railway agreement work; one at Paris, another at Antwerp, and a third at Rotterdam. In the non-preferred countries the CNR did no propaganda work. None was needed or would have been permitted by these countries. Its allied steamship lines supplied the prospects and the certificate issuing officers examined those recruited by steamship agents to determine whether they were suitable for settlement in Canada. CNR with little expense was able to get all the immigrants it could handle from the railway agreement countries.

The organization in western Canada did not follow the practice of organizing associations, clubs, or boards at local points. The CNR had part time field men, working for the CNR when it had need of their services. The western offices would contact the president, secretary, or most active member of an existing local organization and arrange

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for him to represent the company on a part time basis. CNR used these people to determine numbers of farm workers required and settlement opportunities for families in districts adjacent to its lines. They met trains of immigrant workers and families at Winnipeg or at their own stations and distributed them. There were some 400 such men working for the CNR in the west.

The 2,221 CNR station agents made some contribution to the colonization effort, mainly by handling applications and by looking after arrivals at their particular points. There were 700 station agents in the prairie provinces. It was there that they were of the greatest value in colonization work.

The Canadian National Land Settlement Association was organized in 1925 as a special branch of the CNR colonization service. The object of the CNLSA was to increase settlement in CNR territory. It found, listed, and handled the purchases of available farms. Its main job was to fit families onto farms under whatever conditions farms could be obtained and settlement arranged. It helped newcomers in purchasing stock and equipment and in preparing the land.

The CNLSA worked at finding farms available without cash payment and on easy terms. Many of the farms used were ones abandoned or neglected.

Appendix D.

The CNLSA concerned itself with getting the settler on the land. Its whole effort was to get him started with as little financial overhead as possible. The less the settler had hanging over his head, the better the chance he had for succeeding and contributing to the traffic on CNR railway lines.

Appendix E.

Agreement made this first day of September, 1925,
 Between: His Majesty the King in the right of Canada,
 represented herein by the Honourable Minister
 of Immigration and Colonization, of the First Part,
 and
 Canadian National Railway Company, and
 Canadian Pacific Railway Company,
 of the Second Part.

Whereas it is the policy of the Government of Canada to promote immigration into Canada of persons, who, being eligible for admission as immigrants under the Statutes and Orders in Council regulating immigration, are of such nationalities, races and modes of life as to be assimilable into the population and citizenship of Canada:

And Whereas in pursuance of the said policy the Government desires to procure the immigration of agriculturists, agricultural workers, and domestic servants from countries provided for by existing laws and regulations;

And Whereas the Parties of the Second Part by reason of their special interest in the early settlement of available unoccupied lands and their transportation facilities by land and sea are specially qualified to procure, select, and settle immigrants of the classes mentioned, and have the necessary organizations for that purpose;

And Whereas in order to facilitate the movement of immigrants of the aforementioned classes and to avoid duplication of effort, it is expedient that the measures hereinafter set forth should be adopted.

Now This Indenture Witnesses:

1. That the Party of the First Part hereby authorizes the Parties of the Second Part for the period of two years next ensuing to invite persons who are citizens or residents of the countries referred to to emigrate to Canada and to settle them in Canada as agriculturists, agricultural workers and domestic servants.

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2. That the Parties of this Agreement recognize and affirm the importance of bringing to Canada only those immigrants mentally, morally, physically and industrially fit and of a type suitable for permanent settlement in the Dominion and further that this Agreement is not made with the object of superseding in any way the Immigration regulations that are now or may hereafter be in effect, but rather of joining the forces of the Parties of the Second Part with the Party of the First Part in a Partnership for the improvement of the work in which all are now engaged.

3. That the Parties of the Second Part agree each for itself to use their best efforts in the countries above mentioned to procure immigrants of the above occupations and to settle them in Canada, and agree that they will in no case bring to Canada any immigrant who shall not be eligible under the immigration laws for admission to Canada, and agree further to transport to the countries whence they emigrated all immigrants brought by them to Canada under the agreement who, refusing to engage in agriculture, agricultural labour or domestic service in Canada shall become public charges within the period of one year from the date of their admission to Canada.

4. That the Party of the First Part agrees to admit to Canada all immigrants of the aforementioned classes not prohibited by law who shall be brought to Canada by either of the Parties of the Second Part, and to assist the Parties of the Second Part in receiving and settling the said immigrants by use of immigration halls and the services of the Land Settlement Branch as well as the officials of the Department of Immigration and Colonization, and the Parties further agree that distribution, placement and such supervision as the new settlers may require after their arrival in Canada, shall be undertaken by the Parties to this Agreement on the basis of joint responsibility.

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5. That for the purpose of facilitating such admission the Party of the First Part agrees to provide for the viseing of passports of all immigrants of whom passports are by law required in accordance with instructions or regulations made by the Minister of Immigration and Colonization.

In Witness Whereof the Parties hereto have executed these presents.

signed James A. Robb
Minister of Immigration and Colonization

signed Canadian National Railway Company
H.W. Thornton, President,
R.P. Ormsby, Secretary

signed Canadian Pacific Railway Company
E.W. Beatty, President,
H.G. Oswald, Secretary.