land. A visitor is consequently d an excellent opportunity—and within a few hours—of forming dea of the character of three of tural resources of British Colummely, agriculture, timber and in.

Immediately adjoining the property, but higher up the in, is the Tyees mine. The ore in a continuation of the Lenora So far the company have conheir energies to "blocking out" . The ore from the Tyee will nsported by an aerial tramway, miles in length, to the Esquimalt aimo railway, near Somenos, which point the ore will be taken way cars to the smelter now in of erection at Ladysmith. ve miles from Victoria, on Mount in sight of the Esquimalt & Nanaimo railway, work is being steadily ted on a copper-gold property, few carloads of good ore have ready shipped.

nty miles from Victoria, due there is another mineral belt, in oke district, where an immense p of copper pyrites has been disd. The ore is not only extensive ount, but is rich in quality, and elopment is being watched with interest.

region about Barkley Sound and berni Canal holds many importpper areas. In the Nahmint there are some 5,000 feet of round workings, about one-fourth been performed during 1901. A ant was also installed, consisting aerial tramway for the conveyof the ore to salt water, an air essor and large loading bunkers. other valuable copper and iron ties are being developed in the t.

magnetite deposits are of vast exnd of great importance, and ore these mines is now being shipped l works recently established near Townsend, Washington, U. S. A. has been the means of directing attention to the possibility of suclly establishing iron and steel on Vancouver Island. It is not the scope of this summary reo enter fully into detail, but atn should be drawn to the natural ages of cheap transportation, power, timber, cheap mining, available fuel, and fluxes. As as can be ascertained at present, n should be produced on Vancouland at $10.65 per ton, from the Dominion government bounty should be deducted for the purof striking the margin between the nd sale price. Immense benefits accrue to British Columbia from ccessful operation of iron and works. No class of mining dement equals such an industry in g up a good wage-earning popu-

It therefore behooves every er of the community to assist this of Trade in obtaining full and e information to place before lists, of whom there are always awaiting proposals which after investigation will show probable s on capital to be invested.

Coast, V. I.—On many of the to the north of the Alberni the development of mineral is progressing. In a few cases ents of ore have been made. At Bay there are some black sand gold deposits. These have been d, and the gold saved is importd, showing that Vancouver Island's are not confined to the mountain

Board is indebted to the kindness ourtesy of Dr. T. R. Marshall, D. Edin.), for the following remarks e mineral resources of Vancouver

Marshall is specially qualified to upon the subject as in addition scientific knowledge he has had dvantages of some years of perobservations.

re years ago the few settlers living e Coast fringe of Vancouver Isreelized that the mountains held ntains the future wealth to

The farmers and woodmen bel prospectors and soon demonstrated the Island from north to south traversed by numerous copper each readily traceable by the nble outcroppings of ore. If surndications count for anything, even virgin mining camp, one is justified suming that the Island must soon an important place as a copper cer. Already in the short period of years is crowded the experience rtune of most mining camps. First a period of excitement, when s were struck by the hundreds and indication of ore was deemed a g possibility. Properties of merit held at prohibitive prices, and erest wildcat sold from $50 to $100 laim. Amateur miners with a few nd dollars cut trails, built shacks prospected the surface of the ground, o find that Nature did not yield up reasures readily. The boom was ally followed by a period of deon, which in many a deserving has lasted for many years. The ss of the copper-bearing areas of uver Island was, however, too apto prevent for any prolonged perf depression, and now the third which is that of serious and pro mining, has commenced, which ntirely displaced the wild excite and crude speculation of boom

The best of the copper lands are acquired by those who know about n mining and have the means to it a success. Copper smelters are erected by men of wide experience would certainly not make the venunless they accurately estimated ineral resources of the Island.

month now shows some further ve more ore blocked out, and proof that the ore "goes down." rhaps the great natural advantages rap mining have stimulated a quick

glance at the chart will show that sland is deeply indented by navigchannels which permit of the cheap ge of the ore to the smelters.

e outcrops of ore occur on the mountain slopes, which means exploitation; and the mountains clothed to the very tops with a forest growth, affording valuable g, timber and fuel at every point. ed cedars at varying altitudes pro by simple splitting, boards and s for the construction of houses. ere are no water problems, as the ll is abundant.

erywhere cheap water power is ble, and all that is wanted is a he and Pelton-wheel.

e above general remarks are hapsupported by recent development at various points along the West (No matter how extreme the at which the development work g conducted, there is the pleasing f success. At the north end of land, at Quatsina Sound, an enercompany of Americans have provexistence of extensive ore bodies ave made a trial shipment to prove

At Nootka immense outcrop of magnetite carrying secondary sulphides have been discovered. ossibility that these outcrops may pply the cappings to copper ore is ed likely by the work done on rince group, Sidney Inlet, which t the other end of this mineral The magnetite outcrops on the group show but few indications per—sometimes a little bornite and glance, often merely green stain per carbonate. At depth, howrom 40 to 80 feet, the magnetite place to rich copper ore. The re the work on the Prince group luable, as it shows what may be ed of the numerous and extensive ite outcrops. This magnetite and association is certainly an im-

(Continued on Page Three.)

es To prove to you that Dr. Chase's Ointment is a certain and absolute cure for each and every form of itching, bleeding and protruding piles, nufacturers have guaranteed it. See testils in the daily press and ask your neighat they think of it. You can use it and r money back if not cured. 60c a box, all ers or EDMANSON, BATES & CO., Toronto.

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Progress Of The Province

portant one and deserves the closest attention of mining men.

"The property belonging to the Dewdney Canadian syndicate, and adjoining the Prince group affords an additional proof of the value of the copper and magnetite association. An extensive body of very rich copper ore has been explored which is capped by magnetite. Further south, there are numerous promising prospects awaiting further development."

The development of the west coast of Vancouver Island has been retarded in consequence of the difficulties and slowness of communication between Victoria and the various camps along the Coast. The matter was brought to the notice of both the Provincial and Dominion governments, and although the latter has increased its subsidy, it proved insufficient to ensure marked improvement in the service.

Coal.—The coal output of Vancouver Island during 1901 was 1,261,744 tons. The exports to California were 710,330 tons, or about 50 per cent. of the total consumption in that state. The fact that it can compete with the coal produced in Washington, which is not liable for duty, speaks volumes for its excellent quality. The use of oil in California is lessening the demand for coal there, as fuel oil is taking the place of coal in many large establishments where steam power is used. During the year 1901 the consumption of Vancouver Island coal in California was the second largest on record, but there is now a falling off in the demand, and prices are lower. It should be mentioned that Vancouver Island coal is used by the United States navy in preference to the coal produced in the Pacific Coast states. The coal deposits of Vancouver Island are not confined to those now being worked; other fields will doubtless be opened up when the demand warrants.

Islands and West Coast of Mainland.—The islands on the east coast of Vancouver Island, Queen Charlotte Islands, on the north and west coast of the Mainland, abound in minerals similar to those already described. At Texada Island some of the mines are shipping ore, copper-gold, and iron. The iron ore is shipped to the blast furnaces near Port Townsend. During the year 1901 there were located and recorded on Texada Island 124 mineral claims. Many others were recorded on the other islands, inlets, bays, etc.

Boundary.—Mining in the Boundary country is advancing very rapidly. In the year 1899 the value of the ore mined there amounted to about a quarter of a million dollars. In 1901 the increase was three million dollars, and since then there has been a further increase in the output of the mines compared with the corresponding months of last year. The ore contains copper and gold principally, and although low-grade, the ease with which it is mined and the proximity of the smelters admits profitable working.

Trail Creek.—The mines near Rossland are maintaining their lead in the value of yield.

Nelson.—In the Nelson mining division, which contains a number of mines of differing characteristics, unfavorable developments in some properties have been offset by improvement in others, and the division continues to show steady improvement in the number of developed and productive mines.

Slocan.—In the Slocan division the mines produce silver and lead, and although the ores are rich in those metals, conditions prevail which effectually retard production. The owners have been depending on the United States for a market, and ores have gone there for treatment. Transportation charges are necessarily high in consequence of the great distance to the smelters. Present low prices of these metals admit the profitable shipment of only the highest grade ores. The situation would be much improved if the Dominion government would further protect the home market for lead, and this Board has received the assurance of the Honorable the Minister of Trade and Commerce that the question shall receive due consideration, but no action can be taken until parliament reassembles.

It has been suggested that foreign lead entering Canada shall pay a duty of 25 per cent. When this is done, mining in the Slocan district will again become active. The Dominion government agreed to grant a bonus on the manufacture of pig-lead in Canada from Canadian lead ore as follows: $5 per ton for every ton of refined lead produced during 1902, $4 during 1903, $3 during 1904, $2 during 1905, and $1 per ton during 1906. Experiments have been made at Trail for producing pig-lead by electricity. These have proved successful, and it is reported that plans are being prepared for the erection of a refinery. A shipment of refined lead has already been made.

East Kootenay.—The mines of East Kootenay, producing silver and lead principally, are also suffering from the low prices of these metals. The output of the Crow's Nest collieries, 198,587 tons of coal, sold at such, and 111,683 tons of coke, or a gross output of 379,355 tons of coal, which greatly exceeds the output of previous years, but did not meet the demands. This was solely due to the undeveloped condition of the collieries and insufficient transportation facilities, which disabilities are being overcome as speedily as possible. It has been stated in previous reports that there is no better fuel found on the Pacific Coast, and the above facts substantiate those statements.

Cariboo.—There is not much change to report in connection with Cariboo. The recovery of gold from the creeks by ordinary placer methods, the hydraulicing of gold-bearing gravels, and the exploitation of the old channels of former rivers by means of shafts and tunnels embrace the principal mining works. There was a scarcity of water in some of the hydraulic camps during part of the season of 1901, and a consequent falling off in the gold output, but the Cariboo district is nevertheless looked upon as a future gold-producing country of greater importance than when the placers were well known throughout the world. In the Fall, reports reached the Coast of new "placer" strikes on the Horsefly river. It was too late then to verify them, but their extent will doubtless be ascertained this season.

Cassiar.—There is much territory north and west of Cariboo which is receiving the attention of prospectors. As far as can be judged, it is as rich in minerals as other portions of British Columbia, but in consequence of the great distance from settlements and the cost of getting in food and machinery, operations are confined chiefly to placers. It was expected that Atlin would furnish large placer camps, but the Yukon has proved more attractive. Experience has shown that the gold-bearing grounds of Atlin can be more advantageously worked by hydraulicing than by the usual placer process. As soon as the northern portion of British Columbia is opened up by railways, there can be no question of very important mining developments following.

In the appendices will be found full statistical information regarding the mineral produced during the year 1901. This has been copied from the annual report of the Minister of Mines, just published. The total value amounts to approximately twenty million dollars, which is certainly not large when the extent of the mineralized area and quantity of ore and coal in sight are considered. But, as before stated, compared with the previous year the increase in output of minerals other than coal was 35 per cent., and good reasons can be given to show why it was not much larger. A very hopeful view of the future is found in the exceedingly low price at which it has been found possible to treat low-grade copper ores. In the Boundary country, such ore has been smelted at $1.35 to $1.50 per ton. This would have been considered impossible only a few years ago, and with such rapid and wonderful improvements in the methods of extracting the base and precious metals and the immense area within the province of British Columbia which is known to be highly mineralized, no one can predict with any certainty what the output of minerals will be in the short period of the next five years. There are now two smelters under construction on Vancouver Island.

There has been complaint that the 2 per cent. mineral tax bears too heavily on the mines. This Board is not prepared to offer an opinion, but it may be stated that although there are important mines being opened up on Vancouver Island, no such complaints have reached this Board from that source. However, the attention of the Minister of Mines has been directed to the matter, and this Board has received his promise that it will be enquired into, with the object "of doing everything possible to assist the mining industry of the province, while at the same time collecting a proper and equitable amount of taxation therefrom." The mining laws are certainly liberal. Any free miner (a person holding a license costing $5) can stake a claim 1,500 by 1,500 feet, about 50 acres, and hold it by improving to the value of only $100 per annum. After five such annual improvements, the survey being reckoned an improvement worth $100, a crown grant can be obtained. After a crown grant is given, there is a tax of 25 cents per acre per annum, which it is understood has not been paid in very many cases. It is hoped that the government will insist on the prompt payment of all such arrears, or cancel the crown grants and allow the claims to be re-located. It would be impossible within the limit of these few pages to do justice to the mineral wealth of British Columbia and its development. Those who desire further information are referred to the report of the Hon. the Minister of Mines, which will be furnished on application at the Provincial Department of Mines, Parliament Buildings, Victoria, or at this office.

SMELTERS.

There are many factors upon which profitable mining is dependent and the cost of smelting the ore is one of importance. To illustrate what has been done in this direction, the experience of one of the pioneer mines of Rossland may be cited. In the year 1897 the total smelting charge, direct and indirect, amounted to $19.13 per ton of ore. Last year those charges were reduced to $11.07 per ton of ore. Those figures are instructive in showing the reduction in cost of treating ore from the same mine within five years. The ore from the Lenora, on Vancouver Island, has cost much less to smelt and $10 per ton has covered smelting, mining, and 100 miles of transportation by rail and water, exclusive of indirect smelting charges.

In the Boundary country the cost of first smelting of the copper ore is but $1.50 per ton of ore. Improvements in the plants and the advantage of much available water power and cheap fuel may be expected to afford further reductions. The management of the Granby smelter is to be congratulated upon its success in showing the low cost at which the low grade copper ores of the Boundary country can be handled. The result will doubtless be far reaching and beneficial to the province generally. There are smelters at the following places, namely: Granby, Greenwood, Trail, Nelson and Texada Island. This Board recently received an inquiry from a United States Smelting company as to what openings there are for establishing such works in British Columbia. It would therefore appear probable that the erection of smelters will keep pace with the opening up of the mines.

SALMON.

The salmon pack in 1901—1,236,156 cases—was much larger than ever before put up in British Columbia in one season, and it is satisfactory to note that the run of fish in the Fraser river was fully up to expectations. There has been a decline in prices realized and the stocks on hand are unusually large. Demand is limited to requirements for immediate consumption, and it is not likely to improve until an estimate can be formed of this year's pack. This industry is suffering from the competition of canners in the state of Washington, who put up an equally good quality, and by cheaper methods of catching them are able to undersell the British Columbia product. In the year 1897 the British Columbia pack was 1,015,477 cases, while that of the Puget Sound canneries was only 350,000 cases. In 1901 the Puget Sound pack was 1,363,297 cases, that is 127,141 cases in excess of British Columbia's largest pack. On Puget Sound the fish are taken in traps. These traps furnish steady employment for a number of men all the year round, in repairs, improvements, etc. On this side of the boundary the fish are caught in nets, and the season being short, fishermen of all nationalities must be assembled for that purpose. For some years the British Columbia canning industry has been threatened with ruin by the fishermen on the Fraser river demanding exhorbitant prices for the fish at the commencement of the season, and the canners having laid in many tens of thousands of dollars' worth of supplies, cans, etc., have had to choose between having such supplies thrown on their hands or paying high prices for the fish. The cost of the fish on the Fraser river is now practically double that paid in the early years of the canning industry, and the price paid last year represented an excess of fully $1 per case compared with similar fish caught in traps in Puget Sound. There is another phase of the question. The fish taken in Puget Sound are mostly on their way to the spawning grounds in the Fraser River. It has been observed that the salmon, on returning to those grounds from the ocean, head for the south coast of Vancouver Island, which they follow some miles and then scatter through various channels almost exclusively through United States waters, before finally making for the Fraser river. The remedy for the British Columbia situation is obvious, namely, the establishment of traps on the south of Vancouver Island. The fish could then be intercepted and canned as cheaply as on the United States side. It is most important that a proper understanding between the Dominion and Provincial governments for the control of these fisheries should be arrived at immediately, and the present conditions of the salmon industry relieved before it becomes irretrievably too late.

DEEP SEA FISHERIES.

The halibut fisheries have received more attention lately, and it is probable that the success of the vessels now engaged in them will lead to others being put in that service. The fish are reported to be plentiful and of excellent quality. Upon arrival in port, they are packed in ice and sent to Eastern Canadian points for sale.

SEALING.

The sealing operations for 1901 resulted in a catch of 24,160 skins. This was much below the average, and it was fortunate that the schooners were economically operated, or loss would have resulted. The prices realized show a slight decline compared with the previous year.

LUMBER.

The lumber cut during the year 1901—184,079,980 feet—was less than the previous year. The prices obtainable in foreign markets not being remunerative, those mills which rely on export business did not run to their full capacity. During the past six months, however, prices have improved, freights have become lower, and the mills are now fully employed.

The forests of British Columbia are an asset of great importance, and the value of which it would be impossible to correctly estimate. The lumber cut does not appreciably diminish them. Care must be taken to prevent the ravages of fire which occur every year. Reforestration and diversification have been recommended by this Board for some years, but so far as known, no steps have been taken in that direction.

SHIPBUILDING.

The improvement in business in the shipyards is very encouraging. At Esquimalt there is a large drydock which is open to the merchant service when not required by the admiralty. It was with the object of providing for the merchantmen at all times that the Esquimalt marine railway plant was constructed in 1895. That plant has since been enlarged and otherwise improved, and the same company has provided another plant in Victoria harbor and one at Vancouver. The Victoria Machinery Depot is now equipped for shipbuilding, and has just launched and supplied machinery to its first vessel, of 460 tons. The shipyards previously established in Victoria are keeping pace with the improvements demanded in modern shipbuilding.

The business of these establishments cannot be judged by the tonnage of new vessels, for there is considerable repairs always on hand. This is more satisfactory when it is considered that many of the vessels repaired at Esquimalt and Victoria are of foreign register, and that the work is obtained in open competition with larger works established on Puget Sound.

It is regretted that the Dominion government, although asked to do so, does not assist shipbuilding. It has been suggested that a bonus of $10 per ton be given on steel vessels of 450 tons and upwards built in British Columbia during the next five years, and a bonus of $5 per ton on such vessels built during the next following five years. Such a bonus would probably afford sufficient encouragement to build the necessary vessels for carrying on the lumber trade, and the freights derived from that source would then be paid to Canadians instead of the owners of foreign vessels, as is now done. This is a matter which the Board should not lose sight of.

The Board is indebted to the kindness and courtesy of the Hon. J. D. Prentice for the following information on agriculture and immigration:

"At no previous time in the history of British Columbia have the agricultural interests of the province generally been in such a favorable condition. The demand for all kinds of farm produce has increased faster than production, while the trend of prices has been uniformly upwards. In the case of beef cattle and oats, both staples of prime importance, prices have been higher than for years, and prospects are good for their continuance. The future is most promising for farmers having cleared lands, who can devote their time to the production of either staple crops or finished farm products.

"Very largely as a result of the educational work conducted through the medium of Farmers' Institutes throughout the province, both the theory and practice of modern farming have been well exploited of late, in regard to stock raising and feeding, crop-raising, and soil cultivation, so that the true economy of farming is better understood, both crops and soil have benefitted, and the status of farming has been raised.

"In dairying, a notable development has taken place—the establishment of co-operative and private creamery plants for the manufacture of butter has gone steadily forward in all the farming districts, the butter production of the older factories has increased, so that the total output of fresh creamery butter, commanding the highest market figures has nearly doubled during the past season.

"An indirect result of great value in this connection has been the gradual improvement in the quality of the dairy herds, as a result of systematic milk-testing, and the keeping of accurate records of production made possible through the creamery system. Condensed milk is also now manufactured at Mission City, on the Fraser river, and a first class product turned out. Hog raising has naturally kept pace with the development of the dairy industry as an adjunct. The demand is large for hogs, suitable for consumption as fresh meat, and the prices paid have been very remunerative to the careful feeder.

"In sheep-raising, while it cannot be claimed that the industry is growing fast, yet the business is more profitable than formerly, owing to the larger size and better quality of the sheep raised, and the higher prices paid for mutton. The use of pure-bred rams is now general, largely through the agency of the Stockmasters' association, and a few prominent breeders, who have made yearly importations of selected stock.

"Poultry raising has of late commanded attention more in harmony with the possibilities of the business, notably so in the farming districts contiguous to the principal towns. Egg production has, so far, proven the most profitable branch of the industry, more particularly where small flocks of laying birds are in movable houses.

"Horse breeding is in a very healthy condition, the demand for horse flesh of all kinds has been good, and the prices paid for animals of any quality have been constantly on the upward. Heavy draft horses have given largest returns to breeders, and as the demand for such is likely to be constant, it has induced special efforts in feeding and breeding to meet it. This is true of both farming and ranching districts.

"Where raising for milling purposes in interior districts is an exception to the general upward trend of farming interests, owing chiefly to the method of continuous cropping of the area devoted to this crop, usually followed, and consequent lower acreage production than formerly. This season's crop, however, promises well, and the output should be much greater than in the preceding year. Diversified farming is, to some extent, displacing the order of things here referred to, and will eventually become general in these districts, and far more profitable.

"Fruit growing, particularly in the southern portion of the Okanagan valley, and on Vancouver and the adjacent islands, has been very successful. Okanagan apples have now an established reputation in the markets of the Kootenays and Northwest Territories, while the prices received for last season's crop were better than those of any previous year since fruit-growing has been of commercial importance in the province.

"A most satisfactory improvement has been brought about in the mehods of packing and shipping fruit, and commercial fruit-growing has now reached a stage where its expansion can be carried forward on safe lines to any reasonable extent, as the outside markets available are growing at an unprecedented rate, and the province is free from the most troublesome insect pests common to the United States and Eastern Canada.

"Freight rates on fruit and farm produce.—Considerable reductions have been made in these by the Canadian Pacific Railway company, largely through the work of the special commissioner, appointed by the Provincial government in 1901, and as the office of Freight Rate Commissioner has been made permanent, further results of value in this connection may be expected."

J. D. PRENTICE.
Minister of Agriculture.

IMMIGRATION.

"Since the issue of the last report of your Board, the Agent-General's office in London has been re-organized with Mr. J. H. Turner, late Minister of Finance, at its head. The office has been provided with an abundance of maps and literature concerning the various resources and attractions of the province, together with a large number of photographs, picturing its industries in operation, farming scenes, its general physical features, scenic views, etc. Exhibits of its agricultural, horticultural, mineral, timber and fish products were also furnished the Agent-General. Mr. Turner's thorough acquaintance with the business of the province, its resources, climatic conditions, etc., has made it possible for him to present its attractions to home-seeker, investor, sportsman, and tourist, in a practical and truthful light, and the excellent results of his efforts are apparent, from the numerous enquiries from all parts of Great Britain and Europe, both to the London office and to that in Victoria.

"There is a constant enquiry personally, and by letter at Victoria from persons desirous of settling in British Columbia. The absence of surveyed areas suitable for settlement, such as are available in the Northwest Territories renders it difficult to direct settlers to suitable locations. As pointed out last year, it is necessary that definite locations should be arranged for, on which settlers could be at once placed. An excellent method for this purpose was devised and incorporated in a bill, which, however, was not presented to the House for consideration, but was deferred until the next meeting of the Legislature.

"An agreement was entered into in November last with the Kalevan Kansa Colonization Co., Ltd., its object being the settlement of Malcolm Island, with a colony of Finlanders. This island comprises 28,000 acres of land. The terms of the agreement provide that the company shall place a settler or head of family on each 40 acres; that improvements to the aggregate value of $2.50 per acre must be made before a Crown grant to the 28,000 acres is issued; that in lieu of taxes for a term of seven years the company must construct all public improvements required by the settlers, other than schools; that a Crown grant shall not be issued until after the expiration of seven years from the time the Chief Commissioner is satisfied that the required number of settlers has been placed on the Island, and all other terms and conditions complied with. Among other provisions incorporated in the agreement are those stipulating that settlers are to sign an agreement that they shall immediately take steps to become British subjects, that they will conform to all requirements of the law without reference to any "conscience clauses" or religious or political doctrines they may hold; that they consent to bear arms in defence of the country, and that their children shall be educated in the public schools in the English language.

"During the present summer the company has placed a number of settlers on Malcolm Island, which number will be increased as rapidly as circumstances will permit. Should the plan of settlement work out successfully, the company will be granted a similar area under like terms and conditions.

"Reports from explorations of Bulkley valley go to prove that this section of the province will provide homes for a considerable agricultural population, soil and climate being excellent for farming purposes. It will, however, first be necessary to provide a wagon road or railway to render settlement of the district possible. The subject is receiving the attention of the government.

"During the year a large amount of literature has been distributed by the Bureau of Information to all parts of America and Europe, including a number of bulletins in pamphlet form.

"The subject of immigration is one which is receiving the earnest consideration of the government, and no effort on their part will be lacking to induce a desirable class of settlers to locate on the lands of the province.

"J. D. PRENTICE,
"Acting Provincial Secretary."

RAILWAYS.

The Canadian Pacific Railway company has made some important improvements to its system in British Columbia during the past 12 months, of which the following are notable:

The Vancouver & Lulu Island section has been completed and opened for traffic, 17 miles, across the North Arm of the Fraser river and Lulu island, to Steveston.

The Arrowhead and Kootenay railway, connecting Kootenay lake with Trout lake, is opened as far as Gerrard, on Trout lake, 34 miles from Lardo. A steamer has been placed on Trout lake for the conveyance of passengers and freight to Trout Lake city, distance 9 miles additional.

The bridge across the Columbia river, near Robson, is completed, and a connection is thus formed between the Columbia and Kootenay railway, and the Columbia and Western railway by which the trains now run between Nelson to Rossland or Midway without change. Before the opening of this bridge a transfer was necessary at Robson.

The Great Northern has also completed its system from Marcus, Washington, up Kettle River valley to Cascade, and thence through Grand Forks, British Columbia, to Republic, Washington. The ores from Republic are expected very shortly to be available to British Columbia smelters.

This same company will control a line now under construction between Jennings, Montana, and Fernie, British Columbia, where the Crow's Nest collieries are situated. The line is now operated by the contractors between Jennings and Gateway, in British Columbia, distance 51 miles, and it is expected to reach Fernie within three months.

From the remarks made in the previous report of this Board, when referring to the provincial legislation in aid of railways passed during the session of 1901, it will be noticed that it was contemplated that construction would probably not be proceeded with under that act. Such, unfortunately, has proved to be the case. The importance of the lines then provided for has not been lost sight of, as demonstrated by the acts which have been passed at the session recently closed covering the same ground.

The "Coast-Kootenay Railway Aid Act, 1902," provides for 330 miles at the same rate of $4,500 per mile. This line is to traverse the southern portion of British Columbia, from Midway, in the Boundary Creek district, via Chilliwack to a point near New Westminster, but south of the Fraser river, where one branch is to continue through New Westminster and on to Vancouver, and the other is to proceed through Surrey and Delta to a point at or near the mouth of the Fraser river, and connect with a suitable ferry "to give direct and speedy communication with the city of Victoria."

Another act, "The Midway & Vernon Railway Aid Act, 1902," provides a subsidy of $5,000 per mile for 150 miles of railway between Midway and Vernon.

By the "Pacific, Northern & Omineca Railway Aid Act," 135 miles of railway between Kitimat Inlet and Hazelton, on the Skeena river, can be subsidized at the rate of $5,000 per mile.

If these three lines had been constructed under the act of parliament passed in 1901, only $4,000 per mile would have been paid by the provincial government.

The "Victoria & Yellowhead Pass Railway Aid Act, 1902," aids the construction of a railway from Yellowhead Pass to Bute Inlet, by a grant of $5,000 for each mile of railway (not exceeding 480 miles) between Yellowhead Pass and Bute Inlet, conditional upon an agreement for the simultaneous construction (or within the same time limit) of a railway from Victoria or Wellington to Seymour Narrows, via Alberni, "it being the true meaning and intent of the act to provide for the construction of a continuous line of transportation from the eastern boundary of British Columbia, at or near Yellowhead Pass, to a point on the seaboard at or near Bute Inlet, thence by ferry to Vancouver Island, thence by the Victoria & Seymour Narrows or the Esquimalt & Nanaimo railway to Victoria, via Alberni and Nanaimo."

Such a railway has been under consideration for many years past. The route was surveyed by the Dominion government and originally intended for the Canadian Pacific railway. Subsequently its construction was again contemplated, and a charter granted known as the Canadian Western Central, which afterwards merged into the British Pacific. Mr. R. P. Rithet interested himself in the project last named, and spent a large sum of money upon it, but, unfortunately for the province, just at the moment when it appeared probable that the scheme could be financed, further legislation was brought down by the provincial government which rendered further proceedings impossible. That was in 1896. It is a year since the Hon. J. H. Turner, who, by reason of the provincial revenue, was not a warm advocate of the project, in defending the same before this Board, urged "the people of Vancouver and Victoria to wake up, and they can insure the building of this line, which will secure the development of Vancouver Island and the Mainland north of the Canadian Pacific railway."

"It was always conceded that a railway between Bute Inlet and the Yellowhead Pass would open up a country rich in minerals and containing much agricultural land, but there is now another and equally strong reason why the railroad should be built. Very soon the Canadian Northern railway will have control of a continuous line from the eastern seaboard to the Pacific. It is advancing westward very rapidly, and will soon reach the eastern boundary of British Columbia. It is considered probable that an outlet on this coast will be sought some hundreds of miles further north than Bute inlet, which would make the northern portion of British Columbia tributary to Eastern Canada, much the same as Kootenay is to-day. It thus becomes evident that if the coast cities are to share in the enormous trade of Northern British Columbia which is certain to develop when it is opened up by railways, that the outlet of any transcontinental railway must be as far south as practicable. It is gratifying to find that the provincial government is fully alive to the situation, and also that a company has been found sufficiently impressed with the prospects of business on Vancouver Island to seriously consider the advisability of adopting the route originally intended for the Canadian Pacific railway.

"Before construction of the line may be expected it is essential that additional aid be received from the Dominion government. British Columbia is entitled to such aid, for it was shown in the Board's previous report that the province had paid into the Dominion treasury between the year 1872 and 30th June last year $42,375,349, and that the Dominion government had expended in British Columbia during that period only $28,968,091. There was consequently a balance in favor of the province at that date of $13,500,000, which sum has since been considerably increased.

"The Board has urged upon the provincial government the necessity of a railway to Alberni, on the west coast of Vancouver Island. A branch line from Nanaimo has been proposed, but in the opinion of this Board a line through the Cowichan valley would be of more general benefit. Some members of the Board who are acquainted with the Cowichan valley portion of the route state that such a line would open up good agricultural and forest lands, also that mines could be opened up if provided with this proposed railway. A deputation which waited upon the government received a promise that the portion of the Cowichan valley route upon which no one appears to be quite familiar with shall be surveyed this summer.

"Attention has already been called to the time occupied in communicating with the west coast of Vancouver Island. By the construction of a railway to Alberni a saving of from 24 to 36 hours could be effected, besides avoiding the discomfort of traveling on a small steamer when the weather is rough.

INTER-IMPERIAL TRADE.

The available information as to the progress of the conference between the Imperial authorities and the premiers of the colonies is very limited, further than the fact that a break in the proceedings was necessitated by the unfortunate disability of the Right Hon. Joseph Chamberlain to be present. The right honorable gentleman has the deepest sympathy of this Board, for apart from concern for his sufferings, he is looked upon as one of the chief advocates of a perfected arrangement whereby the Mother Country and her colonies may enjoy a preference in inter-Imperial trade, mutually advantageous. The many difficulties which beset the consummation of such a scheme are fully appreciated, and there is no desire to jeopardize it by too hasty action. There is a feeling that the various interests are safeguarded by the eminence of the representatives now discussing them, and Canada views with the highest satisfaction the prominent place accorded its premier, Sir Wilfrid Laurier. In February last a special committee reported to this Board upon some of the direct advantages to British Columbia which may be expected from preferential inter-Imperial trade, and as that report is appended, the matter is not here enlarged upon.

PACIFIC CABLE.

The arrangement between Great Britain, Canada and Australia for the construction of the Pacific cable may be considered a step towards a closer union. The cable is now operating as far as Fiji, and the contract calls for its completion before the close of this year. The Canadian station is being built at Bamfield Creek, entrance to Barkley Sound, Vancouver Island. Bamfield Creek will be connected with Cape Canso, in Nova Scotia, by direct telegraph, which, like the cable between Fanning Island and Bamfield Creek, will be the largest in the world.

TELEGRAPHS.

The telegraph service to Dawson and Yukon points has been working satisfactorily, and on 1st June the rates were reduced 30 per cent. British Columbia is well served by two strong telegraph companies. No complaints have reached the Board regarding the government telegraph to Cape Beale, but it is stated that the trail requires to be improved. The weather reports are published twice daily.

Long-distance telephones are being extended on Vancouver Island, and also on the Mainland.

EDUCATION.

British Columbia affords excellent educational opportunities, the schools being free and undenominational. They are under the supervision of trustees elected by the ratepayers, and cost the Provincial government in 1901, $312,187.17. New school districts can be created by the Lieutenant-Governor-in-Council as soon as there are 15 children between six and sixteen years of age within the limits prescribed. For outlying agricultural districts and mining camps this arrangement is very advantageous.

TRADE AND OUTLOOK.

The foregoing remarks show steady growth of the mineral output, in the face of low prices of copper, lead and silver; a larger salmon pack than ever before put up in one season; a good demand for lumber at remunerative prices, and considerable improvement in agriculture. It is often stated, however—and not without some truth—that British Columbia is not enjoying that measure of prosperity which might be expected. It will be profitable, therefore, to consider some of the conditions which account for the anomalous local conditions.

It was stated in the Board's last report—and the statement stands unchallenged—that British Columbia's per capita contribution to the federal treasury is $25.67, against a per capita contribution for all Canada of only $8.93. This contribution is mostly made up of duties on imported goods. Owing to a change in the system of keeping the customs returns at Ottawa, the imports for the last year cannot be given, but the following imports for the year ending 30th June, 1900, nevertheless serve to illustrate the point desired. In that year the province paid duties as follows:

Sheep	$19,278 80
Bacon and ham	63,149 59
Mutton	3,472 98
Poultry	3,239 05
Wheat flour	12,923 30
Butter	20,522 96
Condensed milk	40,799 71

And so the list might be continued to make up imported agricultural products to the value of a million and a half dollars, on which over three hundred thousand dollars duty was paid.

In a province like this, which does not feed itself, it naturally follows that woollen goods, boots, shoes, farm implements, machinery, etc., are either imported from foreign countries or purchased in Eastern Canada, and it will be found that the total imports into British Columbia for the year ending 30th June, 1901, amounted to over $11,000,000, and that the Dominion government received in revenue through the customs department $2,362,072.14.

It would be difficult to estimate approximately the value of the goods received from Eastern Canada, but it is safe to assert that it is greater than the value of imports from foreign countries.

The Coast cities are not deriving the full benefits of the Yukon trade. During the first year of the gold excitement a great number of small traders were in the field and drew supplies from this Coast. But the situation has changed, and gradually the trade of the Yukon has fallen into the hands of financially strong companies which own steamers, and by carrying their own goods are able, in consequence of the difference between the freight rates of the White Pass & Yukon railway and the all-water route via St. Michael, which the trading companies control, to undersell all competitors. These companies draw supplies direct from the Eastern manufacturers in Canada and the United States, who have all along supplied the Yukon, but previously made their sales to Coast city jobbers, who in turn sold to numerous small traders.

To make matters still worse, the trade of the Kootenay country, in which there is a large mining population, has become tributary to Eastern Canada by the operations of the Crow's Nest Pass railway. At glance at the map shows this to be quite natural, for the principal goods required in the Kootenay do not originate on the coast side of British Columbia.

The situation could be relieved by a full development of the agricultural resources. It has been shown that a demand for all such products exists, and that there are ample suitable lands available. The successful consummation of this policy would greatly increase the population; large sums of money now sent out of the country for food supplies would be retained, and very soon the local demand for manufactured articles would be such that factories established in our midst would be able to do a profitable business. For several years past this Board has been directing attention to the openings in British Columbia for profitable farming.

In some parts of the province there are large unbroken tracts of suitable lands, but generally the lands are adapted to small mixed farms, and such are obtainable near all the mining camps and settled portions of the province. It must be stated that the progress made in some lines of agriculture—notably dairying and fruit-growing—is most gratifying, and should afford encouragement for further and more vigorous development along that line. The province of Manitoba and the Northwest Territories are now filling up very rapidly, and it is believed that by circulating reliable, concise and specific information as to the lands available in different parts of the province, their cost unimproved, cost when ready for crops, and products likely to be most profitable, the tide of immigration can be turned towards British Columbia. It is hoped that the incoming council will take the matter up, and should the work prove too large for this Board, the provincial government can be appealed to, and it is believed will be found ready and willing to give all necessary assistance. A suitable motto would be, "What we have we'll hold." Continue to draw upon the wealth contained in the vast natural resources of the province, but instead of sending abroad for so much food, clothing and general supplies, build up the necessary industries in our midst, and keep that wealth circulating in British Columbia.

Victoria.—The trade of Victoria has been maintained. The foreign imports for the twelve months ending 30th ultimo amounted to $3,284,568, and the total custom house revenue for the same period was $937,201.16. The inland revenue collected by the Dominion government in Victoria was $191,640.82. The outlook for a greater volume of business at the capital was never better, for the development of mines within a few miles of Victoria cannot fail to have a beneficial effect. The establishment of fish traps is an immediate necessity if the salmon fishing industry is to continue in British Columbia. Many of such traps, with the necessary canneries, will have to be built in the vicinity of Victoria.

The merchants have been greatly assisted in their efforts to secure business by the operations of the Victoria & Sidney railway company. The capital for the construction of the line was secured by the corporation of Victoria guaranteeing interest upon it. For a few years the guarantee has been paid and there was not much benefit derived, but in the fall of 1900 the citizens agreed to subsidize a car ferry service between Sidney and the Mainland, to connect with the Great Northern railway, one of the United States transcontinental systems. The cars of that system, as well as those of other transcontinental railways, now arrive in Victoria over the Victoria & Sidney railway, and the earnings of the line will very soon relieve the citizens of the payment of any guaranteed interest. The railway company has recently improved its steamer connections with the islands in the Straits of Georgia, and the towns of Crofton, Ladysmith and Nanaimo, on Vancouver Island. This service has secured the merchants of Victoria considerable business. About the time of the negotiations for the subsidizing of the railway car ferry service via Sidney, the Canadian Pacific Railway Company arranged with the Esquimalt & Nanaimo Railway Company for the delivery in Victoria of its freight cars. This last improvement was accomplished without any cost to the citizens