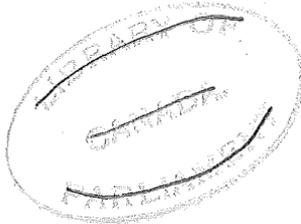


**Legislative Assembly of British
Columbia**

BUDGET SPEECH



Delivered Wednesday, February 17th, 1909

BY

HON. R. G. TATLOW, MINISTER OF FINANCE

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Hon. Mr. Tatlow rose amid applause to present his annual Budget and Estimates. He said:

"Mr. Speaker,—In rising to move that you do now leave the chair, I am again able to congratulate this House on the satisfactory condition of the Provincial finances, and to inform you that the balance of accounts for the last fiscal year shows once more a substantial surplus of revenue over expenditure, a surplus obtained, I am glad to say, almost entirely from the manner in which the national resources of the Province are being appreciated and developed, and not from any additions to the direct taxation of the people. By turning to the public accounts you will find the total revenue for the year was \$5,979,054, and the expenditure, \$4,590,673, leaving a surplus of \$1,431,447. Perhaps there is no better criterion of the advance made by the Province than a comparison of the revenue for the last six years, showing that the receipts have very nearly trebled in that period. They were in 1903, \$2,009,412; 1904, \$2,597,867; 1905, \$2,874,554; 1906, \$2,992,900; 1907, \$4,338,632; 1908, \$5,931,372; but the greatest increase of all is that of the year with which we are dealing over that of 1907, being above one and a half millions, or nearly 50 per cent.

TAX REDUCTION IN PROSPECT

This increase is the more satisfactory when we consider that it is largely derived from Crown properties, such as lands, timbers, minerals and other sources which point to the advancement and development of the Province and not from increased taxation—in fact, owing to these conditions we have been able to make material reductions in the rate of real and personal property taxes twice in

the course of the last five years, and this in spite of the fact that fourteen municipalities have been incorporated during that period, segregating from the Provincial assessment rolls a very large amount of valuable real property—with the result that the total amount of taxes collected under the heads of Provincial revenue, income, personal and real property, were last year only a little more than ten per cent. greater than in 1904, when they constituted over 30 per cent. of the total revenue, and now are only 12½ per cent., or much less than one half in proportion, and I hope if all goes well to be able to announce a still further reduction next Session. (Applause.)

To point out this more fully, I will state what these taxes amount to for the period named:

Year.	Revenue.	Personal Prop- erty Tax.	Income Tax.	Real Prop- erty Tax.	Total.
1903-4 ..	\$148,725.00	\$175,435.19	\$72,102.79	\$287,497.88	\$683,760.86
1904-5 ..	157,821.00	193,004.80	72,053.22	286,226.16	709,105.18
1905-6 ..	179,721.00	134,587.96	83,834.33	301,765.35	699,908.64
1906-7 ..	193,838.00	129,287.80	113,638.35	263,547.21	700,311.36
1907-8 ..	207,783.00	134,738.01	152,899.80	269,151.32	764,572.13

I have selected these as being more particularly of the nature of "direct taxation" on the ordinary individual as apart from the speculator in wild lands or holder of timber, coal or mineral rights.

To return to the revenue for last year, amounting to \$5,931,372, which it will be seen is largely in excess of the estimate of \$3,286,476. It must, however, be remembered that this estimate was made in the early spring of 1907, and based on the receipts for the previous year, which was under three million dollars. At that time there was little to indicate the subsequent sudden increase in timber revenues from licences and royalties, which in 1906 amounted to \$509,000 and last year realized \$2,258,000, or a million and one half more than the estimate. Again, in 1906, nothing was received under the terms of the Chinese Restriction Act, and it was supposed that the \$500 head tax had effectually stopped this immigration, so nothing was placed under this head in the Estimates, while in 1908 the Province received \$345,000 as its share of the tax collected by the Dominion Government.

Also, under the arrangement made by the Hon. the Premier at Ottawa in the Autumn of 1907 the Province received an addition of \$215,000 to the former subsidies. In these three items alone an increase of considerably over two millions is accounted for which could hardly have been foreseen at the time the estimates were framed, a circumstance not likely to occur again now that the meeting of the Legislature is held so close to the commencement of the fiscal year, changed at last session from July 1st to April 1st. This unexpected excess led to the large surplus referred to in my

opening remarks, and naturally left a considerable cash balance to the credit of the Province.

LOAN PAID OFF

Under these circumstances it was thought wise to purchase the 5 per cent loan of \$1,000,000 made in 1903, repayable in ten instalments of \$100,000 per annum. After negotiations, \$576,000 of the outstanding \$600,000 debentures were redeemed, leaving only \$24,000 still remaining. This transaction will, I know, please my friends opposite, as I remember one of their objections to the loan was that it should have been made for three or five years instead of ten. It will be satisfactory to them to learn that it has (except to the \$24,000), been all paid off in less than four years, in addition to which the country has had the safeguard that had conditions not improved as rapidly as has fortunately been the case, the loan could have run its course of ten years. Later on, it came to our knowledge that \$100,000 in value of our 3½ per cent. dyking debentures were being offered on the London market, and after some negotiation these were purchased for \$91,000, a transaction which has caused favorable comment in London and will, I think, stand criticism.

In addition to these expenditures, it was deemed advisable to use a portion of these funds in undertaking some of the more urgent public works which had either previously not been provided for, owing to lack of means, or had been rendered necessary owing to the growing needs of the Province, rather than delay its progress for the months to elapse before the annual meeting of the Legislature.

The larger portion of this money, however, was left in the bank at interest, and produced the greater part of the \$69,000 credited under the head of interest in the public accounts. So that, while we have not thought it prudent to reduce our indebtedness further by the purchase of 3 per cent. inscribed stock, the money in hand offsets the interest on that stock, and I sincerely hope a portion at any rate will be retained to meet the probable demands of the near future. The opening up of the Northern country and Queen Charlotte Islands, as well as the requirements that the great development that is setting in over the whole Province, will shortly render necessary and enable us to meet these demands out of our own resources instead of again increasing the public burden, which of late we have to some extent succeeded in reducing.

REDUCTION IN LIABILITIES

Owing principally to the causes I have mentioned a great reduction in liabilities will be found in the last balance sheet of the Province.

During the last five years this figure is as follows:

1904, balance liabilities over assets	\$8,764,412
1905	8,788,828
1906	8,106,152
1907	6,525,233
1908	4,226,887

Or, in other words, our net liabilities on the 30th of June last were less than one half of what they amounted to on the 30th June, 1904.

The total indebtedness of the Province on 30th June last stood at \$10,998,146, against which we hold in sinking fund, \$1,589,538, leaving the net debt of the Province, \$9,408,608. In 1905 this liability amounted to \$11,382,786, consequently, since that period our indebtedness has been decreased by \$1,974,178, and if we add the 100,000 dyking debentures recently bought in London, we obtain a total reduction of \$2,074,178.

I think all must admit this showing is most satisfactory, and even yet we have not taken into account the valuable interest we have recently acquired in one-fourth of the townsite of Prince Rupert, so soon to become one of the most important cities of the Pacific Coast, or of that immensely valuable tract of land at Point Grey, immediately adjoining the City of Vancouver, some 3,500 acres in extent, which is being surveyed and prepared for opening up, and the value of which it is impossible to estimate further than we know it is a matter not of thousands of dollars, but of millions of dollars, both of which properties will handsomely repay the outlay the Province is asked to advance in order that the best returns may be obtained when the time comes to place them on the market.

THE ESTIMATES

To come now to the estimates of revenue and expenditure for the coming year. I can congratulate the House on the change made at last session, as we are now able to estimate more closely for the year commencing on April 1st than we would have been under former conditions. Again, the money so voted will become immediately available for use on our roads and other public works, instead of as formerly waiting until the season is too far advanced to get the best value in return.

The estimate of receipts reaches nearly to six million dollars, and is based on the receipts of the last year, coupled with present conditions, and although there may be some give and take between a few of the principal items, I confidently expect this total will be reached.

The estimate of expenditure amounts to \$5,615,798, the largest in the history of the Province and, I am glad to say, one half of it is devoted to Public Works.

The first item is public debt, \$520,824, which shows a decrease from 1908 of \$130,000, and from 1907 of over \$191,000, in the annual cost of the public debt, being due to the redemption of the debentures of 1903 and the paying off of the Parliament Buildings Loan and the 1877 loan.

The votes for civil government and administration of justice salaries show a considerable increase over last year, largely due to the increase of public business, necessitating additional clerks and other officials, as well as increasing in many instances the responsibility of those already in the service. The same remarks apply to public institutions (maintenance) increased about \$26,000, and administration of justice, increased \$42,000, and education, \$105,000.

The vote for legislation is practically the same as last year, as is that for hospitals and charities and transport, while there is a reduction under revenue service owing to the salaries of log scalers being removed from this vote to miscellaneous, where the item appears in detail.

MUCH MONEY FOR WORKS

To Public Works we have been able to devote the handsome sum of \$2,831,000, by far the largest vote for that purpose ever placed on the Provincial estimates. For the last four years the expenditures under this head have been: 1905, \$368,000; 1906, \$452,726; 1907, \$854,135; 1908, \$1,418,916; so that, as I pointed out, it is proposed to spend double as much as in last year, the larger portion being for roads, streets and bridges, while I am sure the House will be glad to find a very liberal allowance has been made for surveys. Among these items are two sums which partake more of the nature of investments. I refer to the expenditure on Point Grey and South Vancouver of \$75,000, and clearing land at Prince Rupert of \$80,000, while of the vote of \$200,000 for roads and sewers at Prince Rupert, \$150,000, or three-fourths will be returned by the Grand Trunk Pacific Railway on completion of the work. I may say this vote is placed in the Main Estimates instead of the Supplementaries, as the money will not be required until the beginning of the new fiscal year, consequently the Special Warrant for \$200,000 of October last intended for this purpose will be cancelled, as none of the money was required as early as was expected when the arrangement was entered into.

In passing from this item, I can only express the hope that our friends on the opposite side of the House, after looking over the district appropriations, will acknowledge there has not been any attempt to discriminate, but an honest desire to administer fairly to the requirements of all constituencies. (Hear, hear.)

The last item, miscellaneous, \$378,240, is an increase over the last nine months' estimate, which was at the rate of \$258,000 for the full year.

The expansion of general business has rendered it necessary to increase most of the ordinary items, such as advertising, stationery, etc.

I may call attention to the item of \$25,000 for salary increases under the Civil Service Act. This Act provides for a commission, which will grade the civil service and adjust the increases of salary.

FOREST AND GAME PROTECTION

The grant for game protection has been raised to \$20,000, of which it is estimated at least \$10,000 will be realized from game licences. In asking for this grant, the Provincial Game Warden points out that constant complaints are made of infringement of the game laws, and there should be a launch to patrol the coast, which, in addition to game protection, could give assistance to the police and fire wardens. Some of this sum will be devoted to the protection of the wapiti on Vancouver Island, now being exterminated, and for similar purposes elsewhere. He points out what has been done in East Kootenay in the last four years in the increase of game.

Increases are asked in the agricultural vote, and for fighting forest fires a sum of \$37,000, while, as explained before, the log scalers are included under this head. There are three commissions, including revision of statutes, for which \$20,000 is provided, while the increased rent of our London offices and other expenses will require a further \$5,000, all of which go to account for the increased sum asked for under miscellaneous.

I have already mentioned some reasons for the Supplementary Estimates, which amount to \$1,038,590, including the redemption of \$100,000 dyking debentures, and of the remainder nearly \$700,000 has been expended on necessary public works.

GENERAL CONDITIONS

In leaving further explanation of the various amounts until the House goes into Committee, when all necessary details will be supplied, I would like, before closing, to make a few remarks about the general conditions of the industries of the Province, and more particularly of the department over which I have the honor to preside. At the present time we are engaged to some extent in reorganizing the Department of Agriculture. It is proposed to divide it into two or more sections, embracing horticulture, dairying, live stock, etc., with a qualified practical official at the head of each, all being under the immediate supervision of the Deputy Minister. By this means it is hoped to obtain a better knowledge of the capabilities and requirements of the country, and in Institute work and all other relations render the Department of more practical assistance to the farmers and horticulturists.

The interest shown by members of Farmers' Institutes during 1908, indicated by increased attendance at meetings and an intelligent appreciation of the work, is very encouraging. There are now 35 Institutes in the Province, and petitions for the formation of others are being received. These Institutes held 250 meetings during the year, and were attended by 7,493 members.

I am glad to be able to say that the agricultural interests have not suffered during the year, the report of progress being very satisfactory and abundant crops the rule.

CREAMERIES

There has been a substantial growth in the dairying industry, the number of creameries, the output of butter and the number of patrons showing considerable increases. The Dairymen's Association has more than doubled in membership, and a lively interest is being taken in the work. In 1907, only eight members attended the annual meeting, while this year 137 members, owning an aggregate of over 3,500 dairy cows, were present. The creameries have increased from 18 to 22, and the number of patrons from 944 to 1214. The output of butter has increased by 195,000 pounds, representing an increased value of \$20,900, and the average price advanced from 32 to 34 1-7 cents per pound. A comparative statement for the years 1907 and 1908 shows the following results:

	1907.	1908.
Number of patrons	944	1214
Butter, lbs.	1,651,304	1,846,977
Gross receipts	\$549,421.43	\$570,367.87
Sold, per lb.	32c	34 1-7c
Amount paid to patrons.....	\$466,824.28	\$491,267.63

These figures do not include the dairy butter, which is estimated at 450,000 pounds, valued at \$125,000, which would bring the grand total to over two million pounds, valued at \$659,367, or \$128,500 more than the output of 1907.

There has also been a notable increase in cheese making and in the milk business. Another cheese factory has been established, and the output shows a gain of 84,000 pounds, which sold at 13½ cents per pound. The number of companies selling milk and cream has doubled, and the amount paid to patrons totals \$286,942, as compared with \$177,776, an increase of \$109,166. Taking the totals of returns made by the Dairy Inspector, the dairy farmers received for their products, in 1908, about \$2,700,000, while the addition to the wealth of the Province would be over three million dollars.

DAIRY FARMING

While these results are encouraging, showing a steady progress in dairying, there is room and to spare for more creameries and dairy

farms, for we still import about two-thirds of the butter locally consumed and shipped to Yukon. The high prices secured for butter at first hand should prove an incentive to the establishment of more creameries.

The sanitary conditions of the dairies are being looked after by the inspectors, who are instructed to enforce the regulations so as to secure the greatest possible cleanliness in the housing of stock and handling of milk. It is also the intention to use the services of lecturers and instructors to instruct the farmers in the most approved methods used in the older provinces and in Europe.

The raising of poultry, looked upon by many farmers as an unimportant and therefore much neglected branch of farm work, is a very profitable business, and offers good opportunities to all who will take it up seriously. Men experienced in the business count upon a clear profit of from one to upwards of two dollars per year from each hen. Compare that with the average profit derived per head of dairy cows, and the difference in the cost of feed and labor, and all the advantage would lie with the poultry yard. The demand for poultry and eggs is great and ever increasing. Like fruit growing, there is no fear of glutting the market, for over-production is an extremely remote possibility. The average price of eggs in 1905 was 30 cents per dozen; in 1906, 34 cents; in 1907 37½ cents, and in 1908, 40 cents; an increase in three years of 10 cents per dozen, in spite of the fact that there was a very considerable increase in local production in those years. The prices of poultry have also increased 20 to 25 per cent. in the same period, and the demand is always greater than the supply. Poultry raisers in some instances are handicapped from want of facilities for marketing their products to the best advantage, but a remedy for this is promised through a scheme for co-operation by which the creamery companies will handle poultry and eggs as well as their own output of butter and cream.

Notwithstanding a substantial increase in agricultural produce the local market is still supplied to a very large extent from the outside. These imports last year included 11,400 head of cattle, 14,275 hogs and 35,000 to 40,000 sheep. There are also large quantities of dressed meat and poultry. Fifteen thousand carcasses of mutton were received from Australia alone, and forty carloads of poultry from Eastern Canada. The value of poultry and eggs imported was considerably over a million dollars. Ham, bacon, pork, lard, butter, cheese, canned fruit, jams and jellies, and other products of the farm, the exact quantities and values of which I am unable to present, as the statistics are compiled at Ottawa and will not be available until March 31st. There is no reason to doubt, however, that when the figures have been totalled up they will show that nearly, if not quite, as large an amount of money was sent out of the Province for these commodities as in 1907, when the value of agricultural imports was over six million dollars.

INCREASE IN PRE-EMPTIONS

A gratifying feature of the year was the increase in pre-emption records, no less than 160,000 acres having been taken up, while Crown grants for another 41,500 acres were issued to pre-emptors who had performed their settlement duties. This would indicate a very large increase of the population living on pre-empted lands. Judging from the many inquiries made to Mr. Palmer, Mr. Scott and myself while in England last autumn, in connection with the fruit, and also from the number of letters of inquiry received by the Land and Agricultural Departments, and the Bureau of Information, this is only the advance guard of the numbers who have expressed their intention of settling in British Columbia during the coming season. In anticipation of this welcome invasion the Government has set apart several reserves in the great central valleys, aggregating several million acres of agricultural land, which will only be disposed of to actual settlers under the pre-emption clauses of the Land Act. The subdivision of these reserves, already begun, and for which provision is made in these estimates, will be completed with all possible despatch, and every endeavor will be made to provide roads and trails for the accommodation of the newcomers. The settlement and cultivation of these reserves, which are adjacent to the Grand Trunk Pacific Railway, will create new communities and new interests, the importance of which we can now hardly realize.

MORE BENEFIT IN SIGHT

The opening of the Panama Canal, which Mr. Taft, President-Elect of the United States, has announced will be completed within six and possibly in four years, will benefit all our industries. Horticulture, lumber, minerals, fish, etc., every item of export, will find a cheaper and, as regards some of these commodities, a quicker way to the Atlantic, and will throw open to our commerce the eastern coasts of North and South America as well as the ports of Great Britain and Europe. The advantages of the Panama route are obvious, and it behooves the people of British Columbia to prepare for its inauguration and be in a position to seize the opportunities which it will afford.

FRUIT GROWING

Reports from the fruit districts are most encouraging, and plainly indicate that fruit growing is rapidly attaining the rank of a leading industry. Figures furnished by the railway and express companies from year to year are sufficient to confirm this conclusion. Seven years ago—in 1902—the total shipments by rail amounted to 1,956 tons; in 1907 the total was 4,743 tons, while last year (1908) there was shipped the highly satisfactory total of 6,498 tons—an increase of over 4,500 tons in six years, and for 1908, an increase of more than 1,700 tons over 1907. This splendid showing is, I consider, as re-

markable as it is gratifying, for the greater part of this fruit was produced in districts which, a very few years ago, were looked upon as practically worthless except for grazing cattle, while others were only valued for their mineral deposits. The adaptability of the soil of portions of the Interior and the dry belt to fruit growing must be counted as one of the foremost advantages which the Province offers to settlers, and an important factor in its future prosperity. In the dry belt today we see thousands of acres, which formerly grew nothing but bunch grass and sage brush, laid out in flourishing orchards.

The greater part of the fruit grown in 1908 found a market in the Prairie Provinces, a considerable quantity went to Great Britain, Australia and New Zealand took some large lots, and the balance was sold locally. This residue or balance, saved from the outside demand, by no means satisfied the needs of the home market, and no stronger argument can be used in favor of British Columbia as a field for fruit growing than the fact that, in spite of the large crop of last year, about 1,000 tons of apples alone were imported into this Province from Oregon and Washington. That may be a surprise and a source of regret to some, but I am pleased to say there were compensating reasons for this large importation of fruit. In the first place, our growers secured better prices by sending their apples out of the Province and placing them in competition with fruit from Eastern Canada and the States, and, secondly, the local market was supplied with apples purchased in Oregon and Washington because the prices current in those States were much less—in some cases one half lower—than those prevailing in British Columbia.

SUCSESSES AT EXHIBITIONS

The success won by our fruit in Great Britain for several years past was more than maintained in 1908. Exhibits were made in many cities in England, Scotland and Ireland—at every place the highest honors were awarded. Gold, silver and bronze medals and diplomas of merit were won by the Province for the exhibit as a whole and by District Associations and individual growers. Lectures on British Columbia, illustrated by animated pictures, were delivered at several horticultural shows, and attracted large and interested audiences. The value of these exhibitions and lectures is shown by the increased number of personal and written inquiries received by the Agent-General, the Department of Agriculture and the Bureau of Provincial Information, from well-to-do people who contemplate setting up in fruit growing in the Province. They also served to direct widespread attention to British Columbia and its advantages through the flattering notices which appeared in all the principal newspapers of the United Kingdom.

The triumph awarded British Columbia fruit in the Mother Land fell short, in a sense, of the remarkable success achieved at Spokane,

where British Columbia apples, in competition with fruit from the Pacific Coast States of the United States, won out of fourteen entries, thirteen first prizes and one second. Other prizes awarded were one silver cup and two medals. Very valuable cash prizes were won by Mr. F. R. DeHart, of Kelowna. Two British Columbia ladies, Mrs. J. Smith, of Spence's Bridge, and Mrs. E. Lowe, of Keremeos, also won prizes. The winning of these prizes is a magnificent tribute to the superior qualities of British Columbia fruit, one that cannot possibly be questioned by the most exacting critic, and establishes this Province among the premier apple-growing countries of the world. (Applause.)

FRUIT GROWING IN NORTH

During the year a number of fruit trees were planted in the valleys of what we have been calling the "Northern Interior," but which is really Central British Columbia, for one must travel many miles beyond the Skeena before he reaches the northern limits of the Province. In Bulkley Valley, apple and other fruit trees in their third and fourth years are doing well, while at Hazelton and other points on the Skeena, between 54 and 55 degrees North, the production of fruit has passed the experimental stage, the trees yielding large crops of excellent fruit every year. A member of the Board of Horticulture, who made a special examination of the Kitsumkalum Valley, pronounces it well adapted to fruit growing, so that we may hope in a few years to see New British Columbia rivalling the southern districts in the excellence of the produce of its orchards.

Some pessimists have worried themselves over the fate which awaits our fruit growers when the day of over-production dawns, but that day is very far distant. I have already mentioned the inadequacy of the existing orchards to supply the demand, and when I add that of the thousands of carloads of fruit entering the Prairie Provinces yearly, barely 10 per cent. is furnished by this Province, you will readily recognize the fallacy of such a contention. For some unexplained reason, the apple crop of the United States, especially in the Eastern States, has been decreasing steadily of late years, and as the choicest of the fruit grown on the Atlantic seaboard is exported to Great Britain, the home market has to depend upon the Middle West and the irrigated lands of the Western Pacific States for its supply.

MINING

The depression, which followed close in the wake of the financial panic, crippled many of the world's great industries, and checked the demand for raw material generally, had a damaging effect upon the mining industry. Prices of silver, lead and copper fell below the average of recent years, so that the values of production of these metals were materially reduced. Thus, while the tonnage of

ore mined and smelted was considerably greater than in former years—in copper the increase being over seven million pounds—the total cash returns show a decided falling off. The Fernie fire contributed to this result by lessening the output of coal and coke and interrupting the operation of some of the smelters. The value of mineral products is estimated by the Provincial Mineralogist at \$24,829,252, the figure for 1907 being \$25,882,560.

LUMBER

With regard to the lumber industry we are all aware that the short crop of 1907, coincident with the financial panic in the United States, and overproduction in logging and manufacture—a production, by the way, which would have been normal in other circumstances—brought on a period of dullness from which the industry is but now emerging. Contrary to all expectations, the past year was one of the most unsatisfactory in the history of the lumber business. The situation on the Coast was relieved by the demand from abroad, but the mountain mills, carrying large stocks for which there were no buyers, suffered considerable loss. The outlook for the coming Spring and Summer is very encouraging. Prices of logs have increased, and they are in good demand, and the splendid crops harvested in the Prairie Provinces and the consequent renewal of confidence, coupled with the rapid increase of settlement east of the mountains, will, it is expected, speedily restore the industry to a satisfactory standing and enable those interested to derive a fair profit as well as recoup the losses sustained during the slack time. The imposition of a duty on rough lumber imported from the United States would help our lumbermen very materially, and the advisability of amending the tariff in that respect is being strongly urged upon the Dominion Government. The rapid denudation of the forests of the United States has caused a persistent demand for free Canadian lumber, and if the concession be granted by Congress the industry here will be greatly benefited, as many United States capitalists holding timber in this Province will be encouraged to establish sawmills and factories on this side of the border.

The figures of timber cut on Provincial lands for the twelve months ending December 31st, 1908, show a total of 560,364,560 feet. The quantities cut on Dominion lands in the Railway Belt and on E. & N. lands on Vancouver Island are not yet available, but assuming that they are up to the average of former years, the total cut will not equal that of 1907. At the close of that year there were estimated to be 170,000,000 feet of logs in the water and about 100,000,000 feet in the woods, while at the end of 1908 the supply of logs was only 70,000,000 feet. The log scaling returns for 1908 show a total of 403,273,539, more than a hundred million less than in 1907.

The difference in logs felled and ready for manufacture accounts for the short cut of 1908, and the recent rise in the price of logs indicates a growing demand which can only be met by a busy season in the woods.

TENURE OF LICENCES

The Government has been criticized in some quarters for making the life of a timber licence twenty-one years. It has been argued that this policy will have the effect of destroying the forests, as it will encourage loggers to cut only the larger trees and work great havoc in the process, and that in the interests of forest preservation the licence should be made renewable for twice the period or perpetually.

I can assure you that the Government is most desirous of perpetuating the forests, and its earnest wish is to devise some plan which will accomplish that end. The question is a grave one, which calls for the most careful consideration, and it is the ambition of this Government to inaugurate a system which will meet the requirements of the future as well as those now existing. To this end I feel confident every member of this House will consider it a privilege as well as a duty to assist the Government, for the final adjustment of this question will be the most important item of legislation ever enacted by a British Columbia Parliament. The law must be so framed that the existing lumber interests will be protected in their rights while operating under regulations which will insure the preservation and perpetuation of our forest wealth. Forest preservation has become a world problem, in which the future well-being of the whole human race is involved. It would be idle to assume that this Government or this House can solve it off-hand, but we can study the methods adopted in other countries and, profiting by their experience, begin in a right way towards working out a solution. All efforts in the way of forest preservation so far have been confined to the prevention of forest fires, and I am happy to say that good work has been done by the fire wardens, but the time is almost ripe for the organization of a department of forestry, with trained officials, who would guard the forests against waste and attend to the work of reforestation, and it is in this connection that a sum has been placed in the Estimates for the expense of a commission to investigate the existing conditions.

FISHERIES

The big event of the year in the fishing industry was the very large catch of herring. The returns are not yet to hand, but an idea of the importance which this branch of the fisheries has attained may be grasped from the fact that 20,000 tons were caught at Nanaimo alone during the season just closed. These fish were all caught "in shore," the only method so far used on this coast, and one that is condemned by Old Country experts, who claim that these herrings are "spent fish," and very inferior in size and quality to

those caught in deep water. If this contention is correct, measures must be taken to encourage deep sea fishing. Meantime the catch has increased from nine million pounds in 1906 to forty million pounds in 1908, and over \$500,000 has been added to the value of our fisheries output. Many complaints have been made by herring fishers that the regulations with regard to nets, etc., were being openly violated by Japanese, who, it is alleged, are driving the whites out of the business through their illegal practices. The enforcement of existing regulations rests with the Dominion Government, and no doubt the grievance, if any exists, will be remedied upon proper representations being made to the officials of the Fisheries Department.

The salmon pack, although 1908 was not a big year, totalled 542,226 cases, as against 547,459 cases in 1907, a slight decrease, made up, however, by the increase in the quantities frozen, salted and pickled for export, and the better prices obtained for the canned fish. If the traditions of the salmon fisheries are not astray, 1909 will be a record year, as, according to all precedent, it should witness a big run of fish and tax the handling capacity of the canneries to the fullest extent.

The halibut and whale fisheries have had a prosperous year, though, owing to a fall in the price of whale oil the profit derived from the latter was not up to expectations. The announcement that the Dominion will provide additional cruisers for the protection of the halibut and other deep sea fisheries is welcome news, as a rigid enforcement of the law will turn a large amount of money annually to Canada which now helps to enrich our enterprising but aggressive neighbors. When we consider that in one year thirty-nine million pounds of halibut, a very large percentage of which was caught in British Columbia waters, were landed at Seattle, and only thirteen million pounds at Vancouver, none will dispute the desirability of enforcing the law with as little loss of time as possible.

INDUSTRIES

The revival in every department of industry, following the period of depression through which the United States and, in a lesser degree, Canada, passed in 1907, is strongly reflected upon the affairs of British Columbia, so that the march of events with us is moving at a quick pace. New enterprises no longer hang fire for want of capital, the demand for agricultural, coal and mining lands are more numerous than ever before, promising a large increase in the population and the settlement of many thousands of acres of our waste lands. One has but to read the announcements in the press from day to day to realize that "things are happening" in the industrial life of our country.

A WESTERN GRAIN ROUTE

Since this House was called together two incidents have transpired which mark an epoch in the business history of our Province. On February 1st, 8,000 bushels of Alberta wheat left Vancouver for Mexico, the first western shipment of grain for export, and on the 15th one of the steamers of the Chargeurs Reunis—a French company which has recently established a regular passenger and freight service between our ports and those of Great Britain and France—took from our shores 45,000 bushels of Alberta Red Winter wheat. The importance and significance of these shipments would be difficult to estimate, but when one considers that the land immediately tributary to every mile of railway in Alberta contributes 50,000 bushels of grain, which is now shipped to the Atlantic seaboard, it needs no great stretch of imagination to foresee the immense possibilities which the future holds for our shipping interests. The Canadian Pacific Railway and the Chargeurs Reunis have quoted rates from points in Alberta to Liverpool which will insure a great saving to the farmers on their wheat, and, when proper inspection is established, that wheat will be landed in its purity in the Old Country, as there will be no chance of its being mixed with inferior grain.

Settlers are pouring into Alberta by the thousands, and in a very few years her crops will reach gigantic figures, so that present lines of railways and steamships will be quite insufficient to handle them. New railways and new ships must be provided to meet the changing conditions, and as the shortest route to the markets of the world is by way of British Columbia and the Pacific, we may look for great development in railways and shipping in the coming years.

SHIPPING

The shipping business has increased wonderfully on this coast during the past few years. In 1903 the total number of seagoing vessels entering our ports was 2,739, with a total of 2,060,879 tons, while in 1908, 3,558 ships arrived, having a tonnage of 3,116,225 tons, an increase in five years of 50 per cent. The increase in the coasting trade is also remarkable, showing in the five years an increase of 2,706 vessels and 1,059,526 tons. What, then, may we not anticipate when the Alberta-British Columbia—the “A. B. C. Route”—is established? For one ship employed now, scores will be needed, as well as hundreds of locomotives and thousands of cars, and lines of elevators will occupy the waterfronts of our harbors. Further, one does not require to be a prophet to see in the not distant future big shipyards and steel works established, in which those ships and locomotives and cars and the rails on which they run will be built in British Columbia, for we have the raw materials in abundance, and when the necessity arises capital will be forthcoming to exploit them. (Applause.)

What, then, may we expect when this western grain route, the "A. B. C. Route," is established, when this great amount of grain is brought down and shipped through our ports to the markets of the world? When that time comes we shall see our seaboard built up with wharves and warehouses and railway yards. Won't we also see our coal mines developed as never before for the use of our ships and factories, and steel and iron for our ships manufactured in this Western Province? Is there any limit to what we can prophesy for this province of British Columbia? If, with its population of 300,000, it has produced the immense wealth of which I have spoken, what may we not look for when all parts of this Province are filled with a thrifty and industrious population?

We have seen how the resources of this Province have been growing in the estimation of the whole world, so that capital and enterprise are coming more and more our way. Is there, then, any limit to what the future may hold? It seems to me that what we have to consider is how great a responsibility is placed in our hands in administering this great natural wealth, and how we may mar the future of this Province by ill-considered legislation, or by wasting the wealth that has been given to us. But I believe that our work will be carried out faithfully and well, and the day is not far distant when British Columbia will be regarded as the brightest gem in the coronal of Canada. (Loud applause.)

