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Statement of Six Years Administration

Outlined in Address Given By

HONOURABLE JOHN HART

Premier of British Columbia



*On Announcement of Retirement from Office
at Provincial Liberal Executive Meeting
on Thursday, October 2nd, 1947*

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STATEMENT of SIX YEARS ADMINISTRATION

Mr. President, Ladies and Gentlemen:

First, let me welcome you to this meeting of the Provincial Executive of the Liberal Party.

As many of you are aware, it was originally intended to call this meeting at an earlier date but, owing to the fact that the Dominion House was then in Session, it would have prevented Federal representation; consequently, it was agreed to postpone the meeting until the fall of the year. There are many important matters to be discussed at this meeting and I trust that our deliberations will redound to the benefit of the Liberal Party.

I think that I express the feelings of each and every one of you here when I say how great a loss we have sustained in the death of Mr. Louis LeBourdais, the member for Cariboo Riding, who has served the people of this Province so faithfully as a member of the Legislature and his country with distinction as a member of the armed forces. We shall miss Louis and his kindly disposition and his gay and carefree manner.

We have likewise lost another valuable member through the resignation of the Honourable Norman Whittaker, K.C., Speaker of the Legislature, who has been elevated to the Supreme Court Bench. His selection for this important post is a tribute to his ability as a member of the legal profession and one that is well deserved. Mr. Whittaker has served the constituency of Saanich for many years and we likewise shall miss his counsel and advice.

I was happy to learn that during the last few days there has been such a decided improvement in the condition of the Honourable Dr. G. M. Weir, that it has been possible for him to leave the hospital and return to his home. I trust that his health will continue to improve so that we may soon welcome him back to his post of Minister of Education.

You are all aware that some weeks ago, the Honourable George Pearson, Provincial Secretary and Minister of Labour, underwent a very serious operation. We are all indeed pleased to know that he is steadily recovering and that latterly he has been able to assume some of his work. We trust that the time is not far distant when his health will enable him once again to discharge all those responsibilities which were his prior to his operation. However, I do not

think this opportunity should be allowed to pass without paying tribute to the very sterling worth of so valuable a colleague. Mr. Pearson has served in public office for many years and has been most conscientious in the service he has rendered. Under his guidance the labour laws and welfare legislation of this Province have been modified constantly to bring about better conditions for the people in general.

Recently there was removed from our midst a great public man in the person of Senator G. G. McGeer, K.C. The late Senator was a colourful figure in the life of this Province and fought hard for the development of British Columbia. He gave valuable service to his country—in the Provincial Legislature, in the House of Commons in Ottawa, in the Senate and also as Mayor of the City of Vancouver. We have lost in him a great Liberal and a valued counsellor.

There is yet one other to whom I would like to make reference before proceeding with my remarks. I refer to Dr. W. J. Knox, our President, for whom we have a high regard. His unselfishness, in not sparing himself as President of the Liberal Party, has endeared himself to all. I am personally indebted to him for his counsel which has been given in a friendly manner and always in the interest of the Liberal Party. He has been a tower of strength and an inspiration to us all.

It is nearly six years ago since I was chosen as leader of the Liberal Party and given a mandate to form a Coalition Government. In view of this fact, I think it is fitting that I should take this opportunity of briefly reviewing the accomplishments and some of the forward-looking legislation that has been enacted since I was sworn into office.

First, let me say that on assuming the premiership of British Columbia there was one problem that took precedence over everything else, that was the prosecution of the war.

What might be considered the first major act under the Coalition administration was the signing of a wartime tax agreement with the Dominion Government to enable Canada to finance its war effort and spare no expense in providing the munitions of war so that hostilities might be brought to a speedy conclusion. Throughout the war, the Province of British Columbia co-operated to the fullest extent with the Federal authorities. We carried out every request that was made of us, and furthermore, voluntarily assumed

many responsibilities on our own that were helpful to the three armed forces. To describe British Columbia's war effort would entail a great deal of time; but it is sufficient I think to say that nothing was overlooked where we might be of assistance.

In reviewing the accomplishments of the Coalition Government, I would first like to draw your attention to those matters dealing with the Finance Department which I headed for so many years.

As I stated before, our first step was to sign the Wartime Tax Agreement with the Federal Authorities to assist in financing the war. Under this Agreement, we vacated the Income and Corporation Tax fields for the duration of hostilities and, concurrently, we assumed expenditures which normally had been shared by the Dominion. We, likewise, increased our expenditures on projects related to National Defence. At the same time, we instituted stricter treasury control in order to maintain a high volume of revenue. In consequence thereof, a revenue surplus account was established to provide funds to finance post-war projects. From March 31, 1941 to March 31, 1946 those revenue surpluses amounted to \$44,578,172.

I may add that further revenue surpluses are anticipated not only for the fiscal year ended March 31st, 1947, but also for the present fiscal year which ends March 31, 1948. Out of these revenue surpluses there have been appropriated a total of \$36,263,981 for various public works, University extension, refunding, extraordinary grants-in-aid and other miscellaneous grants.

The financial position of the Province has been strengthened not only by the existence of this Revenue Surplus fund but by the improved condition in our public debt. On November 1, 1941, our net debt totalled \$145,363,488.49. By June 15 of this year, the net debt had been reduced to \$117,507,000, a reduction of \$27,856,488. As a direct result of our improved financial position, the Government has been able to market its bonds at a greatly reduced rate, while at the same time levelling down the average of our annual interest payments. On November 1, 1941, the average interest payable on our debt amounted to 4.14 per cent as compared with 3.68 per cent on our indebtedness as at March 31 of this year.

The lowest rate ever secured in this Province for long term bonds was on a \$3,000,000 twenty-year issue bearing a coupon rate of 2.75 per cent. This issue was sold during 1946 at a premium to

yield 2.745 per cent and was the best price ever obtained by the Province for a long term security.

Municipalities have constantly received the most considerate attention of the Coalition Government as reflected by the records of the Finance Department. The latest assistance rendered was that brought about by the implementation of the Goldenberg Report. It will be remembered that the Government appointed Mr. Carl Goldenberg to examine provincial and municipal relations and to report his findings. The Government adopted those findings with the result that municipalities receive added assistance from the Province amounting to \$1,807,000 annually. In addition thereto, the Provincial Government implemented the findings of the Cameron Report on education which gave added assistance to municipalities amounting to \$2,521,000. Concurrently with the implementation of the Goldenberg Report, the Province increased the grants to municipalities from motor vehicle revenues by a total of \$663,251. As a result of these three acts alone, municipal aid within the past year and a half has been increased by nearly \$5,000,000. In addition to this assistance, a total of \$2,680,000 is being distributed to municipalities by way of reductions or rebates on municipal loans from the Provincial Government on account of unemployment relief.

The Government has, likewise, undertaken to pay 50% of the capital cost of new school buildings constructed by municipalities. In respect to municipal financial aid, it is interesting to note that direct grants even in the peak years of 1928-29 amounted to \$3,692,792 as compared with \$11,267,000 for the present fiscal year. Even now, a Commission is making a further study of the incidence of school costs with a view to bringing about further readjustments.

While taking care of this situation, the Government made every effort, following the cessation of hostilities, to restore public services to normal and increase them wherever necessary in order to meet public requirements. Our efforts in this direction are reflected in the appropriations for various departments. In 1942, the total appropriations for various departmental services amounted to \$25,726,000 as compared with \$43,811,000 for 1948.

Before leaving the Department of Finance, I must once again bring to your attention the new Dominion-Provincial Agreement which was reached after some two years of negotiations. It is unnecessary for me to give you a review of those negotiations except

to say that British Columbia at all times co-operated to the fullest extent to bring about a settlement that would be satisfactory both to the Dominion and British Columbia while at the same time recognizing the needs of less fortunate Provinces.

Under this agreement, British Columbia undertook to rent to the Dominion Government our income, corporation and succession duty tax-fields and to relinquish the statutory subsidy on the following terms:

1. Dominion to make annual payment minimized at \$18,000,000 or 150% of the payment under our Wartime Tax Agreement and based on the 1942 population and gross national product.
2. Payment to increase proportionately with increase in population and gross national product.
3. Payment this year will amount to \$21,299,000 or nearly twice as much as that received under the Wartime Tax Agreement.

In addition to these terms the Dominion undertook:

1. To vacate the gasoline tax field.
2. Partially to cancel B.C. treasury bills held by them and to permit payment of the remainder on a long term basis, the arrangement being as follows:
 - A. Of \$16,684,381.39 borrowed for direct relief, \$8,342,190.69 to be cancelled and \$8,342,190.69 refunded over a thirty-year term without interest.
 - B. The remaining \$17,427,868.60 which was borrowed for refundings and public works relief projects to be paid off on a thirty-year basis at only 2½ per cent per annum.
3. The Dominion will pay to the Province 50% of its collections from corporation income tax on certain electric and gas utilities, an amount estimated at \$500,000.
4. Arrears of income and corporation taxes and adjustments under expiring Wartime Tax Agreement amounting to \$3,383,859.66 to be paid by the Dominion immediately.

Thus an agreement was concluded which:

1. Gave British Columbia expanding revenues to meet expanding needs.
2. Enabled other Provinces to secure more generous terms than were originally given.

3. Enabled us to retain our constitutional rights, since the vacating of the tax fields was for a specific period and on a rental basis.
4. Brought closer to realization further conferences to enable the Dominion to implement its social security proposals, consisting of old age pensions without a means test, a system of contributory superannuation, health insurance, public investment, the assuming of complete responsibility for unemployment relief and other social welfare measures.

As you no doubt are aware, during the period of the war, many public expenditures were curtailed in order that the maximum amount of our manpower could be diverted to the production of the tools of war.

However, in dealing with the question of public works, I am happy to say that, while it was necessary to minimize capital expenditure, at no time was the maintenance of our 22,000 miles of highways and bridges allowed to deteriorate. Since 1941, more than \$60,000,000 of public funds have been spent on new construction, re-construction, surfacing of highways, bridges and buildings. Two of the most important projects recently undertaken have been the construction of a highway outlet for the Peace River district costing approximately \$6,000,000 and the building of the Hope-Princeton Highway to provide quicker access to the interior at a cost of approximately \$3,000,000. Since 1941, the Public Works Department has constructed or re-constructed more than 1,800 miles of highway while a further 1,900 miles have been gravel surfaced and 1,500 miles hard surfaced or re-surfaced.

It will be recalled that in 1942 a highway board was appointed. This board studied the public works needs of the Province and laid down a programme for future development upon which the Government has now embarked.

The Public Works Department is presently engaged in carrying out a \$50,000,000 programme of new works provided since the end of the war largely out of our revenue surpluses and various loan acts. Of this total, \$39,000,000 is devoted to highways, bridges, and ferries and the remainder to public buildings. In addition to capital undertakings, the Government has increased the maintenance vote for highways from \$2,300,000 annually in 1941 to \$5,500,000 in 1947.

There are many other projects worthy of mention if time permitted but, before leaving the accomplishments of this phase of Government service, I would like to point out that the tolls on the Cariboo Highway have been removed and we are hopeful that the Hope-Princeton Highway will be ready for use in the not too distant future.

In 1943, there was appointed a Commission to study the hydro-electric needs of British Columbia. Without burdening you with the details of the report and subsequent action taken, I would like to state that the Government lost no time in setting up what has now become known as the B.C. Power Commission so that they might consolidate electric power services into well integrated power districts and undertake new projects that would bring about the extension of rural electrification, provide power for industrial development and bring to people living in the rural areas many of the amenities of life which are enjoyed by those living in more populated areas.

In the two years that the B.C. Power Commission has been in existence, it has taken over the complete electrical plants and operations of twelve utility companies and one municipality. It now serves 24,870 customers, having added 3,565 new customers in the sixteen power districts throughout the Province. The Commission, likewise, has revised rate structures in several of the power districts to bring about reductions ranging from 30 to 50%.

Most important of all, it has undertaken major power development at Campbell River to meet the needs of Vancouver Island. This project, when completed, will develop 100,000 h.p. The cost of the two units now in process of installation, together with the transmission lines will be approximately \$8,000,000. The first unit is expected to get into production during the early part of November. Already new industries are being established on Vancouver Island as a result of this major development.

The Power Commission, likewise, has conducted surveys for potential hydro-electric developments at Lillooet, Lytton, Golden and the Kamloops-Okanagan area. It also has made preliminary surveys to determine the feasibility and cost of electrical distribution at Armstrong, Burns Lake, Fort Fraser, Merritt, Oyama, Texada Island, Wells-Barkerville and a number of other districts.

The revenue of the B.C. Power Commission during the last fiscal year amounted to \$1,411,834 which, after taking care of operating expenses, interest, and sinking funds on investments leaves a net surplus of \$111,387.

New generating plants have been installed at Terrace, Smithers, Vanderhoof and Alert Bay, while others are nearing completion.

In the field of public welfare, British Columbia has moved far more rapidly than any other part of this Dominion. For instance, in connection with old age pensions, aged persons in 1941 were receiving only \$20 a month with no medical assistance or hospitalization. Today, they receive \$40 a month and, in addition thereto, free medical assistance, and hospitalization. The statutory pension in 1941 was \$20 of which the Province bore 25%. Today, the statutory pension is \$30 a month of which the Province bears 25% but, in addition, makes a further contribution of \$10 a month cost-of-living bonus. As a result of the Government's extension of more adequate allowances to old age pensioners, our annual share of such costs now amount to \$2,298,116 compared with \$709,040 in 1941.

Social allowances, which are pensions given to persons who are unemployable, likewise, have been increased from \$45 a month for a family of five in 1941 to \$65 a month for a family of five in 1947.

Mother's allowances have been increased from \$35 a month for a mother and one child plus \$7.50 for each additional dependent in 1941, to \$42.50 a month for a mother and child plus \$7.50 for each additional dependent in 1947. As in the case of old age pensioners, medical aid and hospitalization have been extended to those in receipt of social allowances and mothers pensions.

Closely allied to the welfare work are our Provincial institutions. The Government, in addition to paying 70c per day per patient to all hospitals throughout the Province, also makes a contribution of \$3 a day for indigents. In addition thereto, the Province has made special provision to provide \$3,100,000 for public hospital building grants, the Government contributing one-third of the cost of new construction. Our mental hospitals are being improved to meet existing conditions. More than \$1,000,000 has been spent on Essondale in the past six years while the present building programme provides for four new buildings at a total cost of \$905,000.

The New Westminster hospital building programme totals \$670,000 and miscellaneous mental hospital provisions total \$35,000.

Considerable expansion work has been approved for the Tranquille Sanatorium for T.B. patients at Kamloops, while a \$466,000 programme has been provided for the T.B. Division in Vancouver.

Similarly, the sum of \$700,000 has been provided for the construction of a new Industrial School for Boys, to be located on Vancouver Island.

Throughout the years, the Government has constantly studied employer-employee relationships and has consistently modified its legislation to bring about more harmonious conditions in the business and industrial world. Among the improvements enacted has been the provision of at least one week's vacation with pay for every working year of an employee. Legislation has been amended to guard against overcrowding in factories.

The Hours of Work Act has been modified to reduce working hours to a 44-hour week in addition to provisions being made governing split shifts and overtime. The Industrial Conciliation and Arbitration Act provides for mediation, conciliation and arbitration of industrial disputes. Collective bargaining rights are guaranteed to workers and employers. Provision has been made for Governmental assistance, in the event of a breakdown in negotiations, by having conciliation officers appointed. Provision for a Government supervised secret ballot on the question of a strike also has been made; but no strike is legal until conciliation and arbitration measures have been tried. The Government also is empowered to set up a Labour Relations Board to investigate applications for certification of bargaining representatives and other questions affecting labour disputes.

Minimum Wage Scales are constantly under review. Revisions since July 1, 1946, have resulted in a 20% increase in minimum wages. A full day holiday once a week is made permissible by allowing municipalities to pass by-laws governing same.

The Workmen's Compensation Act has been amended to widen the scope of benefits and increase compensation.

The manner in which the scope of education has been increased and brought to a large number of persons, is reflected in the increased cost. In 1941, education cost the Province \$4,406,000 as

compared with \$10,131,000 in 1947, or an increase of \$5,725,000. These figures do not include special grants in aid of building programmes amounting to \$1,500,000. It is interesting to note that our annual appropriations for University assistance alone have increased from \$426,350 in 1941 to \$1,102,000 in 1947.

New ventures such as school radio broadcasts, visual education, vocational guidance, and extension of correspondence school courses have been embarked upon. Agreements have been entered into with the Dominion to expand technical and vocational education. Apprenticeship training has been set up and a system of student loans established to enable our young men and women to continue their higher education. In this latter regard, it is interesting to note that the number of students assisted by loans has risen from 44 in 1941 to 410 in 1947. Assistance has been given to children of veterans in connection with schooling to the extent of \$14,000 annually.

The academic requirement of teachers has been increased and their basic salaries raised from \$780 minimum to \$1,100 minimum and from \$1,200 maximum to \$2,240 maximum. Appropriations for free text books have been increased from \$62,000 in 1941 to \$122,000 in 1947. A Director of Temperance Education has been appointed.

Under a new youth training programme, approximately 8,000 young men and women, between the ages of 16 and 30 have been trained for gainful employment. It is interesting to note that during the war, the Education Department co-operated in training 50,000 men and women for various positions in the Armed Forces and War Industries.

For a number of years, the need for university expansion had long been made evident by the greatly increased enrolment. In consequence of representations made by the Chancellor and President of the University, the Government made provision for \$5,000,000 with which to finance a programme of extension. These funds have made possible a new Physics Building costing \$800,000; an Applied Sciences Building at a cost of \$750,000; an extension to the Library at a cost of \$775,000; an Agricultural Engineering and Mechanics Building costing \$50,000; a Biology Sciences and Pharmacy Building at a cost of \$600,000; an Agricultural Pavilion at a cost of \$50,000; an addition to the power plant at a cost of \$300,000 and a Home Economics Building at a cost of \$250,000.

In addition to these buildings, the sum of \$1,500,000 has been earmarked for the establishment of a medical faculty, the organization of which is now being studied. Concurrently, the Provincial Government assisted the university, financially, in taking care of emergency accommodation for lecture rooms, laboratories, gymnasium, offices and housing of both single and married students who are veterans of the last great war.

I should like at this time to pay tribute to the very fine work that has been done by the President, officials and staff of the university in taking care of the great influx of students created by the return of our young men and women from overseas. The enrolment at the University in 1947 totalled 9,035 in an institution that was designed originally to accommodate only 1,500 students.

The most important natural resource that this Province at present possesses, is our timber. In the early period of the Coalition administration, a Royal Commission was appointed to inquire into and report upon that industry. The Commission made a total of 58 recommendations, all of which have been under review and the most important of which already have been implemented. The Crown's right to tax Esquimalt & Nanaimo Railway timber lands has been tested in the courts.

A third forest nursery has been established increasing production for reforestation to 20,000,000 trees per year. The Government's contribution to forest production has been increased from \$500,000 in 1941 to \$1,250,000 in 1947. The royalty on salvaged timber has been reduced by 75% to encourage re-logging and greater utilization in the woods. Approximately 50% of our income from the sale of Crown timber has been reserved to provide for second crops. Most important of all, legislation has been enacted enabling private industry to practice sustained yield under Forest Management Licenses. It is interesting to note in this connection that 75 applications already have been made. Thus is the Government seeking to keep our forest resources on a basis where there will be a perpetual yield.

The Fisheries Department did valuable work during the war to assist in relieving the food shortage in the Old Country and its post-war activities are now devoted to the establishment of new industries of which two already have been brought into existence.

The Trade and Industry Department has likewise played an important part in bringing new industries to British Columbia. They have also been responsible for increasing our export trade. Perhaps the most important contribution that has been made to the industrial development of this Province by this Department has been the establishment of the B.C. Research Council which receives from the Government an appropriation of \$160,00 annually. This Research Council is experimenting with our natural products in order to find new uses for them.

Of great interest is the establishment of a Borstal School for youthful offenders and the setting up of a family court.

The Attorney-General's Department has investigated, through a Royal Commission, the operations of Mutual Benefit Societies and, in implementing the recommendations of that Commission, have strengthened the financial position of those societies, thereby protecting the public's interest.

In the matter of game conservation, which is administered by the Attorney-General's Department, I may say that the provision of outdoor activities for our young men and women have been well taken care of through the liberation of game and the stocking of our lakes and streams.

The public's welfare in respect to matters relating to public utilities has been guarded through the Public Utilities Commission, which is at all times in close touch with the Government. An appraisal was made by the Commission of the B.C. Electric Railway Company Limited with the result that for the three year period of 1943-45 consumers were saved \$2,566,000 exclusive of the reduction in rates made effective on Southern Vancouver Island. Permission was granted to the B.C. Electric Railway Company Limited to import power from Bonneville Dam to meet emergent war conditions. Concurrently, the B.C. Electric Railway Company Limited was ordered to proceed with the Bridge River Power Development Project. I am given to understand that construction on this project is proceeding satisfactorily and that power should be available late in 1948.

Examination of the B.C. Electric Railway Company's operations in 1946 was made by the Commission and the Company has been requested to submit to the Commission before the end of the year,

rate schedules that will bring revenues and costs more closely in line in each individual unit of service.

In a similar field, the Government has been, likewise, attentive to public welfare in connection with the mountain differential which exists in freight rates on the C.P.R. and C.N.R. Railway lines. Mr. C. H. Locke, K.C., was appointed Counsel to oppose the general application for a 30% increase in freight rates and to demand separate consideration of British Columbia's plea for removal of the mountain differential. Following Mr. Locke's appointment to the Supreme Court of Canada, the Government appointed Mr. C. K. Guild, K.C., to carry on the work formerly undertaken by Mr. Locke.

Representations were made at the sitting of the Board of Transport Commissioners in Vancouver last spring and the final hearing has yet to be held in Ottawa.

The Government reviewed the conditions of our agriculture industry, which now occupies the position of being the second most important basic industry in the Province. Our production in this sphere of activity has increased from \$49,000,000 in 1941 to \$103,000,000 in 1945. This increase has been due in large measure to the encouragement and assistance given by the Government. Perhaps the most important of all the major undertakings instituted by this Department is that dealing with land clearing assistance to farmers. Nearly 4,000 acres of land have been cleared since the inception of this scheme and units of operation have been set up on Vancouver Island; in the Kamloops-Shuswap District, the Cariboo District; the Nechako Valley; Fraser Lake-Bulkley Valleys and the Kootenays. Other units will be established as soon as equipment becomes available. Clearing is carried out at cost for the farmers thereby saving them substantial sums. Farmers likewise have been assisted through lime subsidies and sheep subsidies.

By an arrangement with the Dominion Government, there was established what was known as the Dominion-Provincial Emergency Farm Labour Board. This was set up in 1943 to overcome labour shortages on the farms. Since the inception of this scheme, nearly 124,000 placements have been made.

In 1946, a Milk Board was established, to deal with orderly marketing in certain prescribed areas. The wisdom of this action has been proven by the increasing number of districts that have made application to come under its direction.

Control of diseases, among livestock, has been increased with beneficial results to the industry. In many other ways, the Government has sought to place the agricultural industry on a sound basis and encourage others to take up farming pursuits.

Closely allied to agriculture is the matter of land settlement and, in this connection, the Lands and Agriculture Departments have co-operated to bring about a scheme whereby settlement on land will be carried out on a scientific basis. Various surveys such as soil and land utilization have been made for the purpose of determining access to markets, usefulness of land, proximity to community facilities, roads, transportation and electric power. To date, more than 4,000,000 acres have been thus surveyed.

In 1943, all Crown lands were reserved to enable the Dominion Government to select acreage for settlement of war veterans. Selections have been made and the reserve lifted. To date, a total of 114 applications have been allowed involving nearly 16,000 acres.

Under the direction of Dr. T. B. Williams, a department has been established to examine our resources. In this connection, regulations have been brought into effect providing for the exploration and development of the potential oil and coal resources of the Peace River District. This is in connection with the development of our coal, petroleum and natural gas resources. The Department works in close co-operation with the Mines Department and has, within the past few months, brought into effect new regulations under which these rich resources may be developed. Six applications already have been received from financially responsible interests to explore and develop the potential oil resources of the Peace River District.

The Mines Department, in addition to rendering outstanding service to the country in assisting to uncover tungsten, mercury and other essential war minerals, has been responsible for the establishment of a research board and the encouragement of prospecting by setting up a grubstaking plan which enables qualified persons to devote their time to uncovering new wealth.

I have reserved to the last in this review of the achievements of the Coalition Government the steps that have been taken to bring about the extension of the Pacific Great Eastern Railway to that vast empire of resources which lies in the Peace River district. For some time I have been convinced that the solution to the Pacific Great Eastern Railway problem, which has constantly engaged the

attention of the governments for many years, lies in the extension of that railway into country which is capable of providing adequate freight and passenger service with which to make it a paying railway. It seems to me that by doing so, we can not only make this railway a profitable enterprise but at the same time open up new resources for development that will bring opportunity and prosperity to the people. Having this in mind, I was able to bring about a joint conference of engineers representing the Dominion and Provincial Governments, the C.P.R. and the C.N.R. They studied the various reports that had been made on the P.G.E. and the Peace River district and submitted their findings to the Government. After studying the report, I was convinced that further data was required before it could be determined which route was the more economical to take and which territory would prove to be the more lucrative for development. Consequently, I arranged for railway location surveys to be made under the direction of Mr. J. M. Stewart, our Deputy Minister of Railways. As a result of those surveys, it has shown that the more economical route, taking into consideration both construction costs and operation, was that from Prince George to Dawson Creek by way of the Pine Pass. Concurrently, survey parties were sent into the field under the direction of Dr. T. B. Williams to examine the resources along the Pine Pass route. I am happy to state that to date those survey parties have proven the existence of 169,000,000 tons of very high grade coal. All this data has been studied by both C.P.R. and C.N.R. technical experts and only recently their reports to their respective presidents were the basis of discussion between the President of the C.P.R., the Vice-President of the C.N.R. and myself. I feel that the way now lies open to continue the negotiations that were postponed last Spring pending the outcome of these surveys. I have received great encouragement from the heads of both railways and am hopeful that a partnership can be formed whereby the Dominion, the Province, the C.P.R. and the C.N.R., jointly, will undertake the extension of the P.G.E. Railway to Dawson Creek, at an estimated cost of \$50,000,000. It is only fair to point out that this is consistent with the policy that I have laid down for some time. It seems to me that it would be far better if this undertaking were carried out by Canadian interests for the welfare of Canada as a whole. Consequently, I have not enthused over reports that Americans are interested in this undertaking.

CONCLUSION

It has been my endeavour to give as complete a resume of the achievements of the Coalition Government as time would permit. While it has not been possible to touch upon all matters, sufficient has been said, I think, to indicate that the main, overall policy has been carried out, namely that of giving the people good business administration.

When I accepted the premiership, I stated it was my determination, with the co-operation of the Cabinet and members of the Legislature, to introduce sound business ethics into the administration of Government affairs. This has been carried out, I believe, with very satisfactory results.

Permit me, for a moment or two, to direct your attention to the circumstances under which I assumed office. I was sworn in on December 9th, 1941, just two days after the attack upon Pearl Harbour. They were perilous days, full of anxiety and misgivings. Consequently, in addition to organizing a Cabinet and being faced with a session of the Legislature, I also was confronted with an important Dominion-Provincial Conference leading to a wartime tax agreement; also the organization of the A.R.P.; matters appertaining to coastal defense; the situation created by the large numbers of Japanese on our coast as well as endeavouring to carry into effect new policies.

After grappling with these problems, while at the same time reviewing the needs of the Province, it was my pleasure to outline at the following session of the Legislature a progressive programme of public undertakings. It was gratifying to me to see those policies carried into effect before the 1945 general election.

Again let me direct your attention to the manifesto issued during the general election in the fall of 1945. That manifesto contained forty-three points, all designed for the welfare of the people. It was the basis of a four-year programme, to which other undertakings could be added. I am happy to announce that all the policies outlined in that manifesto have been carried into effect or are in the process of being implemented. In addition thereto, many other measures have been adopted in the interests of the Province as a whole.

As many of you are aware, I was first appointed Minister of Finance on June 11, 1917. Since then, it has been my privilege to carry on the responsibilities of a Minister of the Crown for more than twenty-one years. Furthermore, as a member of the Legislature, I have served for a period of almost twenty-two years.

During that time, I have had the pleasure of bringing down twenty budgets, which I am given to understand is something in the nature of a record.

In view of this, and particularly the strain of the last six years as Premier, I think you will agree with me that the time has arrived when I should relinquish the arduous duties and manifold responsibilities of public office. It is therefore my intention to retire. In making this statement, I would add that it is also my intention to retire as soon as a convention can be called and a successor chosen to carry on and add to the programme that already has been laid down.

I have been advised to take a much-needed rest and, acting upon that counsel, I am therefore recommending that a Convention be called early in December when a leader can be chosen. It is my plan to leave as soon as possible for an extended holiday after which upon my return to Victoria, I shall take up my responsibilities as President of the financial firm of Gillespie, Hart and Company, Limited.

If the Convention is called soon, my successor can then be appointed so that he may have ample opportunity to acquaint himself with some of the major problems such as an immigration policy suitable to British Columbia. During the next two or three years, he will be enabled to further acquaint himself with the responsibilities of Premiership, map out progressive measures to meet the needs of the people and carry on the work of the Coalition Government so that when another general election is called, the Government can face the electorate confident of receiving adequate support by which means alone the affairs of this vast Province can be properly administered. By taking such action, I am convinced the Coalition will grow in stature and be enabled to give to the people of British Columbia a continuance of that business administration and encouragement to free enterprise which, I believe, has played so important a part in bringing about the development that is now taking place.

Before concluding, let me say how great an honour and a privilege it has been to serve the people of this Province, and how appreciative I am of the co-operation that has been accorded me, not only by Liberals and Conservatives but by the citizens generally. The support given to my colleagues and me has been most inspiring, and without it we could not have accomplished what we have.

