

TO THE PEOPLE OF CANADA

I WOULD like to convey to the people of Canada the viewpoint of British Columbia in respect of our economic and political relationship to Canada as a whole, with suggestions as to how this relationship can be very much improved not only for the good of British Columbia, but for the welfare of Canada generally. I think it advisable to do so because I believe that the west understands the east better than the east understands the west. It is natural that this should be so, as a considerable portion of our population originally came from the eastern provinces and consequently have first-hand knowledge of eastern conditions.

British Columbia has been criticized in eastern Canada as having carried out extravagant undertakings and as having moved too rapidly in social and welfare legislation. With regard to social and welfare legislation, we believe that the benefits which are being received more than outweigh the cost. It may be well to note that other provinces and the Federal Government are now moving along similar legislative lines.

So far as extravagance in public undertakings is concerned, I think I may say that our record in British Columbia will compare favourably with what has taken place in Canada as a whole, although this is not necessarily a recommendation.

REDRESS DEMANDED . . .

Ever since Confederation this province has been suffering under a number of disabilities of which our present position is the logical result.

To remove these disabilities we intend to make representations to the next Dominion-Provincial conference, which we assume will be held early after the General Election, along the following lines, and for the reasons stated herein:

1. That there should be a commission to consider and determine the claim of the province for readjustment of its relation to the Federal Government in respect to matters arising out of the Terms of Union, and development since Confederation.

For a long period we have made representations to Ottawa in this and other matters concerning the Terms of Union between Canada and the province, and during the past year the present Federal Government recognized the principle of our claim and agreed to an additional interim payment of \$750,000 on account of annual subsidy for the year ending March 31st last. The total of the previous subsidy and per capita grant was \$875,000.

The per capita grants given to the provinces under the "British North America Act" were in lieu of customs and excise receipts which were surrendered to the Federal authority. From Confederation to March 31st, 1934, the Dominion has received in customs receipts in British Columbia approximately \$347,000,000, while this province has received in return by way of subsidy a total of some \$27,000,000.

GRANTS INADEQUATE . . .

Per capita grant of eighty cents per head, as fixed under the Terms of Union, was intended to make ample provision for the cost of local services such as administration of justice, education, hospitals. These services now cost the province eight million dollars annually, while the annual per capita grant received from the Dominion is less than six hundred thousand dollars.

2. Redefinition of jurisdiction over sources of revenue and taxation.

There must be allocated to the province sufficient sources of revenue to enable us to conduct public business in a self-respecting manner, while jurisdiction must be placed beyond doubt so that we shall not be in the precarious position of having our authority disputed in the Courts.

- 3. There must be a refunding of capital obligations to secure lower interest rates.
- 4. Redefinition as to exclusive jurisdictions in all matters possible in order to prevent conflict. Agreement also as to co-operative effort in all matters of common concern to the provinces and the Dominion, particularly in the marketing of products and upon what may be termed "social and welfare legislation".
- 3. Necessary capital for development of natural resources and public works should be made available to the provinces at lowest possible cost.
- 6. Absorption of the Pacific Great Eastern Railway into the Canadian National system.

PROBLEM OF P.G.E...

We have constantly pressed our claims for the taking over of this railroad by the Canadian National Railway.

Some thirty-four railroads have been taken over in other parts of Canada and amalgamated with the Canadian National system. More than a quarter of a billion dollars has been spent upon canals on the general credit of Canada. The Hudson's Bay Railway was built on the general credit of Canada. I am not mentioning these things by way of criticism, but to make clear our own position in respect of the Pacific Great Eastern, which is responsible for nearly half of our net debt.

The Pacific Great Eastern Railway had an agreement with the Grand Trunk Pacific, which is now a part of the Canadian National system, under which all traffic originating in eastern Canada destined for the port of Vancouver was to be routed over the Pacific Great Eastern. With the amalgamation of the Grand Trunk Pacific and the Canadian Northern into the Canadian National Railway the benefit of this agreement was lost because traffic originating on the Grand Trunk Pacific destined for the port of Vancouver is now routed over the Canadian Northern section of the Canadian National Railway. The Province of British Columbia had nothing to do with the amalgamation of the Canadian Northern and the Grand Trunk systems, and when the Grand Trunk Pacific was taken into the Canadian National system the agreement with the Pacific Great Eastern Railway should have been taken into consideration-but it was not.

AMALGAMATION SOUGHT . . .

Whatever our legal claims may be, there is no doubt that we have an unassailable moral claim and that the Pacific Great Eastern should be taken over by the Canadian National Railway and amalgamated with that system. We have suggested to the Dominion Government that this road should be taken over at its replacement value which, at the present value of the dollar, would be less than half of what it has cost the province.

I am glad to say that, due to mineral development, the Pacific Great Eastern Railway is upon a much better financial basis than existed some years ago. This development, and the large tracts of timber tributary to the line and capable of maintaining pulp and paper industrial endeavour upon a large scale in perpetuity, assures the future of the railroad.

TRADE RESTRICTIONS . . .

- 7. Regional tariff adjustments or compensation in lieu thereof.
- 8. Adjustment of freight rates upon a basis of equality. Adverse freight rates and tariff restrictions have resulted in an adverse balance of trade as between British Columbia and eastern Canada of more than fifty million dollars annually. This very large sum has had to be made up by favourable foreign trade balances and by borrowings. All these years we have been forced to buy in protected dear markets and to sell in cheap competitive markets.

It is obvious that this condition cannot continue indefinitely, and let me here say that notwithstanding our heavy unfavourable trade balance with eastern Canada, British Columbia has more than paid its own way in the Confederation of Canada by way of direct contribution to the Dominion treasury.

9. A permanent policy in the problem of unemployment. Primary responsibility for unemployment relief rests upon the Dominion. A national council should be set up with which the provinces, and through the provinces, the municipalities could co-operate.

Perhaps it would assist our argument if we reflected upon just what has been happening in Canada as a whole.

LIVED ON CAPITAL . . .

Ever since Confederation our periods of prosperity have been periods of heavy capital expenditure. Indeed it may be said that in considerable measure we have been living upon capital. Billions were spent upon railroads in anticipation of increase of population and consequent increase of business. Concurrently, billions were spent upon private endeavour while there was a steady flow of immigration. Some two billions were spent upon war.

Today there is no comparable capital expenditure. Immigration has been greatly restricted and external trade is less than half of its peak. Under such conditions, need we be surprised that we have unemployment?

Canada, with its tremendous area, small population and great variety of natural resources, must have an export market in order to prosper.

Retaliatory tariffs imposed by the United States have so far cut into British Columbia's timber export business with that country, formerly our best customer, that we have been forced to look for new outlets. In Great Britain we have found timber and lumber markets, but these are constantly in jeopardy by reason of keen competition from the Baltie States and from Soviet Russia.

TARIFF HANDICAPS . . .

As an example of the handicap created by restrictive tariffs let me cite the case of halibut fishermen on the Pacific Coast. American fishing boats operating in the same waters as Canadian boats receive two cents per pound more for halibut than the Canadian boats.

This province simply must be able to dispose of its primary products—timber, metals, fish, fur and agriculture—in order to prosper.

Tariff adjustments, however, take time, and meantime what are we going to do with the problem of unemployment, which is the most difficult problem immediately facing us?

British Columbia has probably been under greater handicap with regard to unemployment than any other province in the Dominion, by reason of the fact that nearly one-third of the single fit homeless men in Canada who are on relief migrated to British Columbia. Their presence here undoubtedly created great discord and unrest in the minds of the population generally. This has been very trying to industry as a whole.

On many occasions I have pointed out that private endeavour has done as much as it can in the re-employment of labour, and I have frequently suggested to the Dominion Government, and suggest here, that in order to meet the present emergent conditions of unemployment, the Dominion Government should advance money to the various provinces to undertake essential and desirable public works to do two things, namely, to meet a growing public need and to provide employment instead of the present demoralizing method of relief.

PUBLIC WORKS NEEDED . . .

There are innumerable directions for profitable public endeavour. In our own province money is badly needed for roads, bridges and mining trails. School accommodation has not kept pace with school population. Hospitals and other health institutions require money, our penal institutions likewise. There is necessity for reforestation, the building of waterworks and other essential municipal undertakings. These are all of a necessary character so far as this province is concerned, while money could profitably be spent in other directions such as urban beautification and park development.

I have suggested to the Dominjon Government that these monies should be loaned to the provinces without interest, but that the monies should be repaid by the provinces during the anticipated lifetime of the work. This suggestion has been called inflationary, but I venture to think that as we have the resources and the manpower, and there exists the need for the development of these resources and the profitable use of this manpower, that it is not an insuperable task to bring the two together, and it seems to me that it is our duty to do so in order to preserve the manhood of our country and the integrity of our institutions.

1 Due

PRIME MINISTER

1-26-25

THE GOVERNMENT OF THE PROVINCE OF BRITISH COLUMBI



Everybody Happy

Special Matinees

Monday and Tuesday

At 4 P.M.

Visitor From Toronto Sees Prince Rupert Through Rosy Glasses On Brief Visit

"Glorious weather, glorious sunshine, wonderful people." That is the way John P. Coyle, vice-president of the Carnation Company Ltd., speaks of Prince Rupert He was here yesterday looking into the distributing of his product and of course he called at the Daily News to see the people who give them their northern publicity. Evidently Mr. Coyle believes in Prince Rupert and in the milk that comes from contented cows. He stands behind his product and tries to make the world contented. He says he is coming back for the opening of the new industry here soon.

Orange Dance Was Held Last Night

Enjoyable Time at Event in Oddfellows' Hall With Miss Grace Howe in Charge

featuring some spot waltzes was put on last night by the L. O. B. A. in the Oddfellows' Hall with Robert McKay as master of ceremonies and music by Mrs. Black's orchestra. The committee in charge consisted of Miss Grace Howe (convener), Mrs. Gladys Fowler, Miss Doris Webster, Mrs. Vic Menzies, Mrs. Evans and Mrs. Barber.

A very enjoyable time was spent, a large crowd being present.

I oday s Weather

Terrace, part cloudy, calm, temperature 50. Anyox, part coudy, 54.

Stewart, part cloudy, calm, 53.

Hazelton, cloudy, calm, 50.

Smithers, cloudy, calm, cool.

Burns Lake, rain, calm, 50.

District News BURNS LAKE

Don Sutherland, district agriculturalist, Smithers, after a visit to the Vanderhoof country east of here, is at present visiting the farms of the Ootsa and Francois Lake areas in the course of a tour of the entire district. He is organizing Farmers' Institute conventions next month as well as seed shows in the fall. Department of Agriculture officials, including possibly Hon. Dr. K. C. MacDonald, minister of agriculture, are expected to attend the conventions.

Mrs. A. A. Connon and daughter,
Yvonne, are expected at Francois
Lake early next month to pay a
visit with Mrs. Connon's parents,
Mr. and Mrs. J. W. Henkel. Mr.
Connon has just taken a position
in a mining camp in the south.

Albert Farrow, steamboat inspector, Vancouver, made an inspection Thursday of this week of the Francois Lake ferry. He returns to Prince Rupert this weekend enroute to the Yukon.