

# Business as the Finance Minister Sees It

**Budget Speech, After Reviewing Conditions that Obtained in Business During 1914, Takes a Highly Optimistic View of the Future.**

The Budget speech of a finance minister is always an interesting document, not only for its statement of the condition of the treasury with estimates of receipts and expenditures for the next succeeding fiscal year, but for its resume of business conditions for the year under review and its forecaste on business during the next fiscal year. It is in this resume and forecaste that finance and business is chiefly concerned.

The Budget laid before the Provincial Legislature last week by the Hon. Price Ellison, Minister of Finance, shows estimated revenues and receipts for the fiscal year ending March 31, 1916, at \$7,034,615.13 and estimated expenditures of \$11,163,056.11, an indicated deficit of something over \$4,000,000. How the Government is to be recouped of this deficit he did not state, probably out of cash on hand or perhaps by a resort to the financial markets.

After discussing the items of revenue and expenditures, the public debt, and defending his agricultural statistics of production, the Finance Minister goes on to state:—

“Home production has increased over 1913, in round figures, \$3,600,000. In live stock there was an increase of about \$2,000,000. The greatest increase occurred under the head of dairy cattle, and there is a steady demand at high prices for milch cows. In dairy produce the increase was \$419,600 over 1913, or 16 per cent. Beef and pork marketed shows 62 per cent. since 1913. Poultry increased by about 20 per cent. The war has created an extra demand for horses suitable for cavalry mounts.

“Although the total fruit crop was far in excess of that of 1913—nearly 40 per cent. more—the lower prices showed a decreased value of about 9½ per cent. Vegetables show an increase of over 11 per cent. The production of honey is increasing very rapidly, and this is a most gratifying feature. Hay, fodder, corn and grains all show large increases. These have almost a direct relation to the development of live stock and dairying production.

“It is estimated that the output of jam and canning factories has increased about 200 per cent. We see, therefore, with two or three exceptions there has been substantial increase all along the line. Despite war conditions, prices have not increased. On the other hand, they have declined in some instances.

“In spite of the unprecedented conditions created by the war, the total production of our forest industries was valued at no less than \$28,500,000. The shingle business was brisk for the greater portion of the year; while the activity in the pulp and paper market has been most encouraging, the only difficulty encountered by British Columbia mills being the shortage in available shipping. The total cut of the Province may be estimated at 1¼ billion feet, which is a somewhat surprising figure in view of existing conditions. The permission granted by the Government to loggers to export the accumulations of logs that our mills were temporarily unable to utilize, did a great deal to relieve the conditions on the Coast.

It is a noteworthy fact that the present revenue has not suffered to the extent that might have been expected. Collections for the twelve months ending December 1 last, amounted to \$2,157,018.

“The fire season was one of the worst on record, and expenditure was far heavier than usual, though, even so, it was less than a quarter of the amount the Northwestern States were compelled to devote to fire fighting. The damage done to standing timber and property was comparatively small, a result that is to be attributed to the excellent organization of the Forest Service.

“During the past two years the Government has made a careful study of the lumber industry of the Province, in order that any action taken to promote this industry might be based on full knowledge of conditions. This study up to the present has consisted of a review of the sources of supply upon which the timber importing countries of the world depend. In the course of this review information has been received which has already led to the placing of foreign orders in British Columbia. Advantage has been taken of the co-operation offered by the Dominion Department of Trade and Commerce to place exhibits of British Columbia timbers in the chief foreign importing centres. The field for export expansion is great; the entering of this field by the lumber industry and the Government in co-operation will undoubtedly lead to an important expansion of the industry.

“We can scarcely over-estimate the importance of the timber industry to British Columbia. On a very recent occasion in this House the Premier said that the time was not far distant when the revenue derived from this industry would be sufficient to carry on the entire civil business of the country. During a previous session I expressed a similar opinion, and referred to our enormous resources in pulp wood alone. Our timber is growing faster than it is being cut; and if all of what in the past has been classed as ‘merchantable’ were taken away, we would still be able to supply the world. The relations of the Government to the holders of timber, fortunately, is one of partnership, the interests of both being to conserve and perpetuate this great industry.”

The remarks on mining are in line with the preliminary report of the Provincial Mineralogist which is covered on page 15.

“The fisheries of the Province for the fiscal year, which will end March 31 next, will show an appreciable increase in value over those of the preceding twelvemonth. With the suspension and interference with fishing in the North Sea a great demand for British Columbia halibut and salt fish has sprung up, with the result that heavy shipments of fish in ice has developed. A gratifying feature of the fisheries during the last few months have been the heavy shipments from Prince Rupert destined for Great Britain and the East. In January alone twenty-seven carloads were forwarded to those points, already justifying the prophesies made by the Government as to the importance which this northerly centre was bound to develop in connection with the fisheries. It is estimated that the total value of the product of British Columbia for the year ending March 31, 1915, will equal or exceed \$15,000,000. The chief constituent is, of course, the canned salmon, which totalled in value nearly \$9,500,000. While the pack of sockeye fell below that of the preceding year, a ‘big year’ on the Fraser, large catches of the other varieties were made and canned. Owing to the demand for canned food of all kinds due to conditions in Europe, a market for all varieties of salmon has developed. Reference should be made to the Provincial contribution of salmon to the Imperial Government. This took the form of canned ‘pinks.’ Many tributes to the value and quality of these have since been received, not the least of which was conveyed in the information just recently received, that the War Office had requested that 10,000 cases of these ‘pinks’ be placed at its disposal for Army rations. Canners of the Province confidently expect that a greatly increased market for pink salmon will be developed in Great Britain as a result.

“Industries, outside of those already referred to, and trade in a general way, have been affected by war conditions. There has been a diminution in the volume of business done. Speculative activities have entirely ceased. Nevertheless, the record is not a bad one, and would be