The Office of the High Commissioner:

Canada's Public Link to Gentlemanly Capitalism in the City of London, 1869-1885

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ABSTRACT

Canada's post-Confederation economy was marked by a search for capital that was used to complete large infrastructure projects such as the Canadian Pacific Railway. Since Canada's small tax base could not pay for the transcontinental railway, financiers in the City of London were the first choice as a source for this capital by the Canadian government. As P.J. Cain and A.G. Hopkins explained in *British Imperialism: Innovation and Expansion*, however, the ability to tap this resource was dependent on the gentlemanly credentials of the government's representative because the City's social culture was dominated by ideals of "propertied wealth", family connections and social activity. Sir John A. Macdonald's Conservatives, therefore, installed a representative in London that possessed these gentlemanly qualities in the hopes of securing capital for the completion of the CPR and promoting Canada's interests in the London business community. Three men between 1869 and 1885 served as Canada's High Commissioner. Sir John Rose, Sir Alexander Tilloch Galt and Sir Charles Tupper were all chosen for their apparent gentlemanly qualities. The men used these qualities with varying success to promote and eventually secure the construction of the Canadian Pacific Railway.

L'ABSTRACTE

L'économie au Canada d'après la Conféderation marque le début d'une recherche de commencer de vastes projets comme le Chemin de Fer Canadien-Pacifique. Les financiers de Londres étaient le premier choix du gouvernement canadien pour contribuer à ce projet attendu que le facteur fiscal canadien ne permettait pas une si grande dépense. Dans *British Imperialism: Innovation and Expansion* P.J. Cain et A.G. Hopkins expliquent que le succès de ce projet se fie aux qualités courtoises de ces représentants du gouvernement. Ces hommes doivent posséder les mêmes attributs de la culture de Londres, disant la richesse, l'importance de la famille, et le dynamisme social. Le parti conservateur de John A. Macdonald a, alors, choisi l'homme qui jouissait de ces qualités distinguées pour se procurer assez de fonds pour compléter avec succès le Chemin de Fer Canadien-Pacifique et augmenter les relations entre le Canada et le centre d'affaires à Londres. Entre 1869 et 1885 trois hommes ont eu la distinction d'être le Haut Commissariat du Canada. M. John Rose, M. Alexander Tilloch Galt et M. Charles Tupper ont pris cette place grâce à leur qualités distinguées. Chaque homme a exploité ses qualités d'une façon différente pour monter et enfin garantir la construction du Chemin de Fer Canadien-Pacifique.

PREFACE

When I first read *British Imperialism: Innovation and Expansion* as an undergraduate in 1994, I was impressed by its depth of research and its new approach to examining British imperialism in the nineteenth century. It inspired me to ask questions about gentlemanly capitalism and where Canada fit into this mold. The person most responsible for making the subject as interesting as it is was Dr. Barry Gough at Wilfrid Laurier University. He guided me into asking the right questions and forming the backbone of a thesis before I arrived at McGill. To him, many thanks for your honesty, guidance and motivational words.

Equally important to my success and motivation over the past three years was my thesis adviser, Dean Carman Miller. Dean Miller's encyclopedic knowledge of Canadian history proved critical in guiding me towards asking the right questions and interpreting the answers. The fact that he was so unselfish with his time, despite the demands of his office, makes me appreciate all the more what a great teacher and representative for McGill University he truly is. My thanks for his patience, unselfishness and good humour over the past three years.

Mary McDaid certainly deserves a spot in the preface of every graduate history student's thesis at McGill. If it were not for Mary taking on the logistical job for the all the students, I am quite sure most of us would have forgotten deadlines, missed scholarship announcements, filled out forms incorrectly, etc. Her tireless work let us all concentrate on our papers and classes to our great benefit. There are simply too many things to thank her for.

Finally, despite the fact that they were six hundred kilometres away, my family and girlfriend deserve to be thanked for their support and patience. They all listened to me and my troubles when things were looking poor, and they were willing to assist me financially when necessary. It was always comforting to know they were on my side and willing to help me, no matter how long it was taking to complete "my masterpiece".

FACULTY REGULATIONS

Candidates have the option of including, as part of the thesis, the text of one or more papers submitted or to be submitted for publication, or the clearly-duplicated text of one or more published papers. These texts must be bound as an integral part of the thesis.

If this option is chosen, **connecting texts that provide logical bridges between the different papers are mandatory.** The thesis must be written in such a way that it is more than a mere collection of manuscripts; in other words, results of a series of papers must be integrated.

The thesis must still conform to all other requirements of the "Guidelines for Thesis Preparation". **The thesis must include:** A Table of Contents, an abstract in English and French, an introduction which clearly states the rationale and objectives of the study, a review of the literature, a final conclusion and summary and a thorough bibliography or reference list.

Additional material must be provided where appropriate (e.g. in appendices) and in sufficient detail to allow a clear and precise judgement to be made of the importance and originality of the research reported in the thesis.

In the case of manuscripts co-authored by the candidate and others, **the candidate is required to make an explicit statement in the thesis as to who contributed to such work and to what extent.** Supervisors must attest to the accuracy of such statements at the doctoral oral defense. Since the task of the examiners is made more difficult in these cases, it is in the candidate's interest to make perfectly clear the responsibilities of all the authors of the co-authored papers.

Introduction

This paper is based on the works of P.J. Cain and A.G. Hopkins, two historians eminent in the field of British Imperial history. In four main works these authors examine a debate on the reasons behind British imperial expansion in the nineteenth and early twentieth centuries, a debate they call, "so diverse and voluminous as to defy ready comprehension." Cain and Hopkins' articles, "Gentlemanly Capitalism and British Expansion Overseas, I: The Old Colonial System, 1688-1850," and, "II: New Imperialism, 1850-1945," in *Economic History Review*, volumes 39 (1986) and 40 (1987) respectively, set out the theoretical framework for their decidedly different explanation for British imperial expansion. In their two volume monograph, *British Imperialism: Innovation and Expansion, 1688-1914*, and *British Imperialism: Crisis and Deconstruction, 1914-1990*, they present numerous case studies to support the arguments made in their first two articles. This paper takes its reference from their 1986 and 1987 articles, and attempts to test their thesis by examining the Canadian context.

Early in their first article Cain and Hopkins make clear the aim of their article: "to show that the impulses making for imperialism ... cannot be grasped without first comprehending the interaction between economic development and the metropole."[1] In D.K. Fieldhouse's reply to

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[1] P.J. Cain and A.G. Hopkins, "Gentlemanly Capitalism and British Expansion Overseas, I: The Old Colonial System, 1688-1850." *Economic History Review*, Vol. 39, 4, (1986) pp 501-525. p 502.

the Cain and Hopkins monograph, Fieldhouse succinctly identified the two parts of their argument; the first being that, "modern British economic development was less industrialization than the emergence of a financial and services sector which, unlike manufacturing, for long dominated the international economy and continued, or a least tried, to do so even after Britain had ceased to be a leading industrial power during the early twentieth century."[2] According to Fieldhouse the second part of their argument posits that, "this sector was controlled by a network of capitalists and those in the higher reaches of the public and service sectors, all of whom inherited and exemplified a code of conduct which had been established by the landed aristocracy and gentry."[3] Cain and Hopkins called these men "gentlemanly capitalists", reflecting their business practices and social position. Fieldhouse paraphrases the two authors' thesis further by saying, "these gentlemanly capitalists dominated public policy, including international relations, because there was no division between business G.C.'s [gentlemanly capitalists] and those in government who made policy decisions."[4]

This paper does not seek to prove or disprove Cain and Hopkins' argument that the metropole (London), its inhabitants, and its activities, were responsible for British imperial expansion. That argument is better left to the D.K. Fieldhouses and Andrew Porters. Rather, this paper attempts to test Cain and Hopkins' contention by reference to Canada.

According to Cain and Hopkins gentlemanly capitalism evolved in Britain from "rentier capitalism."[5] This form of capitalist wealth, based on land ownership in the feudal system of

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[2] D.K. Fieldhouse, "Gentlemen, Capitalists, and the British Empire," *The Journal of Imperial and Commonwealth History*, Vol. 22, no. 3, pp 531-541. p 536.

[3] *ibid.*, p 536.

[4] *ibid.*, p 536.

[5] Cain and Hopkins, "Gentlemanly Capitalism I", p 504.

Stuart England, was replaced at the end of the seventeenth century by a variation referred to as "landed capitalism." The landed elite who controlled this pre-capitalist economic system were most notable for their attitudes towards wealth, the generation of wealth, loyalty and family or clan connections. It was their, "contempt for the everyday world of wealth creation and of the profit motive as the chief goal of activity," that helped define them as a group and characterize their aristocratic power.[6] As Britain's pre-capitalist economy evolved into the nineteenth century, wealth generated from land ownership became less common and less important to the economy as a whole. In its place was a "service sector", centred in London, which came to drive the economic engine of Great Britain and its Empire. This sector included banking, transportation, insurance, brokering, and those activities which allowed one to make money rather than work for it.[7] This manner of creating wealth was seen as more compatible with the landed view of wealth so that, "the more an occupation or a source of income allowed for a lifestyle which was similar to that of the landed classes, the higher the prestige it carried and the greater the power it conferred."[8] Contrary to the traditional British historiography on imperial expansion and economic evolution, Cain and Hopkins claim that industry was incompatible with gentlemanly ideals because such work did not allow sufficient leisure time for the social activities which were essential to success in public life, and public life occupied an important place in the value system of gentlemanly capitalists.[9]

Unlike landed capitalism which used heredity to determine membership in its ranks, gentlemanly capitalism was much more open and flexible in its determination of gentlemanly

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[6] *ibid.*, p 504.
[7] *ibid.*, p 505.
[8] *ibid.*, p 505.
[9] *ibid.*, p 505.

status. Characteristic of the British social hierarchy, there were different tiers of gentlemanly capitalists all bound together by their non-industrial occupations. British administrators and civil servants, drawn largely from the landed or service sectors, were among the City's most powerful businessmen, and their power was derived from their social origins and education in Britain's best public schools and ancient universities, Oxford and Cambridge.[10] The "Oxbridge" crowd was unquestionably at the top of the gentlemanly ladder. The gentlemanly ranks also included, "the higher reaches of the law, the upper echelons of the Church, and the officer class of the armed services."[11] Further down the hierarchy one could attain a prestige, "by reflecting the lustre of those he served."[12] Most importantly for this paper, however, Cain and Hopkins explain that, "high status could be achieved by those who were 'something in the City' or who, as large merchants, managed to distance themselves from the 'shopocracy' of the nation."[13] From Cain and Hopkins description, and from the evidence collected for this paper, religion and/or nationality made little difference as to whether one could attain gentlemanly status. Indeed, one of Britain's largest banks in the late nineteenth century, Rothschilds, was owned and run by a Jewish family. Similarly, many Scottish-Canadian men exercized considerable authority in the City. Such men as George Stephen (later Lord Mountstephen), Sir John Rose, and Donald Smith (later Lord Strathcona) all had Scottish roots, all made their fortunes in Canada and all carved out places for themselves as gentlemanly capitalists.

How did a colonial gain gentlemanly status in London? Certainly, being "something in the City" was not a spontaneous occurrence for a transplanted Canadian, even a Scottish-born

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[10] P.J. Cain and A.G. Hopkins, *British Imperialism: Innovation and Expansion, 1688-1914*. (London and New York: Longman, 1993.) pp 122-124.

[11] Cain and Hopkins, "Gentlemanly Capitalism I", p 506.

[12] *ibid.*, p 506.

[13] *ibid.*, p 506.

one. These men had to demonstrate that their occupation was consistent with the gentlemanly ideal of 'propertied' wealth, not 'acquisitive' or 'entrepreneurial' wealth.[14] Second in importance to a colonial's occupation or source of income was his ability to function in the culture of gentlemanly capitalism. A premium was placed on leisure and social activities to the extent that, "the club-like atmosphere within which City business was transacted ensured that decisions were likely to be taken on the basis of particularist and moralistic assumptions."[15] To be sure, the social clubs of London were the places where decisions and agreements were made. Concepts of honour and mutual trust dominated in the clubs where one's network of personal contacts was his lifeline to the world of gentlemanly capitalism.[16] Any colonial wishing to become prominent in the City had to join one or more clubs.

Naturally, whether he was a colonial or not, he had to possess the financial resources necessary to sustain a public social life. Merchants and bankers of the City amassed gigantic fortunes by investing other people's money, others came to the City already wealthy. Cain and Hopkins point out that a person from an industrial background could become a gentleman, "by abandoning the attitudes or even the occupations which had brought their original success."[17] It may be assumed that the same courtesy would have been extended to colonials given the apparent flexibility of the gentlemanly culture. The three men that will be discussed in this paper, Sir John Rose, Sir Alexander Tilloch Galt, and Sir Charles Tupper, all came to London with diverse backgrounds, but all had one common experience. They had all been (or still were) prominent Canadian politicians. This background in public service provided a natural

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[14] Max Weber, *Economy and Society: An Outline of Interpretive Sociology.*, ed. G. Roth and C. Wittich, (1978) in Cain and Hopkins, Gentlemanly Capitalism I, p 505.
[15] Cain and Hopkins, Gentlemanly Capitalism I, p 508.
[16] *ibid.*, p 507.
[17] *ibid.*, p 509.

asset in the City since British administrators and civil servants were drawn mostly from the landed and services sectors. Their Canadian counterparts, therefore, seem to have been accorded a certain respect that proved a valuable currency in a society of gentlemanly capitalism. This respect would be magnified by a relationship with royalty. Friendship with a member of the Royal Family or a title provided a badge of respectability which gave entrée to the City, equally for a colonial.

Where this paper diverges from Cain and Hopkins' model, is the focus of its case studies. In *British Imperialism: Innovation and Expansion*, Cain and Hopkins examined Canada's relationship with gentlemanly capitalism from a distinctly British perspective. They portray Canada in the second half of the nineteenth century as a colony (and later a nation) that was doomed either to economic collapse or cession to the United States. It is true that American influence on British North America was a topic for great concern among British and colonial officials, but Cain and Hopkins' assumption that gentlemanly capitalism (namely Barings and Glyn) came to the rescue of Canadian autonomy presents only one side of the equation. They suggest that imperial officials and gentlemen of the City acted independently by financing various railway schemes in the hopes of creating a self-sustaining economy that would be inclined to maintain its imperial connection. This is untrue. The Canadian Government played an active role from the beginning in trying to gain financing for railway schemes. Aside from a brief flirtation with annexation in 1849, which Cain and Hopkins acknowledge, the main players of this era were advocates of Empire and as such did not depend on British interests to maintain imperial connections.

There is no question, however, that British capital was essential to the success of the nascent Canadian confederation. Since 1824, when the Welland Canal became the first major infrastructure project to be financed by British interests, there was a "tight interface [between] government and business" in the area of large infrastructure projects.[18] The relationship between Canadian governments and British business was logical and one that Canada needed badly. The large amounts of capital required for expensive infrastructure projects could be found only in the United States and Britain. Since Canada's allegiance lay with the Empire she chose to appeal to financiers in the City of London for large infusions of cash while using domestic tax money for more modest projects. As Tom Naylor explained in *A History of Canadian Business*, there was a "deliberate effort to shift the Canadian public debt from the province to England in order to free funds in Canada for other investment."[19] One of the effects of this early foray by the Canadian government into the investment houses of London was to create a healthy and familiar relationship between the two groups by the time of Confederation in 1867.

Canadian banks were similarly unable to raise and lend capital for large projects. In the nineteenth century Canadian banks were not equipped to handle the type of long-term, debenture-heavy credit arrangements for which British banks such as Barings and Glyn were prepared. In the decades preceding Confederation (and for years after), therefore, Barings and Glyn was the source for almost all British capital destined for Canada. Naylor likened Baring and Glyn's relationship with Canadian Finance Ministers to the Bank of England's relationship

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[18] R.T. Naylor, *A History of Canadian Business, 1867-1914, Vol. I.* (Toronto: James Lorimer & Company, 1975.) p 20.

[19] *ibid.* p 21.

with the Chancellor of the Exchequer.[20] Despite his penchant for overstatement, Naylor's observation was quite true. As early as 1851 Barings and Glyn's influence was great within the united provinces of Upper and Lower Canada. In that year the London bankers received a commitment from the provinces that they would not increase their public debt without first consulting Barings and Glyn.

With the coming of Confederation in 1867, Canada was ready to assume the independence and responsibility for formulating her own economic policies that was associated with her new Dominion status. Sir John A. Macdonald and his Conservative government accepted the challenge and during their first term in office set out to fulfill the promises of Confederation and create a continent-wide, self-sustaining economy. This could only be accomplished with the building of the CPR. A transcontinental railway was needed for many reasons, most of them economic. A railway would provide the means to populate the West and begin farming the rich land on a larger scale. Furthermore, the railway would automatically create an east-west trading network, thereby precluding the necessity of depending on the north-south network dominated by the Americans. Of course, the money needed for this enormous project would have to be found in London where the Canadian government was still active. Although Canada was no longer beholden to Barings and Glyn as they had been in 1851, the bankers were still considered Canada's "financial agents" in Britain. As such, Macdonald needed to be conscious and well-informed about the opinions of the City when he instituted economic changes of the magnitude of the Canadian Pacific Railway. Gentlemanly capitalists in London played a central role in the Conservative's economic policy and political success since offshore money from London still outweighed domestic income.

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[20] *ibid*, pp 22-23.

The only way Macdonald could be well-informed about attitudes and reactions in the City was to have a representative on site, who could receive Macdonald's instructions or comments and act on them quickly. A permanent representative in London, therefore, would facilitate communication and understanding between gentlemanly capitalists and politicians in the City and politicians in Canada. In choosing a representative Macdonald realized that it was necessary to consider the person's social attributes as well as his business knowledge since he would be associating with politicians and businessmen in the gentlemanly culture of the City. Given Cain and Hopkins' portrayal of gentlemanly culture, the successful candidate's ability to mediate and negotiate in the City was dependent on his personal characteristics as well as the structure of his office.

In the nineteenth century there were many private, wealthy Canadians who were a part of gentlemanly culture in London. Many of these were also friends of the government. This paper, however, examines the office of the High Commissioner that was created as a way to address governmental needs and priorities such as the financing of the CPR. The CPR was the core and symbol of Macdonald's positive, interventionist changes in the Canadian economy. Three men will be discussed in the context of the CPR and their office, the High Commissionership. Each man represented a different stage in the evolution of the Office of the High Commissioner and of permanent Canadian representation in London. The social, personal and political characteristics and powers of each man will be examined in relation to the Office's evolution. It is important to view both the Office and the men who occupied it at once since all three men, Sir John Rose, Sir Alexander Tilloch Galt, and Sir Charles Tupper, were

gentlemen in their own right and their success or failure was often a function of how the High Commissionership was viewed by the British Government.

Sir John Rose became Canada's first public link to gentlemanly capitalism in the City and is considered Canada's first *de facto* High Commissioner. From 1869 to 1879 Rose acted as Canada's unofficial representative seeking out investment capital for various projects (including the CPR), protecting Canada's reputation and image in the press, and generally acting as a lobbyist for Canadian interests. His position as a banker, former politician, lawyer and diplomat and member of various boards of directors automatically counted him among the gentlemanly elite of the City. His unofficial status aided him in his representation because it was understood that Rose was in London on an informal basis and the Imperial government's imperial policy was not threatened. He was able, therefore, to maintain his ties to the government and create a place for himself in the City's gentlemanly capitalist culture. His successes and the needs of the Canadian government argued for the formal creation of the Office of High Commissioner and the appointment of Sir Alexander Tilloch Galt.

Sir A.T. Galt became Canada's first High Commissioner in 1880 when Sir John A. Macdonald determined that Canada needed official representation in London because of his government's economic imperatives. Galt was chosen, like Rose, because of qualities that would allow him to operate more smoothly in gentlemanly circles. As a former businessman and politician who was acquainted with the workings of the City and possessed powerful contacts with boards of directors and bankers, Galt was also knowledgeable in the area of railways and land settlement, two subjects that were high on the list of the High

Commissioner's instructions. He failed, however, to forge a good relationship with Gladstone's governing Liberals. This was partly due to the British Government's reluctance to extend the autonomy of the colonies and Galt's shortsighted hostility towards the Liberals. Without endorsement from the British government Galt's status in London was put into question and his effectiveness in the City was limited.

Sir Charles Tupper came to the Office in 1883 while still a member of Sir John A. Macdonald's cabinet. He had been involved in politics for some thirty years and was one of Macdonald's most trusted allies. Tupper was valued and respected because of his long-time and extensive involvement in Canadian railways. His knowledge of railways and their relation to Canada's economy made him one of Canada's most powerful politicians thereby assuring him of government recognition and endorsement in London. Once gained, Tupper used his power in the City with great effectiveness, as various British and Canadian officials testified, and he had no difficulty assuming the gentlemanly lifestyle. Like Rose and Galt, Tupper had powerful contacts in the City including a friendship with the Royal Family. Tupper's forceful, aggressive, and sometimes bombastic personality made him a formidable Canadian representative. Tupper was largely responsible for convincing Barings to provide financing for the last and most expensive portion of the CPR in 1885.

This study is based on both primary and secondary sources. The voluminous Macdonald papers (MG26 A) at the National Archives of Canada provide the most information regarding the High Commissioner's actions in London since Rose, Galt, and Tupper were all personal friends of Macdonald, who corresponded regularly with the Prime

Minister on a broad range of subjects. The personal papers of Galt and Tupper, also at the National Archives, are disappointingly sparse for the period they served as High Commissioner. This may be explained by the fact that many of Tupper's papers were not released by his family or simply disappeared. In Galt's case, the period of 1879 to 1883 was not a happy one for him and his family. The bulk of his correspondence are of a personal nature, largely with his wife, and from a happier time than when he was Canada's High Commissioner. Sir John Rose's personal papers are not at the National Archives but his letters to and from Macdonald provide ample information and evidence as to his position and standing in London.

This study has used a number of secondary sources. Two works in particular, both Ph.D. dissertations, deal directly with the origins of the Office of High Commissioner. Wilfred Irvin Smith's "Origins and Early Development of the Office of High Commissioner" provides a thorough examination of the establishment, development, and functions of the High Commissioner's office up to 1896 and gives a brief summary of the earlier stages in representation. Wesley Barry Turner's "Colonial Self-Government and the Colonial Agency: Changing Concepts of Permanent Canadian Representation in London" is a broader study than Smith's. It deals with the evolution of the Canadian concept of permanent representation in London from 1848 (when responsible government was first granted to British North America) to 1880 and the establishment of the Office of High Commissioner. Turner's study is particularly useful for his examination of Canada's *ad hoc* missions, especially Sir John Rose's.

The first scholarly article to look at Sir John Rose's time in London appeared in the *Canadian Historical Review* (1931). M.H. Long's "Sir John Rose and the Informal Beginnings of the Canadian High Commissionership" deals solely with Rose's agency during

the years 1869-1879 and raises many issues that require further examination. H. Gordon Skilling's *Canadian Representation Abroad* (1945) was the first major work in this field. In this work Skilling examines the "machinery" of Canadian external representation beginning in about 1868. D.M.L. Farr's *The Colonial Office and Canada, 1867-1887* presents a series of "case studies in the relations between United Kingdom and Canada in the period 1867-1887." He selects six problems, analyzes how they were dealt with by the two countries, and examines the consequences for their relationship. Chapter Eight deals with the creation of the High Commissionership and in other chapters the roles of Canadian representatives are touched upon when necessary. Dr. Farr illustrates the Anglo-Canadian relationship at work but he is not concerned with the origins or development of permanent Canadian representation in London.

Sir John Rose:

Canada's First *De Facto* High Commissioner

If one accepts Cain and Hopkins' argument that gentlemanly capitalists in the City of London, and their constant drive for opening new areas of investment opportunity, were responsible for British imperial expansion in the late nineteenth century, then Canada is a good place to begin to test their hypothesis. Having gained Dominion status in 1867, Canada was well positioned to take advantage of the outflow of investment capital from the City of London because of her need to build the supporting infrastructure for a large territory. In securing this capital, few Canadian men were more important than the representative of the Canadian government, the Canadian High Commissioner. Given the gentlemanly capitalists' emphasis on personal honour and trust in business and social affairs, one's social standing and network of contacts contributed significantly to the ultimate success of business relationships. Canada's High Commissioner depended on his social graces and gentlemanly qualities to represent Canadian interests effectively in the Empire's financial centre. Without this vital link to gentlemanly capitalism, the City's financial avenues would have been obstructed and some of Canada's most important public projects may never have been completed. Among these projects was the Canadian Pacific Railway which, in the first five years of its existence, struggled continually to find large investments to float this great transcontinental project. Canada's link to the City and

gentlemanly capitalism worked diligently in the clubs and banks of London to ensure Canada's national dream came to fruition.

The CPR was only one part of a grander scheme called Confederation. The British North America Act of 1867 conferred no additional autonomy on the newly created confederation but it gave the enterprising fathers of Confederation an opportunity to realize expensive economic plans and projects which had been heretofore constrained by geographic, constitutional and fiscal issues. Such were the plans to build a transcontinental railway and settle the North-West with immigrants. These were mainly economic projects that were promoted by rail, land and banking interests who were anxious to cash in on potential profits. In the process they became the cement of a new nation. As had been the case in pre-Confederation Canada, however, financing for large projects could not be found internally. *Ad hoc* missions to London by businessmen and politicians sometimes proved fruitful (such as the St. Lawrence canal system and the St. Lawrence and Atlantic Railway) but were generally limited by a lack of full-time, on site representation. Confederation provided a better way to pursue money in London because a coherent and central government in Canada provided a more authoritative voice on national projects. Domestically, Confederation allowed the central government to have control of economic incentives such as tax breaks, guarantees, land and business loans, all used in the hopes of stimulating the economy and expanding Canada's small tax base. In order to realize the imperial and domestic benefits of Confederation, Sir John A. Macdonald understood that Canada needed a representative in London whose importance was commensurate with both

the Dominion's status and needs. In 1869, Sir John Rose was chosen to be the first man to represent and promote Canada's interests in London as its unofficial representative. Years later, Rose would be recognized as Canada's first High Commissioner in all but name.

Sir John Rose was born in Turiff, Aberdeen, Scotland on August 2, 1820 to William Rose and Elizabeth Fyfe. Before immigrating to Lower Canada with his parents at age 16, Rose received a good education, entering King's College of the University of Aberdeen at thirteen years of age, where he studied the arts. The young Rose dropped out of King's College one year after he began his studies, however, and did not continue his education on a formal level even when the family settled in Huntingdon, Lower Canada in 1836. Rose chose instead to study law in Montreal under two prominent lawyers Adam Thom and Charles Dewey Day. Rose's apprenticeship under Day could only have been beneficial for his future career in finance, since Day acted as counsel for such important timber barons as Ruggles and Philemon Wright and as advocate for the British American Land Company.[1] In 1842 Rose was called to the bar to begin an auspicious career in law, politics, diplomacy, and finance.

Sir John Rose's relationship with Montreal business was built on his successful commercial law practice. As a lawyer and rising young star in Montreal mercantile circles in the late 1840's and 1850's, Rose served as Director of the Bank of Montreal and sat on

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[1] Carman Miller, *Dictionary of Canadian Biography*, Vol. XI, ed. Francess G. Halpenny (Toronto: University of Toronto Press, 1982.) Day is also known for his efforts as an educationalist, being credited with McGill University's progress and prosperity during the mid-nineteenth and for his political and judicial career as MP for his Ottawa constituency and Supreme Court judge. His experience was likely valuable to Rose as illustrated by Rose's similar career plan.

the boards of the City Bank, the Montreal Telegraph Company, the Grand Trunk Railway, and North British and Mercantile Insurance Company. A testament to the success and reputation of his law practice were his clients, men such as Sir George Simpson, Hugh Allan, and Sir George Stephen, all captains of Montreal business. Rose's early and easy association with Montreal's financial elite would serve him well in Canada and in the City.

Rose's entry into politics in 1857, gave him an opportunity to play a larger, more international role, to represent Canada abroad, especially in Great Britain and the United States. Sir John A. Macdonald, who first met Rose in the 1840's, was impressed with his financial and negotiating abilities during a trip to London in 1857 where the two men tried to obtain imperial guarantees on loans from the British Government for the building of the Intercolonial Railway.[2] Although their mission failed, the two men forged a lasting friendship. Macdonald found in Rose a colleague whom he could trust with financial matters, especially negotiations with British money-lenders. In November, 1857 Macdonald appointed Rose Solicitor General for Canada East even before Rose had contested a seat for the Legislative Assembly. In the ensuing election he won a seat as a Conservative for his Montreal-Centre riding. Rose, however, never became an accomplished party loyalist and partisan politician. He chose instead to support those issues and projects which he saw as of national importance, regardless of the political party that sponsored them.[3] Rose's non-partisan character proved valuable in 1875 when the Liberal Prime Minister Alexander Mackenzie chose to retain Rose (a Macdonald appointee) as the government's Financial Commissioner

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[2] In the *Dictionary of Canadian Biography*, Vol. XI, p 766, D.M.L. Farr explains that shortly after the two men met, they and a third man traveled to the United States as strolling musicians where, "Macdonald played some rude instrument, Rose enacted the part of a bear and danced ..."

[3] D.M.L. Farr, *Dictionary of Canadian Biography*, Vol. XI (1881-1890), ed. Francess Halpenny (Toronto: University of Toronto Press, 1982.) p 767.

in London, despite Mackenzie's recent appointment of Edward Jenkins as Canada's new Agent General.

In 1858 Rose was named Receiver General, and in 1859 was appointed Canada's Minister of Public Works. His time as Minister of Public Works was a difficult one, however, because of the controversy over the construction of the Parliament Buildings in Ottawa. Although construction of the Buildings began in 1860, the project was almost immediately over-budget and fraught with difficulties owing to a lack of cooperation between the architects and officials in the Public Works Department.[4] Whoever was at fault, Rose became the object of attack, and on June 21, 1861 he resigned his cabinet position due to the pressure of his public duties. Although he retained his seat in Parliament, and in 1863 was re-elected in his Montreal-Centre riding, Rose did not hold another Ministerial position until the Confederation Cabinet of 1867.

During the intervening years Rose concentrated on his large and thriving law practice which had by now made him a wealthy man (wealthy enough to own a house on Montreal's affluent Mount Royal). He also began to carve out a name for himself as a diplomat by helping negotiate a settlement for the Hudson's Bay Company in their claims for compensation for lands in the Oregon Territory that were ceded to the United States in 1846. Since Rose had acted as HBC counsel in Canada for some years, he was well acquainted with the subject and was asked to represent Britain on the British-American joint commission constituted to settle the claims. In 1869, the HBC and its subsidiary, the Puget's Sound Companies, were awarded $650,000 in gold by the Commission. The six-year experience gave Rose an opportunity to increase his international prominence and

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[4] *ibid.*, p 767.

make contacts with powerful American and British businessmen and politicians.[5]

Since the City operated on "an extended network of personal contacts based on mutual trust and concepts of honour," Rose's London experience prepared him for his position.[6] The personal friendships and professional associations that he had made while counsel for the HBC, one of the Empire's largest companies, extended his network of social, business and political connections. For example, his close friendship with Thomas Baring, the Conservative MP and senior partner at Barings Brothers (which along with Glyn and Mills was Canada's financial agents in England) provided a useful entrée to London's gentlemanly capitalists. As gentlemanly capitalist with a network of useful contacts, Rose was well placed to represent Canada's interests at the highest levels in the City.

Despite Rose's considerable social and political assets he was uncomfortable in politics; and in 1869 after only a year as Canada's Minister of Finance Rose left politics. A year before, he explained to Thomas Baring that he had become weary of politics and felt that he was becoming, "a mere automoton." According to him, official life was "incessant and aggravating - to say nothing of the utter destruction of Domestic comfort."[7] During that year Rose tried to implement a single-currency system in Canada, but he encountered opposition from Members of Parliament west of Montreal who saw Rose's scheme as an attempt to concentrate financial power in Montreal at Toronto's expense.[8] The final frustrating blow came when Macdonald, fearful of the political consequences, withdrew Rose's currency legislation. Rose resigned his seat in the

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[5] E.E. Rich, *The History of the Hudson's Bay Company, 1670-1870*, Vol. II: 1763-1870. (London: Hudson's Bay Record Society, 1959.) pp 735-748.

[6] Cain and Hopkins, "Gentlemanly Capitalism I", p 507.

[7] Rose to Thomas Baring, September 13, 1868. Cited in Smith, *Origins*, p 44.

[8] Farr, *DCB*, p 768.

Cabinet and the House of Commons and decided to move to London to pursue a career in international finance; a most gentlemanly occupation.

Rose's decision to move his family to London was not a difficult one. He and his wife, Charlotte Temple of Vermont, were anxious to return to Great Britain to be near their three children (two daughters and a son) all of whom had recently married and were living in England and Scotland.[9] Indeed, during the previous decade Rose had sought investment or career opportunities that would allow him to retire in London. When the New York bankers, Morton, Bliss, and Company, therefore, asked Rose to head up their London office this position provided Rose with the ideal opportunity. Three weeks after Rose offered Macdonald his resignation on September 27, 1869, he was in London, installed in his new position with Morton, Rose and Company. The financial terms were a considerable incentive. Along with the £10,000 per anum salary, his status as "partner" gave him access to a portion of the Company's profits. It also enhanced his prestige in the City. As a managing partner, Morton, Rose and Bliss certainly confirmed Rose's status as a gentlemanly capitalist.

Almost simultaneously with Rose's new position with Morton, Rose and Company, Macdonald appointed him as Canada's unofficial resident minister in London. Rose did not appear to seek a more formal status because, as he explained to Macdonald at the time, there were "hardly any grounds for giving it an extensive diplomatic character."[10] Firmly committed to personal diplomacy, Rose made it his business to get acquainted with the leading politicians and government officials of the day, thereby enhancing his list of contacts in the City and his ability to use personal influence to

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[9] Smith, *Origins*, p 44.

[10] Rose to Macdonald, August, 1869, MG26 A, Vol. 258, pp 116585-116587.

negotiate understandings and accommodations.[11] He also recognized that official representative status in London could be gained only from an Imperial Government that was anxious to preserve its sovereignty. Indeed, not until 1880 and the creation of the High Commissionership did Canada secure this official representation in London. Macdonald agreed with Rose and in 1869 gave him free reign to work as he saw fit. Macdonald could not afford to argue with Rose on this point for fear of souring him on the mission, nor could he take the chance of raising problems with the Imperial Government regarding official colonial representation; nor did Macdonald see any need to do so. At the same time, the issue of Rose's status seemed unimportant considering the other pressing issues. Eventually, the question of Rose's status became moot when, through his skillful handling of diplomatic and financial matters, Rose earned *de facto* official status.

Sir John Rose's position as unofficial representative was not Canada's only experiment with on site representation in London before the High Commissionership was formally created in 1879. In 1874, Canada adopted the example of the Australian colonies, and established an Agent General in London, a British Member of Parliament who served as a colony's voice in London. Canada's 'Agent General' replaced the positions of the emigration and commercial agents, who lacked any formal diplomatic status. But, as D.M.L. Farr reminds us in *The Colonial Office and Canada*, emigration and commercial agents possessed semi-consular status.[12]

Canada's first Agent General, the British MP Edward Jenkins, was charged

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[11] Turner, *Colonial Self-Government*, pp 199-200.

[12] D.M.L. Farr, *The Colonial Office and Canada, 1867-1887.* (Toronto; University of Toronto Press, 1955.) p 255.

with several responsibilities. He was to retain regular contact with the Canadian government, receive and follow their policies as they related generally to emigration, as well as act as advocate, lobbyist and advisor on any Canadian matter which came before the appropriate minister(s) in Whitehall. If necessary, Jenkins was also responsible for negotiating with the Imperial Government on Canada's behalf. These affairs of state had previously been handled by visiting Canadian cabinet ministers, but more constant and reliable representation was needed. The possibility of conflict between Jenkins and the Canadian Government was clear, however, because Jenkins' success depended heavily on his ability to act impartially among his peers on behalf of a territory thousands of miles away. Moreover, Sir John A. Macdonald, who was leader of the Opposition in 1874, was worried that Jenkins would not have the ear of the Imperial Government because the Liberal MP had criticized the British Conservative Government of the day.[13]

For Canada's Liberal Prime Minister, Alexander Mackenzie, his selection of Jenkins as Agent General was easy to justify. In Mackenzie's view, the Agent General was a complimentary position to the Canadian immigration service, a service that had lacked an official with diplomatic or political status. The original title given the position, General Resident Agent for the Dominion and Superintendent of Emigration, was more reflective of Jenkins' duties. He had complete control over European emigration, gave attention to 'Canadian gentlemen calling in London,' and if the Canadian government so desired, looked after political missions to the Imperial Government.[14] Conflict soon arose between

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[13] H. Gordon Skilling. *Canadian Representation Abroad: From Agency to Embassy.* (Toronto: The Ryerson Press, 1945.) p 86.

[14] *ibid.*, p 86.

Jenkins and the Canadian Minister of Agriculture over the extent of Jenkins' authority. Some people in the Canadian government felt that Jenkins had overstepped his authority and threatened Canadian authority by ignoring directives sent by the Minister of Agriculture. Jenkins resigned the office at the end of 1875 when the Canadian Government reorganized the emigration service. The new officer in charge was called the Canadian Immigration Agent, and he carried the rank of a first class or chief clerk in the Civil Service. Canada's first experiment with an official representative in London was short.

Throughout 1874 and 1875 Sir John Rose carried out his duties as Canada's unofficial representative in London. These duties included consolidating old loans at more attractive interest rates and payment structures. Mackenzie regarded Rose's work as important and, therefore, gave Rose the official title of Financial Commissioner in London. It did not change Rose's unofficial status, however. Originally, Macdonald planned to give Rose an official position, but this idea was vetoed by Rose himself because he believed that he could discharge his duties without the position having "an extensive Diplomatic character."[15] Macdonald acceded to Rose's view because the issue of status was comparatively unimportant when set against the immediate issues (debt restructuring, financing for the CPR) which Confederation had spawned. Macdonald was also reluctant to push for the status of 'resident minister' for fear of inflaming Little Englander sentiment in the British Parliament and public.[16] Therefore, the Order in Council that established Rose's appointment made clear his informal

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[15] Rose to Macdonald,, August, 1869, MG26 A. Vol. 258, pp 116585-116587.

[16] Wilfred Irvin Smith, *Origins and Early Development of the Office of High Commissioner.* (University of Minnesota, Ph.D. Thesis, 1968) p 40.

standing:

> The undersigned begs leave further to recommend that as Mr. Rose is about to reside permanently in England the Canadian Government should take advantage of the knowledge he possesses of the affairs of the Dominion and request him to act, from time to time, on its behalf in matters affecting its interests and which may be referred to him for his action and that he may be accredited to Her Majesty's Government as a Gentleman possessing the confidence of the Canadian Government with whom Her Majesty's Government may properly communicate on Canadian affairs.[17]

What qualities did Rose possess that prompted Macdonald to choose him for this position? Rose's experience, ability, social and political skills were strong and convincing credentials for the office. Moreover, Rose's and Macdonald's close personal relationship inside and outside of the Cabinet gave the two men the basis of a firm mutual understanding and confidence. Timing also played a major part in Macdonald's choice. Rose's decision to leave politics at a time when post-Confederation financial matters were taking on a new level of importance made an immediate and strong choice imperative. The unification of the provinces meant that new debt arrangements had to be made with Canada's financial agents in London, Barings and Glyn. Furthermore, the recent purchase of the HBC territory and the building of the CPR to the coast of British Columbia would surely call for an expenditure outside of the government's immediate resources. Financial assistance from the Imperial Government or from the City, similar to what the Grand Trunk Railway had received, was unavoidable. Whether or not it was a coincidence that Rose left politics at this time, it was fortunate that he had the necessary qualities for the job he was assuming.

Sir John Rose's most valuable qualities, in terms of serving as Canada's unofficial representative, were those related to his gentlemanly status in the City of London.

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[17] Privy Council Minutes, P.C. 716, October 2, 1869.

Over two decades as a politician, diplomat, and owner of the largest law practice in Montreal, Rose had cultivated close working relationships with politicians and financiers in Canada, Britain, and the United States. His business experience, sitting on numerous boards of directors was formidable and allowed him to establish easy and useful contacts. Occasionally he had served as counsel for Barings and Glyn in Canada.[18] Having close ties to the Grand Trunk Railway and Hudson's Bay Company, two of the Empire's most conspicuous businesses, and Barings Brothers, arguably London's richest and most influential bank, put Rose at the heart of the City's financial centre.[19]

Similarly, Rose's close personal relations with influential politicians and businessmen gave him easy access to power and influence. Chief among his friends was Thomas Baring, Conservative MP, friend of Disraeli and closely associated with an array of British politicians connected to colonial affairs. Rose's frequent official visits to Britain while a Canadian cabinet minister cemented a friendship with Edward Ellice, Liberal MP and an intimate friend of Gladstone.[20] The fact that Rose found friends in both the Conservative and Liberal parties reinforced his non-partisan character. As Wilfred Irvin Smith noted in his study, *Origins and Early Development of the Office of the High Commissioner*, an even more useful friend was Edward the Prince of Wales.[21] Rose had met the Prince in 1860 when, as Minister of Public Works, he was responsible for coordinating his cross-country trip. The Prince had been favourably impressed with Rose's efficient planning of the

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[18] Smith, *Origins*, p 45.

[19] Barings Brothers and Glyn and Mills acted jointly as Canada's financial agents in Britain, but they were separate companies altogether. By the 1890's, Glyn and Mills would be incorporated into the Bank of Scotland and Barings Brothers would suffer an ignominious near bankruptcy because of bad investments in South America.

[20] Smith, *Origins*, p 46.

[21] *ibid.*, p 47.

Royal tour which entailed coordinating close to three hundred members of Prince's entourage. While in Montreal, the Prince had stayed with Rose at his residence on Mount Royal. According to Wesley Barry Turner in *Colonial Self-Government and the Colonial Agency*, the friendship which developed between the two men gave Rose "entrée into the highest circles of English society."[22] Rose's access to the British elite gave him an invaluable asset in representing Canadian interests in London. Indeed, as Turner points out, Rose's social assets were invaluable to him when dealing with high government officials, politicians and financiers because he could "speak to business or government leaders as an equal."[23] As a result, he came into the closest touch with the inside developments of British politics.[24]

Aside from Rose's influential contacts and gentlemanly occupation, he possessed personal attributes which enhanced his gentlemanly status. The City's gentlemanly lifestyle depended heavily on social interaction, carried out in the City's social clubs and at private dinners. Rose belonged to the prestigious (and conservative) Athaneum Club and entertained businessmen and politicians in his London home. His personal wealth, his ability to support the considerable cost of club memberships and dinner parties made this possible. The owner of Montreal's largest law practice, Rose was a wealthy man when he arrived in London. In London he augmented his wealth through his partnership at Morton, Rose, and Company. The London office was a separate legal entity from Morton, Bliss, and Company that secured its own business, maintained a separate capital account and only

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[22] Wesley Barry Turner, *Colonial Self-Government and the Colonial Agency: Changing Concepts of Permanent Representation Abroad.* (Duke University, Ph.D. Thesis, 1970) p 205; Wilfred Irvin Smith, *Origins and Early Development of the Office of High Commissioner*, p 47.

[23] Turner, *Colonial Self-Government*, p 207.

[24] M.H. Long, "Sir John Rose and the Informal Beginnings of the Canadian High Commissionership," The Canadian Historical Review, 1931, Vol. 12, University of Toronto Press, p 29.

cooperated with the American firm.[25] Rose's £10,000 per year salary, not to mention his share of the company's profits ensured his continued ability to support the costs of gentlemanly status.

Titles were another badge of gentlemanly status, which gave the recipient social standing and entrée into 'polite society'. In 1870 Rose was named KCMG; and in 1872 Sir John was elevated to a Baronetcy, with the title Rose of Montreal, for his work in the Washington Conference. Then, in 1878, he was promoted to GCMG. Only one other Canadian, Sir John A. Macdonald himself, had ever received the latter title before Rose. If all that was needed to become a gentleman in London was to be "something in the City", as Cain and Hopkins claim, then Rose's titles alone demonstrate his place and standing.

Sir John Rose's personal character facilitated his social advancement. Sir Joseph Pope, one of Sir John A. Macdonald's biographers, has described Rose as a man of "singularly happy disposition and affectionate nature," who was known for his "courteous and pleasant manner," which made him widely popular on both sides of the ocean.[26] Caleb Cushing, the American counsel in the HBC and the Puget's Sound Companies dispute described Rose as a "gentleman who enjoyed the confidence of both cabinets," (British and American).[27] In 1870, Colonial Secretary Lord Granville expressed his pleasure with Rose's appointment as Canadian representative by writing that "the presence of Sir John Rose here has been of great use and comfort to me," and "it is impossible to have an abler man with

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[25] Farr, *DCB*., p 770.

[26] Sir Joseph Pope, *Memoirs of the Right Honourable Sir John Alexander Macdonald.* (Toronto: Oxford University Press, 1930) p 66.

[27] Long, "Sir John Rose," p 26.

whom to transact business."[28] In the opinion of M.H. Long, Rose's abilities and personality meant that "he was at once received into the most intimate confidence of the colonial and foreign offices on many matters."[29] While Rose's professional accomplishments, credentials and his wealth went a long way towards helping Rose gain acceptance in London's gentlemanly circles his amiable and urbane personality contributed to his success and standing. Kindness, intelligence, and a good-natured character still held social currency in Victorian England.

When Macdonald appointed Sir John Rose to London in 1869 to serve as Canada's unofficial representative, he carried with him an Order in Council listing thirteen instructions. Among the instructions was one directing Rose to keep in communication with the British Government regarding any negotiations with the United States that involved Canadian affairs, especially those pertaining to fisheries, borders, and trade. While this instruction covered his participation in the HBC-Puget's Sound Companies dispute, it had a wider reference. Most of Rose's instructions dealt with his financial duties and referred to issues related to the completion of Confederation, such as the sale of HBC territories to the Dominion, emigration to the North West and the revision of Canada's debt and borrowing arrangements with Barings and Glyn. Previously, most of these matters were addressed by a visiting Canadian minister in Britain on a special mission. After Confederation these issues were too important to be left to an itinerate Cabinet Minister. Macdonald and his government could think of few men more qualified to whom it could entrust these matters than Sir John Rose.[30]

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[28] Pope, *Memoirs*, p 131.
[29] Long, "Sir John Rose," p 26.
[30] Smith, *Origins*, p 38.

The most important subject entrusted to Rose, however, was the construction of a transcontinental railway. Courting Imperial support for this project, in terms of guaranteed loans and finding interested investors in the City and the Continent, and defending the railway in the biased London press took up much of his time. Without Rose's acquaintance with financial men and matters and his ability to interact with the City's gentlemanly capitalists, it is questionable whether the Canadian Pacific Railway would have been taken seriously in London as a competitor of the Grand Trunk Railway.

Rose remained closely involved with the Pacific railway schemes from 1872 until his death in 1888. The first Pacific Railway scheme, launched by Macdonald's government in 1872, began with a search for a suitable private syndicate capable and willing to construct the immense railway. In these early stages Rose was useful to Macdonald both politically and financially, from his position in the City. He provided an excellent channel for communication. As rival syndicates organized and presented their contract bids in Canada, Macdonald kept Rose informed about the nature of these groups and his government's negotiations with them.[31] In turn, Rose kept informed on the City's reaction to every movement. Clear communication regarding the railway was vital to Macdonald because Canada's economic future was depended on it and Macdonald's political prospects were also tied to it. Hence, the growing and pressing need to have a man in London.

As the man on the spot, Rose was well placed to judge the City's financiers' and investors' reactions to this project. When a London newspaper reported in 1872 that a member of Hugh Allan's CPR syndicate was withdrawing his support for the railway, Rose immediately relayed the report to Macdonald. The Prime minister responded by sending

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[31] Turner, *Colonial Self-Government*, p 226.

Rose all the details of the story, confident that Rose would place the proper construction on the information. Since Rose was a friend of John T.Delane, Editor of the *Times*, he was able to have the Canadian version of events printed in the London press anonymously.[32]

Another example of Rose's role in London was his interventions, a year later, shortly before contract negotiations were completed with Allan's syndicate. At that time Rose reported to Macdonald that he was "not sure that the premature discussion of the project [in the *Times*] will help the financial arrangements, and it is a little unfortunate that the announcement in connection with the undertaking should have been coupled with allusions to the American lines especially as the results of the working of the latter are stated very inaccurately."[33] Little did Rose realize that defending the CPR from both inaccurate and grossly misrepresented lies was going to be one of his most consistent and onerous duties while in London. Nor was it an easy task since there were many gentlemen in the City who were hostile towards the CPR, owing largely to its competition with the faltering Grand Trunk Railway. Conscious of this hostility, Rose wrote to Macdonald during the Royal Commission into the Pacific Scandal (a scandal which ended Allan's aspirations to win the CPR contract) that he "went to see Delane and some friends connected with the *Telegraph* and the *Daily News* and asked them to suspend any further criticism until the whole of the evidence and the Report of the Commission could be got ... to which they assented."[34] While Rose had won a battle, the war continued, waged on the pages of the London newspapers for a decade and a half. As a consequence, this issue remained high on

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[32] Rose to Macdonald, March 27, 1872. MG26 A, Vol. 123, pp 50524-50527.
[33] Rose to Macdonald, February 22, 1873. MG26 A, Vol. 258, pp 117269-117270.
[34] Rose to Macdonald, October 16, 1873. Cited in Long, "Sir John Rose," *Canadian Historical* Review, 1931. p 39.

Rose's agenda and that of his successors, Galt and Tupper.[35]

Public relations was only part of Rose's 'Pacific' dossier. During Macdonald's first Pacific Railway Scheme, Rose helped Allan's syndicate find London money for the mammoth undertaking. As a banker Rose was well placed to assist, which Macdonald appreciated and welcomed.[36] In April, 1873 Rose worked diligently with the future Prime Minister of Canada, J.J.C. Abbott, in preparing financial proposals for Barings and Glyn whereby Allan's group would borrow £20,000,000 to be repaid over an extended period of time.[37] Acceptance of this proposal in Britain was key to the future survival and success of any large, new colonial railway scheme. The psychological value in London of being able to prove one's respectability through gaining investors' interest and confidence was priceless.[38] Consequently, Rose introduced Allan's syndicate to the representatives of Barings and Glyn on April 5. But the task was a difficult one and by May 1 Rose reported that "the difficulty of getting responsible parties willing to undertake so large a responsibility ... [is] nearly insurmountable." Nevertheless he had "made a good deal of confidential enquiry of leading parties both here and in Amsterdam and Frankfurt with the same result."[39]

What was remarkable about this situation was not that Rose could not help Allan find investors in London or on the continent, but that he managed to persuade Barings and Glyn to participate in the discussions. There were two reasons for the City's reluctance to invest in this project. First, the year 1873 marked the approximate

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[35] Turner, *Colonial Self*-Government, p 240.
[36] Smith, *Origins,* p 69.
[37] Rose to Macdonald, April 3 & %, 1973. MG26 A, Vol. 258, pp 117277-117281.
[38] R.G. Moyles and Doug Owram, *Imperial Dreams and Colonial Realities: British Views of Canada, 1880-1914.* (Toronto, Buffalo, London: University of Toronto Press, 1988) pp 144-145.
[39] Rose to Macdonald, May 1, 1873. MG26 A, Vol. 258, p 117285.

beginning of a prolonged recession throughout the Western world that lasted for most of the decade. During this period British capital turned inward and as a result colonial projects languished.[40] Second, both Barings Brothers and Glyn and Mills and their respective leaders Thomas Baring and George Glyn had invested heavily in the Grand Trunk Railway ever since it had appeared on the London market. After poor Canadian participation in stock and bond issues, extravagant overspending on construction and the poor management of the road, public investment all but ceased, leaving Barings and Glyn as the largest institutional investors to support the GTR. By 1858 Barings had £361,500 invested in GTR shares and debentures, while by 1862 Glyn's liability amounted to £736,000.[41] Given these circumstances both Barings Brothers and Glyn and Mills were reluctant to consider proposals from a rival Canadian railway syndicate that intended to compete against the GTR. In 1873, this seemed tantamount to contributing money towards one's own demise. Even though the CPR's initial proposals were not taken up in London Rose's position as gentlemanly capitalist proved to be solid as he organized the negotiations with Barings and Glyn and used his personal relationship with Thomas Baring to further Canada's interests and national dream of a transcontinental railway.

The ignominious fall of Sir John A. Macdonald's Conservative government after the Pacific Scandal marked a quieter period for Rose in London in terms of railway financing. The new Liberal Prime Minister, Alexander Mackenzie, had different plans on how his government might establish transportational links with the Pacific coast.

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[40] Owram and Moyles, *Imperial Dreams*, p 149.

[41] D.C.M. Platt and Jeremy Adelman, "London Merchant Bankers in the First Phase of Heavy Borrowing: The Grand Trunk Railway of Canada." *Journal of Imperial and Commonwealth History*, 18, 2, (1990) pp 220-221.

His plan for the transcontinental railway was a piecemeal scheme in which the government would help pay for construction as it could afford it. Nonetheless, the Canadian government used Rose's good offices to secure favourable publicity about the railway and arouse interest among British financiers and contractors.[42] Conscious of the growing importance of Rose's office and appreciative of his abilities, on March 5, 1875 Mackenzie named Rose as Canada's Financial Commissioner of the Dominion of Canada. To devote more of his time to his public duties, in 1876 Rose retired from Morton, Rose and Company leaving matters to his son Charles Rose while still retaining significant influence on the firm. As Financial Commissioner Rose assumed increased and more formal responsibilities on Canada's behalf. Mackenzie's new instructions to Rose directed him to play a more active role in financial matters such as consulting Barings and Glyn about investments and arranging the details of bond issues.[43] Rose was also directed to monitor the effectiveness of Barings and Glyn's work for the Canadian Government and, if necessary, supplement their operations.[44] The trade depression of the 1870's obliged the Liberals to give greater attention to the country's solvency. Their decision to formalize Rose's functions was a reaction to the poor economic conditions and the prospect of having to take out loans in the coming years amounting to approximately $75,000,000. By having Rose on the spot to oversee the new loans, and by consolidating previous loans through converting existing bonds to new series of bonds, the Liberal government thought that "a person of standing conversant with the City business might easily work off a few hundred thousands a year by actual sales of this kind."[45] In other words, he

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[42] Turner, *Colonial Self-Government*, p 228.
[43] Smith., *Origins*, p 72.
[44] *ibid.*, p 72.
[45] Cartwright to Rose, March 8, 1875, MG26 A. Cited in Smith, *Origins*, p 71.

would more than pay for his keep in the City. Liberals no less than Conservatives appreciated the value of having a link to gentlemanly capitalism in the City.

With the re-election of Macdonald's government in 1878, railways assumed a new importance, though it was not until 1880 that Macdonald's government resuscitated its Pacific plans. By this time, however, Rose's standing had changed. This was due to the creation of the Office of High Commissioner in London. In 1879, Sir Alexander Tilloch Galt, former Conservative Finance Minister, entrepreneur, and friend of Macdonald, became Canada's first officially named High Commissioner. Rose's duties and abilities were valued too highly by the Canadian Government, however, to let him simply fade out of Canada's London affairs altogether. A letter from Rose to Macdonald at the time of the changes indicates the delicacy with which the situation was handled in order to maintain Rose's services without alienating the new High Commissioner:

> I have thought a good deal as to how the preserving my status with regard to powerless in public estimation and indeed impairing his usefulness ... I can only may indicate a desire for my cooperation without regard to pecuniary susceptibilities.[46] object you desire is to be attained, namely Canadian affairs without rendering Galt I would go further and say without assure you that wherever the government it will be given loyally and cordially - considerations or by personal

Rose's magnanimous words belied his true feelings that he had special qualities of a social nature that Galt could not easily replace. Rose went on to explain that, "confidence and the willingness to participate in financial operations are here so much matters of personal relation and of such slow growth that it is not easy to estimate the effect."[47] Rose's words suggest his keen appreciation of the social aspect of London's financial world and its importance in his responsibilities for Canada's financial matters. He was also

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[46] Rose to Macdonald, November 2, 1879. MG26 A, Vol. 216, p 92438.
[47] *ibid.*, p 92440.

cognizant that his unofficial status was a benefit when dealing with the government. His status tended to disarm British politicians who were wary of colonies' grabs for autonomy.

From Macdonald's re-election in 1878, Rose worked closely on the reconstitution of the new CPR syndicate. Even though he had retired from Morton, Rose and Company he had no hesitation in assuming new and significant responsibilities with the railway. Macdonald and George Stephen, head of the new CPR syndicate, were two of Rose's closest friends in Canada and were well acquainted with his abilities. More importantly, Macdonald and Stephen needed Rose's knowledge, influence, contacts in the City, and the good name of his former firm to curry favour on the London market.[48] All during the month of September, 1880, Rose worked to convince Morton, Rose and Company to join the CPR syndicate. He felt that if he could convince the London office of the soundness of the enterprise then he could arrange for the New York office to handle the official business of financing a portion of the project.[49]

During this period, Rose continued to perform his other responsibilities, but always with an eye on the success of the CPR. After a board meeting of the Hudson's Bay Company, Rose sent a telegram to Macdonald informing the Prime Minister that he was "endeavouring to induce [the] board [to] promote colonization scheme, possibly [in] connection [with] railway."[50] The ultimate success of the CPR undeniably depended on a well-populated North-West and Rose's position with the HBC could only aid in this mission owing to the Company's continued influence in Canada.

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[48] Though not as large as Barings Brothers or Glyn and Mills, Morton, Rose, and Company was not without influence in the City. It, along with their parent firm in New York City, had built strong reputations in London and America for wise railway investments.

[49] Heather Gilbert, *Awakening Continent: The Life of Lord Mount Stephen, Vol. I: 1829-1891.* (Aberdeen University Press, 1965.) p 70.

[50] Rose to Macdonald, October 12, 1880. MG26 A, Vol. 259, p 117544.

On October 21, 1880 the Canadian government awarded George Stephen, Donald Smith, J.J. Hill, Duncan McIntyre, N.W. Kittson, and Charles Rose the contract to build the Canadian Pacific Railway across Canada. Sir John Rose and George Stephen had convinced Morton, Rose and Company to join the syndicate and in November, after a meeting with Morton and Bliss, Rose received a commitment from the New York bank to issue $10,000,000 worth of CPR securities.[51] Unfortunately for the future of the syndicate, Morton and Bliss's original commitment was one of only a few significant issues of CPR securities outside of Canada until 1885; and Rose had been instrumental in obtaining it.

Rose remained active in his search for more financing. This search took him to the Continent where there were numerous large banks that were willing to back the CPR to some extent. George Stephen's attitude towards these banks, however, was negative as he believed that they were interested only in extracting quick profits from the Company.[52] Rose, however, continued as the CPR's 'outside advisor', looking for more investors and assisting R.B. Angus and J.J.C. Abbott, the CPR's official counsel, in formulating the future financial policy of the Company.[53] Eventually Stephen ended the CPR's relationship with Morton, Rose and Company because he believed that Charles Rose, Sir John's son, was sympathetic to the GTR and that Sir John Rose was powerless to effect any change in his loyalties. Yet, as late as 1884 Rose' commitment to the railway remained solid. As he explained to Macdonald: "he[Stephen] may depend on my doing all I can for the enterprise and I am putting all the friends I can influence with the stock."[54] Such

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[51] Gilbert, *Awakening*, p 71.
[52] Rose to Macdonald, December 5, 1880. MG26 A, Vol. 259, p 117568.
[53] Gilbert, *Awakening*, p 80.
[54] Rose to Macdonald, May 29, 1884. MG26 A, Vol. 259, p 117959.

was the kind of loyalty and perseverance that characterized Rose's efforts on behalf of Canada and the Canadian Pacific Railway.

The occupants of the City were a tightly knit group of gentlemen who lived by a set of values and beliefs that were characterized by loyalty, honour, and respectability. A transplanted colonial who conformed to these standards could obtain gentlemanly status, despite the apparent exclusiveness of gentlemanly culture. An occupation with sufficient leisure time to socialize in London's clubs and houses of society was necessary; so was an income to support these obligations. A colonial needed to be independently wealthy before he arrived in order to support the demanding social life of the City. Once in London, a gentleman's connections and friends were critical to his business dealings since discussions of this kind were conducted informally and on a social basis. Moreover, many of Rose's friends and connections could be found in government. His informal, unofficial status facilitated his task because it presented no challenge to imperial authority. This status contributed significantly to his success in gaining the trust of the government and led to further success in the City.

Upon John Rose's arrival in London in 1869 he almost immediately received recognition as a gentlemanly capitalist by politicians from both British parties and fellow bankers in the City. A wealthy, well-connected man in the full confidence of his government, Rose had no difficulty supporting a gentlemanly lifestyle, including membership in an exclusive club and attending important functions. His occupation was seen as gentlemanly too, since bankers 'made' money rather than worked for it.

Rose's value to Canada as a gentlemanly capitalist was unquestioned.

Macdonald recognized it when he acceded to Rose's suggestion that he may be most useful by not having an official diplomatic standing in London. In 1875, the Liberals recognized it when they affirmed that Rose was "a person of good standing, conversant with the City," elevated his status and entrusted him with crucial affairs of state. Finally, numerous testimonials from men of the City and politicians in the Colonial and Foreign Offices about Rose's character and abilities confirmed that, indeed, he was accepted as a gentlemanly capitalist. Because the Canadian Government had a direct link to the City, important business was conducted effectively. The CPR was a prime example. Although the Railway did not receive large and stable financing commitments until 1885, Rose's actions kept the CPR afloat during its difficult formative years. Whether they were his actions in the press or in the clubs of City, Sir John Rose proved himself to be a valuable link with gentlemanly capitalism.

Sir Alexander Tilloch Galt:

Canada's First Official High Commissioner

The entry of Sir Alexander T. Galt into the newly formed High Commissioner's Office in 1879 marked a change in the attitude of the Canadian Government towards permanent representation in London. The duties that Sir John Rose had been asked to perform in the first decade after Confederation might have been carried out informally, but the re-election of Sir John A. Macdonald's Conservatives in 1878 brought a new, interventionist economic strategy that demanded closer communication and understanding with the City. The National Policy and the completion of the CPR were the centre points of the new strategy and Macdonald needed to be sure that gentlemanly capitalists bought into, if not directly supported, his new plan. This support was critical because of the central role British bankers and financiers played in the emerging Canadian economy. Their support was not expected to be automatic, given the National Policy's emphasis on tariffs on imported goods, British goods included. It was clear to Macdonald that his government needed an acknowledged, official representative in London, one that could negotiate and mediate with gentlemanly capitalists and politicians of the City.

Like Rose, Galt seemed to be the ideal man for the new job. Using Cain and Hopkins' conception of gentlemanly capitalism, Galt had most of the social and political tools necessary to function in the City and at Whitehall. His professional, political, and

social qualifications were impressive and similar to those that had brought Sir John Rose success in London. Like Rose, Galt had been a Canadian finance minister and an international negotiator and had earned the confidence of the British Government. He had participated in railway development and land sales in the North West thereby preparing him for negotiations involving the CPR. They also shared many friends such as Thomas Baring. During Galt's numerous trips to London as finance minister he had met some of Britain's highest ranking politicians and businessmen. Moreover, the reputation of Sir Alexander's famous entrepreneurial father, John Galt, provided a good introduction to men of the City. Galt, then, was well positioned to pick up where Rose left off, and to raise the level of Canada's representation in Britain to a new status.

Ultimate success in the City and at Whitehall depended on one's respectability and social attributes. According to Cain and Hopkins, in Victorian London respectability and gentlemanly status were currencies almost as valuable as fiat money and possessed almost equal leverage.[1] A man's status, source of income, lifestyle, and manner all dictated whether or not he would be seen as a 'gentleman'. This was especially true for politicians who were usually drawn from 'Oxbridge' and the upper echelon of the gentlemanly class. Their self confident conception of civic duty and public service was based on their assumed right to rule. A colonial politician (especially a former or current cabinet member) was accorded similar respect, more particularly if he possessed the social attributes and manner required of a gentleman. Galt understood these social assumptions and made every effort to establish and strengthen his social standing upon his arrival in

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[1] Cain and Hopkins, *British Imperialism*, pp 123-126.

London. Galt's claim to an official position, however, challenged imperial power and authority. As a result of this challenge and some personal deficiencies, Galt was unable to gain gentlemanly status in the City. Important Canadian projects such as the CPR, therefore, saw little progress during his time as High Commissioner.

Sir Alexander Tilloch Galt was born in the Chelsea district of London on September 6, 1817. The youngest of three sons of John Galt and Elizabeth Tilloch, Alexander and his brothers remained in London with their mother while their adventurous and entrepreneurial father travelled to Canada to take up his various settlement and colonization ventures.[2] In 1828 Alexander and his brothers joined their father in Canada and were placed in the Anglican seminary in Chambly, Lower Canada. In 1834, John Galt established the British American Land Company in Sherbrooke, Quebec. At the age of seventeen young Alexander became the company's book-keeper and quickly advanced through the Company's ranks, trading on his ability to proffer shrewd advice to the company directors in London. On the basis of his good performance he was sent to London in 1842 and put in charge of the London office where he continued to impress the Company's directors with his views on a new and more profitable system of managing land holdings in the Eastern Townships.

Galt's rise through the ranks of the British American Land Company was impressive. By 1844 he had become the company's Commissioner, its highest position

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[2] One of John Galt's efforts in this area was the planning of the new town of Guelph in Upper Canada, now southern Ontario. Although the town was not named after him a nearby town was. Galt, Ontario is only fifteen kilometres away from Guelph and still bears John's name despite being amalgamated with two other connecting towns to form modern day Cambridge.

and one that he retained for twelve years. During his tenure, Galt entered the immature and risky area of Canadian railway construction. His motivation was simple. He wanted a railway that ran between Montreal and the Atlantic port of Portland, Maine, passing through the Eastern Townships of Lower Canada and across his Company's lands. The St. Lawrence and Atlantic Railway was designed to end the isolation of the area by providing more incentive for land sales and settlement. As a director of the new railway company Galt went to London to secure £500,000 in British investment capital. His partners hoped that his experience in London with the land company would prove advantageous.

Galt arrived in London at a time of great railway excitement. British and American railway promoters had descended on the City in the 1840's, offering a variety of securities for their regional projects. Large pools of investment money in the City sought lucrative returns. Galt took advantage of the rush of investors who were pouring money into rail projects in Great Britain and the United States.[3] Some of his influential City associates such as Edward Ellice, Alexander Gillespie, and Robert McCalmont, were powerful shareholders or directors of the British American Land Company. With their sanction, Galt managed to secure almost the total amount of capital he required before fraudulent investments precipitated a sudden collapse of the London money market.[4] His prudent use of the money to complete the railway enhanced his reputation as a railway promoter in London and at home.

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[3] Lance Davis & R. Huttenback, *Mammon and the Pursuit of Empire: The Political Economy of British Imperialism*, 1860-1912. (Cambridge & New York: Cambridge University Press, 1986). pp 56-57.

[4] Skelton, *Life*, pp 66-68.

Galt's railway endeavours did not stop with the St. Lawrence and Atlantic. In the early 1850's railway promoters hatched numerous other schemes to expand the rail network throughout Canada East and West. An eventual amalgamation of these separate schemes spawned the Grand Trunk Railway in 1852.[5] Galt participated in one of these schemes but was forced to give up his interest in the company, allowing him to join C.S. Gzowski as partners in a railway construction firm called C.S. Gzowski and Company. Galt went to London again and successfully obtained financing for the new company. Its ultimate success was assured when the Grand Trunk awarded it the rights to build the section of track from Toronto to Sarnia at a cost of £8000 per mile.[6] Galt's association with Gzowski and the GTR ended in 1858 but his involvement in the project would come back to haunt him during his time as High Commissioner. George Stephen, ever hateful and suspicious of the GTR and its directors, mistrusted Galt implicitly because of his association with the CPR's main competition. As a result, Galt was given few responsibilities for the CPR, despite his knowledge of railways and land settlement.

As was often the case in this era of Canadian railway building, Galt entered politics to promote his railway interests. In 1849 Galt won the Sherbrooke seat for the Conservatives by acclamation in a by-election that had been called after the sudden death of the constituency's sitting member, Samuel Brooks. Galt held the seat for less than one year, however. His pro-annexation position and desire to oversee directly his railway interests obliged him to resign. He re-entered politics in 1853. Returned by acclamation he held the Sherbrooke seat until 1867, sometimes as an Independent, but usually as a

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[5] *ibid.*, pp 88-95.
[6] Kesteman, *DCB*, p 350.

Conservative. Galt eschewed party lines in favour of issue-oriented politics, which created a certain turbulence in his political and personal relationship with Sir John A. Macdonald. In *Origins and Early Development of the Office of High Commissioner*, Wilfred Smith makes it clear that the issues Galt chose to support generally benefitted his own business interests, a notion not unheard of in this era of Canadian politics.[7] From 1858 until his final resignation from national politics in 1867, Galt held the post of Minister of Finance, arguably the most important cabinet post in the government.

In many respects Galt's path to the High Commissionership followed that of Sir John Rose. Both men were Conservative finance ministers in Sir John A. Macdonald's government at some point in their careers. Both were well known Montreal businessmen, who were known in London, Galt for his rail and land interests and Rose for his law and banking. Most importantly, both had cultivated relationships in the City which they could call upon as representatives of the Canadian Government, albeit with differing success. Galt, however, was unable to forge relationships with gentlemen other than Thomas Baring. Baring alone, though a powerful man in the City, was not capable of providing Galt with an entire system of contacts. A more extensive network was necessary in the City and government to promote effectively Canada's interests.

Soon after Macdonald returned to office he created the High Commissionership. This was a deliberate, strategic decision designed to serve a number of political and

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[7] Smith (*Origins*, p 181) says politics were a means to an end for Galt and that whatever issue best suited his business needs and profitability was the one he supported. However, it seems more likely that this behaviour came from his peculiar personality and tendency towards non-conformism. This would not stand him in good stead when he became High Commissioner.

diplomatic needs. As D.M.L. Farr pointed out in *The Colonial Office and Canada*, Canada felt that when local autonomy was granted in 1848, it automatically conferred on the government the freedom to regulate commercial policy.[8] The exercise of these rights proved a somewhat more complex issue than colonial politicians believed, owing to a number of countervening constitutional and political assumptions, including the indivisibility of the Crown and the sovereignty of the British Parliament. The Colonial Laws Validity Act, not rescinded until 1929, gave imperial legislation validity over competing colonial law. Treaties of trade, negotiated and ratified by the British government, bound colonies in restrictive and often onerous obligation to the Mother Country. For example, before 1884 (when Sir Charles Tupper gained full plenipotentiary status for Canada) the Canadian government's negotiation of a trade agreement with a foreign country required the Canadian government to inform the Colonial Office through the Governor General of their desires, whereupon the Colonial Office sought the assistance of the Foreign Office to take up the issue. The Foreign Office then instructed the British minister in the prospective country to arrange for the Canadian negotiator to speak directly to the foreign government.

This was the process that had to be followed in 1878 and 1879 when Canada negotiated with France and Spain over trade concessions and tariffs. At this time, Canada chose Sir Alexander T. Galt to conduct the negotiations which centered upon France's plan to reinstate a twenty per cent tariff on Canadian and later British ships, and Canada's desire to increase trade with the Spanish colonies of Cuba and Puerto Rico. Negotiations

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[8] David M.L. Farr, *The Colonial Office and Canada, 1867-1887*. (Canada: University of Toronto Press, 1955) pp 214-215.

in Paris proceeded well until complications arose from a change in governments in Paris and a commercial dispute over the Austro-French Treaty that directly affected the ship tariffs in question. In Madrid initial talks were fruitful only to be hampered by a change in government and a change in political strategy. This time before talks broke off, however, there was a rift in the Empire's camp when Britain objected to Canada receiving concessions before the Mother Country. This pettiness did not sit well with Galt who had always been a strong proponent of Canadian autonomy in commercial affairs.[9] The frustration wrought from being "under a treaty system by which they [Canada] were automatically bound by the operation of Imperial engagements," prompted Galt to propose the creation of a High Commission.[10] Macdonald agreed with the proposal because he too saw the inefficiencies of the current system. Moreover, Macdonald was preparing to implement his economic strategy that included the National Policy and the completion of the CPR.[11] He felt Sir John Rose's unofficial representation would not provide enough support in London for these important changes. This decision challenged imperial sovereignty; never before had a colony (or self-governing Dominion) claimed the right of representation in London.

Although Sir John Rose believed that an official position was not necessary for him, both Galt and Sir Charles Tupper did. In 1869, Macdonald supported Rose's opinion, but by 1879 he had changed his mind. Confederation had evolved to a point where the Canadian Government required a more official presence in London. The creation of a Canadian High Commission in London was another step in the Canadian

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9 Skelton, *Life.*, pp 521-524.
10 Farr, *Colonial Office*, p 214.
11 For a fuller discussion of the National Policy and its main features, see p. 37.

government's journey towards fuller autonomy in commercial affairs. In the Commons debate over the creation of the *British High Commissioner Bill* Macdonald acknowledged the "subordinate position of Canada as a dependency of the Empire," but insisted that the appointment of a High Commissioner was "a very important step towards asserting the importance of the Dominion of Canada as a portion of Her Majesty's Empire."[12] More than this, the High Commissionership was designed to tap the City and its resources more effectively, resources which were essential to the fulfillment and continued health of Confederation.

In Canada the Liberals saw things differently. They balked at the Colonial Secretary, Sir Michael Hicks-Beach's statement that the British government reserved the right "to determine in each case in what precise capacity his services might best be rendered."[13] The Canadian Liberals preferred to avoid the risk of undermining Canadian independence, preferring instead the *status quo* of Sir John Rose acting as the Financial Commissioner. For Macdonald the *status quo* was not an option, since Macdonald believed that merely "by having an officer holding down a *quasi*-diplomatic position ... his statements, and actions, and prestige will be generally accepted by the public."[14] Macdonald was confident that the Canadian Government's sanction and support would give the office a weight, authority and importance necessary to achieve its ends.

During a visit to London in August 1879, shortly after the French and Spanish negotiations, Macdonald, Tilley, and Tupper officially submitted Galt's proposal for the

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[12] Canada, House of Commons, *Debates*, April 29, 1880, p 1859.
[13] Hicks-Beach to Lorne, *Sessional Papers* (No. 105), p 1.
[14] Debates, *British High Commissioner Bill*, p 1857.

creation of the High Commissioner to Sir Michael Hicks-Beach, the British Colonial Office Secretary. Their proposal argued:

> The policy of the Empire having devolved upon Canada the administration of the whole of British North America, and the care and protection of British interests therein, experience is daily showing the necessity of providing the means of constant and confidential communication between Her Majesty's Government and Her local advisers in Canada, in extension of the more formal relations subsisting through the correspondence of the Secretary of State with the Governor-General.[15]

Galt felt that a more direct line of communication was needed not because of any illusions of Canadian independence from the Empire but because "Her Central Government is becoming even more responsible than the Imperial Government for the maintenance of international relations towards the United States ... [and] the Canadian Government has, in short, become the trustee for the Empire at large, or half the continent of North America."[16] The British could not deny this point since only three years before Galt had played the primary role in negotiating payment for fishing rights off the Grand Banks in the Halifax Commission. Similarly, only twelve years earlier the British North America Act gave the Canadian Government responsibility for enforcing treaties signed by Her Majesty's Government:

> The Parliament and Government of Canada shall have all Powers necessary or proper for performing the Obligations of Canada or of any Province thereof, as Part of the British Empire, towards Foreign Countries, arising under Treaties between the Empire and such Foreign Countries.[17]

These responsibilities, along with their desire for a freer hand in commercial policy, made a new representative institution such as the High Commission a priority. Britain could scarcely criticize Canada's opinion that "the idea must be avoided that the connection of

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[15] *Sessional Papers* (No. 105), 43 Victoria, 1880, p 2.
[16] *Sessional Papers* (No. 105), p 2.
[17] British North America Act, Sect. 132, in *The Senate of Canada Report Relating to the Enhancement of the BNA Act, 1867.* 1939 Session, Annex 4, p 97.

Canada with the British Empire is only temporary and unabiding, instead of being designed to strengthen and confirm the maintenance of British influence and power."[18]

Framed in such loyal and magnanimous language it is difficult to see how British officials could refuse the Canadian request. Certainly, the accordance of such a "*quasi*-diplomatic" position implied a changing imperial relationship, but it did not necessarily mean increased Canadian autonomy. It simply represented a more practical and direct way for the Imperial Government to exercize its authority in the heart of the Empire. Perhaps this explains why Hicks-Beach wrote to the Governor-General, the Marquis of Lorne, that a resident minister of the type Canada was requesting, "would not be correctly defined as being of a diplomatic character ... [but] his position would necessarily be more analogous to that of an officer in the home service, than to that of a Minister at a Foreign Court."[19] Hicks-Beach, however, did not appreciate the title that Galt had proposed for the new position owing to its implied diplomatic status. He suggested instead that a title of "Dominion" or "Canadian Commissioner" would be more appropriate.

Canada's proposal for the High Commissionership outlined four immediate reasons for its establishment: "The Pacific Railway, and important collateral subjects - Treaties of Commerce with France and Spain - Esquimault Graving Dock - Military Defence of Canada generally, and of British Columbia more specifically."[20] Although it was Galt who suggested the creation of a Canadian High Commission after his problems in the French and Spanish negotiations, it was evident to all concerned that the proliferation of commercial and geographic treaty negotiations in the past thirty years had created a

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[18] *ibid.*, p 3.
[19] Sir M.E. Hicks-Beach to the Marquis of Lorne, November 1, 1879, *Sessional Papers* (No. 105), p 1.
[20] *Sessional Papers* (No. 105), p 3.

definite need for more formalized negotiating responsibilities. This situation provided the true impetus for creating the High Commission.[21] Macdonald regarded Galt's suggestion a timely one in another respect as well. His government was embarking on a new economic course after the depression of the 1870's which had affected Canada so badly. Macdonald's proposed National Policy consisted of a system of tariffs on foreign goods that would both protect existing Canadian manufacturers from a flood of cheap goods and at the same time provide incentive for a more vital home-grown manufacturing sector. It also involved the completion of the CPR and settlement of the west. All were designed to strengthen the east-west-based economy of Canada while moving away from the divisive north-south version. All three aspects of this economic strategy depended on strong trans-Atlantic relations, markets, capital and population. A full-time representative in London who could negotiate for the support of British government and business leaders would only help in the Policy's institution at home.

The success of the National Policy appeared to depend on the completion of the Canadian Pacific Railway. Furthermore, the successful completion of the railway depended on the support of the British government. Ideally, the Canadian government wanted direct British financial support. As an argument for their plea the Canadians cited the military benefits of a railway that could provide a faster route to the Pacific Ocean and the British territorial possessions in Asia, such as India. More than capital, however, Macdonald's government sought an imperial guarantee of British investments in the project, as well as service contracts and subsidies. A High Commissioner would be vital

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[21] Smith, *Origins*, p 164.

to the negotiation process because he would be the official in charge of Canadian finances overseas. The renegotiation and consolidation of outstanding Canadian loans would have to be addressed in order for British politicians and businessmen to see the railway as a good risk for investment.

At the time of Galt's installation into the newly created office, Macdonald intended to give this position a standing and status appropriate to the country's needs and importance. In a memorandum written only weeks before Galt took up residence in London, Macdonald suggested the importance he wished to attach to the new, official post:

> Nomination of Resident Minister marks a new era in Colonial Administration. To be attended with greatest probability of success, it should be done with ... deliberation and formality. The Minister should not present his credentials until the Government are prepared effectively to enter upon important negotiations and his arrival should be simultaneous with the announcement of such negotiations.[22]

The government wanted to give the High Commissioner every chance of early and continued success. In Macdonald's view the most effective way to do this was to demonstrate its necessity. Shortly after he penned this memorandum, Macdonald drafted precise instructions for the new High Commissioner. In these instructions the government set out those policies which it expected Galt to pursue. While the original memorandum proposing the establishment of the High Commission identified the Office's four main functions, the official document contained additional instructions on how to proceed on the main points of the memorandum. It instructed the High Commissioner on how he should approach the Imperial Government with Canadian policies, explaining that rather

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[22] *Memorandum*, March 11, 1880, MG26 A, Vol. 217, p 92575.

than deal only with specific propositions "his duty will be rather to suggest these various subjects from time to time for the consideration of Her Majesty's Government, and if possible to prepare the way for ultimately submitting definite proposals."[23] This required a permanent and official status for the Office even though the High Commissioner would not be acting as an official diplomat expressing Canadian policy. His job would become more one of making policy known in an informal setting, sounding public and official views and preparing the Canadian Government for more formal actions. This function could be carried out only by someone who was comfortable in these informal, social circumstances, had easy access to people and power and could work smoothly within the rules of the gentlemanly class. According to Cain and Hopkins the world of this class was one where the gentlemanly code was informal and lacking in official bureaucracy. Consequently, "the nature of much City business at this level was personal rather than mechanical."[24] Successful communication at this level required a degree of trust and understanding.

Galt appeared to be an obvious choice to occupy the new position as Canada's High Commissioner, at least from Canada's perspective. As finance minister in Macdonald's government, Galt had instituted differential tariff duties similar to the kind that the National Policy was proposing, making Galt's loyalty to the Policy a moot point. Similarly, he had extensive experience in both railway promotion and the private immigration business as means of creating economic growth in underpopulated regions. Personal ability and experience were not the only factors which made a person successful

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[23] *Instructions to High Commissioner*, No Date, MG26 A, Vol. 217, p 92705.
[24] Cain and Hopkins, *British Imperialism*, p 128.

in London politics and finance. Cain and Hopkins point out that the Agents General for the colonies, "belonged to the social universe of the universities, the great monumental departments and the clubs and they generated via an informal, even secretive, network of financial institutions in the City on the basis of a trust of a kind that could only exist in a society where private business and public administration were linked by informal ties of school, class and clubland."[25]

Although Agents General were British politicians, their qualifications were similar to those required of the High Commissioner. By appointing a High Commissioner, Canada seemed to wish to have an Agent General with expanded responsibilities. Galt himself had many of the qualities required for the position, such as membership in a club (soon after his arrival) and an upper class upbringing and bearing. He was not a part of the Oxbridge crowd, however, and was not a part of the 'Club' of the City. For this he needed a special status that could bring him acceptance in the City and permit him to exploit those financial connections and resources that Agents General before him had used. In Galt's case, special status was to be conferred by making him, for all intents and purposes, a member of the *corps diplomatique*. It was assumed that membership in this group would provide certain privileges for Galt such as social entrée and invitations to official events, privileges normally reserved for official representatives. Official recognition by the British and Canadian Governments in this way would enable him to enhance his effectiveness.

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[25] *ibid.*, pp 124-125.

Galt, however, never achieved the effectiveness that was expected of him as Canada's High Commissioner. There were two main reasons for this. First, Galt was unable (or refused) to form a good working relationship with the British Government. Second, he did not possess enough wealth to overcome his poor relationship with the government and make a place for himself in the City as a gentleman. Of Galt's first downfall it can be said that he and the British Government were equally responsible for the disharmony. Despite the fact that the British Government granted official representative status to the High Commissioner's Office they were, at the same time, reluctant to extend colonial powers to a point where they might be seen as infringing on Imperial prerogatives. Furthermore, by constraining Galt's work and mitigating the utility of the High Commissioner's Office the British government hoped to set a precedent for future colonial representatives.

On Galt's side, he possessed certain personal failings that prevented accord. Galt had a sensitive concern for protocol, and when the British Government failed to observe his personal standards for protocol (the High Commissioner's Office was still too young to have established official protocol) he became obstinate. Galt was similarly close-minded and unreasonable towards the ruling British Liberal Party, which he had pre-determined would never be sympathetic to his or Canada's concerns. Finally, Galt alienated the Liberals through his tendency to be politically indiscreet in speeches where sensitive domestic issues, such as Home Rule, were involved.

Galt's difficulties with the British government began in 1879 when, almost simultaneously, Galt arrived in London to take office and the Liberal Party of W.E.

Gladstone won the general election in Britain. The conjuncture was unfortunate. The Gladstone government's immediate reluctance to grant extended colonial powers to Canada in the form of an officially recognized High Commissioner was based on previous challenges to imperial authority during the Liberals term of office during the 1870's. In 1871 the Australasian colonies had protested the Liberals' refusal to grant them the right to impose differential duties on British products, and used Galt as their example. To make their argument they cited the 1858 Canadian precedent when Sir A.T. Galt had secured the same right for British North America. Gladstone, however, was adamant. He feared that by granting this right to the Australasians, treaties he had made with other countries over tariffs and most-favoured-nation status would be abrogated. Only the threat of possible secession by the Australasian colonies had obliged him to grant their wish. Thus, a small piece of imperial sovereignty had been lost.[26]

Gladstone was no more receptive to the Canadian Supreme Court challenge to imperial sovereignty in 1875. Although at the time of Confederation the Dominion had contemplated the creation of a Supreme Court, the Prime Minister, Macdonald, was reluctant to end the right of final appeal to the Judicial Committee of the Privy Council in London. The Liberal government had no such qualm and when Alexander Mackenzie came to power one of their first orders of business was to give Canada a Supreme Court. The Liberal government's Minister of Justice, Edward Blake, drafted and defended the legislation, especially section 47 which declared the Privy Council no longer the final court of appeals for Canadian citizens. This important piece of legislation was closely

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[26] Paul Knaplund, *Gladstone and Britain's Imperial Policy.* (New York: 1927) pp 103-121.

scrutinized by imperial officials because of its new claim to autonomy. Although the Governor General, Lord Dufferin, gave his assent to the Bill in 1875, Gladstone saw it as another blow to imperial sovereignty.[27]

Galt's 1878 negotiations with France and Spain again raised the issue of imperial sovereignty and colonial autonomy. Galt, of course, had a history and reputation for challenging imperial authority, especially on commercial policy. His role in imposing tariffs against British goods in 1858 remained an important imperial landmark in the history of Canadian autonomy. In 1865 while in Macdonald's cabinet he had expressed his displeasure at Canada's inability to negotiate with other countries. At the time he even suggested to a trade delegation travelling to the West Indies, Brazil, and Mexico that they might arrive at "conditional agreements with colonial or foreign governments."[28] During a Commons debate in 1870 he returned to the point, advocated direct commercial negotiations with other countries.[29] His feelings were surely heard in Whitehall.

The creation of the Office of High Commissioner itself could be seen as an attempt at expanded colonial autonomy. Its mission went well beyond the requirements of a 'local affair'. In the field of constitutional colonial relations Gladstone had always espoused a policy of 'freedom and voluntarism.'[30] This meant that self-governing colonies had absolute freedom of control over local affairs; participation in the Empire was voluntary. The definition of 'local affairs' was a cloudy one, however, and as Paul Knaplund pointed out in *Gladstone and Britain's Imperial Policy*, "despite the literal meaning of some of his

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27 Frank H. Underhill, "Edward Blake and the Supreme Court Act," *CHR*, Vol. XIX, No. 3 (1938) pp 245-263.

28 Turner, *Colonial Self-Government*, p 252.

29 *Ibid.*, p 252.

30 Knaplund, *Gladstone*, p 96.

doctrines, [Gladstone] was unwilling to sanction steps which might endanger the authority of the Home Government in the few fields where it was still supreme."[31] Although Gladstone avoided the appearance of meddling in the local affairs of the colonies, he was fiercely protective of the Imperial Government's powers over the colonies.

While Disraeli's Conservatives seemed to have had few problems with the Office beyond its name, Gladstone had some greater reservations. He seemed to view the creation of this Office as another attempt to whittle down imperial sovereignty. Sir Alexander Tilloch Galt's incumbency confirmed his fears. The Liberals realized that what they gave to Canada, the senior Dominion, other colonies would soon claim. Unable to block its creation, Gladstone could impair its effectiveness. A letter Galt wrote to Macdonald in 1881 seemed to confirm this:

> I need only refer to the correspondence to show that the point was regarded as of vital interest and although the Canadian Government were finally obliged to yield their original demand that the High Commissioner should be considered as belonging to the Diplomatic Body ... still it was automatically believed that the promise of Her Majesty's Government would be made to cover the object sought for whom the Secretary of State for the Colonies understood that 'Her Majesty's Government would readily accord to him a status in every way worthy of his important functions'. Unfortunately, between the very indefinite promise thus given and the period for its fulfillment a complete change took place in the British Ministry and the interpretation to be given to the language will become the duty of the new Government.[32]

Since the Liberals failed to honour the Conservatives' promise, Galt was obliged to "attempt to make a distinct position for myself," by spending his own money on entertaining and making himself known in London.[33] His failure to achieve this end underscores the importance of the British government's support. Galt realized that social recognition in London was his most important goal and it was clear to him by this point

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[31] *Ibid.*, p 98.
[32] Galt to Macdonald, March 24, 1881, MG26 A, Vol. 218, p 93033.
[33] *ibid.*, p 93035.

that he could not gain it through political recognition from the Liberals. Only through social recognition could Galt participate in the most effective mode of business in the City, namely that of social and personal diplomacy.[34] It would soon be evident, however, that Galt's personal failings and lack of wealth would mitigate equally against the possibility of gaining acceptance in the City.

While it seemed evident that Gladstone's government was not going to support Galt and his office, it was also obvious that Galt was doing little to earn its support. Galt was inexplicably hostile toward Gladstone's government, he was overly sensitive to slights in protocol and he was indiscreet when speaking about sensitive British domestic issues in public.

During his Canadian political career Galt had the reputation of being an issue focused politician, rather than a man of ideas. Although he was not particularly partisan he had a strong sense of which British party was likely to understand his mission and policies. Unfortunately, his arrival coincided with a British general election in which the incumbent Disraeli Conservatives lost badly to Gladstone's Liberals. Although Galt was bitterly disappointed at this turn of events he resolved that he would "not permit myself to anticipate any serious interference with our plans but it greatly adds to the difficulty and renders it extremely important I should receive early instructions from you."[35] One of the plans he was referring to was a cooperative effort with the Imperial Government designed to promote Macdonald's National Policy. A major part of the Policy entailed the imposition of protective tariffs on some British and foreign goods, an action which

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[34] Cain and Hopkins, *British Imperialism*, p 127.
[35] Galt to Macdonald, April 10, 1880. MG26 A, Vol. 217, p 92598.

Disraeli's Conservative government was expected to accept. Notorious free-traders, the Liberals were adamantly opposed to Canadian efforts to tax British goods, especially within the Empire. Galt recognized this possibility and felt that, "with a new Liberal Government in power we must anticipate much more pronounced opposition to our new fiscal policy."[36] As the outgoing Colonial Office Secretary, Sir Michael Hicks-Beach, remarked, had the Conservatives remained in power he, "hoped they could have met our views." Nevertheless Galt still believed that the new government would prove friendly.[37] A year into the new British government's mandate there was no sense of optimism from Galt. Indeed, only frustration and anger were evident.

> One thing I am now thoroughly convinced of and that is that the Liberals will never show themselves friends to the colonies. This is the opinion of all the Agents here, quite outside of their own politics, and it is true. I believe that we shall have one and all to repudiate Gladstone ... and give a thorough constant support to the Conservatives who will, like yourself, come back to power on a reciprocal or retaliatory trade policy.[38]

While Galt's hostility towards the British Liberals was certainly not one-sided, it behooved him to use his diplomatic abilities and good sense of judgement as a *quasi*-member of the *corps diplomatique*. Galt was quickly frustrated, however, and as a result an ideological chasm developed between him and the British government.

Galt's sensitive concern for protocol also contributed to the poor relationship between himself and the British Liberals. Indeed, Wilfred Irvin Smith stated in *Origins and Early Development of the Office of High Commissioner* that "much of Galt's frustration can be attributed to his personality; he was too sensitive concerning his status, too quick to detect slights, too optimistic in supporting hopes which led to

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[36] Galt to Macdonald, April 15, 1880, MG26 A, Vol. 217, pp 92614-92615.
[37] *ibid.*, p 92612.
[38] Galt to Macdonald, March 13, 1881, MG26 A, Vol. 218, p 93010.

disappointments; he was too impatient and expected immediate results," and "many of his wounds were self-inflicted."[39] In a letter to Macdonald, Galt displayed this sensitivity saying: "the Members of the Ministry unmistakably ignore me," and "from Gladstone downwards I have never seen the inside of one of their houses."[40] Galt added: "as a *Colonist* these 'arrogant insulars' turn up their noses at us all."[41] In the world of Gentlemanly London this exclusion was a serious handicap, a snub to Galt and Canada. For Galt "this absence of recognition has its effect in London and could only be met by using other and personal influences."[42] A lack of recognition from the British Government also translated into reserve and caution in the City. As Cain and Hopkins point out, the gentlemanly class was "held together by the club-like spirit which resulted from a common educational and social background."[43] Without any sort of social or political recognition, investors and financial houses in the City saw no basis on which to let an outsider like Galt into their preserve.

Galt's penchant for ill-considered actions and speeches also irritated and alienated him from the London establishment. This was first evident in March, 1880, soon after Galt was appointed as High Commissioner. A farewell dinner was held in his honour at St Lawrence Hall in Montreal on March 24, two days before his departure for London. In his farewell speech to a mixed gathering of Liberal and Conservative politicians, Galt committed several indiscretions, underscoring issues to which both the Colonial and Foreign Offices had objected. During this speech he insisted on the duty of the British

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39 Smith, *Origins*, p 246.
40 *ibid.*, p 93012.
41 Galt to Macdonald, March 13, 1881, p 93017.
42 *ibid.*, p 93012.
43 Cain and Hopkins, *British Imperialism*, p 123.

Government to provide financial assistance to the construction of the Pacific Railway, the diplomatic nature of Canadian relations with Great Britain and the desirability of an imperial preference.[44] This was a remarkable performance, more so since the *British High Commissioner Bill* had not yet been signed into law, nor had Galt received his official instructions from Macdonald. The Governor General, Lord Lorne, informed the Colonial Office immediately, outlining the main points of Galt's speech and giving his thoughts on Galt's performance. The effect on Sir Michael Hicks-Beach was one of puzzlement, since he realized that Galt had no official sanction or authority, but was an uncalled for personal intervention.[45] The Canadian Liberals objected immediately to Galt's ill-advised utterances and during debate over the Bill the Opposition leader, Alexander Mackenzie, expressed his dismay at Galt's performance. Mackenzie urged Macdonald, "not to send an Ambassador abroad to Great Britain, whose last act on leaving Canada was to administer a feeble kick to them, and characterise them in terms we have no right to use to any friendly people; this seems the very height of diplomatic folly."[46]

There could be little argument against Mackenzie's assessment of the situation. By the time Galt arrived in London, a Liberal administration was in power and Galt's praise of the Conservative Party in his speech made relations in London more strained. Not only had he broached diplomatic (and logical) protocol by making such a speech, but he had aroused the suspicions of Gladstone and Kimberley, the new Colonial Office Secretary, as to how Canada intended to pursue certain controversial policies. It is doubtful the British Liberals would have responded positively to Canadian desires for full

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[44] *ibid.*, pp 190-191.
[45] *ibid.*, p 190.
[46] Debates, *British High Commissioner Bill*, p 1867.

financing for the CPR and tariffs on British goods if they been put forward as Macdonald had wished, in an informal setting. Galt's public declaration, however, made their response, under any conditions, a moot point. It also set an early negative tone for the relationship.

Even in the final days of his tenure as High Commissioner, Galt's personal views continued to antagonize the Liberal Government. In speeches to audiences in Greenock, Edinburgh, and Liverpool Galt openly endorsed Irish Home Rule, an Imperial Federation[47] and imperial preferences. These were all policies with which many Liberals disagreed fundamentally. The implications of a representative of the Government of Canada uttering such forthright public opinions were addressed by Macdonald when he received the full text of Galt's speech together with the negative comments from Britain:

> You cannot dissociate, or rather the public will not dissociate, your personal from your political position. They will insist that you would not have spoken without the tacit consent of the government you represent.
> The Canadian High Commissioner is now acknowledged to be an Ambassador, and as such it is his duty to be *persona grata* to the government to which he is accredited. Now the government may resent or feel irritated at your stirring the question. An Ambassador can't speak his private sentiments on the political questions arising in the country to which he is sent...[48]

Galt's comments coincided with his third and final resignation. After urging Galt to remain at his post the previous two times, Macdonald accepted the latest resignation perhaps finally realizing that Galt's presence in London had been a failure.

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[47] Galt's position on Imperial Federation was especially remarkable considering the fact that he had advocated independence for the Dominion of Canada in 1869. In a letter to George Etienne Cartier on September 14, 1868, Galt commented that he thought, "our policy should be framed with reference to that which appears to me to be inevitable - a separation of the Dominion from Great Britain."

[48] Macdonald to Galt, February 11, 1883. Cited in Pope, *Correspondence*, pp 298-299.

Sir Alexander might have overcome his poor relationship with the British government and personal foibles to find success as High Commissioner if he had been able to create a place for himself in the gentlemanly culture of the City. The one sure way was to make an obvious show of wealth. Another was to cultivate a personal relationship with the Royal Family. Either of these would have made his relationship with the government less important. On both these counts, however, Galt was unsuccessful.

Sir John Rose had found success as Canada's *de facto* High Commissioner owing partly to his personal relationship with the Prince of Wales. Rose had escorted the Prince on his trip across Canada and, as a result, had become friends. Rose was frequently invited to Royal functions and was seen associating with the Royal Family. Galt, however, never found his footing with the Family. Two events illustrate Galt's personal and official problems with the Royal relationship. Both involve the tradition of presenting colonial officials to Queen Victoria. Both the British government and the palace feared that the presentation to the Queen of the Canadian at a private entrée would provoke protests regarding precedence from other colonies who possessed no equivalent position in London. Galt rightly recognized, however, that protocol would go a long way toward defining his status in London, and that a levée presentation rather than an entrée would impair his status. The Palace, however, insisted that Sir Alexander and his wife be presented at a levée owing to his personal status of GCMG, not his position as High Commissioner.

Galt explained the situation to Macdonald: "I suggested that on previous occasions, by the Queen's pleasure, we had more than once been honoured by a private

audience and that I had hope for it now, as a suitable recognition of the importance the government attached to the office," but, "this he declined, on the ground that it might excite the jealousy of the other colonies."[49] This was both a personal disappointment and a set back for Galt's attempt to establish the position on an official basis. It also set a precedent. In the future, the privilege of entrée was conferred on the office of High Commissioner rather than on the person, a situation from which Sir Charles Tupper would benefit.[50]

Soon after the presentation issue had been resolved a new problem arose pertaining to Galt's wife, Amy. The Prince of Wales had been forewarned by the Governor General, Lord Lorne, that Amy was the sister of Galt's first wife, Elizabeth. British law did not recognize the validity of the marriage, and consequently the Court decided that Lady Galt could not be presented to the Queen. The situation concerned Galt immensely as it might have serious repercussions in British society and impede Galt's access to persons of standing. He was, as he explained to Macdonald, "very concerned" about the situation, and even threatened to leave London if Lady Galt were refused the privilege of presentation. Fortunately, the Prince of Wales' intervention resolved the matter. He had "spoken to the Queen and 'it was all right'."[51] This problem was the result not of precedential protocol but of an outdated law that the Prince of Wales agreed in the colonies was anachronistic.[52] The small controversy surrounding it and the delay that it required, however, meant that Galt's status had been placed in question by upper

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[49] Galt to Macdonald, May 4, 1881. Cited in Skelton, *Life and Times*, p 532.
[50] Skilling, *Canadian Representation Abroad*, p 97.
[51] Galt to Macdonald, May 8, 1880, MG26 A, Vol 217, p 92645.
[52] Skelton, *Life and Times*, p 533.

society since ceremonial appearances in such matters were more important than the act itself. A perception that the meeting with the Queen had been tainted in any way caused questions to arise and the full social value of the presentation would be mitigated, if not lost. Although modern observers regard Lady Galt's problem as innocuous, in 1880 when Galt's status was critical, it was a serious matter.

Sir Alexander's last resort for being recognized as a gentleman in London was through personal wealth. Visible wealth allowed gentlemen to keep in the eye of London high society and prove their gentlemanly qualities. Galt himself acknowledged the necessity of an active social life:

> To succeed in influencing public opinion and the government in favour of Canada, both as a field for emigration, and also looking to a change in trade policy, it is essential that one should meet in society the large landlords, the leaders of the Conservative Party and generally members of both Houses. This cannot be done by staying at home. It means frequenting the clubs (of which I have plenty), going to the House, appearing at dinners and receptions, in short, keeping myself before the public.[53]

While it may be assumed that his time in the British American Land Company had made him a wealthy man, it did not provide the kind of wealth necessary for a social life in London. His experience in London while working for the British American Land Company had given him access to prominent men of the City. Thomas Baring, for one, came to be one of Galt's favourite correspondents and best friends in London. Galt came to London an expert in emigration schemes, railway planning and building, and was well-versed in the ways of London society. He did not, however, come to London as a rich man. Despite his lack of wealth he was astute enough to have Colonel Bernard,

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[53] Galt to Macdonald, March 13, 1881, p 93013.

Macdonald's old secretary and current brother-in-law, on his staff to help him with the 'social side of business'.[54]

Macdonald's government made provision to pay Galt a salary of only £10,000 per year, conscious that this amount was "inadequate for him to keep up the position in England."[55] This sum, together with an annual expense stipend of £4000 was barely enough to cover the expenses of the High Commissioner's office and official functions, and it failed to take into account the social aspect to which Macdonald had vaguely referred. After a full year in London Galt resigned his position. In doing so he lamented his lack of funds and explained to Macdonald that, "were I able to keep up a proper establishment, ask Foreign Ministers and people of rank to my house, give receptions and so forth, I could fight and beat [the Liberals]."[56] As it was, Galt was constantly obliged to cut costs and refuse invitations by politicians and men of the City.[57]

Had Galt been able to secure the confidence of the British government and City, he might have enjoyed greater success. His agenda was a charged and important one. Among the most important of these issues were immigration to the North-West and the CPR project, both of which faced a critical London press, and the influential, organized hostility of the GTR Men of the City who took their cue from *The Times*, or from business publications generally, were adversely affected by these negative reports, which partly accounts for the CPR's lack of investor support between 1879 and 1885. An

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54 Turner, *Colonial Self-Government*, p 257.
55 Debates, *British High Commissioner Bill*, p 1859.
56 Galt to Macdonald, March 13, 1881, p 93014.
57 Skilling, *Canadian Representation Abroad*, p 96.

effective Canadian representative in London, with the ear and confidence of the City might have counteracted misinformation. Rebuttals days after the original publication were no substitute for more direct and timely interventions. Galt frequently complained that lack of timely information from Ottawa prevented him from providing effective rebuttals in London newspapers. Galt remained an outsider in London; and his inability to establish the contacts and relationships that were necessary to conduct meaningful business and lobbying activities severely limited his effectiveness.

Galt's impotency in the City, owing partly to the British government, may explain the CPR's reluctance to take advantage of the High Commissionership in London and to seek its assistance in finding financing from the City. In 1882 George Stephen had informed Sir John A. Macdonald that: "abstaining from anything in the nature of an issue of the bonds in this market [we are] holding to the high ground that the people of Canada are prepared to furnish the national highway to the Pacific without appealing to England for financial help."[58] Stephen's brave words merely masked the true situation which was that the London market, if not actually hostile towards the CPR, was not prepared to support the momentous project. Not only had the GTR and its supporters provided a significant press obstacle to investor support for the CPR, but an indifferent Liberal British Government who refused an imperial guarantee on CPR loans was a serious deterrent for potential investors. Similarly, a less effective High Commissionership limited the CPR's ability to generate income from its twenty-five million acres of land in the North-West, which was designed to receive immigrants. Had Galt been able to arrange an Irish

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[58] Stephen to Macdonald, February 12, 1882, MG26 A, Vol. 267, p 121352.

emigration scheme with the Liberals it can only be assumed that the CPR would have been involved in it because it could have defrayed some of their own costs for such a project. However, opposition in Ireland from the Catholic Church prevented any deal from being negotiated.[59] Stephen complained, however, that the CPR "have nothing to look for from either government ... we rely on our own efforts," and "to popularize the attractions of the North-West we shall get no help from any quarter here."[60] Galt and the CPR, therefore, recruited emigrants in Great Britain and Ireland quite separately from each other.

Sir Alexander Tilloch Galt failed as High Commissioner because he was unable to secure entry to the City's financial and political hierarchy. The reasons for his failure were both political and personal. His political failing was a result of the fact that he was unable to win the support of the British Liberal Party, who took power in a general election from the Conservatives only weeks before Galt entered office as High Commissioner. The timing of the Liberals' ascension to power was unfortunate for Galt since many of the Canadian policies he was expected to deliver ran counter to Liberal ideology. The National Policy, for one, which included tariffs on British goods, drew the ire of the Liberal free-traders. Gladstone, despite his words to the contrary, was fiercely protective of Parliamentary authority and was reluctant to grant the self-governing colonies any privileges which may erode the central government's power over the Empire. The result

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[59] Because Galt had very little to do with the CPR in London, the majority of his time was spent promoting immigration on behalf of the Canadian government. His experience with the British American Land Company had prepared him for this work and reports say that he was very effective in this capacity.

[60] Stephen to Macdonald, February 22, 1882, MG26 A, Vol 267, pp 121379-121382.

for Galt was a mitigation in his powers as High Commissioner, a mitigation that resulted in his inability to make inroads into the elite and gentlemanly culture of the City.

The lack of British government support for the High Commissionership certainly had an adverse affect on how Galt was perceived in the City. Where no personal influence or importance was evident, no respect was granted by gentlemanly capitalists. Galt had it within his power to make a place for himself in the City and gain respectability, however, personal failings prevented this from ever happening. These personal foibles were most evident in his attempts to forge a closer relationship with British Liberals. Whereas Galt had a vision of working within London's gentlemanly structure, with the help of British politicians, his partisanship and political indiscretions alienated him from the very ones who could aid him.

There were other avenues available to Galt in his attempts to join the gentlemanly culture, but Galt lacked the necessary qualifications. For example, a personal relationship with the Royal Family was a gentlemanly symbol that would have garnered him respect. Unfortunately for Galt, problems with protocol and tradition prevented anything more than a perfunctory greeting from the Queen. Galt also lacked the personal wealth that characterized most gentlemen in the City. Personal wealth would have allowed Galt to be more independent in his search for respectability, and depend less on the British Government for support or on the Canadian Government for a relatively meager salary. As it was, Galt was unable to keep himself in the eye of London high society which stifled his chances at creating an effective social network. This lack of gentlemanly connections

similarly postponed the CPR's success at finding British investors who's money would aid the completion of Canada's transcontinental railway and economic engine.

Sir Charles Tupper:

Success as High Commissioner

Sir Charles Tupper's success as Canada's second High Commissioner is something of a curiosity. He lacked one very obvious qualification possessed by both his predecessors, Sir John Rose and Sir Alexander Tilloch Galt. He had no previous business experience in the City. Whereas Rose had become a London banker and Galt had conducted business with the City during his time with his father's land company, Tupper had spent most of his adult life in Canada as a physician and politician. Tupper's performance as a politician had been masterful, according to many contemporary observers, and it gave him valuable experience that would prove useful to his tasks as High Commissioner. Nevertheless, he lacked any direct experience with the City and its gentlemanly culture.

Although not a gentleman by birth, Tupper had no difficulty establishing his gentlemanly credentials. The fact that he was born in Canada seemed to make little or no difference to his status, a situation fully consistent with Cain and Hopkins' portrayal of flexible gentlemanly culture. Tupper's political prominence at the time of his appointment to the Office of High Commissioner proved a considerable asset, since the City had a healthy respect for politicians and their essential services. Their view of politicians was shaped by the fact that the majority of politicians in Britain came from landed or service backgrounds. Furthermore, Tupper possessed other qualities that facilitated his entry into

the councils of the gentlemanly elite of the City. Independently wealthy, Tupper was a very social person who joined clubs and entertained guests in his home. He was friends with members of the Royal Family, and was a skilled diplomat. In these respects he resembled Sir John Rose more than Galt.

How was Tupper, a colonial, received in London? As Galt's tribulations illustrate, experience in the City and good relationships with its inhabitants did not automatically translate into sympathy for Canada on the London markets or in the London press. To gain status and entrée into all levels of London society, the High Commissioner had to appear to have the support of the government in place, regardless of its political stripe. Galt had failed on this important count and encountered great difficulties as High Commissioner because of it; Tupper did not.

Tupper entered the High Commissioner's office with a reputation for political partisanship, a disability which the Governor General Lord Lorne noted in his correspondence with the Colonial Secretary Lord Kimberley.[1] Colonial Office officials' experience with Sir A.T. Galt and his controversial and anti-Liberal public comments made British public officials leery of the incoming Conservative cabinet member. While their fears about Tupper eventually proved to be unfounded, Galt's legacy came to be important in another more positive respect. Wilfred Irvin Smith, in his *Origins and Early Development of the Office of High Commissioner*, says that despite Galt's troubles as High Commissioner, he laid the foundation that allowed Tupper to succeed in some areas.[2]

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[1] Smith, *Origins and Development*, p 256.
[2] *ibid.*, p 257.

This, along with Tupper's own personality, abilities, and encyclopedic knowledge of railways and nation-building, contributed to his success in London.

Tupper's railway knowledge was probably his greatest asset. Known as Canada's "Mr. Railway" he worked on behalf of the CPR. Tupper had been involved in railway development since the 1850's, and had been an ardent supporter of the Intercolonial Railway. Many of the economic plans for his home county, Cumberland, and later Canada as a whole revolved around railways as an impetus for economic growth. By the time he became Minister of Railways and Canals in 1879 in Macdonald's cabinet he knew all there was to know about railways and their relationship to the Canadian economy. Consequently, Tupper's opinions were valued in Whitehall and the City. When Tupper spoke about railways, British politicians and capitalists listened since Tupper spoke with knowledge and authority and they knew of the importance of railways to Canada and of Tupper's importance in this scheme.

Charles Tupper was born in Amherst, Nova Scotia in 1821 to a Baptist clergyman, the Reverend Charles Tupper and Miriam Lowe. Although Tupper attended various local grammar schools, most of his education had been received at home from his self-educated father, himself a formidable scholar. Tupper's formal education included studies in Greek, Latin, French, and Science before he took up a teaching position for a short time at a grammar school in New Brunswick. Then, at the age of seventeen, he became the understudy of a Windsor, Nova Scotia doctor and then, in 1840 he travelled to the University of Edinburgh to gain the best medical education his borrowed money could

buy. Three years after his return to Amherst in 1843 he married Frances Morse, granddaughter of one of the town's founders. Tupper's double life as doctor and politician began in 1852 when he challenged the great Joseph Howe in a provincial by-election and lost, only to be elected as a Conservative in the 1855 general election for the same seat. His political success at the young age of thirty-three was impressive, and a harbinger of things to come. Indeed, Howe was so impressed by Tupper's abilities that he predicted Tupper's leadership of the Conservatives. Despite his victory in Cumberland County, the election was a disaster in the rest of the province. At this point the adaptable Tupper advocated a new course for the party, one which included support for the government's construction of railways.[3] Thus, Tupper began his career as a Conservative and as an unswerving railway supporter.

Over the next half century the "War Horse of Cumberland" represented his province and country in a manner that justified his nickname. His political appointments were numerous and personal honours abundant. His political offices included: Premier of Nova Scotia, 1864-1867; President of Privy Council of the Dominion of Canada, 1870-72; Minister of Inland Revenue, 1872-73; Minister of Customs, 1873; Minister of Public Works, 1878-79; Minister of Railways and Canals, 1879-84; and High Commissioner for Canada in England, 1883-87, and 1888-96.[4]

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[3] Sir Charles Tupper, *Recollections of Sixty Years in Canada*. (London, New York, Toronto: Cassell and Company, Ltd., 1914) p 3.

[4] After, and between, Tupper's time as High Commissioner, he served as Minister of Finance, 1887-88 and Prime Minister of the Dominion of Canada, 1896. Tupper's personal honours were also impressive. The CB (Companionship of the Order of the Bath) was conferred in 1867 and a knighthood (KCMG) followed in 1878. Finally, the GCMG (Knight Grand Cross of the Order of St. Michael and St. George) was bestowed on Tupper in 1886.

Tupper is well remembered for two of this nation's most significant events: Confederation and the evolution of the Canadian Pacific Railway. Most biographies of Tupper have been penned by partisans. None are more partisan than those written by his personal biographer, E.M. Saunders, and Tupper's son and political ally Sir Charles Hibbert Tupper. In their biographies Tupper is cast as the "Father of Canada".[5] While this may be overstating his importance somewhat, Tupper along with his closest allies, Sir John A. Macdonald, Sir George Etienne Cartier, and Sir Leonard Tilley contributed significantly to the creation and retention of Confederation. Tupper's role in bringing Nova Scotia into Confederation was masterful (if not underhanded) in the face of political partisanship and stiff opposition. As early as 1860 he was convinced, as was the Liberal leader Joseph Howe, that some form of Union was necessary among Maritime provinces or all the provinces of British North America. Speculation on Tupper's unionist motivations vary widely from the need to consolidate Canada's debts to the likelihood of increased railway construction in the province, or personal profit and aggrandizement.[6] As Peter Waite points out, however, Tupper was also motivated to a large degree by the frustration of not being able to exhibit fully his talents within the larger imperial context.[7] Tupper's concern about British North America's apparent unimportance within the Empire prompted him to write that "with such a confederation as these five provinces as would give us the political position due to our extent of area, our resources ... British America would in a few years exhibit to the world a great and powerful organisation, with

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[5] Biographical Foreword (Anon), *Recollections*, p 8.

[6] Delphin Andrew Muise, "Elections and Constituencies: Federal Politics in Nova Scotia, 1867-1878" (PhD thesis, University of Western Ontario, 1971), p 30; Rosemary Langhout, "Developing Nova Scotia: Railways and Public Accounts, 1849-1867", *Acadiensis*, vol. 6, no. 1 (Autumn 1976), p 18. Cited in Phillip Buckner's unpublished *Dictionary of Canadian Biography* entry for Sir Charles Tupper, p 6.

British institutions, British sympathies, and British feelings, bound indissolubly to the Throne of England."[8]

The four years preceding Confederation were confusing ones for the Union movement. Maritime premiers met twice to discuss forms of union with their Canadian counterparts, once in Charlottetown and later in Quebec. Samuel L. Tilley and Charles Tupper, respectively Premiers of New Brunswick and Nova Scotia, were staunch supporters of the idea but were unable to convince the influential Joseph Howe that the terms of Union were beneficial for Nova Scotia. Talk of Maritime Union soon fell by the wayside as a Canadian delegation to the 1863 Charlottetown Conference, including John A. Macdonald, Alexander T. Galt, and George E. Cartier argued for a general British North America. A second conference in Quebec in October, 1864 convinced Tupper that Confederation was the proper decision, and convinced Macdonald that "Dr. Tupper was exactly the man necessary to the accomplishment of the great work they had met to consider."[9] Reasons for Macdonald's assessment can be found in J.E. Collins, *The Life and Times of the Right Honourable Sir John Alexander Macdonald*:

> The Hon. Charles Tupper's robust ability and unfaltering purpose had all along favourably impressed Sir John ... But of Sir Charles abilities, we might say of his genius, there can be no question. He entered politics, in which sphere, by the sheer force of his abilities and the possession of a power that literally battered down every obstacle, succeeded in forcing his way to one of the most prominent places in the country. Never could anyone deny that great energy of character, and almost superhuman force.[10]

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7 P.B. Waite, *The Life and Times of Confederation, 1864-1867.* (Toronto, 1971) pp 14-15.

8 Tupper, *Recollections*, p 37.

9 Joseph Pope, *Memoirs of the Right Honourable Sir John Alexander Macdonald.* (Toronto: Oxford University Press, 1930) p 286.

10 J.E. Collins, *The Life and Times of the Right Honourable Sir John Alexander Macdonald.* (Toronto, 1883) pp 368-369.

A man of this description would certainly be a valuable political ally as well as a great representative for Canada. In forming his first Confederation government in 1867, Macdonald clearly wanted Tupper in his cabinet but was unable to have him because of the necessity of reconciling religious interests in Nova Scotia. Roman Catholics wanted representation in the cabinet but could not endorse Tupper for this position because they viewed his 1864 Free Schools legislation as an attack on Catholic schools.[11] Rather than giving Tupper a seat in cabinet, therefore, he was offered the lucrative position of chairman of the Intercolonial Railway Commission. He declined the offer and chose to sit as a private member, but still exercized immense influence upon Macdonald, who owed Tupper much for his work on Confederation and bringing Nova Scotia into the fold.

Given the narrowness of his win in the 1867 election and the fact that anti-confederates swept the remaining Nova Scotia seats Tupper must have been happy just to take his seat in Parliament for Cumberland County.[12] As a Member of Parliament, Tupper did not completely abandon his Hippocratic oath in favour of a political mantra. He was said to have kept his medicine bag under his desk in the House of Commons and once even dispensed medical advice to a political foe by suggesting he stay up all night to administer champagne to his ailing wife every half an hour.[13] As a private member, Tupper continued to promote important issues that were in keeping with his vision of a strong and independent Canada. For example, he was one of the first people in

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[11] Pope, *Memoirs*, pp 350-351; E.M. Saunders, *The Life and Letters of the Right Honourable Sir Charles Tupper*, Vol.1, (Toronto, New York, London: Cassell and Company, 1916) pp 150-153.

[12] Buckner, Unpub. *DCB*, p 8. Tupper's was the only Unionist seat won in the Province, and that only by a small margin.

[13] Sandra Gwyn, *The Private Capital: Love and Ambition in the Age of Macdonald and Laurier*. (Toronto, 1984) p 64. Cited in Buckner, *DCB*, p 2.

Macdonald's government to suggest a protection policy for Canadian business and industry that closely resembled the National Policy of eight years later. In a speech to Parliament in 1870 Tupper suggested that it was not wise to trust the Americans to look out for Canada's interests in the wake of the failed reciprocity agreement. He asked Parliament "should we allow the best interests of the country to be sacrificed or uphold a bold national policy which would promote the best interests of all classes and fill our treasury?"[14] Charles Hibbert Tupper spent an entire chapter in *Supplement to the Life and Letters of the Right Honourable Sir Charles Tupper* pointing out that early in his father's career he was "sincere and consistent in his views on protection."[15] In keeping with Tupper's formidable reputation, one observer in 1893 stated that "Sir Charles Tupper is the only Canadian statesman who has a right to claim that he was the father of the National Policy."[16]

Tupper might also be considered the "father" of the transcontinental railway in Canada. From his days in Nova Scotia politics he supported railway construction as a way to increase east-west traffic and foster development in particular areas of the country. In 1865 Tupper pressed Macdonald to make the Intercolonial Railway a condition of Confederation. In 1869, still as a private member, Tupper attempted to promote a rail link to British Columbia. Between 1879 and 1885, both as Minister of Railways and Canals and High Commissioner to England, Tupper played a much larger part in the development

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[14] Saunders, *Life and Letters*, Vol. 1, pp 200-203.

[15] Sir Charles Hibbert Tupper, *Supplement to the Life and Letters of the Right Honourable Sir Charles Tupper*. (Toronto, 1926) p 68.

[16] *ibid.*, p 63.

of the CPR than his own understated estimation suggests: "I had something to do with the preliminary negotiations and the carrying out of the work,"[17] said Tupper.

Macdonald could not have asked for a better ally than Sir Charles Tupper, both in federal and provincial politics. He understood Canada's and Nova Scotia's political landscape with the clarity of a visionary. When Tupper became Premier of Nova Scotia in 1864, his economic plan of "coal, iron, and rails" was radical compared to the opposition Reformers' argument for the maintenance of Nova Scotia's traditional "wood, wind, and sail" economy.[18] Clearly, Tupper's plan to bring railways to the new coal centres of Nova Scotia prepared the province for continental competition. Similarly, Tupper played an important role on the national scene where he made the National Policy and the CPR essential to the realization of Confederation. His knowledge and view of the Canadian economy was unequalled at the time. When one coupled this vast knowledge of Canada and its main players with his tireless, energetic, and sometimes bombastic character, it was easy to understand why Macdonald valued Tupper's services at home and abroad. He was Canada's foremost authority on railways and the economy.

Tupper's opportunity to sit in cabinet came in 1870 with the departure of the ailing Joseph Howe. Tupper was appointed President of the Privy Council on June 21, 1870 and after Confederation's second general election on July 2, 1872 he became the Minister of Inland Revenue. When the Pacific Scandal broke in 1873 Tupper remained loyal to Macdonald and defended the government from Liberal attacks. When a less loyal Sir Samuel Tilley resigned from cabinet, Tupper was given his portfolio of Minister of

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[17] Tupper, *Recollections*, p 125.
[18] Muise, "Elections and Constituencies", p 31.

Customs. The "Pacific Slander",[19] as Tupper called it, brought down Macdonald's government in 1874 through a vote of non-confidence and it harmed many politicians' reputations. In the ensuing general election of that year Tupper was one of only two Conservatives to be returned by their Nova Scotia constituents. For the next four years Tupper stayed in the House of Commons virtually unharmed by the fallout.[20] In opposition he was a most effective critic of the Liberal Government's economic and railway policies.[21] While Tupper possessed formidable debating skills, Saunders' intimation that he was almost single-handedly responsible for the ultimate demise of the Liberals is grossly exaggerated. The depression of the 1870's and the inexperience of Mackenzie and his party were more potent factors. Tupper did make it clear, however, through his criticism of the Minister of Public Works and Prime Minister Alexander Mackenzie, that the Liberals' plan for a publicly funded railway was not a wise one for a young nation with limited revenues.[22] He argued that the Liberals were far too extravagant in their planned expenditures.

Upon the Conservatives' return to power in 1878 Tupper was rewarded for his work as critic and his unfailing support of the party. The election returned Tupper to his seat for Cumberland despite the fact that he and his wife had been living in Toronto for two years in order to be close to their grieving son, Charles Hibbert, who had recently lost

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[19] *ibid.*, p 131.

[20] Although Tupper was not implicated in the Pacific Scandal at first, a Liberal Toronto newspaper alleged that he had, indeed, benefitted from Allan's generosity. Tupper asked for a government investigation into his role in the Scandal and when it was found that the newspaper had based their allegations on rumour, he was cleared of any wrongdoing.

[21] Buckner, Unpub. *DCB*, p 10. A more detailed account of Tupper's criticism of Liberal policies can be found in Saunders', *Life and Letters*, pp 236-246. In particular, Saunders points out that Tupper was effective in criticizing the Liberals for a railway policy that would cost the people of Canada more than the Conservatives' own plans.

[22] Saunders, *Life and Letters*, p 239.

his wife. In 1879 Sir John A. Macdonald appointed Tupper to the cabinet as Minister of Public Works, only to see the ministry split into two, Public Works and Railways and Canals, with Tupper keeping the latter. This could not have suited him better. Tupper's fervent belief in the transcontinental railway as a great national and imperial project drove his efforts. He believed that the construction of "an Imperial Highway across the Continent entirely on British soil,"[23] would help solve the problems of implementing the National Policy which he had been so instrumental in forming. It helped ensure British Columbia's acceptance of Confederation, and saved the Empire from any potential annexationist designs. Canada's imperial connections were near the front of Tupper's mind when he spoke of Canadian railways. In *Canadian National Railways*, G.R. Stevens commented that "Charles Tupper, [was] a pillar of Empire, save where the Colonial Office was concerned."[24]

Tupper was no stranger to London and the Colonial Office. When he served as Provincial Secretary in the Johnstone Government, he travelled to London three times to gain imperial guarantees on loans for the Intercolonial Railway. Each time Tupper came away bitter and empty-handed. The first time, in 1857, Colonial Office Secretary Henry Labouchere rebuffed the joint New Brunswick-Nova Scotia delegation owing to an apparent lack of agreement between the two groups.[25] In May 1858, the Colonial Office Secretary, Sir Edward Bulwer-Lytton, refused a revised plea from the Nova Scotia

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[23] Tupper in Memorandum: Canadian Pacific Railway Scheme, 20 August 1879, MG26 A, Vol. 127, p 52525.

[24] G.R. Stevens, *Canadian National Railways, Vol. I: Sixty Years of Trial and Error (1836-1896)*. (Toronto and Vancouver: Clarke, Irwin, & Company Ltd., 1960) p 179.

[25] Stevens, *Trial and Error*, pp 168-169.

Legislature on the grounds that "Imperial expenditures must have an Imperial object."[26] Finally, in 1858 Tupper travelled with Alexander T. Galt and George Etienne Cartier to London with the promise of support from London businessmen. This time it was Benjamin Disraeli, Chancellor of the Exchequer, who was in a decidedly anti-imperial mood and averse to the plan for the Intercolonial.[27]

Despite these rebukes the Nova Scotian-born Tupper remained a committed Imperialist. Eventually, Disraeli recognized the value of the British colonies, though at one time he saw them as "a millstone around our necks." By his seventieth year Disraeli came to believe that "no minister in this country will do his duty who neglects any opportunity of reconstructing as much as possible our Colonial Empire."[28] Macdonald and Tupper, perhaps trying to take advantage of Disraeli's change of heart, drew up a memorandum concerning the "Canadian Pacific Railway Scheme" wherein they emphasized the value of the railway to the Empire as a whole. The memorandum, presented to the British Government in August, 1879 argued that:

> In submitting the above scheme for the consideration of Her Majesty's Ministers, the undersigned delegates from the Government of Canada would respectfully submit that the Canadian Pacific Railway is a work in which the Imperial Government is largely interested.
> 1. It is rendered necessary by the confederation of the scattered provinces of British North America under one Government, in accordance with Imperial policy.
> 2. It will form a great national highway across the continent of America entirely on British soil, and will provide a new and important route from England to Australia, to India, and to all the dependencies of Great Britain in the Pacific Ocean.
> 3. It will open up vast tracts of fertile land for occupation, and afford permanent employment and homes for English farmers, workmen, and labourers, and will

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[26] *ibid.*, p 169.
[27] *ibid.*, p 170
[28] John Murray Gibbon, *Steel of Empire*. (Indianapolis and New York, 1935) p 190.

> ultimately render Great Britain independent of foreign countries for food supplies.[29]

In short, the memorandum and its three couriers, Macdonald, Tupper, and Tilley, attempted to illustrate the value of a transcontinental railway to Great Britain and the Empire.

The British Government, faced by an impending general election was unimpressed by the Canadians' argument. Macdonald, Tupper and Tilley left London with a promise from Disraeli that they should "come back next year and I will do anything you ask me."[30] With their promise of a rail link to British Columbia to keep, however, it was clear that a commitment was needed sooner. The commitment was made in 1880 when it came time to build the lengthiest portion of the railway, from Lake Nipissing to the Pacific coast. Tupper again went to London to seek out a group that was willing to take on the enormous project. Tupper, however, faced a skeptical audience. As he recalled later: "British financiers did not display any frenzied haste to engage in railway building across the continent."[31] The first to be approached in this regard was Sir Henry Tyler, the President of the Grand Trunk Railway. But Tyler refused the offer because the Canadian terms demanded that the railway be an all-Canadian route, north of Lake Superior. In their view this route was necessary for the integrity of the National Policy and indeed, for the existence of the nation.[32] The only people willing to submit to this clause were those of the Canadian Pacific Railway Syndicate. On September 14, 1880 the contract which

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[29] *Memorandum: Canadian Pacific Railway Scheme*, 20 August 1879, MG26 A, Vol. 127, pp 52525-52526.
[30] Disraeli, 1879, in Gibbon, *Steel*, p 194.
[31] Tupper, *Recollections*, pp 139-140.
[32] Charles Hibbert Tupper, *Supplement*, p 84.

created the Canadian Pacific Railway was signed in London. Tupper was one of the signatories of this agreement which stipulated that:

> The Government, in consideration of the above, [will] grant a subsidy in money of $25,000,000 and a total grant in aid, of 25,000,000 of acres of land. The money subsidy and 18,750,000 acres, part of the grant in aid, [is] to be paid and made as the work proceeds in proportion to the expenditures, and to be applied to the several sections of the Railway...[33]

The signing of this contract set off five years of financial trials and tribulations for the Canadian Government and the Syndicate. In his memoirs, Tupper chose to forget the troubles and remembered this only as "the foundation of the great Canadian Pacific Railway, which actually paid working expenses from the date of its completion."[34] Although this is true, Tupper did not mention the part he played in keeping the CPR alive both as Minister of Railways and Canals between 1880 and 1883, and as High Commissioner between 1883 and 1885. During this five year period no one in the Canadian Government, not even Macdonald himself, did as much to bring about the successful completion of the great work. In the House of Commons, he defended the Railway and secured loans for its progression. However it was in London while serving as Canada's second High Commissioner that Tupper performed his most valuable functions in relation to the CPR.

Sir Alexander T. Galt's resignation as High Commissioner in 1883 was made inevitable by his impotence as a gentlemanly capitalist in the City. Initially, it appeared as though Galt had the necessary experience and credentials for the position. His record,

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[33] *The Canadian Pacific Railway: Heads of Agreement*, 14 September 1880, MG26 A, Vol. 127, pp 52515-52516.

[34] Tupper, *Recollections*, p 143.

however, indicates that he failed in some critical areas. For example, he failed to receive the endorsement of the British Government as Canada's official representative, he did not forge a close working relationship with the Colonial Office of the time, nor did he manage to form familiar ties with the City. A month after Tupper's appointment, Macdonald wrote to him saying:

> You have made a good start and I have no doubt your intercourse with the Government will be both agreeable and useful. I cannot help thinking that your practical successes will be greater than Galt's. He was always thinking of posing as an English statesman and trying to impose his own views on the English public for self-glorification rather than tending to his [ ].[35]

Macdonald's appointment of Tupper as High Commissioner was meant to remedy this situation because in Tupper Macdonald had a man of different strengths, knowledge, wealth, experience, and manner from Galt. Whereas Galt was a first generation Englishman who continued to aspire to acceptance in London, Tupper had no illusions as to where he was and who he represented. His bombastic, bullying and aggressive style meant that he could not be ignored or slighted as Galt had been. Tupper, therefore, brought qualities to the Office that allowed it to grow and develop in its relationship to both the Imperial Government and the City.

In 1883 Tupper's status as a cabinet member automatically gave him a credibility which Galt never enjoyed. In *The Colonial Office and Canada*, D.M.L. Farr observed that Tupper (and subsequently Sir Donald Smith/Lord Strathcona) "raised the prestige of the Office to a level of 'ambassadorial importance'," reinforcing the view that Tupper's political prominence strengthened his hand in relation to the British Government and

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[35] Macdonald to Tupper, 25 July 1883, MG26 A, Vol 525 pt 1, p 218.

allowed him to function effectively as High Commissioner.[36] If one accepts the argument that the High Commissioner was the meeting point for gentlemanly capitalism between Great Britain and Canada then Tupper can be seen as the one who bridged the gap between politics, business and the Office, allowing the High Commissioner to be a useful arm of Canadian government. This is especially true in the case of the CPR where Tupper was able to use his knowledge, contacts, and influence to gain an important agreement with Barings Brothers to issue £3,000,000 of CPR First Mortgage Bonds. It was this issue that created confidence in the London market for CPR securities and allowed it to finish construction.

For Tupper, the High Commissioner's job was also a welcome appointment since his health had been suffering from the pressures placed on him by defending the CPR in the House of Commons from constant opposition attacks. As early as 1881, when Galt tendered his first resignation, Tupper wrote to Macdonald from London:

> Sir A.T. Galt has fully decided to leave as you will learn by his letter of the 24th. He would like you to ask him to go out when his family goes in June and would return and remain for your convenience. If I become able to stand the strain of the Commons again I am at your disposal, if not I would like you to send me here where I think I could do some good work for Canada.[37]

Because of his value to Macdonald within the Party and the Commons, Tupper was allowed to keep his cabinet portfolio as Minister of Railways and Canals, as well as take up the position of High Commissioner when he went to London in June, 1883. This enhanced his power and prestige in London among those who were willing to deal directly with power. His qualifications both as railway defender and political heavyweight were

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[36] D.M.L. Farr, *The Colonial Office and Canada, 1867-1887*. (Toronto: University of Toronto Press, 1955) p 269.

[37] Tupper to Macdonald, 31 March 1881, Sir Charles Tupper Papers, Vol. 5, p 2411.

the same ones that induced Macdonald to make Tupper the High Commissioner. Whereas Rose had no power in London to make official representations to the government, and Galt had this power but was not able to use it successfully, Tupper was expected to change this pattern and give Canada's interests a higher profile. Tupper relished the opportunity to serve as Canada's High Commissioner. Conscious of the hostility in England towards Canada and the general unwillingness to accord Canada its due respect within the Empire, Tupper gained a margin of success.[38] He began by demanding "that he be accorded plenipotentiary powers," in trade talks with France and Spain, then Tupper took Canada's place at the table as an equal for the negotiations that had previously frustrated Galt.[39]

Tupper was the first Canadian-born High Commissioner. Tupper's colonial heritage may have been a cause for concern if the bulk of his life had been spent in Cumberland County. But this was not the case. Ordinary Canadians were viewed by the British as being "primitive in manner, insular in outlook, and lack[ing] artistic sensitivity."[40] Tupper had been educated in Scotland, however, and as a politician had become familiar with the way business was conducted in London. He would not have been out of place. At the same time, his lack of pretensions about London could have helped him. Whereas Galt became preoccupied with his gentlemanly status to the detriment of his duties, Tupper needed only to depend on his power as cabinet minister and High Commissioner to derive status.

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[38] Charles Hibbert Tupper, *Supplement*, p 102.

[39] Farr, *The Colonial Office*, pp 228-230.

[40] R.G. Moyles and Doug Owram, *Imperial Dreams and Colonial Realities: British Views of Canada, 1880-1914*. (Toronto, London: University of Toronto Press, 1988) p 225.

As High Commissioner, Tupper's status as gentleman seemed secure. He associated socially with gentlemen of the City, conducted business on an informal basis at "clubs" or dinners and entertained gentlemen at his home. A wealthy man, Tupper could afford to entertain in his home, partly because of his wife's substantial resources and partly from his own wise investments in coal and railways in Nova Scotia. [41] In Galt's case, the consequence of being unable to operate in this milieu was that his overall effectiveness as High Commissioner was hampered. As this paper has argued, however, this inability came about because of Galt's poor relationship with the government of the time and his lack of wealth which prevented him from entertaining those very gentlemen who may have furthered his cause.

Tupper received a warm reception in England on July 3, 1883. Present to receive Sir Charles and Lady Tupper were numerous important members of Gladstone's government including Lord Derby, the Secretary of State for the Colonies. According to Tupper: "nothing could exceed that cordiality of my reception here by Lord Derby and the other ministers and officials whom I have met, I find the interest taken in Canada is immense."[42] Among the other ministers and officials present were Sir Charles Dilke, Under-Secretary for Foreign Affairs and R.G.W. Herbert, Permanent Under-Secretary of State for the Colonies. Derby's and Herbert's presence at the reception was a recognition of Canada's stature and importance. It was also a recognition of the importance of Canada's High Commissioner to Great Britain. The British Government (Conservatives) had been reluctant to grant Canada any new diplomatic powers before Galt's appointment

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[41] *ibid.*, p 214.

[42] Tupper to Stephen, 11 July 1883, Sir Charles Tupper Papers, Vol. 5, 2569.

in 1880. Galt's reception and his subsequent dealings with the Liberals confirmed this reluctance. Tupper's reception, however, represented a definite change in attitude. This change may be partly explained by Tupper's own political prominence.

Tupper's visit to the Continent shortly after his arrival also represented a significant change in the Office. Galt had made similar trips to the Continent for business but Tupper went armed with letters of introduction from British Royalty and politicians that gave him access to powerful politicians and royalty. In Germany, Princess Louise's letter gained him an audience with her sister, the Crown Princess and her husband.[43] In France he attended a sitting of the Chamber of Deputies in the Senate. Overall, the events of Tupper's first month as High Commissioner illustrated that he was going to infuse energy, authority and meaning into the Office.

During Tupper's first months as High Commissioner the event which best demonstrates his experience, and shows his first measure of success, was his private presentation to Queen Victoria. Since Galt was the first High Commissioner to take up residence in London, protocol had not been established at the time of his presentation to the Queen. He was presented in a levée at the Court with the grant of precedence proceeding the Privy Councillors in the Royal Palace.[44] Tupper, however, had made the acquaintance of Queen Victoria's daughter, Princess Louise, during her husband's term as Governor General. Accounts of the meeting, in the autumn of 1878 record that Sir John A. Macdonald and Tupper met the couple in Halifax where Lorne was sworn in as Governor General by the Chief Justice of Nova Scotia, Sir William Young. Macdonald

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[43] Saunders, *Life and Times*, Vol II, pp 15-16.
[44] Skilling, *Canadian Representation*, p 97.

and Tupper then accompanied Lorne and Princess Louise on their journey to Ottawa. On the way they began a friendly and respectful rapport that would last for years.[45] The appointment of a Royal couple to Ottawa suggested a new attitude toward Canada and a recognition of its place and importance within the Empire. In his *Recollections*, Tupper spoke of Lorne's performance as Governor General as "most able and satisfactory,"[46] while Lorne showed his respect for Tupper in 1896 by sending him a letter congratulating him on becoming Canada's sixth Prime Minister.[47] This cordial relationship was evident in December 1883 when Tupper, apparently at the behest of Lord Lorne, met privately with Queen Victoria and received a tour of the castle. Newspapers of the day described the meeting:

> In the course of the interview the High Commissioner expressed to Her Majesty the gratification felt by the Canadians at the appointment as Governor General five years ago of a nobleman so closely allied to the Royal family as Lord Lorne, and at the opportunity thus given of testifying to the Princess Louise their attachment to the throne. The Queen, in reply, intimated her great pleasure at the extremely hearty reception accorded to her daughter... At the close of the interview the Princess Louise, who had been present throughout, invited Sir Charles Tupper to see some of the more interesting portions of the castle.[48]

It is not entirely clear, however, whether this meeting was a personal reception or part of Tupper's official reception as High Commissioner. In his correspondence of May, 1885 the Earl of Derby attempted to arrange a meeting of Tupper with the Queen similar to the one Galt had received five years earlier. Apparently, Tupper had not been given a proper entrée because of "an oversight in this department [Colonial Office] [and] it was not applied for when Sir Charles assumed office."[49] If Tupper's 1883 meeting with Queen

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[45] Saunders, *Life and Times*, Vol I, p 264.
[46] Tupper, *Recollections*, p 263.
[47] *ibid.*, p 317.
[48] *The Daily Times*, 20 December 1883, Cited in Charles Hibbert Tupper, *Supplement*, p 103.
[49] John Bramston to Sir Spencer C.B. Ponsonby-Fane, 11 May 1885. Cited in Charles Hibbert Tupper, *Supplement*, p 57.

Victoria was personal and not a part of his duties, then it points to the likelihood that the meeting came about as a result of personal favour.

Social access to the Royal Family conferred a higher status on Tupper in London. Tupper received invitations to dinner or to weekends with some of London's most important political and business leaders including the Kimberleys, the Carnarvons, the Baden Powells, the Roses and many others whose interest in Canada would be useful.[50] As early as July 12, 1883 Tupper had his first meeting with Edward Baring of Baring Brothers.[51] In *Canadian Representation Abroad* Skilling feels that it was because Tupper was able to move in high social circles that he was successful in transforming the Office into one of influence and power.[52] Whereas Galt had referred to many London gentlemen as "arrogant insulars," who "turn their noses at us all," Tupper had no difficulty relating to these same men as he regularly met with statesmen, members of the Royal Family, and gave public speeches on important occasions with British Cabinet members in the audience. Similarly, Tupper met with members of the government from the Prime Minister down, and had constant communication with the Colonial Secretary, Lord Kimberley, who had formerly ignored Galt almost entirely.[53]

Did the respect and privilege that Tupper received in London imply a gentlemanly status, however? Sir Charles Tupper's biographer, E.M. Saunders, implied as much. In Saunders' view "the High Commissioner had the Open Sesame to social life in Great Britain and on the Continent."[54] Saunders also added that Tupper's social life was

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50 *ibid.*, p 263.
51 Tupper to Macdonald, 12 July 1883, MG26 A, Vol 282, P 129463.
52 Skilling, *Canadian Representation Abroad*, p 98.
53 *ibid.*, p 98.
54 Saunders, *Life and Times*, Vol II, p 15.

"perfectly congenial and in accord with his fixed habits," which suggests that Tupper possessed a gentlemanly taste and bearing which was not out of place in the City. Yet, according to Smith in *Origins and Early Development of the Office of High Commissioner*, Tupper was not particularly concerned about his official status and mentioned almost casually that he had been accorded the privileges which had been denied to Galt.[55] This casual indifference to his status implies that Tupper was comfortable in his new environment and did not feel compelled to make special efforts to ingratiate himself with Londoners. Furthermore, his behaviour suggests that as High Commissioner and resident Canadian cabinet minister Tupper fit in with the gentlemen of Whitehall and the City and did not face the kind of opposition from the government which Galt had encountered.

Initially, there was some apprehension in the Colonial Office about Tupper's appointment as High Commissioner because of his reputation for being a staunch Conservative partisan. Both Rose and Galt came into the office with opposite reputations, as issue-related, non-partisan politicians. To have Tupper, the politician with clearly different habits, enter into the High Commissioner's Office was an unsettling thought for the Colonial Office authorities, especially after Galt's unexpected partisan performance. Moreover, at the time of Tupper's arrival in London, Gladstone's Liberal Government was unpopular at home. A significant reason for this was the developing problem in the Sudan where, since 1881 Arab warriors led by Mohammed Ahmed ibn Seyyid Abdullah (called the Mahdi) had been challenging Egyptian (and therefore British) authority in the

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[55] Smith, *Origins*, p 259.

Sudan. Gladstone decided to evacuate that area of Africa in late 1883 and despatch Major-General C.G. Gordon to oversee the pullout.[56] Given the public debate over the British Government's decision to intervene in the Sudan, therefore, foreign and imperial affairs were at the forefront of the government's problems. Gladstone and his government did not wish for Tupper to bring any new controversies regarding Canada. Any concern over Tupper's ability to act impartially was soon laid to rest. Indeed, Tupper had no difficulty demonstrating his non-partisan approach to the Office. Among his first official visitors from Canada were Edward Blake, leader of the Liberal Party of Canada, Alexander Mackenzie, former Liberal Prime Minister, and Oliver Mowat, the Liberal Premier of Ontario and arch opponent of Macdonald. All three men were received cordially despite the fact that they were some of his most vocal and ardent critics; and he remained Minister of Railways and Canals.[57]

From this early point onwards, Tupper's political stripe was obscured by his captivating influence and personality. Clearly, the fact that Tupper simultaneously held a cabinet position worked to his advantage in many respects, a point later acknowledged by Tupper's successor as leader of the Conservative Party, Robert Borden:

> I do not fail to remember your own view that the High Commissioner for Canada ought to be a member of the Canadian Government and thus discharge the duties which I have indicated above. The influence which, as High Commissioner, you were able to exert to the marked advantage of Canada in matters of High Imperial concern, is a strong argument in support of your view, if we could be assured of having in London a representative possessing anything

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[56] C.P. Stacey, *Records of the Nile Voyageurs, 1884-1885: The Canadian Voyageur Contingent in the Gordon Relief Expedition.* (Toronto: The Champlain Society, 1959) pp 1-3. ; Reference to a letter written from Tupper to Macdonald in March of 1885 (Macdonald Papers) is made in the introductory remarks. Tupper suggested to Macdonald that Canada send a military contingent to the Sudan but was quickly rebuffed. What was not mentioned by Stacey is that Tupper was attempting to gain Imperial guarantees on loans for the CPR in return for the military assistance.

[57] *ibid.*, p 261.

> like the experience, ability, courage, determination, and force of character which you brought to the discharge of that most important office.[58]

Certainly, Tupper's experience as a cabinet minister, diplomat, and nation-builder prepared him well for his new post, as did his confident and forceful personality. In fact, praise for Tupper was unanimous in this respect. Lord Lorne wrote that, "Sir Charles Tupper made the period of his representation of Canadian interests notable in many ways, and he has never ceased to illustrate in a convincing manner the advantage to both countries of having a leading Canadian statesman resident among us."[59] In 1890 Sir John A. Macdonald wrote to Governor General Lord Stanley that "Canada has found it advantageous on several occasions to have Sir Charles Tupper dealt with as a quasi member of the *corps diplomatique*, and I have no doubt the Colonial Secretary has been assisted by the experience which Sir Charles had gained during his service as a cabinet minister in Canada."[60] Finally, Tupper showed he was also aware of the advantage of holding two offices simultaneously by saying:

> Having, during four years, represented Canada as High Commissioner while I at the same time held a seat in the Canadian Cabinet, I found in discussing matters with the Imperial Government the additional weight given to my representation from the fact that I was not only a representative of the Canadian Government but also a member of it.[61]

These testimonials were made after Tupper gained the right to negotiate commercial treaties with foreign countries (plenipotentiary powers). Galt had been repeatedly discouraged by the lack of this official diplomatic status, as illustrated by the Spanish and

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[58] Cited in Charles Hibbert Tupper, *Supplement*, p 111.
[59] *ibid.*, p 110.
[60] Macdonald to Lord Stanley, 15 August 1890, cited in Skilling, *Canadian Representation Abroad*, p 100.
[61] Sir Charles Tupper in "Problem of Empire", *Nineteenth Century*, May 1907, Cited in Charles Hibbert Tupper, *Supplement*, pp 110-111.

French negotiations. That Tupper succeeded in this respect is one of the best indications of his comparative success during his thirteen years as High Commissioner. Although Galt attempted to raise the profile of the High Commissioner's Office in London, it was Tupper who was responsible for making the position an essentially diplomatic one.[62]

Tupper's dual position brought another benefit in that it allowed him to have almost instant entrée into London's gentlemanly society. As mentioned above, he received a warm welcome from some of the Colonial Office's most senior officials, in contrast to Galt's reception which was coloured by the yet ambiguous status of the new Office. After Tupper's trip to the Continent, his relationship with London society continued to mature, again owing to his stature and influence as a senior cabinet member and High Commissioner. Wilfred Smith points out that Lord Lorne went out of his way to introduce Tupper to London society and was responsible for Tupper's private meeting with Queen Victoria.[63] While his familiar and friendly relationship with Lorne and Princess Louise provided incalculable benefits for Tupper in London, it was certainly facilitated by the fact that he was a cabinet minister during Lorne's tenure as Governor General.

Within cabinet, Tupper's influence was felt most acutely in matters dealing with railways, specifically the CPR. This influence augmented his power as High Commissioner in London because he spoke with an unqualified voice on the CPR. Financiers and investors could be sure that Tupper was speaking from a position of power since it was Macdonald who more than once called Tupper back to Canada to quell

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[62] Skilling, *Canadian Representation Abroad*, p 98.
[63] Smith, *Origins*, p 260.

dissenting voices in cabinet over CPR financing. He was the authority on Canadian railways.[64] From the time he first entered politics in Nova Scotia, Tupper recognized railways as critical economic engines for his region. While in Macdonald's cabinet and the High Commissioner's Office, Tupper took his thinking further and became convinced that Canada's future depended on the successful completion of a transcontinental railway that followed an all-Canadian route. In February, 1885, when the CPR was virtually out of money, Tupper wrote to Macdonald:

> I have been greatly concerned by your letter of the 24th ultimo as to the position of the CPR and the attitude of some of your colleagues and for the first time regret that I left Parliament. I like the position here very much - it suits me and my health is much better and I am vain enough to believe that I am fairly well qualified for the position and able to do important work for Canada, but I [view] the success of the CPR as so vital to the progress and greatness of Canada that I have no inhibitions in placing myself unreservedly in your hands...If you let the CPR go down you will be sacrificing both the country and the party and throw all back again for ten years. I do not believe that either Parliament or the country will ever submit to this.[65]

Tupper went on to offer his resignation to Macdonald so that he might return to cabinet and use his influence and fiery personality to convince his colleagues of the wisdom of securing more loans for the CPR. On December 1, 1883 Macdonald cabled Tupper in London saying, "Pacific in trouble. You should be here."[66] At the time, the CPR was encountering great resistance to their new issue of shares in the London market due mainly to the poisoning influences of the GTR in the London press. The $65,000,000 in CPR shares that were issued with a par value of 100 brought in only $31,000,000 on the London market, prompting George Stephen to ask the Canadian Government for a loan of

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[64] Glazebrook's *A History of Transportation in Canada, Volume II*, (pp 85-88) gives a good account of Tupper's influence within the Canadian cabinet and the situations which demanded his attention. From sending letters to Tilley, the Minister of Finance, to travelling back to Canada to address cabinet personally, Macdonald depended heavily on Tupper's influence.

[65] Tupper to Macdonald, 24 February 1885, MG26 A, Vol. 283, pp 129802-805.

[66] Pope, *Correspondence of Sir John A. Macdonald*, p 308.

$22,500,000 in order to prop up the remaining shares and continue construction of the railway.[67] The Liberals voiced strong opposition to the new loan but opposition also came from inside Macdonald's own party. Tupper's past exploits on behalf of the CPR prompted Macdonald to recall him in order to quell the dissenting Conservatives, which he quickly did with his bullying manner. It may have been considered strange that Macdonald needed someone else to bring his own cabinet into line but given Tupper's knowledge of the CPR and its potential effects on the Canadian economy there was no better person to make the argument. Tupper spoke to cabinet and secured the $22,500,000 loan that made sure the CPR would live to see another crisis. That crisis came in the first six months of 1885 when the future of the CPR seemed gloomy over a new round of government loans for which George Stephen was asking. Writing to Tupper in April, 1885 the Minister of Revenue Sir Samuel L. Tilley explained that:

> If the CPR matter has to be dealt with, I do not know who we have to present the case. Langevin ought to take hold of that question, but I doubt if he does. Your absence from the house is now being very much felt.[68]

Tupper's tremendous influence within the party and cabinet was illustrated many times during his time as High Commissioner.

While many battles over the CPR were fought in Parliament and Cabinet, Sir Charles Tupper's toughest fight came in London where he continually made efforts to attract British investors to CPR securities. This was one of his main objectives as High Commissioner, both in a personal respect and as a representative of the Canadian

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[67] Gibbon, *Steel of Empire*, pp 256-258.
[68] Saunders, *Life and Letters*, Vol II, p 53.

Government. His utter devotion to the transcontinental railway having already been noted, it must be mentioned that his efforts in London to protect and promote the CPR were even more impressive than those he undertook in Canada. To be sure, his influence in convincing cabinet to approve loans for the CPR was pivotal in keeping the Company alive in times of crisis. In the long term, however, public support in the London market was the only sure way of raising enough capital to allow construction of the line to be completed. The obstacles that had prevented this support since the inception of the CPR Syndicate in 1879 continued with Tupper as High Commissioner. The London market was so hostile to the CPR that it was not until 1883, when Tupper was installed in his new Office, that the Company decided to test the waters in the world's richest market. Before this point, and for a time after it, George Stephen remarked that "no one in England would take a schilling in the company ... no one in London believed in the success of the company."[69] Then in the summer of 1884 Alexander Baring, a member of the famous British banking family, travelled from his residence in New York to London at the behest of George Stephen in hopes of convincing his family's bank to assist the CPR. For a year the waters remained decidedly chilly until July, 1885 when Tupper orchestrated a deal with the powerful Barings Brothers that saw the issuance of £3,000,000 in First Mortgage Bonds and breathed new life into CPR securities on the London market. In his "Financing the CPR, 1880-1885," D.C. Masters claims that it was probably Alexander Baring's first overture in 1884 that accounted partly for Barings' decision to support the CPR.[70] It was

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69 W. Kaye Lamb, *History of the Canadian Pacific Railway*. (Toronto: MacMillan, 1977) p 93.

70 D.C. Masters, "Financing the CPR, 1880-1885," *Canadian Historical Review*, Vol. 24, 1943, pp 350-362. p 359.

Tupper, however, who was on the spot conducting the negotiations, using his "good offices" when the deal was struck in 1885.[71]

The most serious obstacle to the CPR's success was its main competitor, the Grand Trunk Railway. The long-time darling of Canadian railway investments on the London market (if not for the returns it presented then for the huge amounts of money London investors had sunk into it) it had never before been confronted with a serious competitor in its own backyard. One of the City's most prominent financial publications, the *Observer*, commented that the resistance that the CPR found in London was natural for any railway that dared to operate "in direct opposition to existing railway interests in the province of Quebec."[72] They were referring to the GTR. It is quite understandable why George Stephen, Sir John Rose, Sir A.T. Galt, and then Tupper could not convince London bankers to support CPR securities beyond token issues in the order of $100,000. First, of the approximately £1,300,000,000 invested abroad by British investors, $200,000,000 of it was in Canadian railways which had historically earned only one quarter of the average earnings of British overseas investments.[73] Second, Barings and Glyn had both invested heavily in the GTR in its early years and had yet to see any significant returns on their millions. Investing in the CPR would have meant creating

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[71] *ibid*, p 361.

[72] London *Observer*, 1 January 1882, p 6., Cited in Owram and Moyles, *Imperial Dreams and Colonial Realities*, p 153.

[73] Stevens, *Trial and Error*, p 345.; The figure of £1,300,000,000 in British overseas investments which Stevens uses must be taken as a very approximate one given the historiographical debate over the methods and amounts used to quantify the actual figure. Michael Edelstein, *Overseas Investment in the Age if High Imperialism* (New York: Columbia University Press, 1982) ; Alexander K. Cairncross, *Home and Foreign Investment* (Cambridge: Cambridge University Press, 1953) ; Donald G. Paterson, *British Direct Investment in Canada* (Toronto: University of Toronto Press, 1976); and Davis and Huttenback, *Mammon and the Pursuit of Empire: The Political Economy of British Imperialism* (Cambridge: Cambridge University Press, 1986) all present different methods, estimates, and determinants to calculate overseas investment in foreign and colonial territories.

competition against their own interests thereby reducing the likelihood of any profits from the GTR. Sir Henry Tyler, President of the GTR, said exactly this in London:

> We, as a Board have never taken any steps of any sort. But I know that I am addressing a great number of shareholders and the representatives of a great and powerful company, having an important influence on the money market of this metropolis. I venture to say that if anyone from Canada attacks our united system it is not necessary that they should meet with opposition from this Board, because they are attacking the pockets of the whole of this vast proprietary of 20,000 people, who have vast influence in securing subscriptions for any purpose that comes before them. That is the enemy that they must encounter.[74]

The Grand Trunk Railway's managing Board of Directors in London, however, was not content to trust the rationality of London investors and banks. In the 1880's they were probably already aware of what historians would hypothesize a hundred years later. Doug Owram and R.G. Moyles, for example, have argued that "investment had an irrational aspect and that, in many ways, what motivated decisions was another form of the imperial dream, a dream inspired by visions of wealth emerging from the distant parts of the greatest financial realm in the world." It seems that this realization struck them in 1883 when it was obvious that the CPR was going to challenge the GTR's hegemony in Quebec in their mission to build a transcontinental railway. To ensure that London investors never became interested enough in the CPR to take a chance on its fortunes, the GTR used the London financial press (one of its most important allies) to paint a dismal portrait of the Company's financial viability and Canada's living conditions. Although the GTR's President, Sir Henry Tyler, always denied such skulduggery, Sir John A. Macdonald was quite convinced of Tyler's intention to scuttle his favourite project. Macdonald wrote: "Tyler did all he could to kill our attempts to form a syndicate in 1880. I heard him in a speech at Trinity House attack our Lake Superior route ... I know he is

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[74] *ibid.*, pp 346-347.

trying to keep the syndicate off the English market. If I live I shall pay Sir Henry off."[75] Despite Tyler's protestations to the contrary, negative stories in the London financial press appeared constantly. Tupper considered that his most important function was to bring Canada to the attention of the British public and to "enlighten the ignorant," of the viability and potential of the CPR.[76] He attempted to counteract articles that were reprinted from Canadian Liberal newspapers which quoted speeches of the Liberals who opposed the railway bills in Parliament.[77] Similarly, when items of a more spectacular nature, such as blizzards, droughts, misfortunes of settlers, and Indian uprisings, were published, Tupper did his best to correct exaggerated reports since the "sensational telegrams from New York, Philadelphia, and Boston are most mischievous and doing great harm to Canada in every way."[78] He wrote to Macdonald regarding the North-West Rebellion and asked him to "cable latest information about Riel for publication. Newspaper telegrams state three Indian chiefs have joined him. Has thousands of followers, has attacked police, and fifteen police reported killed."[79] Ironically, it was the North-West Rebellion that ended up giving the CPR its most positive results in London. In May of 1885, The *Times* printed an article about the completion of the CPR and its use in quickly transporting troops (only two and a half weeks) to Manitoba in order to stop the rebellion. Tupper wrote the Editor of the *Times*:

> I trust you will permit me to express the gratification with which I read the leading article in the Times today on the subject of the reported completion of the Canadian Pacific Railway. The general tone will be most acceptable in Canada

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75 *ibid.*, p 345.
76 Smith, *Origins and Development*, p 269.
77 *ibid.*, p 270.
78 Tupper to Pope, 14 May 1885, Tupper Papers, Vol 325.
79 Tupper to Macdonald, 25 March 1885, MG26 A, Vol. 283, p 129842.

> and the recognition of the value of the railway for political and military purposes will be received I venture to think with much favour.[80]

Certainly, positive reports in the newspapers were beneficial to the CPR in their attempts to gain credibility on the London market, but the only true way of having a chance at success was to gain a powerful backer for one's securities. No one had been able to do it so far, but no one had had the status, influence, and personality of Tupper.

Sir Charles Tupper and Sir Samuel L. Tilley, Canada's Finance Minister approached Barings in July, 1885 in another attempt to get a large and influential London banking house behind CPR securities. They wanted the bank to issue $15,000,000 in First Mortgage Bonds of the CPR at five percent. There could be no doubt on Barings behalf as to the importance of this mission both because of the status of the two Canadian representatives who made their pleas, plus the language the two men used. During one of the meetings "Tilley and I told Barings that the Government were deeply interested in the success of the CPR and would be very glad to see their house issue them [securities]."[81] Tupper's comment may have been a subtle hint to Barings that their participation was in their best interest since they along with Glyn and Mills were Canada's financial agents in England. Barings would certainly not have wanted to lose such a significant client. And now that Tupper had brought Tilley to the bargaining table, it was obvious if it had not already been that the Canadian Government was set on seeing the completion of the CPR, and would do anything to ensure it. For their part, however, Barings was still not convinced that the public would take up enough of the issue to make it worthwhile. While Tilley was laid up in his London room, therefore, Tupper independently set about proving

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[80] Tupper to the Editor of the Times, 20 May 1885, MG26 A, Vol 283, p 129969.
[81] Tupper to Macdonald, 10 July 1885, MG26 A, Vol 283, p 129998.

to Barings that there was enough public interest to warrant their making the issue. He succeeded in having the Bank of Montreal purchase £1,000,000 of an issue at 99 (par 100) and then returned to Barings, whose maximum offer was 97, and persuaded them to bring the issue out at a higher price.[82] Coincidentally, Sir John Rose was also courting the London financial community on the CPR's behalf and had arranged a syndicate, including the London and Westminster Bank, to take £2,000,000 at 96. Tupper was happy to be able to tell Rose that they would have to pay more than that.[83] Much to the relief of the CPR President, George Stephen, and the Canadian Government, Barings eventually issued £3,000,000 worth of First Mortgage Bonds on the London market. Although most of this modest amount was taken up by the Barings people themselves, it gave the CPR almost instant credibility and indicated to the investment community of London that the Company was worthy of their money.

As a true indication of Tupper's influence and gentlemanly status in the City, Barings asked Tupper to act alongside Lord Revelstoke and Lord Wolverton as trustees for the CPR debenture holders. Tupper asked Macdonald's permission:

> I beg to send you a copy of a letter I received from Messr's Baring Brothers and Co., in which they point out that it would be a great advantage if I were to allow my name as High Commissioner for Canada to appear jointly with those of Lords Revelstoke and Wolverton as trustees for the debenture holders of the issue of Canadian Pacific mortgage bonds.[84]

To have Tupper as a trustee showed potential investors that the Canadian Government was serious about supporting the CPR and it made it a better risk. This move also implied that the financial community, but more specifically Barings Brothers, viewed Tupper with

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[82] Smith, *Origins*, p 275.
[83] *ibid.*, p 276.
[84] Tupper to Macdonald, 27 July 1885, MG26 A, Vol 283, p 130018.

a great deal of respect, if not fear. Were they afraid his government would take their money elsewhere in the City or in Canada or did they truly respect Tupper's position as High Commissioner for Canada? It was likely a combination of both. If Barings considered Tupper's name to be some kind of insurance or attraction to investors, then Tupper's stature as representative must have been formidable. If there was a future question as to Barings' position as Canada's financial agent, Tupper would be a useful ally in cabinet.

When compared to Sir A.T. Galt's experience as High Commissioner, Tupper's time in office was a remarkable success. Tupper managed to accomplish everything that Galt could not. He became a prominent gentleman in business and political circles and he found secure financing for the CPR in London. Tupper had many advantages which Galt never enjoyed, however. He had the advantage of being the second High Commissioner which meant precedents for privilege and status had been set and the Imperial Government had had some time to come to terms with this new form of colonial representation. Tupper also had the advantage of a wider network of contacts in the City. This was a direct result of his friendship with the Royal Family and the numerous friends he had by virtue of his political connections.

The greatest advantage Tupper enjoyed, however, was the tacit endorsement he received from the British Government. It was seen in Galt's case how drastically a lack of endorsement affected his work. The converse was illustrated in Tupper's case. With British endorsement Tupper was able to maintain and extend political connections which

in turn led to success with businessmen in the City. The British Government recognized the importance and prominence of Tupper within the Canadian Government and were therefore not inclined to ignore him as they had Galt. Tupper's influence was so great because of his knowledge and connections with Canadian railways. Since power in the railways meant power in politics at this time, both the British Government and the City understood that they were dealing with "Mr. Railway", one of Canada's most powerful men.

Conclusion

When Sir John Rose was appointed as Canada's unofficial representative in London in 1869 it was out of a need to address new issues that arose from Confederation. Confederation was arguably a plan borne out of economic necessity as much as patriotic or imperial sentiment. To maintain the geographic integrity of British North America it was recognized that trade had to be conducted on an East-West basis rather than North-South. The development of the west was the key to this economic model and the only way of realizing it was to populate the west with new immigrants . In turn, the only way this could be achieved was by constructing a railway that stretched the width of Canada. The millions of dollars necessary for such an undertaking could not come from Canadian sources, however. We were a country with a small tax base and a financial sector that was small and immature when set against the behemoths of Threadneedle Street. Canada needed a full-time representative in London who could lobby public and private sources of financing, maintain regular communication with the Imperial Government and generally keep a closer watch on Canadian interests in London than had the *ad hoc* missions by Canadian statesmen.

Canada's representative needed special qualities for his work in London. The "club-like" culture of the City was exclusive and it demanded conformity to the gentlemanly ideal. Gentlemanly capitalists conducted business on a social basis with fellow businessmen who

"made" their wealth rather than laboured for it. A newcomer could participate in the business of the City only as long as he had the gentlemanly qualities that allowed him to live a life of leisure and duty to his fellow gentlemen.

Sir John Rose was able to do this. A formidable politician, diplomat and now banker, Rose possessed all the qualtities necessary for gentlemanly status. He did not need to depend on his new and informal representative standing to gain favour in the City. In fact, Rose purposefully avoided any official status in London in favour of his personal and informal style representation. This allowed him to walk in gentlemanly circles in both the City and Whitehall and successfully conduct business on Canada's behalf. Rose's success in finding limited financing for the CPR and protecting Canada's interests can be directly attributed to his standing in London.

Did Rose gain his success because he eschewed an official status in favour of informal representation? Or did he benefit solely from his gentlemanly qualities? The former must be considered as a critical factor in his success despite the fact that he was the prototypical gentlemanly capitalist. By choosing to keep his position informal he avoided the bureaucratic and governmental protocol that would surely have followed any formal appointment. And the protocol was more than mere legalese and ceremony. It involved imperial considerations that related to colonial autonomy and their right to representation in Britian. Since Rose's position was informal these questions never needed to be addressed and imperial authority was not challenged. It was therefore easy for the Imperial Government to do business with Rose because he was non-threatening. This tacit endorsement extended to the City where gentlemanly capitalists trusted the man who apparently had the trust of the government.

A new situation arose in 1879 when Sir Alexander Tilloch Galt arrived in London. He had suggested and paved the way for his own appointment as Canada's first High Commissioner to London. His extensive background in railways, land settlement and politics made him a good candidate for the job. Galt had travelled to London as both a businessman and a politician, thereby making himself known in the City and gaining crucial contacts. Mere experience and familiarity, however, was not enough to secure a gentlemanly status for Galt. He lacked three major assets that Rose before him and Tupper after him possessed. Both Rose and Tupper were independently wealthy men who had the necessary resources to support a gentlemanly lifestyle in London. This meant entertaining in their homes and attending the clubs of the City. Galt said numerous times that such activities represented a significant challenge to his limited financial resources. This situation, therefore, precluded the possibility of Galt being able to independently make a place for himself in the City.

Rose and Tupper also had the benefit of friendly relations with the Royal Family. This was the ultimate connection to have in the City because of the sheer reverence accorded to the Family. Galt's presentation to Queen Victoria in 1880 was marked by questions over how and in what order he and his wife were to be presented. It represented an ambiguity in Galt's status that extended to the City. If Galt was not worthy of a private entrée with the Queen then how was he to be perceived by others in the City?

Finally, both Rose and Tupper possessed the endorsement of the British Government. Galt did not receive this endorsement and his effectiveness as High Commissioner suffered as a result. Since Galt could not create a status for himself through independent means, nor could he rely on Royal connections, he was forced to rely on the British (Imperial) Government for

conferring any kind of authority or recognition. In Galt, however, the imperial authorities saw two main problems. First, he had a long record of challenging imperial sovereignty, especially in matters of trade, the most recent incident coming a year before his appointment as High Commissioner. Second, in being the first High Commissioner to Britain Galt represented a new attempt at colonial independence. Although the Dominion of Canada had full local autonomy in North America they did not enjoy the same status within the wider Empire. Colonial grabs for special rights or privileges within the Empire were frowned upon even though local interests seemed to be at the forefront of any demand. This reluctance to grant further autonomy to the colonies of the Empire was especially acute in the Liberals' case and Galt suffered the repercussions. He was largely ignored by officials in the Colonial Office and government as a whole which affected his ability to make useful contacts. Certainly, the fact that Galt seemed to be hostile towards the Liberals and charitable towards the Conservatives did not endear him to the ruling Liberals. In the end, the British Government was his last chance at gaining a gentlemanly status in London. When he failed, his effectiveness in dealing with gentlemanly capitalists was severely limited and Canadian interests such as the CPR suffered.

When Sir Charles Tupper took over the Office of High Commissioner from Galt in 1883 he brought unique qualities to the position. Foremost was his standing as a current Member of Parliament and member of Sir John A. Macdonald's cabinet. Politicians in London were accorded a gentlemanly status in their own right due to their common experience of duty to their country and fellow gentlemen. Gentlemanly capitalists and politicians intermingled in the clubs of London where similar views prevailed. It would have been difficult for the British

Government to ignore Tupper as they had Galt given Tupper's political prominence. In fact, contemporary politicians on both sides of the Atlantic commented that Tupper's prominence as a politician was benefit to both governments. Furthermore, Tupper's forward and aggressive personality helped mitigate against public slights by the British Government.

Endorsement by the British Government and acceptance in the City was quickly forthcoming for Tupper. His network of contacts in the City was established by previous missions to London as a high-ranking Canadian statesman and his personal relationship with the Royal Family. He was able to maintain and build on these contacts in his home and in the clubs because of his considerable wealth and influence.

The source of his wealth and influence also aided his status in London with both the government and the City. In Canada Tupper advocated and helped plan an aggressive economic policy based on railways and an east-west trading network. Through investments in railways and his position as Minister of Railways and Canals Tupper became intimately knowledgeable about Canadian railways and their impact on the economy. His influence in cabinet and value to Macdonald were illustrated numerous times in the 1880's when the Prime Minister asked Tupper to quell dissension in the Conservative ranks over the expense of the CPR and to arrange further financing for the beleaguered railway. He was Canada's Mr. Railway and his influence was immense. When Tupper stepped on to the London stage this influence was recognized by gentlemanly capitalists to the extent that they could not afford to ignore him. When Tupper spoke or negotiated on behalf of the CPR it was with the highest possible authority. Thus, his effectiveness as High Commissioner was great as shown by the

financing arrangements he negotiated with Barings in 1885 which allowed the CPR to be completed.

Canada's public link with gentlemanly capitalism was the Office of the High Commissioner. P.J. Cain and A.G. Hopkins' implication that gentlemanly capitalists acted independently in their investment activities in Canada is incorrect. The Canadian Government recognized that Confederation brought with it new economic needs and circumstances that could only be addressed in London. Foremost among these was the construction of a transcontinental railway. It was therefore necessary to have a full-time representative in London who could lobby government and business leaders and find the investors who were willing to buy into the National Dream. Such efforts could be conducted only if the High Commissioner participated in the gentlemanly capitalism of the City. To walk in these circles one needed the wealth, bearing, influence, and contacts that were characteristic of this group. Also critical was the endorsement of the High Commissioner by the Imperial Government. Imperial jealousy and protectiveness sometimes prevented the High Commissioner from conducting his duties effectively, but when acceptance and endorsement were forthcoming Canada's High Commissioner proved to be a valuable representative in London.

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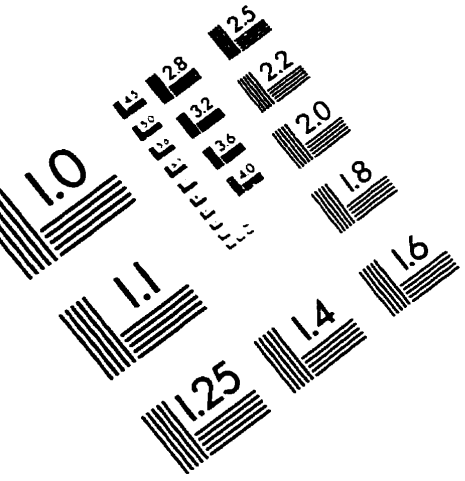

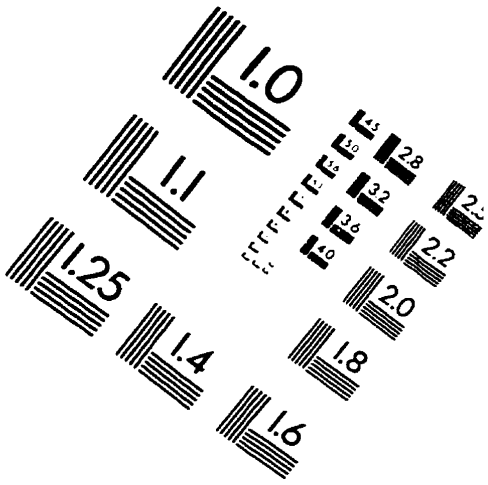

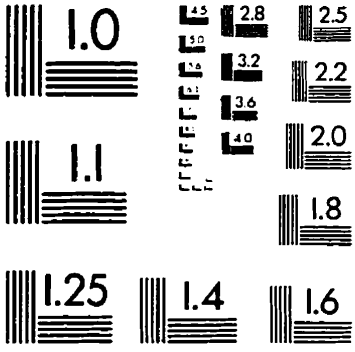

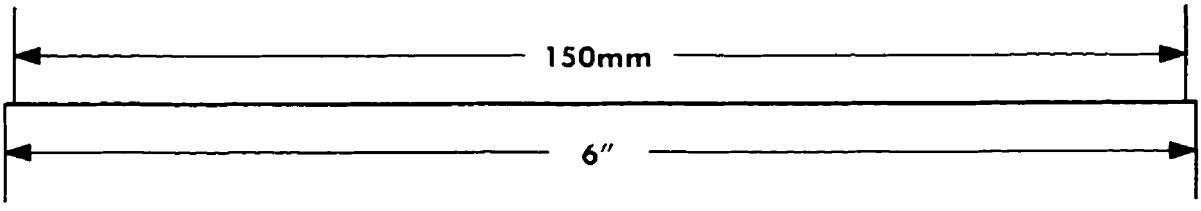

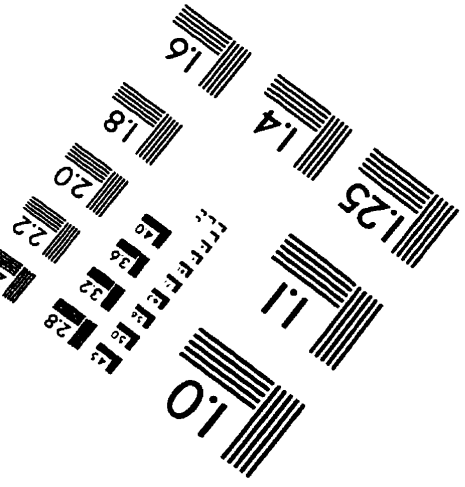

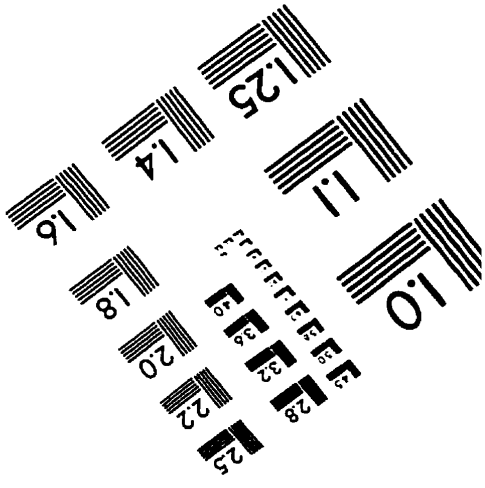

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