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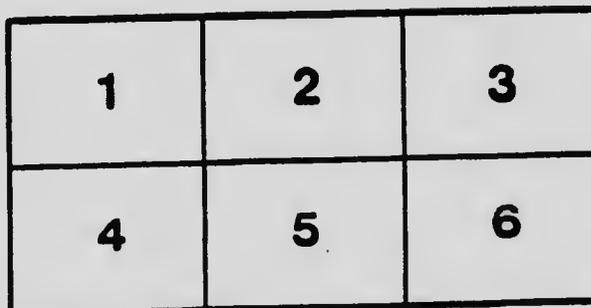
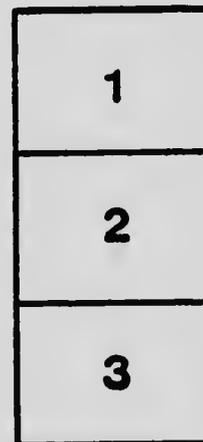
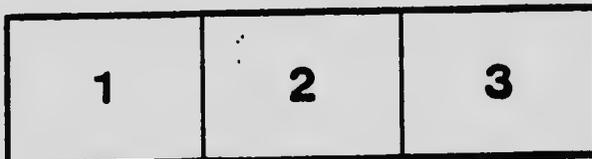
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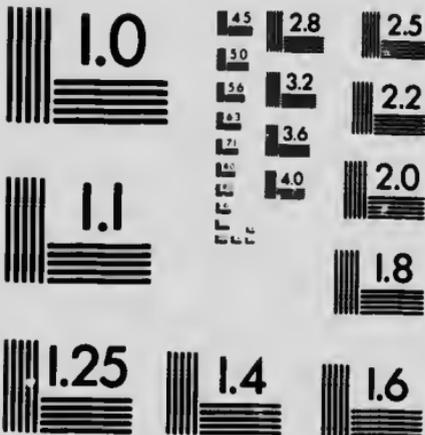
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# SPEECH

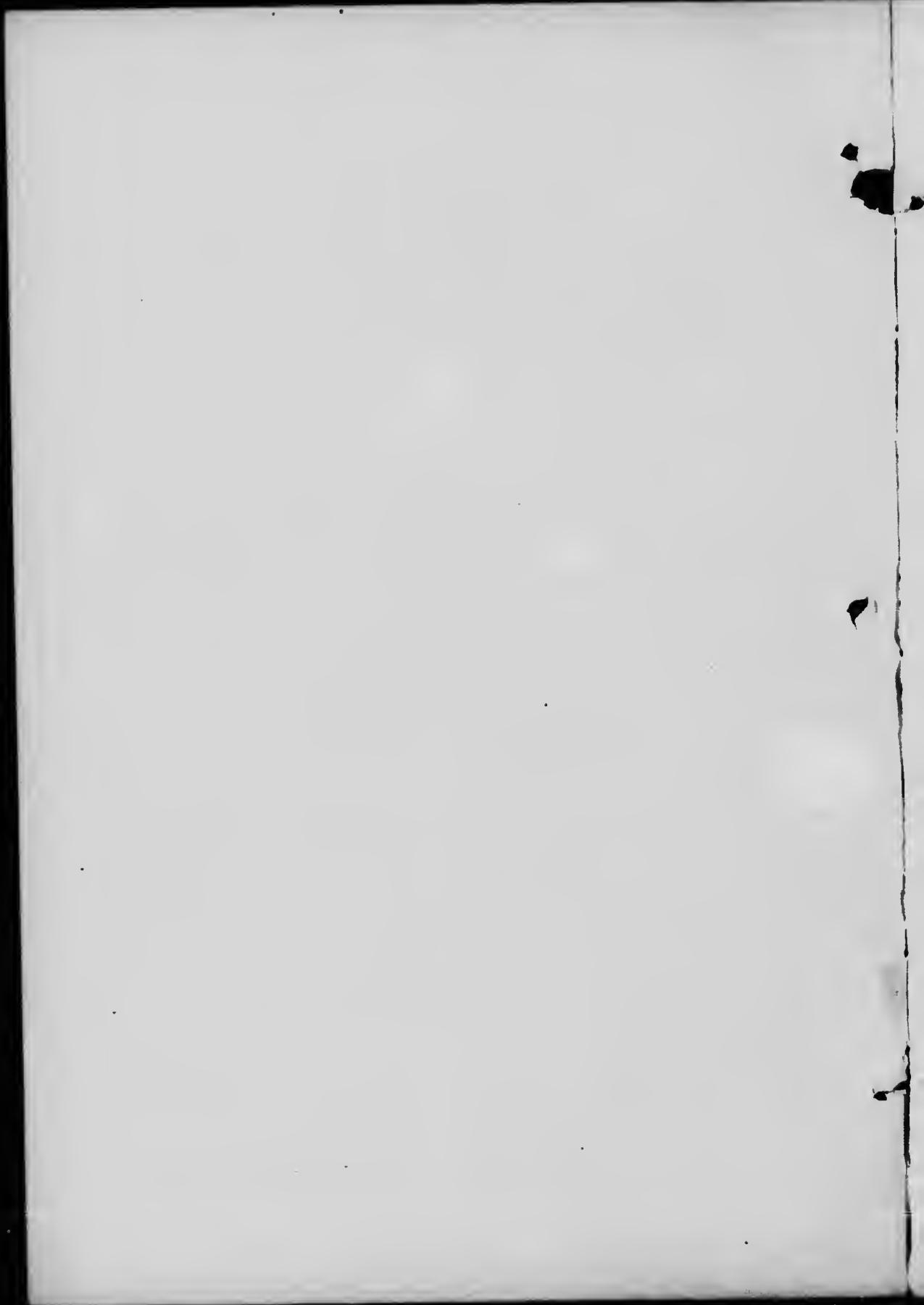
BY THE

HON. WILLIAM R. ROSS, K. C.

BEFORE THE

VICTORIA  
BOARD *of* TRADE

APRIL 11  
1913



# SPEECH

By the Hon. William R. Ross, K.C., before the  
Victoria Board of Trade

**H**ON. WILLIAM R. ROSS, K.C., Minister of Lands, in a speech at the annual meeting of the Victoria Board of Trade on April 11th, 1913, said:

"Mr. President and gentlemen of the Board of Trade: In the absence of the Premier, Sir Richard McBride, and in the inability of the Acting Premier, the Hon. Mr. Bowser, through stress of engagements, to be present, it has devolved upon me by request of the latter to do what, by custom, seems to fall to the lot of some member of the Provincial Executive, to deliver the address on the occasion of the annual meeting of the Victoria Board of Trade.

## OPENING REMARKS

"While I am pleased to be present for this purpose, and feel honored to be so requisitioned, I regret that either of the other gentlemen referred to have been unable to undertake the duties placed upon my shoulders. I feel that as the least experienced of the members of the Government in matters of this kind I can scarcely do justice to your requirements.

"You are a commercial body of men intimate with the conditions with which you are confronted daily, and to deal with them is the specific object of your organization. I am a lawyer by profession, untrained, so to speak, in commercial life, and I represent a district almost as remote in the character of its material affairs as it is geographically removed from your constituency. My observations must, necessarily, be of a more general nature than perhaps is desirable in addressing you upon subjects of business import. I propose to discuss some of the phases of Government policy which, though they may only bear indirectly upon these subjects, are important, perhaps, in the wider and more general sense of the close relationship which exists between Government and business conditions.

## "A CITY OF DESTINY"

"As the capital of this great Province, and as an important city—a city of destiny, may I add—Victoria must be affected by anything which affects the Province as a whole or of even its remotest outpost. This is, of course, true of Vancouver, New Westminster, or any of the urban centres, because the prosperity of our cities and towns reflects the prosperity of the State and their fortunes are bound up in the fortunes of the Province in its entirety.

"I am very pleased in that capacity to have the opportunity to address you upon the general aspect of affairs, and to discuss in the more general way that which may be of interest to you as members of that wider community of diversified and potential interests; and in this connection, I may observe, that I regard the custom you have adopted of inviting a member of the local Government to make the annual address not only a good but a very convenient one. It brings the members of the Government into closer touch with your affairs, and affords them an opportunity, which is always a welcome one, to discuss their policy and explain to what extent it bears upon the practical problems you have in hand and of which you are desirous to have the best and most expeditious solution.

### **EXCEEDINGLY HOPEFUL LOOK**

"Before proceeding with what must be my remarks in the main, I desire to say a few words about the Annual report which your capable secretary, Mr. Elworthy, has presented to the meeting. I am always interested in the reports of the various Boards of Trade, because they are for the cities and town for which they stand a sort of Budget Speech—not so wide in their scope, of course, as that of the Minister of Finance, but equally important for the districts represented.

"In this respect the Victoria Board of Trade has always been conspicuous. Its reports have extended back for many years, constituting a continuous history of the commercial life of the city, and to a large extent that of the Province. I congratulate you, sir, upon your election as President. I also congratulate the Board as a whole upon the very prosperous year of which the report is a statistical reflection, and upon the exceedingly hopeful outlook foreshadowed in the concluding paragraphs. In shipping, building, in post office business, in bank clearances, in imports and exports, and in railway construction directly affecting the interests of Victoria, 1912 has been a year of great advance and of banner operations.

"In regard to railway construction on the Island (which we all must admit to be of vital importance in city and suburban development), when the Hon. Richard McBride, now Sir Richard McBride, appeared before you several years ago and outlined the railway policy of the Government as it affected this Island and this city, he did not, as you will agree, exaggerate its importance or overestimate the results which would flow from it.

### **VICTORIA'S PROGRESS**

"I do not think that Sir Richard, optimistic as I know him to have been, anticipated to the fullest extent the actual realization of what he foresaw. I do not think that members of this Board

of Trade who listened to him on that occasion anticipated that Victoria would so soon have attained to its present position and progress. Had they done so I have no hesitation in saying that a great many more of you, if not all, would have been millionaires. There have, however, been other and equally important developments to some extent consequent upon railway construction which were not fully foreseen. They were dreamed of, but not expected to visualize as they visualize today.

"You have a contract let for the extensive and comprehensive improvement of your harbor, paving the way for the tremendously increased shipping you expect to enjoy after the opening of the Panama Canal. You have had the Songhees Indian Reserve question settled to the satisfaction of all parties concerned and arrangements practically completed for the utilization of the greater part of its area for the railway terminals of two great transcontinental systems. You have, as intimated, the promise, after 1915, of half a dozen additional lines of steamers calling at this port to take care of the traffic which the new era on the Pacific Ocean bids fair to bring into existence.

"You have still things to be done, as your report points out, to complete what has been so auspiciously begun, and it is to be hoped that your representations at Ottawa will be successful. When we see that \$12,000,000 is to be expended at St. John and an equal amount at Halifax, on harbor improvements, and when we compare the tonnage of Victoria and Vancouver with that of St. John and Halifax, it does not seem possible that the Government at Ottawa can refuse to consider, and very favorably too, the full requirements of the situation as they exist here and elsewhere on this Coast. It is pleasing to observe the success the delegates of the Board of Trade have achieved, at Ottawa in this respect reference to which is made in The Colonist this morning.

### **RAILWAY CONSTRUCTION**

"Reverting to the railway construction, you have, it seems to me, a very satisfactory condition indeed. The E. & N., or the C. P. R., as it now is, has reached out to four important points on the Island, and it only now requires to extend its line to the north end of the Island to provide a very complete system of communication. Your report states that 140 miles of the C. N. R. have been graded, and, when you have added to the C. P. R. the increased and very important facilities afforded by the C. N. R., you will agree with me that Vancouver Island will not lag behind any other part of British Columbia in the means of communication to tully develop the wonderful resources it possesses.

"Vancouver Island is doubly blessed in the fact that it is long, and, relatively speaking, narrow, and its extensive sea coast enables

coastwise steamers to completely supplement the traffic facilities of the railways so that no accessible part of it will remain untouched when the railway programme is completed. The future development of the Island, under such circumstances, must redound to the great benefit of Victoria City, its commercial centre, and situated as it is with direct access to the ocean.

"There are several matters of extraordinary importance and moment referred to in your report. I refer to shipbuilding—the construction of a dry dock commensurate in size and modern equipment, with present and prospective requirements, rail connection with the Mainland, and the construction of grain elevators. As a member of the Government which stands for the whole of the Province, and not for any part of it, I cannot undertake to discuss these matters from the standpoint of Victoria alone. The point, or points, at which the efforts of the Federal authorities may concentrate, in case our views are given effect, is something which the Federal Government must decide and something for which the city of Victoria must (as I have not the slightest doubt it will) make the best fight possible.

#### DOCKS AND SHIPBUILDING

"But as to the economic importance and the great desirability of establishing shipbuilding on this Coast, of providing adequate dock facilities and of the erection of grain elevators to take care of the western grain shipments, there can be no doubt. As your report ably points out, the industrial conditions on this western Coast are somewhat peculiar and the object should be to build large industries into which the high price of labor shall not enter as a deterrent factor.

"Shipbuilding is certainly one of those industries and, with shipbuilding is, of course, closely allied the question of adequate dry dock facilities. The erection of grain elevators, and possibly of flour mills, is another such undertaking entirely independent of the condition of the labor market. I should add to these an iron and steel industry, once we have solved the fuel problem, or that of electrolytic smelting because, while high priced skilled labor does enter into the smelting of iron and the manufacture of steel products, the other conditions of accessibility of the iron deposits, the contiguity of lime and the cheapness of water transportation, etc., are sufficient to offset that factor.

"Talking of labor, no one of us wishes to see the scale of wages reduced in this country, especially in the face of the greatly increased cost of living, but we must not lose sight of the fact that until the rate of wages becomes equalized throughout the industrial world the great majority of products which we could manufacture for ourselves cannot be manufactured by reason of the rates of wages which prevail in Europe and on the eastern

side of this continent; and this condition of affairs will be more or less emphasized upon the completion of the Panama Canal, whereby the products of the eastern world will be brought more keenly into competition with our own. Therefore, as your report suggests, you must look to those industries and those activities which do not depend for success upon cheap labor.

### SYSTEM OF MANAGEMENT

"Shipbuilding is pre-eminently one of these, and I sincerely hope that the Parliament at Ottawa may see its way clear to work out a system of encouragement that will be effective in bringing about its establishment on a large scale, not only on the Pacific Coast but on the Atlantic Coast as well. In this connection I may say that whatever form the permanent policy of the Dominion navy may eventuate, either of a pure Canadian navy or of a navy on the co-operative basis for the whole of the Empire, a certain number of the warships, as may be necessary for the Pacific and Atlantic Coast units, should be built in Canada, even at a considerably increased cost. This, of course, could not be immediately, but in time I see no reason why the shipbuilders of experience and financial ability in Great Britain should not transfer a portion of their operations to both coasts with this in view. The conditions on this coast for shipbuilding, it seems to me, are ideal.

"Referring to what is a very live issue in Victoria and the Island of Vancouver—namely railway connection by way of Seymour Narrows with the Mainland of British Columbia, you will not expect me personally, or representing the Government, to commit myself to any expression of opinion; but I might venture to make a few remarks which I trust may not be misconstrued in any quarter. There is a possible factor in the situation very favorable to such an enterprise.

### SIGNIFICANT STATEMENT

"Sir Richard McBride, in speaking on his resolution in the Legislature in reference to the action of the United States in exempting from toll American coastwise shipping in passing through the Panama Canal, made a statement which was rather significant. Whether upon his own authority or of someone writing upon the subject, I cannot now remember, but he stated that within ten years, according to present development in Alberta and Saskatchewan, there would be 150,000,000 bushels of wheat seeking a market by way of the Pacific.

"If that forecast should prove true, it is quite obvious that a line from Fort George to some point on Johnstone's Straits, with direct connection to Victoria, would not only be justified to ease the congestion of such a volume of traffic but would almost be a necessity; and while reading the advance copy of your report,

which your secretary was kind enough to send me, I was wondering where you would get the grain for your elevators if there was not some such feeder as that provided.

"Your report makes reference to the question of land development and settlement in order to reduce the cost of the necessaries of life; and this brings me to the subject about which I wish to speak more particularly today, namely the land policy of the Government. We are aware that the proportion of importations is large as compared with the home production, and that it is a condition which it is desirable to remedy; but I want to give you a few figures to show that even in that direction we are progressing very favorably.

#### POPULATION INCREASING

"You know that the population of the Province is increasing very rapidly. From the statistics that are available it is increasing at the rate of from 75,000 to 100,000 per annum. If you estimate the consumption per head of agricultural products at \$80.00 per annum, which I think is fairly conservative, you see at once that 75,000 persons would consume \$6,000,000 worth, being the annual amount of increase of consumption. That is very considerable and, if you cut it in two, it is still a large annual increase to keep up with in annual production. Now the figures of the Agricultural Department show that in 1910 the imports were \$14,850,000 and the home production \$14,400,000. In 1912 the imports amounted to \$15,250,000 and the home production \$22,270,000.

"I will not vouch that these figures are absolutely accurate, because it is very difficult to get returns to a dollar, and the figures must, therefore, to some extent be an estimate, but great care has been taken to arrive at an approximate result. They show that, while we have not, by far, been able to provide for our own requirements, we have advanced very rapidly and substantially in that direction.

"You must remember, too, that we shall never reach a time when we shall cease to import largely of agricultural products, because the returns include tropical fruits and other fruits out of season. There are also large quantities of canned goods that will probably be cheaper to import than to manufacture at home, at least for some time to come. Until the northern country, which is admirably adapted for stock raising and dairying, is fully developed, we must depend upon the prairies for our meat supply and outside sources for dairy products. The southern ranch country of the interior has been largely subdivided into small holdings for fruit-growing and small farming, and the cattle business is being gradually exterminated. It is to our northern interior we must look for our meat and dairy supply in the main, in the future.

### LAND DEVELOPMENT

"You must remember also that where formerly in the vicinity of Victoria and New Westminster and other towns of the Province, there was considerable produce raised, when prices were much lower than they are at present, there has been a tremendous rise in real estate values, with the result that large areas have been subdivided for real estate purposes.

"These may be speculative prices or they may not be, but they are based on prospective urban development and they are so high as to render agriculture, except for very intensive cultivation in exceptionally favorable locations, unprofitable, based on the productive value of the land. For ten miles from the centre of Victoria there is very little land you could recommend for farming at the prices asked per acre. This is a condition which confronts us in other parts of the Province as well. It will probably right itself in time, but at present speculative activity has put a good deal of productive land out of commission.

"To get land for agricultural purposes we must, therefore, go further back, and this raises the problem at which you hinted, that of some comprehensive system of development and assistance which the Government has at various times been asked to consider. The Government has considered it and that very seriously; but the obstacles to a very easy solution are more serious than most people have any idea of who have not been given the responsibility of overcoming them. In this matter the Government has done what it has done successfully in dealing with other problems—the problem of taxation, insurance, labor, and so forth.

### COMMISSION APPOINTED

"It has appointed a commission of practical men, who are at the present moment investigating the conditions affecting agriculture and settlement in this Province from every point of view. In a year from now we shall probably have their report, and the Government will then be in a much better position to come to a conclusion as to what its proper policy should be in respect to any new departure which involves serious responsibilities to undertake. A policy of whatever nature must be wide enough and comprehensive enough to embrace the whole of the Province and to embrace all the conditions, which vary greatly in character.

"In one place you have the clearing of land, in another you have draining on a large scale, in another you have irrigation, and in yet another you have protection against overflow. All these conditions where you meet them demand equal consideration. You cannot make fish of one and flesh of another. You must realize, as the Government realizes, the immensity of the task when you embark on the experimental road of what, if

not paternalism, is at least a wholesale system of assistance and backing of individual credit. Personally, I am in sympathy with the movement, if I can see my way through the mazes of the intricacies of finance and our financial ability to undertake it in some way of a business nature that will be safe to follow.

"I shall now deal more particularly with the land policy of the Government, and in doing so I want to meet fairly and frankly the criticisms of those who for political or other purposes have attacked it. I am not here to talk politics, and I do not intend to, but I cannot avoid traversing some of the ground which our critics have trodden in order to make our position plain and clear.

### PHYSICAL CONDITIONS

"In the first place, the physical conditions of the Province are peculiar to this Province, and absolutely unlike those which exist in any other Province of the Dominion. They are similar to those which exist south of the line in the Pacific Coast states, in which there is a very large agricultural production, but in Washington, Oregon and California, there are extensive areas of open and prairie land which we possess only to a limited extent. In respect to their timbered lands they are confronted with the same problems that we are and have not gone any farther towards a solution, may I say, than we have.

"When people come here from the Middle West and from Ontario, where the country is level and the conditions uniform, they are apt to wonder why they cannot go into the Lands Office and find out exactly where they can get a section or quarter-section to pre-empt, with full particulars, and they say that when that is not available that it is the duty of the Government to have all such information on tap. They write letters to the papers or complain to their friends, and their complaints are echoed for political purposes.

"I do not blame political opponents for taking advantage of such a situation. I would probably do so myself, or my friends would do so for me. But these people forget, or do not know, that this Province is 381,000 square miles in extent, and that out of its 250,000,000 odd acres of area there is not more than 10 per cent. of it arable, the latter being scattered here and there throughout this vast domain at long intervals from each other.

### REMOTE FROM COMMUNICATION

"A great deal of it has been remote from lines of communication, and much of it will remain so for some time to come. It is a country filled with mountains and the physical contour is very irregular. Except in a few of the larger valleys, such as the Westminster district, in the Okanagan, the Nechaco and the Peace

River, the agricultural land is in small areas, without any definite relation to each other. Nothing but an extensive survey of the Province—costing perhaps \$100,000,000—would have revealed the lands available and definitely located and platted them. You must take into consideration the fact, too, that the existing railways, the main line of the C.P.R., the Crow's Nest, Columbia and Western, and Columbia and Kootenay, run through territory which has been largely alienated to the Dominion Government in subsidies to the railway companies, and there was little land within the influence of communication that could be dealt with by the Government. It is only now that the new lines of railway, the Grand Trunk Pacific and the Canadian Northern Pacific, and the Pacific Great Eastern are opening up territory solely within the jurisdiction of the Government. With regard to these our policy is one of development upon lines of modern methods applicable to local conditions.

"Now then, let us get down to the practical application of these facts. The land policy of the Government of today was bequeathed to it. It accepted it as it was and proceeded to administer the laws as they were and had been for years. What was the situation in 1903? Practically every foot of good land at all accessible in the districts more or less developed had been alienated in one form or another. What was left, which we know was very considerable, was in districts remote from railway or other communication, and it would have been the greatest injustice and unkindness to have offered it to settlers. Three things were necessary to remedy such a situation—extensive surveys, railways and public roads. But, as you know, in 1903, the Government was without money or financial resource. Its hands were tied in regard to these and many other important undertakings, and it was not until 1908, after restored credit, good times and a series of surpluses, that the Government could undertake surveys on a large scale.

"We have spent in surveys, including the survey of townsites, so far, a sum of approximately \$2,104,000, and surveyed about 18,900,000 acres of land; including timber and coal, and it must be obvious to you that we are only at the beginning of the task of surveying British Columbia. This year we are appropriating \$750,000, and that is simply a drop in the bucket of our requirements.

### AN HEROIC UNDERTAKING

"To build railways through a country like British Columbia is an heroic undertaking, and the 2,000 odd miles now under construction will cost \$150,000,000 to complete and equip. To build vehicular highways to connect up all these agricultural valleys with each other and with lines of communication at a cost of from \$3,000 to \$5,000 per mile is another gigantic undertaking. Settle-

ment without roads is impossible. We have built many a mile of road during the past five years, the expenditure during that period having been some \$12,000,000. The estimate of the Public Works Department is that to properly road up the district of Skeena to meet future development would cost the tremendous sum of \$25,000,000, and it would be hard to conjecture the cost of proportionate development for the rest of the Province. A sum of \$150,000,000 would probably be a fair estimate.

"As I have said, we inherited our land policy, so far as the methods of disposing of the land is concerned, but we are not responsible for the financial and other conditions which we also inherited. The questions of land and settlement, railways, roads and surveys, are bound up in each other and inseparably associated and more particularly in this Province where distances are so great, and population, except in cities, can never become concentrated or be continuous.

"Settlement and development are the objects, roads and surveys must be the means. The essential element of accomplishment, however, is money, and the Province up till 1907 or 1908 never had sufficient money for its ordinary needs. You will agree that what we have done in all three respects since we have had money to spend has left no stone unturned.

#### REGARDING TIMBER LIMITS

"The Government has been criticized because it has sold lands and has dealt with its timber limits in a somewhat wholesale way. Let me remark that you cannot have your cake and eat it, and, if we had not sold lands and realized somewhat handsomely from our timber limits, it would not have been possible to have done the things we have done in preparing the way for that development which the railways, the Panama Canal, and the trek to the last West is bringing about. If you want your public land surveyed you must be prepared to spend many millions of dollars to do it.

"If you want railways to open the great hinterland of this country, you must be prepared to pledge your credit and to put your hands in your pockets to some extent. If you want settlers to fill up your vacant lands which the railways are now reaching, you must provide roads, schools, public buildings and all the accessories of modern civilized life. If you want the visitors from all parts of the American continent who are now using the highways under the new automobiling era, you must make good the highways. The expanding population demands a corresponding increase in the cost of education and we have had as well to consider the provision of the higher education which, if not supplied at home, is sought for abroad.

"The farmers and fruit-growers of this country, if they are to keep up in the procession of modern, progressive methods, must have the careful attention and co-operation of the Government. We are spending this year, in all, about \$300,000 through the Department of Agriculture, largely in educational and demonstrational work. We are spending about \$1,500,000 on education this year. We have a vast heritage in timber which it is incumbent on the Government to conserve and increase for the benefit of the present generation and for posterity.

### THE FORESTRY SERVICE

"Our Forestry Service, which is, as our Premier would tell you, the last word on the subject, is costing this year some \$402,000, with an additional contribution from the timber holders of approximately \$170,000. We have large and valuable assets in our water; and, in order to adjust the various rights of claimants, so that all may be satisfied in regard to legitimate requirements, and in order that we may ascertain the extent of our resources and conserve them, we are providing for active work by the Board of Investigation as well as for surveys of the various watersheds.

"For these and various other subjects each of which, judged upon its individual merits, is worthy and necessary if this Province is to take the place which its position and possibilities warrant, are we not justified in using some of our capital account? Are we not in the position of the business man who wisely draws upon his capital account in order that he may enlarge the sphere of his operations and lay the foundation for future expansion?

### FINANCIAL ASPECT

"Reverting then to the financial aspect of our land policy, I have already hinted that the sale of lands was not a deliberate one. It was, so to speak, traditional in our politics. But has it, apart from the advantages of the money we have acquired in other directions I have just referred to, been unwise or a policy prejudicial to the interests of the Province? Let us see. As I have said we did not have the money until about 1907 or '08 to undertake surveys, but as soon as we had we undertook a comprehensive system, and we reserved from time to time large areas set apart for the pre-emptor to be so surveyed, until at the present time we have reserved in all 88,850,000 acres out of which selections may be made, and there is very little land open to the purchaser that may be termed accessible to present settlement.

"We have surveyed some 18,900,000 acres, and we are preparing maps as fast as we can showing these areas and acquiring data in regard to each section, so that in a short time the Lands Department can turn to its files and give exact information to the settler. We have sold in all between 2,000,000 and 2,500,000 acres.

Of course, the arrears on these lands are considerable, but we are receiving six per cent. on the deferred payments as against four per cent. if we had the money in the bank. Upon all such lands which are unimproved the Government levy a tax of four per cent. on the assessed value of wild land--a great deal of it being classed at the rate of \$5.00 per acre and much of it at \$10.00.

"The people of this country are, therefore, reaping ten per cent. per annum on the landed assets so alienated, and I leave it to you to say if that is not good business. I also leave it to you if the owners of such land can afford to hold land unimproved and unsettled at that rate of interest. I grant you that it may not have been an ideal policy, but under the prevailing conditions it has been a very practical and profitable policy.

### **RUNS NO RISKS**

"The Province runs no risks, because if the land is not paid for it reverts to the country again. But we have gradually relinquished it until now it is practically a thing of the past. Practically the same thing applies to the timber applied for under special license. There was a great and unexpected rush for these limits during 1906 and 1907, and some 9,000,000 acres were applied for. The Government then placed on reserve all remaining timber lands, but the Province has not parted with any title in these areas and from a financial point of view has obtained a revenue of about \$2,000,000 per annum.

"When the timber is cut the Government receives its stumpage fees and has reserved the right to increase these as the price of lumber and lumber conditions warrant, providing for a large and steady annual income from the timber assets of the Province which, under a system of wise conservation and forest protection should be perpetual. I submit that is also good business.

"During the last session of the Legislature the Government made a new departure in its land policy, which I trust you will regard as a wise one, following the example of the Dominion in the Middle West, that is, providing free grants of land to the settler and including the cost of survey where such surveys have already been made.

### **STIMULATE SETTLEMENT**

"This should greatly stimulate settlement and bring about a vast increase of production and a decrease in the price of farm products to the consumer. Having done what it could to stimulate and encourage the building of railways throughout the Interior, having launched out on an extensive system of road-building for the benefit of the settler, having put into operation a comprehensive system of surveys, having supplied as many of the accessories as possible for his use and benefit, and having placed him on the free

list in respect to the available public lands suitable for cultivation, the Government are prepared when the Agricultural Commission has presented its report to consider what further steps are necessary to improve his condition and to make the conditions as favorable as possible for the profitable carrying on of his industry, upon the success of which so much of your prosperity as a commercial community depends.

"It is the sincere purpose and the constant object of the Government to encourage not only agriculture to the limit of its possibilities, but as well all the other industries of the Province—mining, fishing, lumbering, pulp and paper making, the manufacturing of steel and iron, shipbuilding, and so on to the end of the list, so that the great latent wealth of the Province may be utilized for the benefit of every citizen of the Province now and in the future. It was announced during the recent session of the Legislature by the Minister of Finance as the policy of the Government to so increase the revenues from the natural resources of the country that in four years from now it would be possible to remove all forms of direct taxation, except that on land, so as to permit of commerce and industry being developed with the least burden upon their operations.

#### A FORECAST

"What is possible in the future may be judged from the progress we are now making on what is still the very verge of a career for British Columbia. Agriculture reached a production last year of over \$22,000,000, an increase of nearly a million over the preceding year.

"The timber cut, at prices considerably lower than the preceding year, is valued at \$19,000,000, and the volume of the cut exceeded all previous records. The mineral production reached an aggregate of nearly \$33,000,000, \$9,000,000 in excess of the production of 1911, and over \$6,000,000 more than the previous highest record. Our fisheries had an estimated output of about \$15,000,000 in value, and have taken first place in the whole of Canada by several millions of dollars. The manufacture of pulp and paper has been firmly established and we are told that this year's production will amount in value to about \$3,250,000.

"We are told that the commencement of an iron and steel industry is now receiving the attention of capitalists who are examining the field with a view to acquiring properties. Our manufacturing industries have been invariably prosperous during the last year, and, as we have seen from published reports which I need not specify here, imports and exports, bank clearances, post office business, the tonnage of shipping, and building operations, have all shown remarkable expansion.

### RECORD OF EXPANSION

"I do not for a moment imagine that this record of expansion will remain unbroken and that we shall not have some setbacks. The present progress and activity have been stimulated to a considerable degree by the amount of railway construction going on in the Province and the prospects of the early opening of the Panama Canal, by which business conditions will be somewhat revolutionized; but the record of years past goes to show that the expansion of our business in every branch is steadily upward, and the only difference has been that during the past five years the rate has become greatly accelerated year by year and this we may expect, as an average over a period of years, will continue to the end of the chapter.

"While it appears to me to be the duty of Boards of Trade, of the Government and of the business community as a whole, to so direct their efforts that the large payrolls of constructing railways and public works, when they cease in the proportion they now exist, may be replaced by the payrolls of the various forms of activities to which such operations may naturally be expected to give birth, there will come a time when the conditions now to some extent the result of temporary stimulation, will become normal, as they are in the older communities in America; but, if the foundations of our industries are laid truly and well, the transition will be gradual, we shall not experience those rude shocks which come to a business community from over-confidence in prosperity which may be unreal in its origin, inasmuch as it may not be the fruits of legitimate productiveness.

"I thank you, Mr. President, and you, the members of the Victoria Board of Trade for the patience with which you have listened to me and for the privilege you have conferred on me in being permitted to address you.

"In all your efforts for the betterment of Victoria and its business opportunities, you have my best wishes for success, and I can confidently speak for the Government as a whole in saying that so far as we can consistently forward your aims you will have our cordial co-operation."

