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stances and difficulties as no other Canadian Province has ever been called upon to confront and overcome. It is only when comparison is made between the condition of the Provincial finances six and a half years ago and their condition to-day that comprehension is possible of the magnitude of the task so successfully carried out.

It would serve no good purpose to dwell at length upon the low state of British Columbia's credit and finances which existed when the McBride Government came into power. It is sufficient to say here that a long series of previous Governments had, partly through extravagance and partly through simple bad management, brought the Province to the verge of bankruptcy. For years past, expenditure had been largely in excess of revenue, the resulting deficit had again and again been covered by borrowing—often under most disadvantageous conditions—until, in 1903, when the McBride Government assumed the reins of office, they found themselves face to face with a financial crisis, the severity of which may be judged from the fact that, so low had the credit of British Columbia sunk, the banks had given warning not to draw any more cheques.

A direct result of the deplorable condition of the Province's credit—and one even more far-reaching in its disastrous effects—was that outside capital, naturally influenced by the financial conditions of the Province itself, refused to come to the aid of private enterprise. Hence, industrial expansion and commercial development both languished.

Thus, the task which faced Mr. McBride and his colleagues on taking office was one which might well have appalled the ablest statesman. In round numbers, the gross liabilities of the Province then exceeded twelve and a half million dollars. In addition to this, there was an overdraft of one and a half million dollars in the bank which, as stated above, refused all further credit. To attempt to raise a loan in London, under the existing conditions, would have been the sheerest folly.

There remained one way—only one way, and that not a pleasant one—out of the difficulty. That way was, put in a few brief words, to create new sources of revenue, to raise the taxes and economize in the expenditure of money in the public service. This way, full of difficulties and disagreeable as it was, Mr. McBride and his colleagues adopted unflinchingly. If they had their reward at the time in the denunciations of their financial policy by their political opponents, the outcry of the people, the merchants and the manufacturers, who were too short-sighted to see that the unpleasant medicine was the only cure for the Provincial sickness—they