BUDGET OF PROSPERITY

Assets in Cash Almost Sufficient to Wipe out Entire Funded Debt of British Columbia

STRIKING FIGURES OF PROVINCE'S GROWTH

Hon. Price Ellison Places Value of Representative Industrial Products Durling Year at Over $100,000,000

The Budget presented by Finance Minister Ellison to the Legislature Monday proved certainly a most cheering valentine for Miss British Columbia. The Minister announced that the liquid assets of the Province would be sufficient within the year to wipe out the entire funded debt of British Columbia, which at the close of the last fiscal year stood at $8,616,800.00, having decreased $238,867.00 from the last previous year. At the same time, as provision is being made by sinking fund for the redemption of the Debt in due course, the Minister does not consider it good financial policy to buy back outstanding debentures, as an attempt on the open money market would send these securities above par and the Province would be the loser by the transaction. Even at present, British Columbia inscribed stock stands higher on the London Market than any other colonial securities.

The surplus for the fiscal year ending March, 1910, the Minister in his maiden deliverance placed at $2,500,000.00. The surplus for the current twelvemonth cannot be estimated, but the Minister expects that it will be quite as large as last year's, the Government having at the present time upon deposit in the various chartered banks and bearing interest no less than $7,500,000.00.

Hon. Mr. Ellison places the value of the productions of the representative industries of the Province during the past year at $100,742,000.00, divided roughly as follows: Manufactures, $35,000,000.00; Mining, $26,183,505.00; Timber, $17,160,000.00; Agriculture, $14,399,000.00; Fisheries, $8,000,000.00; the cut of timber in the Province for the past year is estimated at one billion and forty million feet, an increase in value of production on the previous twelvemonth of $5,160,000.00. The shingle output is estimated at 866,275,000 of a value of $1,627,624.00, being 25 per cent. of the total output of Canada.

The mineral output shows an increase of $1,740,000.00 over the preceding year, the largest growth being in coal, of which commodity and additional 2,770,000 tons was mined during the year. There has been a slight falling off in lead, copper, zinc and coke, in part attributable to the fire at the Granby smelter.

In Agriculture there has been an increase in products value of nearly $6,000,000.00, the home production being now only very slightly behind the imports total in value. The total consumption of these products was rather over $28,000,000.00, the Province producing roughly $14,000,000.00, and the importations total being but fractionally higher. Based on the increase in consumption of these products, the Minister estimates that from 75,000 to 100,000 people have been added to the population of British Columbia during the year. The Province has increased its grant for immigration purposes from $35,000 to $50,000, but the Finance Minister notes with regret that the Dominion government has not seen fit to do more for immigration to this Pacific Province. He finds that the total industrial products of the year represent $14,000,000.00 greater value than did those of the preceding year; while the bank clearings are $536,555,892.00, an increase in the twelvemonth of $175,000,000.00.

Taxation Commission

Interesting special announcements contained in the Budget deliverance included mention of the fact that it is the intention of the Minister to recommend the appointment of a Commission to go thoroughly into the entire question of the incidence of taxation in British Columbia, with a view to a general readjustment and lowering of the scale. It was also hinted that legislation may be introduced next session, whereby the timbering industry may be specially assessed in due proportion toward the expenditure incurred in patrolling and watching the forest to prevent loss therein by fire. A number of Water Boards will shortly be appointed, to expedite the important work now obtaining the consideration of Chief Commissioner W. S. Drewry and his associate commissioners; and during the coming summer the Government proposes to send in two experts to the country between Prince Rupert and Hazelton to study soil, precipitation and climatic conditions, with a view to determination which varieties of trees, cereals, and crops generally may most profitably and most successfully be cultivated in this territory.

The Budget Speech took precedence of all other business on the Order paper, Hon. Mr. Ellison rising amid applause at 2.45. He said:

The Budget Speech

Mr. Speaker: In rising to present the budget for 1911-12, I am in much the same position as my predecessor last year, the Hon. Mr. Bowser, who had just accepted the portfolio of minister of finance. I had not been in the office really more than two or three days when the session opened, and I cannot, therefore, be expected to have the same knowledge and grasp of the finances of the province as the late lamented and highly esteemed Hon. Captain Tatlow, who for seven years administered the office I have now the honor to fill, and whose budget speeches were always looked forward to with so much interest by the members of this house.

"I shall not attempt to deal with the subject in the same exhaustive way as Mr. Bowser did. Last year the government had just returned from the country after a big victory, and my colleague took occasion to review at considerable length the history of the McBride administration and its financial policy. Through the efforts of the government, the finances of the province had been placed on a very sound and highly satisfactory basis. The country also had reached a high state of prosperity, and the Hon. Mr. Bowser spent some time in dwelling upon the conditions that existed, and in painting in warm colors the immediate future of the province. While the progress of affairs in that direction has not abated in the least in the meantime, and has, in fact, been greater than was anticipated last year—as the result to a considerable degree of the railway policy of the government—there has not been such a change in the situation as to justify my going over similar grounds. I shall, therefore, confine myself to the subject of the budget proper and to the consideration of the industries and production of the province for the year just past, and, possibly, make some comments on the outlook for the year upon which we have entered. I desire to be as brief as possible.

The Estimates

"First, taking up the estimates of 1909-10 and comparing them with the public accounts for the same year which were laid before the house a few weeks ago, we find that the estimated receipts fell short of the actual receipts by nearly $3,000,000, or to be accurate $2,926,115, this despite the fact that twelve months ago the finance minister did not anticipate any surplus at all, owing to the special demands that had been made on the treasury by works and services of urgent necessity, and which were authorzed by special warrant and provided for in the supplementary estimates of last year. This extraordinary difference between actual and estimated receipts does not indicate that the estimates were not carefully prepared, but rather that the remarkable increase in the business of the province, and of the various departments, could not be anticipated. The principal items which account for the unexpected increase were: Land sales and land revenue, in which the estimates was exceeded by nearly $2,000,000; succession duties, showing an excess of $73,495; registry fees, $233,826; revenue tax, $60,682; real property tax, $60,774; land taxes, including wild, coal and timber lands, $50,905; income tax, $60,984; royalty on coal, $82,720; the government printing office, $29,174; Chinese Restriction Act, $156,200; interest, $37,493; cannery licenses, $21,340; and miscellaneous, $23,633. All of these items with the exception of succession duties and the revenue from Chinese immigration, which are more or less accidental sources, are the direct result of increased activities and the expansion of business. While the increase from the sale of land was so marked, the revenues derivable from timber in the form of leases, licenses and royalties were actually about $5,000 less than the estimated receipts, and there is but a small difference between the estimated and actual receipts in the revenue derived from mining. As an instance of the great activity in real estate transactions, there was $408,206 derived from registry fees, which is $233,826 in excess of the estimated revenue from that source. The increase of business is also shown in the sale of law stamps; the returns from the printing office, from cannery licenses, and in other ways. That the estimates of 1909-10 were carefully prepared is best shown by the fact that the few items which show a decrease in the actual receipts, as compared with the estimates, do not aggregate $25,000 in amount.

Bank Interest Increase

"The interest on cash deposits in the bank is becoming a very important item of revenue. In the year 1903-4, the receipts from that source amounted to $7,886, and in 1909-10 were $157,493, the latter figure being nearly double the income of the year previous. During the present fiscal year, the item of interest will be increased in proportion.

"In regard to the expenditure, as shown in the public accounts, it exceeded the estimates by $1,034,196, which was provided for in the supplementary estimates. In civil government there was an excess of $22,261, which is mainly accounted for in requirements for temporary assistance. Legislation exceeded the estimates by $48,767, to be accounted for by the holding of the elections in the fall of 1909. The excess of $28,754 in the appropriation for public institutions was required for extra expenditure in the printing office and Insane Asylum. While the salaries for administration of justice were kept below the appropriation, the 'administration of justice other than salaries,' shows an excess of $41,337. As the expenses in connection with this vote are always susceptible to fluctuation, it is not possible to provide for it definitely in advance. The items of transport are subject to similar exigencies. The appropriation of revenue services was exceeded by $57,269, as over $87,000 was paid for commission alone, this excess is the best evidence we can have of the expansion of business.

Extra Requirements

"Under the head of public works, there was an excess of $582,728. This large amount was due to repairs to the public buildings in Victoria and throughout the province, to the extent of $30,000; for the purchase of lands for and the improvement of the government grounds, $122,000; extra allowances for roads, streets and bridges, $529,428. These extra expenditures were warranted by the necessities of the case, and due to extraordinary provincial development. Miscellaneous was exceeded by $170,000, $35,000 of which was due to advertising the voters' lists as required by law. All these extra expenditures were unforeseen, and to a large extent could not have been anticipated by the legislature. The province is growing so rapidly that its extra requirements should really have to be provided for every three or four months. We have now to provide for expenditures on services which have exceeded their appropriations to the extent of $76,096; and these unprovided items are to be accounted for in the same way. Against the unprovided items and the excess of expenditure authorized in the supplementary estimates, we have the lapsed balances, which amount to $355,781.

Striking Contrast

"When the present government came into power in 1903, the estimates framed by a committee of the house showed an estimated revenue of $2,193,476 and an estimated expenditure of $2,491,566. This year's estimates show an estimated revenue of $8,192,101, and an estimated expenditure of $11,030,790. I must honestly say I never anticipated a time during my occupancy of a seat in the legislature when the receipts and expenditure would reach the present figures.

"I trust that no one will become alarmed at the prospect of a deficit of $3,000,000. I do not think it will actually be so great as that. It is possible that we may even have a surplus, but in any event the Government has decided that it is good policy to meet the requirements of the country in the way of public improvements squarely, even at the expense of our surplus. There is an immense amount of money required to open up an immense extent of territory and the sooner it is undertaken the sooner we shall reap the fruits of the development to follow. There are two transcontinental railways building through to our coast and the whole of the vast interior is becoming alive with population and its activities. There is a big task ahead of the Government in providing for the new requirements and it must be undertaken.

Land Sales Receipts

"We have put down the amount received from land sales at $2,000,000, increase of over $500,000 compared with the estimates of 1901-11. This is based on the record of the past two years, but, of course, it is not at all a certain quantity. If the theories of the Opposition be correct, we shall have little or nothing from that source. My own opinion is that if we can sell land at from $2.50 up to $5.00 per acre, and then get back 4 per cent on that, or a higher valuation, as the case may be, the Government is doing a very good business. If the land becomes valuable and the assessment goes up in consequence the man who buys is bound to sell that land or improve it, or allow it to revert to the Government. I estimate that in another year from this we shall be getting half a million dollars from this source alone and within five years, $1,000,000 per annum. This large sum will be available for purposes of development and will be spent for the general benefit. If the owner of wild land will make a calculation of what he will have to pay in ten years by compounding interest at 4 per cent he will realize how necessary it is to have that land producing as soon as possible. The item of land sales, of course, includes the sale of townsites and we are likely to reap very large sums in the future each year from this source. Land revenues, which include pre-emption and water records fees, we have increased by $50,000. This is likely to be considerably exceeded.

Timber Leases

"Timber leases is more or less a fixed quantity. Under the head of timber licenses there is a decrease of $100,000. As limits are surveyed the licensed areas are being reduced. Some licensed limits are found to overlap and other sections are being cut out as useless. The Government were severely criticised for the extent of timber land alienated under timber licenses, but as a matter of fact, it has been very profitable to the country. As yet only a small area of the 10,000,000 acres licensed has been surveyed and it will be considerable time before it can be all surveyed. In the meantime the Province has been getting revenue from a certain percentage of what will ultimately prove to be of no value at all and would never have brought a dollar to the treasury had it not been for the flurry in the timber business which caused its taking up. There has been $25,000 added to the timber royalties. This source of revenue depends entirely upon the cut, and must go up and down according to the prosperity of the timber business. Last year was a big year and this is likely to be equally good. If not better.

The Timber Industry

"As the mining industry has lost many of its speculative features I do not anticipate a large increase from ordinary mining receipts and have not provided for it. However, the discovery of new camps or rich ore bodies might at any time greatly stimulate the receipts from this source.

Although I have estimated $100,000 for succession fees, as against $50,000 for the previous year, there is no basis of calculation for this, and none of us I presume are anxious for windfalls from that direction.

The increase of business in the land registry omces justifies my placing the receipts at $350,000 instead of $250,000, and I have no doubt that they will exceed even that amount.

"The revenue tax depends upon the population and the latter is increasing at the rate of from 50,000 to 100,000 a year. We have allowed $25,000 additional under that head. From real and personal property and income I have anticipated an increase of $75,000. It may be more than that.

"Land taxes, which include wild coal and timber lands, are placed at $250,000 being an anticipated increase of $15,000 but I have no doubt that owing to the amount of land purchased which will be included this year, it will considerably exceed the amount at which it has been placed. The mineral tax has become a more or less steady source of income and there has been no change made in the item of $100,000. The royalty on coal, however, has been increased to $200,000 from $150,000. In regard to taxes it is my intention to recommend the Government to adopt the plan of a few years ago and appoint a commission to enquire into the whole question of the incidence of taxation in British Columbia, with a view to general readjustment and the lowering of the scale.

"At the present rate of growth the Printing Office, which reflects in the size of the Gazette of business activities, will give us $20,000 more and the canneries $5,000. There is a falling off on bridge tolls, owing to the New Westminster bridge having been made free to vehicular traffic.

Head Tax Revenue

The Chinese restriction tax, judging from the accessions of Chinamen during the past several years, has been hazarded at $300,000, an increase in the estimate of $100,000.

"There is an item which I am sure we all regard with a great deal of satisfaction, and that is bank interest to the extent of $200,000, an increase of $50,000 over last year's estimates. This represents interest on $6,666,666 on deposit in the banks doing business in the province. This matter I shall refer to presently again.

"In estimating the above receipts for the coming fiscal year, the Government has been very conservative, and I feel quite safe in saying that the actual receipts will very considerably exceed $8,000,000; but the Government must not base its estimates on actual expectations, founded on the current revenues even for two or three years back. Any serious unexpected blow to one or two of our industries would greatly affect our revenue for the time being, and we have no guarantee, for instance, that we shall get a dollar from succession duties or Chinese restriction tax, or even from land sales. I say this because some of our friends think we are too conservative about the revenue. The Government, however, has proceeded upon the principle that it is better to be agreeably surprised than to be disagreeably disappointed, and, therefore has not exceeded in any instance what under tolerably favorable conditions is reasonably certain.

Expenditure in Prospect

"Coming to expenditures, we have to present a total estimate which seven or eight years ago would have taken the people's breath away, and been regarded as the act of madmen. Yet we are comfortably able, and at the same time keeping a substantial cash balance in the bank, to considerably exceed in one single item, twice the whole of our revenue at that time. The total of the expenditure on account of sinking fund has increased $5,000. This is owing to the fact that the dividends arising from moneys already invested have increased by that amount and have to be invested and this amount appears as revenue under interest on investment of sinking funds.

"I may say just here, before proceeding with the consideration of the estimated expenditures, that there has been some change in the manner of preparing these estimates, which to my mind simplifies them a good deal. For instance, all the salaries of graded officials have been lumped and placed under one head. Formerly they were placed under the expenditures of the different departments to which they belonged. The changes will be noted as I proceed. By sorting out and adding together the various salaries of last year which have been since graded by the civil service commission, we find the total to have been $860,000. This year the total is $913,928. The increase is due to several causes. In the first place, it is a natural increase, the business of the various departments having expanded along with the general business of the country. This has necessitated a number of new clerks, and the creation of some new offices. Under the latter head, we are providing for a chief engineer of the new department of Railways at $3,600 a year; a deputy Minister of Public Works at $2,400; a sanitary inspector at $2,100; an inspector of trust companies at $2,100; a chief instructor in poultry-raising; a registrar of joint stock companies apart from the position of registrar-general of titles at Victoria; a superintendent of insurance; an official guardian of the homeless and orphans, etc., and several new officials in the department of agriculture, the work of which is expanding rapidly. There was also a certain increase of salaries under the grading of the civil service commission, which now places the whole body of civil servants upon a new and very satisfactory basis.

"Administration of Justice (salaries) is this year $31,220 instead of $161,136 last year, accounted for by a number of graded officials being transferred to 'civil government salaries.' There are still a number of officials in what is usually called the outside list, consisting of jailors, guards, etc. The vote for Legislation has been increased about $5,500. The Speaker's salary has been raised to $1,800, the contingent fund to $5,000, and the registration of voters to $2,850 from $1,500. It has been decided to make a small allowance to the collectors of votes in order to stimulate their activities. The vote for public institutions is less by over $60,000 by reason of salaries being taken out. The vote for hospitals and charities has been raised from $333,100 to $407,350. This has been necessitated by the greater demand for assistance everywhere. The grants to hospitals, last year $200,000, has been increased to $225,000; assistance to hospital buildings from $80,000 to $110,000, and the vote to for the tuberculosis sanitorium has been raised to $30,000 from $20,000. The increase of over $2,000 in the vote of Administration of Justice is explainable by the increase of work; it also includes an allowance for a jail at Nanaimo.

Education

"It will be observed that there is a considerable increase in the allowance for education, amounting to over $100,000, the estimate this year being $848,946. Here again departmental salaries are not included, so that the increase is really considerably more than appears; but it is inevitable owing to the increase of population. The per capita grant has risen from $500,000 to $600,000; the salaries of teachers, which are not graded, from $146,000 to $168,000. A provision of $2,500 has been made for school libraries. The item of transport has been increased from $20,000 to $42,250. This provides mainly for travelling expenses, and this year takes into account the expenses of the Province being represented at the coronation ceremonies.

Public Works

"The most important branch of the expenditure is that of Public Works, which is being raised this year to $5,507,990 from $4,256,805. This large sum, by far the largest in the history of the Province, will give some idea of the demands upon the government created in a large measure by the opening up of the newer portions of British Columbia. It is only within the last few years that there has been sufficient money to deal at all generously with needed improvements and to undertake works on a large scale in an adequate way., and the Government in dealing with them as at present is confident that these works of development and improvement will be productive in revenue later on, and will repay the Province for their undertaking. Under the head of Works and Buildings, the vote for which has been raised from $992,100 to $1,633,220, we have made provision for two court houses, one at Revelstoke and the other at Vernon, each costing $75,000; for the completion of the present courthouse at Vancouver at a cost of $125,000 and the building of a new wing, $100,000, the remarkable growth of Vancouver rendering the accommodation provided already too small; $30,000 for a new courthouse at Grand Forks; $300,000 to complete the insane asylum at Coquitlam; $15,000 for the laying out of the grounds; $40,000 for farmhouses; and $150,000 for the new addition to the Parliament buildings. The vote for public school buildings has been increased from $265,000 to $350,000, and for jails from $18,000 to $50,000. There is a vote of $25,000 for clearing University site and $50,000 for prison farms and buildings. The object of the Government in appropriating this amount is to provide for the more modern methods of prison work whereby the prisoners are greatly benefitted, both morally and physically, by employment in the open air under less degrading conditions. The usual appropriations for roads, streets, bridges, wharves, etc., have been classified as roads ,streets and wharves, for which there is a vote of $2,842,000; bridges $860,390; ferries $38,630; and subventions to steamers $8,750; the whole vote totalling $3,749,770, as against $2,839,705 last year. There is one general explanation for all this, namely, general expansion of the Province and the opening up of new districts. Of the vote for bridges, $250,000 is a revote to the bridge over the Second Narrows, Burrard Inlet, conditional upon a subsidy being obtained from the Dominion Government; $600,000 increased from $349,500 is for bridges throughout the province. Four new ferries are being established—at Fort George, Mission, Nechaco, and Pitt River.

On account of the vote for surveys and improvements of lands being administered by the Land Department, it has been struck off the list of "public works" and has been transferred to "miscellaneous." The vote for contingencies has been increased from $100,000 to $125,000. This has been found necessary as the result of past experience. New requirements are developing so rapidly that it is quite essential that therje should be authority to spend money without waiting for the Legislature to meet.

Miscellaneous

"Under the head of miscellaneous, which has been increased from $650,000 to $2,184,862, the item $400,000 for surveys, is quite the most important. $10,000 is being set aside for the exploration and development of Strathcona Park; $750,000 for the purchase of the rights of the Songhees in their present reserve and their rehabilitation on a new reserve; and $112,753 as a grant to the G. T. P., being the proportional cost to the Government of clearing and surveying the townsite of Prince Rupert. The provision for forest protection has been increased to $150,000 from $75,000. This is owing in part to the Government's policy of increased attention to forest conservation, and in part also to the loss of timber last summer occasioned by forest fires. True, British Columbia did not suffer in anything like the same degree as the adjoining states of the Union, but heavily nevertheless, and it is of the utmost importance that every precaution be taken to guard our forests. I cannot speak definitely on the subject, but it is not improbable that the Chief Commissioner of Lands will provide in the Act to be submitted at the next session of theLegislature, that the owner of timber limits will be assessed in some fair proportion to supplement the fund available for fighting fires.

Agricultural Interests

"The vote for the agricultural department has been largely increased, and among other things $15,000 will be voted for demonstration and instructional work in spraying, orchards and fruit packing. New officials have been appointed as follows: Three assistant horticulturists, a chief instructor in poultry raising, an inspector of animals, a dairy inspector, and one general assistant, provision for which has been made under the graded salaries. The working staff is now sufficiently large for the present to cope with the heavy programme of work in all branches that has been mapped out by the Government. The vote in connection with the investigation under the Water Act has been increased to $71,500. The intention is to have several investigating boards established in order that the work of settling water records and clearing up the whole situation under the Act may be got through with as soon as possible, after which there will be a regular appropriation for administration of the office of the Water Commissioner.

"There is a revote of $20,000 to assist in the building of a seawall along the Dallas road, conditional upon the city of Victoria voting an amount for the purpose. Advertising has been increased from $20,000 to $42,250. This is made necessary on account of the law requiring the voters lists to be published under the new elections act. Owing to the grading of salaries, the Board of Health vote has been reduced to $23,000. Grants are made to the Seamen's and Logger's Institute, Vancouver, $5,000; to the Victoria Seamen's Institute, $2,000; to the Women's Farmer's Institutes, to be referred to presently, $3,000; to Farmer's Institutes, $15,000, an increase of $3,000; to the Canadian National Apple Show, Vancouver, to make up the deficit, $4,000; to agricultural associations, $78,500, being an increase of over $28,000; $15,000 is voted to complete the cost of revising the statutes, $25,000 in all; and the vote for temporary assistance has been raised from $15,000 to $50,000.

"Under the new Civil Service Act, all appointments to the service are temporary until the examination prescribed by the board of examiners has been passed, and as the work is growing very rapidly in all the departments provision must be made by the vote for temporary employment. "Miscellaneous, not detailed" will be provided for by an increase of $11,000 to $25,000. The vote for the Legislative Library seems to be exceptionally large, but $20,000 has been made available in prospect of certain valuable collections of books being obtained and it is not intended that any of this amount shall be expended for other than such specific purpose.

London Office

"A departure has been made in respect to the Agent-General's Office in London, England. The appropriation for this important office has been increased from $15,000 to $25,000. The salary of the Agent-General will be raised to $10,000, and $7,500 has been allowed for advertising. While in England I kent very fully into the work of this office and I found that our old friend, the Hon. J. H. Turner, has a tremendous lot of work to do and is doing it very effectively. The correspondence passing through his office, the number of enquiries to be answered, the immense amount of literature distributed, the lectures, shows and dinners which he is required to attend, are really astonishing and until I saw it all for myself I did not realize the demands on Mr. Turner and his staff.

Immigration Work

"This brings me to a consideration of immigration work in general, the appropriation for which has been increased from $35,000 to $50,000. One of the big problems we have today in British Columbia is the scarcity of labor for farm work and domestic service, and a portion of this grant will be applied in an effort to its solution. In dealing, as proposed, with farm laborers and domestic servants, we shall not come into competition with any class of labor at present employed in the province, unless it be Chinese and Japanese. The complaints made to the department of agriculture and to the government are to the effect that labor of any kind and at practically any price, is not obtainable, and if the government can lessen the strain upon the farmer and upon the housewife by securing a number of suitable persons in these capacities, it will be doing a very great service to the country.

"Our friends of the opposition have been telling us that British Columbia is not getting a fair share of immigration and that the government is not doing sufficient to settle up the unsettled portions of British Columbia. They ignore the fact that it is essentially the duty of the Dominion government to promote settlement in all the provinces. We must allow that they have been very successful in settling up the Middle West, but that they have neglected that duty in regard to other parts of Canada is very clear from the protests which have been made from Ontario, Quebec and the Maritime Provinces. The contention of the latter is that the Dominion is confining its attention to peopling the Dominion government lands on the prairies, and forgetting the vast areas of unsettled lands in these provinces. In British Columbia, however, the Dominion owns about 14,500,000 acres, and so far has done practically nothing towards their settlement. The only effort that has been made by the government by way of advertising British Columbia, and that only recently, is in Dominion immigration pamphlets. In spite of this, British Columbia is securing a very liberal share of the immigration flocking to Canada. This is the direct result of what is being done by this government through the department of agriculture, the agent-general's office in London, and the bureau of provincial information, ably backed up by the newspapers of the province. It will be surprising to know the figures as recorded by the immigration department at Ottawa. For the year ending March 31, 1910, those arriving for British Columbia by ocean ports numbered 12,428, and those from the United States 18,104, making a total of 30,502. The estimated number of arrivals for the nine months since is 40,246, making a grand total in eighteen months of 70,708. This increase in the population does not include, of course, a very considerable number who arrived here from the prairies and Eastern Canada, made up for the most part of experienced farmers possessed of ample means to establish themselves in the country and seeking an escape from the rigors of the eastern winter climate. That these figures are approximately correct, I have been able to show elsewhere.

Supplementary Estimates

"The supplementary estimates as you will see provide for appropriations to the extent of $1,068,207. These have been occasioned on account of heavy expenditure for various purposes, not anticipated when the original estimates were prepared. Fifty-three thousand dollars has been added for temporary assistance. For instance, a big staff has been employed in the Vancouver registry office on night shift, largely due to heavy arrears in office work. An effort is being made, to catch up and bring the work up to date, after which the staff will be normal. Seventy thousand dollars has been added for provincial police; $26,800 for printing office, $26,000 for improvement of government grounds, $7,500 in connection with the Cranbrook court house, for the purchase of the city's interest in joint ownership, $22,500 for the completion of the new court house at New Westminster, $13,000 for completion of the land registry office there, $9,000 for jails and lock-ups, $25,000 for public schools, $406,900 for roads, street and bridges, $150,000 for surveys, $136,000 for forest protection, $20,000 for advertising under the Elections Act, $7,331 for the reception of Sir Wilfrid Laurier, $8,800 for the exhibition at Vienna, $4,000 for the Drager apparatus in the coal mines, $4,836 for university commission, $3,100 for insurance commission, and so on. The total amount of supplementary estimates, with every item of which the members of the legislature will, I am sure heartily concur, is $1,067,907. Of this amount there is still about $400,000 to expend.

Excellent Record

"As to the present financial position of the province I need not tell you that it is excellent. The surplus for the fiscal year 1909-10 was in round numbers, $2,500,000. I cannot tell you what the surplus of the present year will be as the fiscal year does not end until March 31, but I have no hesitation in predicting that there will be a surplus, and a very substantial one. We have at the present moment deposited in the banks doing business in British Columbia $7,500,000 bearing interest, and I may say further that at the end of the fiscal year our available liquid assets, including cash, will be sufficient to wipe off our present total indebtedness of $9,000,000 odd. I think we may congratulate ourselves as a province and as a government in having achieved such a result in seven years. I shall not refer to our position seven years ago. It is within the knowledge of every member of the legislature and of almost every person in British Columbia. Our surpluses since 1904 to the 31st March, 1910, were roundly, $7,100,000.

"The position of the province in regard to bonded indebtedness on the 31st March, 1910, was as follows:

"Four and one-half per cent. debenture stock—Loan Act, 1887, maturing 30th June, 1917, $381,210.

"Three per cent., inscribed stock loans, loan acts, 1891-3-5-9 and 1902, maturing 30th June, 1941, $9,921,936.

"Three and one-half per cent., dyking debentures—acts, 1891-8-9, $16,000.

"Five per cent. treasury debentures—Loan Act, 1903, maturing 30th June, 1937, $500,000.

"Total funded debt, $10,819,146.

"Against this amount there is an accumulated siking fund of, $1,849,368.

"Leaving a balance of $8,969,778.

"To which is to be added guarantee of the Nakusp and Slocan railway bonds terminable 1st July, 1918, $647,022.

"A total of $9,616,800.

Could Wipe Off Debt.

"This exhibit shows the net funded debt to have been $9,616,800 on March 31st, 1910. On the 31st of March the previous year, the funded debt was $9,855,667, so that in the twelve months intervening, the debt was reduced by $238,867, and, as I have already told you in less than two months time we shall be in a position, if we were called upon, to issue a cheque for every cent we owe. Various opinions may be expressed as to whether we should not buy up our outstanding debentures and be quit of debt, but we are providing for the maturing debentures by a sinking fund which is drawing interest, and the interest is being invested again. We are also drawing interest on our bank deposits. Any wholesale attempt on the open market to buy back our debentures would force them up above par, and we would lose on the transaction. I may say incidentally, that our inscribed stock is appreciably better than it was at a corresponding date last year, and relatively higher than that of any other colonial stock in the London market. I think we may very well be satisfied with our present position. Besides, with a big cash balance in the bank we are always able to undertake any large work in the interests of the province or bridge over any financial crisis, to do which we might otherwise be obliged to borrow at a possibly unfavorable turn in the market. It is always well to be prepared for a rainy day. I do not think I need say any more on the subject of finances.

Industry and Trade.

"It has been usual in presenting the annual financial statement to refer to the general condition of industry and trade in the province during the previous year, and to refer briefly to the immediate outlook. Those who read the annual statements of the banks and other monetary institutions will have observed that the reviews of business, in so far as they affect British Columbia, are unusually favorable and optimistic, and I cannot say anything here that will heighten the impression respecting the progress and prospects of the province at the present time. When we say that British Columbia is exceedingly prosperous,

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