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A Basic Cause of British Columbia's Financial Troubles

Address delivered by
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Late Chief Engineer, Provincial Public Works Department, before the Vancouver School Principals' Association, April 4, 1933.

NOTE: This address does not in any way aim to enter the field of provincial politics. Its publication is not arranged or sponsored by any political organization or group. It is an honest effort to inform the public as to conditions resulting from government policies extending over a long period of years.

MR. Chairman, and Members of the Vancouver School Principals' Association:

After serving the public in an active capacity for some 10 years I have, as a private citizen, for a number of years followed, as a hobby, the study of Government—Dominion, Provincial and Civic—and the results as shown by public reports, the findings of research bureaus, etc. As a British Columbian I have for the past three years and over made a particular study of the workings of government in this province, with which your interests, as well as mine, are so closely identified. As an engineer I have naturally followed most closely the records of the Department of Public Works with its heavy and constantly increasing expenditures on highways, public buildings and other public works, my study in this field compelling me to a thoughtful survey of the existing financial status of this province, a question which is today being considered most carefully not only by you as educationists but also, I venture to say, by electors in every part of British Columbia.

I do not, therefore, come before you as a novice but as a man whose work and study entitles him to speak on my subject with some degree of authority. References are given to facilitate finding the sources from which the information has been secured. To illustrate my remarks I shall use a number of charts which show at a glance the results of policies by Provincial Governments over a term of years. While the showing of these charts is both striking and startling, they are, in every instance, simply a compilation of figures taken from Government reports.

With these brief remarks as proving my bona fides I shall at once enter upon the discussion of my subject.

Ten days ago the Hon. Mr. Jones, Minister (or shall we say Doctor) of Finance, described to the Vancouver Board of Trade the critical financial condition of his patient, the Province of British Columbia. From that description the patient would appear to be seriously ill, and in a condition demanding immediate attention.

Doctors today have a machine called the electro-cardiagraph that actually charts on a sensitized plate the beatings of the heart, the curves showing defects that are not apparent from a physical examination. In the same way I believe the actual facts contained in official records of the Government and responsible authorities can be charted and visualized, and show a condition quite different from that which appears on the surface.

Today, in the role of a Doctor of Research, I shall diagnose the provincial body politic (or political, as you choose), and endeavour

(1) to show the actual condition of the body;

(2) the basic cause of that condition, and

(3) to prescribe the first of a course of treatments.

In making my diagnosis I cannot describe conditions clearly without, in some cases, naming individuals, but in so doing what I have to say must not be taken as a criticism of the individual. He is but a unit in the system and in the British Columbia Government, no matter how high his rank, unless he is prepared to function in accordance with the methods of the Party System—he is eliminated, and quite probably would never have secured his post in the first instance had he not agreed to "play ball."

What I mean is illustrated by the recent statement of a Minister on the floor of the Provincial House when he stated that he had pledged himself to the party both at the Party Convention and before he accepted nomination and considered himself firmly bound by these pledges. Compare this utterance with the statement of Hon. Jas. Bryce in his "Modern Democracies," where he states [1] that the Party System "prevents a fair consideration of each issue upon its merits, enslaves representatives and discourages independent thought in the party as a whole because the solidity or regularity which casts a straight ballot is enforced as the first of duties." Or again with the words of the Honourable Mr. Justice M. A. MacDonald, in a thoughtful address to the Canadian Club of Vancouver, a few years ago, when he said that "One of the greatest perils of democracy today is the party system."

Even a cursory examination of the body politic shows that there is something seriously amiss as we consider its financial position. The net debt of the Dominion of Canada, including guarantees of railway bonds, at March 31, 1933, was $3,875,500,000 [2]. The net debt of the Province of British Columbia as of January 25, 1933, was $126,266,000 [3]. The net debt of the Municipalities of British Columbia as at December 31, 1931, was $112,347,000 [4].

1 Modern Democracies (Honourable James Bryce) p. 131.

2 Hansard, March 31, 1933; p. 3456, and Committee on Economy in Public Finance (1) Railways.

3 A. E. Ames & Co. circular, 1933, re $4,000,000 loan.

4 Report of Inspector of Municipalities, Dec. 31, 1931, pp. 10 to 13.

What does this mean to the electors of British Columbia? Taking a proportionate amount of the Dominion debt on a population basis and adding the Provincial and Municipal indebtedness, it means the staggering total of $498,100,000, or $720 per capita—$3,600 for the average family of five. Or, eliminating the Dominion indebtedness and viewing the question solely from a provincial standpoint, it means an indebtedness of $238,613,000, or $334 per capita—$1,670 for the family of five.

And bear in mind that this indebtedness is not a visionary matter —it is an actual condition—a first mortgage on everything you, I and every elector owns. And what it means as a first mortgage you, I, and every elector knows because of the taxation imposed to carry this load—taxation on business, on individuals, increasing year by year, covering everything on the earth, the sea, and now (through radio imposts) the air.

Our Provincial Doctor of Finance has prescribed as a cure the antiquated method of bleeding the body politic. Unfortunately, we have three Doctors of Finance—Federal, Provincial and Municipal—all giving the same treatment and each apparently unconcerned about

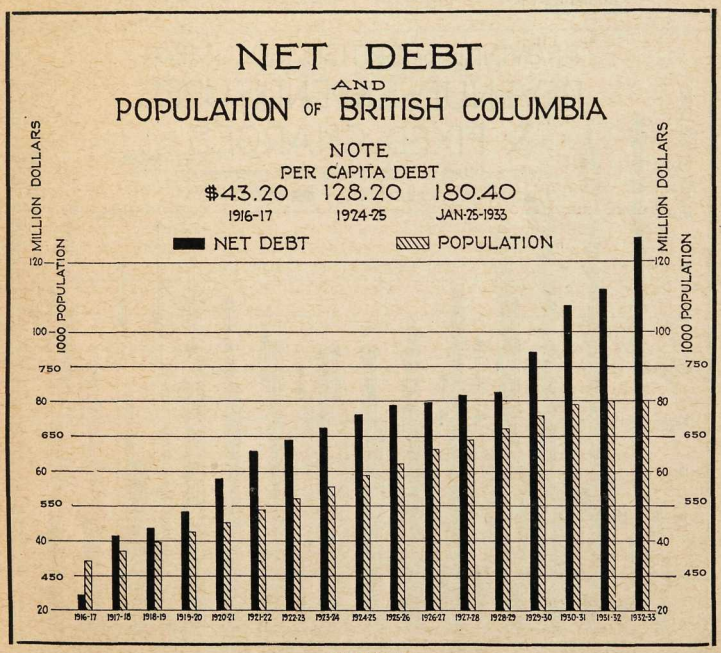


CHART 1.

how much life-blood the other is taking. Between them is not the patient in danger of bleeding to death?

Here is another angle to think about. I just gave the per capita debt of a British Columbia elector at a total of $720, or $334 for the purely provincial field. That was based on a population of 694,200[5]. But of this number 75,500[6] are Asiatics or Indians, who contribute but little to carrying the load. Another 129,100[7] are now on relief and are able to do nothing—are actually consuming (I say this not in any critical spirit) a considerable part of what is supplied by the balance. In plain words, this means that the load is being carried by about half a million people—and that means men, women and children. Figure for yourselves as to what that means in taxation on individuals!

Our diagnosis will show that the major cause of British Columbia's present condition is the result of provincial policies—or politics—that have been carried on for a score of years, are deeply seated,

5 Seventh Census of Canada, 1931, p. 5.
6 Seventh Census of Canada, 1931, Bulletin 22, p. 7.
7 Letter from Secretary of the Committee of the Executive Council on Unemployment Relief, April 21, 1933.

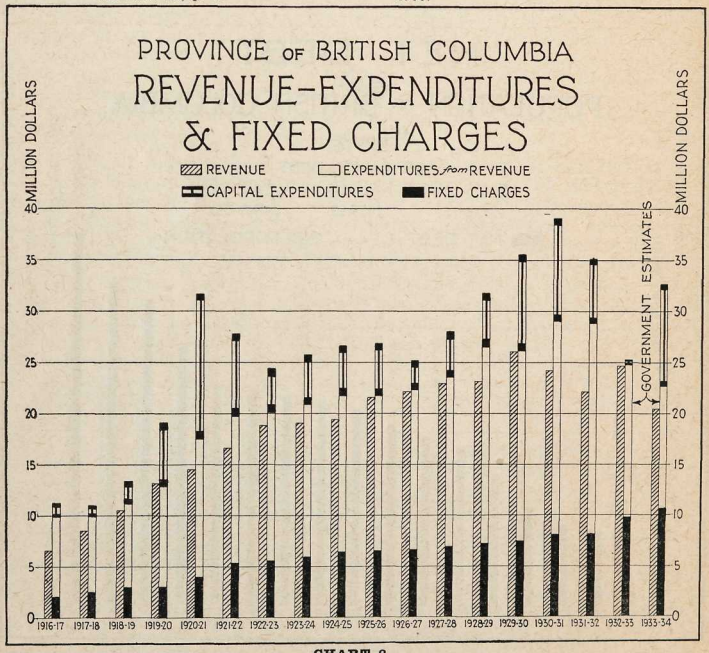


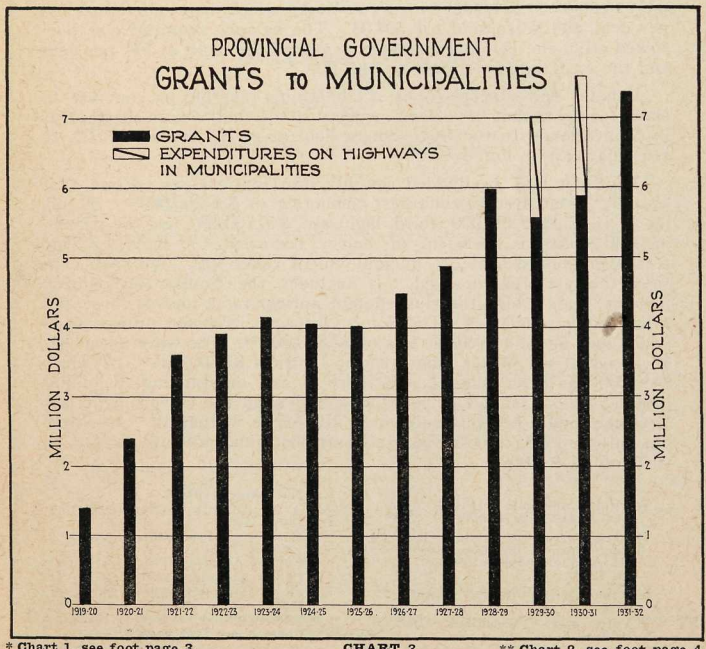
CHART 2.

the purging of which will require a strong physic; the eradication of which will demand a major operation.

Let us examine closely our provincial financial position and compare the growth of the net debt of the Province with the increase in population [8]. You will see that in 1916-17 the net debt was $43 per capita; in 1924-25 it had risen to $128, and it is now $180 per capita*.

Why this great increase? Chart 2** shows the reason. In every year since 1916-17 with one exception, the expenditures from revenue have exceeded the revenue of the province [8] until the accumulated deficits at November 1, 1931, amounted to $36,200,000 [11]. Besides this the Government has borrowed millions for capital expenditures, $10,000,000 being borrowed in 1930-31 alone [12]. The result is that the annual obligations for interest and sinking fund on the borrowed money amounts to $10,670,000 [13], which is more than half the Government's estimated revenue of twenty and one-half million for the fiscal year 1933-34 [14]. I say "estimated revenue" advisedly because, in 1930-31, the actual revenue was $3,800,000 [15] less than the Minister

8 Budget Address, 1932, p. 61.
11 Budget Address, 1932, p. 51.
12 Public Accounts (British Columbia) 1930-31, p. 257.
13 Estimates, 1933-34, p. 5.
14 Estimates, 1933-34, p. 8.
15 Public Accounts (British Columbia) 1930-31, p. N. XII.



* Chart 1, see foot page 3. CHART 3. ** Chart 2, see foot page 4.

estimated and in 1931-32 it fell $5,800,000 [16] short of his estimate. There are several reasons why it probably will be less this year, among others being: legal beer in the United States; statutes which have just been enacted in the States of Washington and Oregon legalizing racing and pari-mutuel betting; an increase in the number on relief from 73,000 last year to 129,100 this year [17], and more particularly the Minister of Finance's reported statement ten days ago that the revenue had dropped to 19 millions [18], which is one and a half million less than he estimates for 1933-34.

Let us consider the following three items of expenditure. The interest and sinking fund now amounts to $10,670,000 [13]. The grants to Municipalities in 1932-33 were $7,327,000 [19]*, and the Government's estimate for pay rolls in 1932-33, exclusive of teachers in rural districts, is $4,100,000 [20]. These three make a total of $22,100,000, which is $1,500,000 more than the Government's estimated revenue for the present fiscal year, and there are highways, P. G. E., mental hospitals, mothers' pensions, and a dozen and one other services to provide for.

Our gross debt is now $156,290,000 [21], of which eighty millions are payable in New York currency. When refunding the four millions which came due on December 15, 1932, the Government sold bonds to the extent of $1,671,000 [22] in New York, which bore interest at 5½ per cent and were sold for $94.03. The balance required was borrowed from the Dominion Government and the bank at 5½ per cent and the exchange amounted to $401,000.

Usually one expects to have something tangible or concrete to show for debts that have been incurred so we shall search the records in connection with the Government debt as at November 1, 1931, to see what can be found.

The debt may be divided roughly into four classes. First, that resulting from over-expenditures, amounting to $36,200,000 [23]; second, the P. G. E., $35,400,000; third, highways, $40,700,000, and the remaining $30,200,000 is made up of money borrowed for buildings, land settlement board projects, unemployment relief, etc. We shall consider the last amount first. It includes the Sumas Reclamation Scheme, upon which the Government anticipates a loss of three and a half million dollars [24]. The South Okanagan irrigation project, upon which they figure a probable loss of $2,850,000 [24]. The Government has advanced to the Water Improvement Districts $3,300,000 [25], of which $930,000 has been rebated and there is still outstanding, including interest $2,977,000. A delegation waited upon the Government last December and asked that another $1,750,000 be written off [26]. (NOTE: On July 8, 1933, the Provincial Government announced its decision to write off $1,465,000).

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16 Public Accounts (British Columbia) 1931-32, p. K. XVI.

17 Letter from Secretary of the Committee of the Executive Council on Unemployment Relief, April 21, 1933.

18 Vancouver Province, March 25, 1933.

19 Votes and Proceedings, April 4, 1933, p. 6.

20 Estimates, 1932-33.

21 A. E. Ames & Co. circular, February, 1933.

22 Votes and Proceedings, March 9, 1933, p. 2.

23 Budget Address, 1932, p. 51.

24 Public Accounts, 1931-32, p. K. VII.

25 Votes and Proceedings, March 13, 1933.

26 Vancouver News, Dec. 1, 1932.

* **Chart 3, see foot page 5.**

With reference to the P. G. E., it has cost the citizens of British Columbia as at December 31, 1932, a total of $73,250,000 [27] and instead of being an asset it is costing the Province approximately two and a half million dollars a year [28].

The Government's experience with projects that should have been carried out by private enterprise has certainly been very costly.

The $36,200,000 due to over-expenditures from revenue account consists largely of administrative and maintenance costs and can show little in the way of tangible assets.

Lastly, we have our highways which are responsible for the largest percentage of the debt, namely, $40,700,000, and we shall examine these arteries of the body politic in greater detail.

Chart 4* shows that in the ten-year period from 1921 to 1931 the rural population has only increased by 22,000 [29], whereas the mileage of

27 Annual Report, P. G. E., December 31, 1932, p. 5.

28 Vancouver Province, June 6, 1933.

29 7th Census of Canada, p. 6.

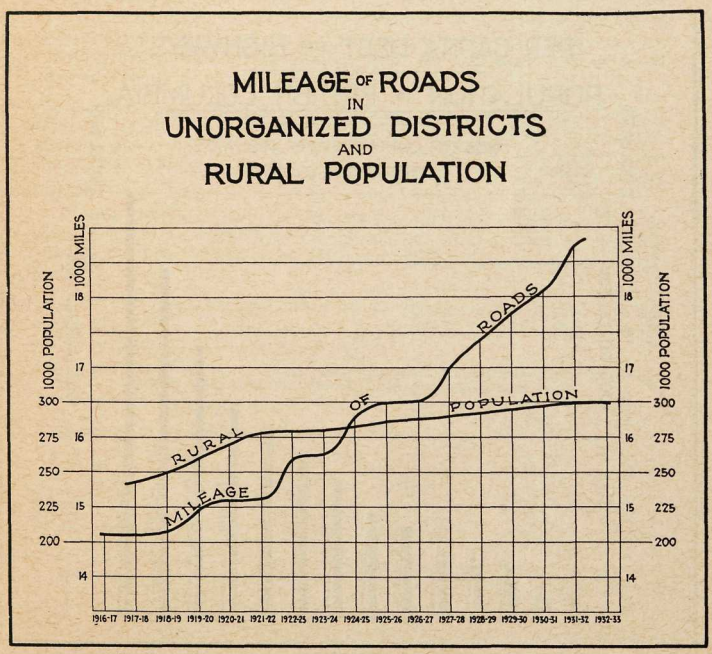

*CHART 4.

roads in unorganized districts in the same decade has increased by 3,500 [30]. I submit that this is out of all proportion to the increase in population!

Again we find* in 1916 the Province of British Columbia had no capital debt for highways, as the cost of new roads up to that time was charged to general revenue. The policy of borrowing for new construction was then introduced and by December 31, 1931, the highway debt amounted to $41,600,000 [31], or $60 per capita. Right here a comparison with highway expenditures in other parts of Canada is interesting. Manitoba, with practically the same population as British Columbia, has a per capita highway debt of $23.60 [31]**. British Columbia has 6,800 more miles of strictly provincial roads than Manitoba, Saskatchewan and Alberta combined, and 3,600 miles more than the Province of Quebec. With the exception of Ontario, British

(NOTE: Wherever reference is made to "Chap. IX, Public Works Department," this refers to a report compiled for the Kidd Committee from data supplied it by the Department of Public Works. Report is on file at Vancouver Board of Trade and Vancouver City Library).

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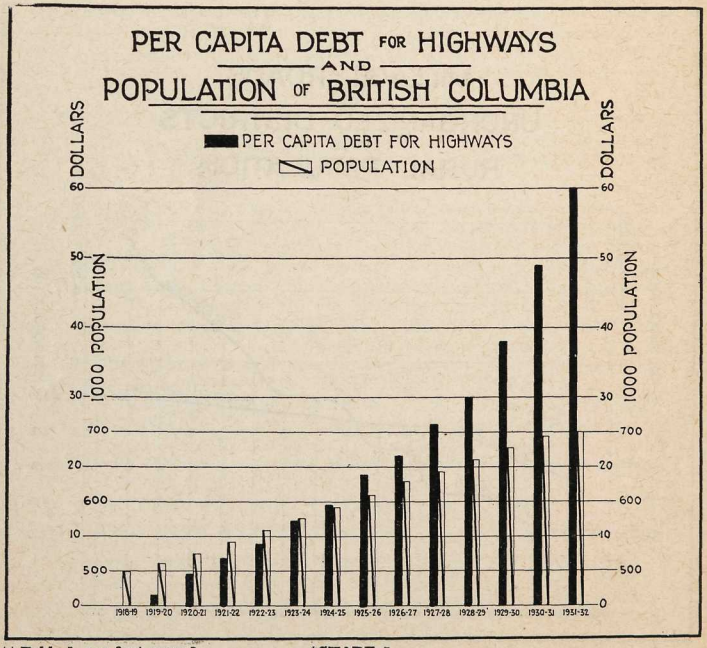
30 Chapter IX, Public Works Department, Table 5 appendix.

31 The Highway and Motor Vehicle in Canada, 1931 (Dominion) p. 15.



** Table 1, see foot page 9.

*CHART 5.

Columbia has the largest highway debt of any province in Canada. In spite of this large mileage and debt the capital expenditures on highways in 1931 was $8,700,000 [32], and new roads have been started that will cost a further $20,834,000 [33] to complete. Many of these highways, like the Hope-Princeton and Prince Rupert roads, are connecting links which will be of little service until completed.

Now the Honourable Mr. Bruhn informed the Legislature on March 29, 1933, that $1,265,000 [34] has been appropriated for the maintenance of roads, bridges, ferries and wharves this year. He also said that ferries would receive $225,000. The Department of Public Works stated last summer that it will cost an average of $800,000 [35] per annum for the next five years to maintain the existing bridge system in British Columbia, and bridges, unlike roads, must be kept safe for traffic or closed. That would leave a balance of $240,000 available to maintain 19,180 [36] miles of road, or $12.50 per mile, whereas in 1920-21 the amount actually spent was $1,494,000 [37] to maintain 15,424 [38] miles of road, or $97 per mile. And motor traffic has increased three and a half fold in that period [39].

As no capital monies have been voted for new work in 1933-34 it is quite apparent that the large programme of new highways under construction cannot be completed and the sections already constructed cannot be properly maintained.

I believe these figures will convince you that the financial and highway problems of our Province are critical, and the latter have been unwisely developed in spite of promises by public men that economies and business administration would be, and were being, introduced.

You expect a Doctor to tell you candidly the condition of your physical body as found by his examination, neither over nor understating the case. That is my purpose with reference to the body politic.

Now let us search still more deeply by taking an X-ray and see if we can locate the cause of our condition in places that are not visible to the eye of the general public.

TABLE 1.—HIGHWAY STATISTICS, DECEMBER 31, 1931

Province—	Population	Miles Road	Highway Debt	Debt Per Capita	Capital Expenditure
Quebec	2,874,255	15,090	$38,877,000	$13.50	$11,872,000
Ontario	3,431,683	17,209	122,566,000	47.40	23,707,000
Manitoba	700,139	1,611	16,546,000	23.60	2,799,000
Saskatchewan	921,785	7,672	28,645,000	31.05	6,702,000
Alberta	731,605	2,549	29,370,000	40.00	4,378,000
British Columbia	**694,263**	**18,667**	**41,604,000**	**60.00**	**8,705,000**

(From Dominion Bureau of Statistics, Canada).

32 The Highway and Motor Vehicle in Canada, 1931 (Dominion) p. 12.
33 Chapter IX, Public Works Department, Table 6 appendix.
34 Province, March 30, 1933, and Estimates, 1933-34, p. 106.
35 Chapter IX, Public Works Department, Table 8 in appendix.
36 Chapter IX, Public Works Department, Table 8 in appendix.
37 Minister of Public Works Report, 1920-21, p. 120, vote 251.
38 Minister of Public Works Report, 1920-21, p. 31.
39 The Highway and Motor Vehicle Dominion, 1931, p. 4.

The X-ray shows that the major cause of our condition is a cancerous growth called "Political Expediency," and my authority for this classification of the disease is none other than the present Minister of Finance. In his Budget Address of 1932, on page 21, he says: "It may be frankly stated that, for many years past, economic principles have been heavily handicapped in contending with political expediency for the determination of public policy. There has been a marked tendency by the people to allow legislative power to cater to popular wishes contrary to sound economic dictates."

This statement was made only after careful investigation on his part, for in his Budget Address of 1931, on page 23, he stated [40], "The greatest truth of all is that, for a period of years, we have not been living within that income which could reasonably be expected, and that certain policies in the past have been so short-sighted as to make one wonder at the utter lack of political economy in the minds of those who framed them or assented to them."

And again he says (page 23): "The time has come when the economic condition of the Province attests to the truth of the warnings I have referred to and compels the exercise of uttermost caution and rigid economy; a time when deaf ears must be turned to all demands for expenditures except those absolutely necessary to the maintenance of an efficient administration." To support these statements, he says, on page 31, that the average adjusted revenues for the 7-year period ending 1929-30 (seven comparatively good years) amounted to $21,698,000 per annum and "allowing for expansion in certain sources of revenues as well as reduction in others on the present basis, the amount which may reasonably be expected to accrue per annum and warrant economic development is some $24,750,000."

Yet in the face of these statements, Dr. Jones brings down a straight "political expediency" budget for 1931-32—the largest budget in the history of British Columbia—totalling, with supplementary estimates, $29,000,000 [41], or $7,300,000 greater than the average for seven good years, and incidentally, the 1931-32 expenditures were actually $29,214,000 [42] plus a further $6,268,000 [43] on Capital Account.

TABLE 2.—EXPENDITURES, PUBLIC WORKS DEPARTMENT

Fiscal Year	Roads: Maintenance Vote, Capital and Miscellaneous	Bridges: Ferries & Wharves	Buildings: Maintenance and Capital	Administration	Equipment Fund	Unemployment Relief	Total
1921	$2,922,231	$755,552	$158,593	$201,621	.....	.....	$4,037,997
1922	3,008,523	803,401	144,139	196,574	.....	.....	4,152,637
1923	3,347,155	1,298,398	1,480,171	207,617	.....	.....	6,333,342
1924	2,991,084	1,276,419	2,464,027	192,953	.....	.....	6,924,483
1925	4,349,683	1,017,785	1,887,252	133,689	.....	.....	7,388,409
1926	3,396,664	955,280	586,806	138,473	.....	.....	5,077,223
1927	4,562,714	1,176,149	624,130	153,435	$255,000	.....	6,771,428
1928	5,202,866	1,227,941	1,049,850	296,335	300,000	.....	8,076,992
1929	7,233,250	1,505,441	1,831,458	343,326	600,000	.....	11,513,475
1930	7,880,008	1,701,422	1,952,570	395,433	800,000	$741,067	13,470,500
1931	3,434,380	1,123,407	347,556	321,131	115,000	2,684,795	8,026,269
1932*	1,508,585	957,500	334,703	198,521	.....	†	2,999,309

* Estimated. † Impossible to estimate unemployment relief.

40 Budget Address, 1931, p. 23.

41 Estimates, 1932, pp. 8, 113 and 117.

42 Public Accounts (British Columbia) 1931-32, p. K. XIV.

43 Public Accounts (British Columbia) 1931-32, p. 239.

The Provincial Government in their reply to the Kidd Committee [44] stated that the cause for such large expenditures was the demand of the public, but Chart 6* shows that the peak years of highway expenditure from current revenue occur every four years and these happen to coincide with election years. They also say "That until the eve of the Session of 1932, when a committee of the Vancouver Board of Trade and other bodies appeared before the members of the Government and members of the Legislature, no noticeable demand on the part of the public for economy had been made but the Government had already for three years been endeavoring to cut down all forms of ordinary expenditure the better to meet a strictly emergent condition in regard to unemployment with over 70,000 men and women registered for relief in the Province."

The Government then gives a table on page 81 ** showing detailed expenditures over a period of years in the Public Works Department and, according to this table, these expenditures during the three years they were "endeavoring to cut down" were the largest in the history

44 Economy (Kidd) Committee Report, p. 59.

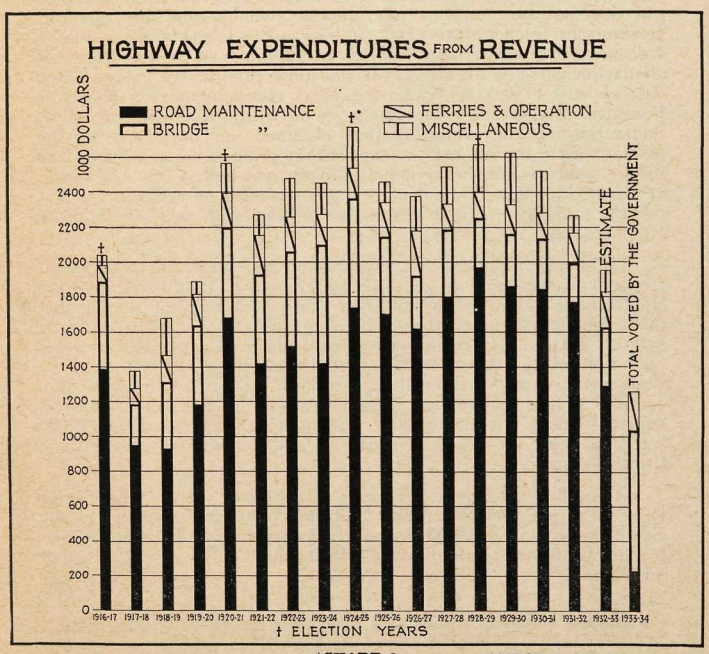


*CHART 6. ** Table 2, see foot page 10.

of British Columbia and approximated the combined expenditures of the preceding five years. The total expenditures in 1930-31 alone (covering both current and capital accounts) amounted to $13,470,000, of which less than $750,000 was for Unemployment Relief.

Let us investigate some of these expenditures and see if we can find the raison d'etre. I shall cite two cases from my own experience.

In 1918, when Chief Engineer of the Department of Public Works and inspecting roads in the Cranbrook district, I saw three good-sized bridges across a ravine within a short distance of each other. In explanation, the Road Superintendent said that a few years before there was a surplus in the District Vote which would revert to the Consolidated Revenue Fund if not spent by the end of the fiscal year. The result was that the middle bridge was built, and when we saw it, several years later, there was no road leading to it. Evidently it was not considered good politics to have an unexpended balance.

In the other case I investigated a request for a bridge at Terrace in the Prince Rupert district. After going over the site with a local merchant and the District Engineer, it was found that there was only one man on the opposite side of the river beside the Dominion Government hatcheries at Lake Lakelse and they had a ferry service. I do not know what the population of Terrace was at that time, but the last census gives it as 350. It was apparent that the bridge would cost at least $150,000. When the local merchant was asked if he honestly thought the Government should spend that sum of money under the financial conditions that obtained, he said "no, but the bridge was promised and we expect that promise to be kept." The bridge, which is not on the main highway, was built a few years later at a cost of $195,666 [45], and the estimated number of vehicles that now use the bridge, some nine years after it was built, varies from 35 to 106 [46] per day.

While men in public life are prone to blame extravagant expenditures upon the demands of the people, on the other hand they are apt to make unreasonable promises when pandering for the support of the public and, as a vote-catcher, a promise of a road or bridge is hard to beat. Let me illustrate what I mean. At the 1928 election both political parties promised to build a bridge at Nelson. Two years ago an eminent Consulting Engineer was asked to prepare an estimate of the cost for the Government and he advised that a steel structure would cost $1,418,000 [35]. Compare this figure with $1,265,000 voted this year for all the roads, bridges, ferries, wharves, etc., in British Columbia.

At the last election a bridge was promised across the Fraser River at North Bend—a small railroad town in a pocket in the mountains—and over $5600 [47] was actually spent on building approaches to this proposed costly bridge, which could only serve one small settlement.

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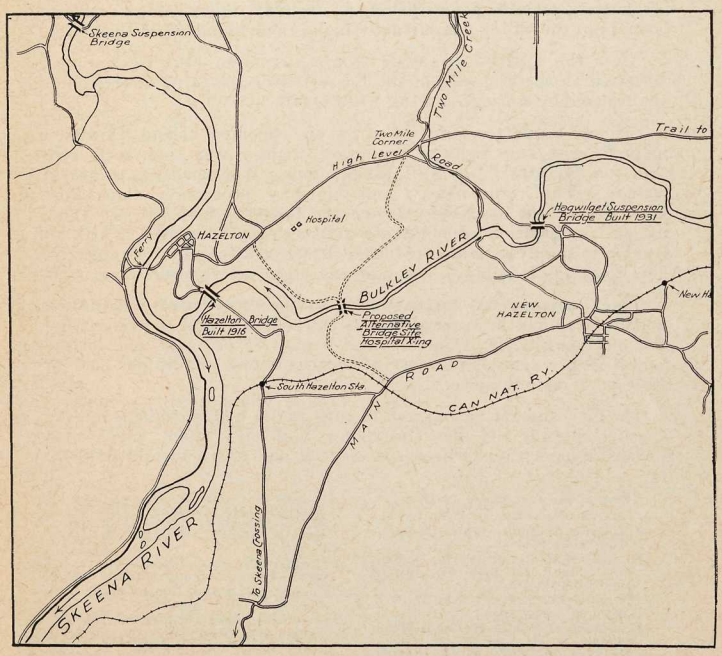
45 Minister of Public Works Report, 1923-24, pp. 127, 129, and 1924-25 pp. 94 and 96.

46 Chapter IX, Public Works Department, Table 8 appendix.

47 Report of Minister of Public Works, 1928-29, p. 149.

Near Hazleton there are two bridges over the Bulkley River within sight of each other*. One was built by the Government in 1916 and the other, a narrow suspension bridge, was built by a private company and later taken over by the Provincial Government. As the suspension (Haguelgate) bridge was unsafe, it was proposed to construct one bridge between the two, that would replace both and which could be built at an estimated cost of $75,000. However, political expediency intervened and the suspension bridge was replaced in 1930-31 at a cost, including surveys of over $200,000 [48], and the question will shortly arise of rebuilding the other bridge, which is now 17 years old. The new Haguelgate bridge is not on the main highway and the traffic over it is estimated at from five to thirty-five vehicles per day. The latter figure probably applied when the bridge was first opened to traffic and was a novelty, today the former figure would possibly be more nearly correct, as the entire white population of the four settlements in that district does not exceed 800 [35].

48 Minister of Public Works Reports, 1927-28 to 1931-32, inclusive.



*MAP 1.

A road has been built from Slocan City to Box Lake, a distance of about 40 miles. The combined population of the four centres along this road does not exceed 900[49] people, and $830,000[50] have been expended thereon since 1924. These towns are on Slocan Lake and have water transportation. This money could have been spent to much better advantage to the citizens of that section of British Columbia by improving the Trans-Provincial highway, which passes through Nelson.

$3,520,000 [51] has been spent on the road from Hope to Princeton via the Cariboo Highway and Spence's Bridge. The new Hope-Princeton road which is under construction will cost $1,300,000 [52] to complete. During the seven months that the Cariboo Highway was open in 1932 the traffic averaged 91 [53] passenger motor vehicles per day. As a comparison, a traffic count taken by the Provincial Government on the New Westminster bridge in April and July, 1929, gave an average of 5100 vehicles per day [54].

Nearly $500,000 [55] have been spent on roads and bridges in the Bella Coola Valley, and a Government report states that "the majority of the settlers seem to prefer fishing to farming, there being only four farmers in the valley who actually make their living off the land."

After the Cariboo Highway from Quesnel to Fort George was relocated on the east side of the Fraser River the ferry at this point was replaced by a bridge at a cost of $199,000 [56].

Six and a quarter miles of road on Nicomen Island, Dewdney district*. cost for highway protection, right-of-way and road construction, $632,000 [57], or $101,000 per mile. The road has a gravel surface. The right-of-way and highway protection alone cost $543,000, and the assessed value of the Island is $415,000. In June, 1932, a combination of muskrats and high water caused a leak to develop in the dyke, which required 10,000 sacks of sand to repair [57a]. This condition is liable to occur at any high water period.

There are four classified highways leading East out of Vancouver*, on two of which the Government pays the entire cost of reconstruction and maintenance; on the third it pays 75 per cent, and on the fourth 50 per cent of the cost of reconstruction and 40 per cent of the cost of maintenance.

The Government has started to construct a fifth road between the Hastings-Barnet and the Grandview highways, upon which road $348,000 [58] have already been spent and it will cost a further $530,000

*** Map 2, see foot pages 16-17.**

49 Census of Canada, p. 113.

50 Minister of Public Works Reports, 1924-25 to 1931-32.

51 Letter from Public Works Department, June 22, 1932 (on file at Board of Trade).

52 Chapter IX, Public Works Department, p. 2 appendix.

53 Minister of Public Works Reports, 1931-32, p. 17.

54 Minister of Public Works Report, 1929-30, p. 78.

55 Report of Public Works Engineer, June 21, 1918. Chapter IX P.W.D., p. 1 of appendix. Report of Minister of Public Works, 1931-32, p. 102-104.

56 Chapter IX, Public Works Department, Table 8 of appendix.

57 Chapter IX, Public Works Department, page 1 of appendix.

57a Province, June 17, 1932.

58 Chapter IX, Public Works Department, Table 7 of appendix.

to complete it, exclusive of paving. The right-of-way cost $112,000.

The Provincial Government has spent $122,500 [59] on the Marsh Road and new ferry approach at Ladner in the three-year period ending March 31, 1932. It was spent before the road was classified as a Provincial highway [60] and therefore contrary to the Highway Act.

This expenditure will be of no service to the Provincial Government if the Ladner bridge is built.

The logical location for the highway to connect the proposed Ladner bridge with Vancouver* is by extending the road due North from the Northerly bridgehead and construct a high level bridge across the narrowest section of the North Arm of the Fraser River. This would not only avoid a swing span but would provide an overhead crossing of the B. C. Electric tracks and would connect with the 120-foot boulevard which is shown on the Vancouver Town Planning Commission's map. This proposal of the Department was practically put out of court when the Government, in 1930, took over and spent $245,700 [61] on the Fraser Avenue bridge and road on Lulu Island. There was no need for immediate action as the Richmond-Woodward Landing road could take care of the traffic without difficulty pending a decision as to which was the better route.

From another viewpoint, the X-ray diagnosis shows a peculiar condition. In the human body every part is supposed to receive a proportionate part of the blood flow. But in examining the Provincial body politic I find that certain parts which form the Electoral Districts from which come Cabinet Ministers have been afforded special attention to no uncertain degree. To illustrate:

With possibly one exception all Court Houses in British Columbia costing more than $100,000 [62] were built in the home towns of Cabinet Ministers after they were elevated to that position**. The Court

**** TABLE 3.—LOCATION AND COST OF LARGER COURT HOUSES IN BRITISH COLUMBIA**

City—	Cost	Population	Year Built
Vancouver (Includes property purchased on Hornby Street, in 1928, at a cost of $120,000 for extension to Court House).	$1,365,560	246,593	1907, 1911-12
Prince Rupert	541,191	6,350	1921-23
Vernon	213,289	3,987	1911-12
New Westminster	186,391	17,524	1898-99, 1914-15
Victoria (Includes property purchased in 1928 at a cost of $75,000 for a new Court House).	181,000	39,082	
Revelstoke	135,189	2,736	1911-12
Nelson	98,396	5,992	
Salmon Arm	35,890	830	1930-31

*** Map 2, see foot pages 16-17.**

59 Minister of Public Works, 1929-30, p. 111; 1930-31, pp. 81-82; 1931-32, p. 73.

60 Gazette, January 19, 1933.

61 Chapter IX, Public Works, p. 3 appendix; Report of Minister of Public Works, 1931-32, pp. 116-117.

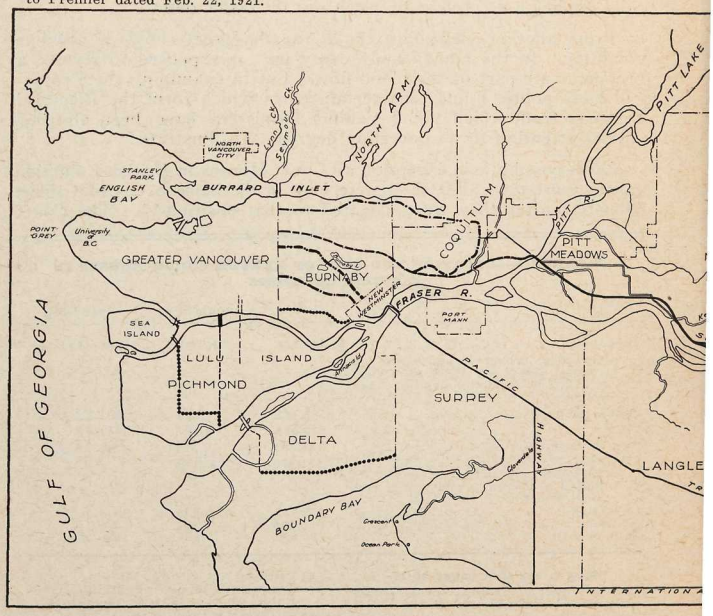
62 Chapter IX, Public Works Department, Table 2 appendix.

House in Vernon was built when the constituency was represented by a Minister of Finance, and the Court House in Revelstoke when the member was Minister of Public Works.

The Court House in Prince Rupert, which city has a population of 6230, cost $541,000, and was built at a time when the financial condition of the Province was not favorable. The late Comptroller-General wrote the Premier in February of the year that this Court House was started and said [63]: "The gross debt is over $50,000,000, and that at the end of 1926, assuming a continuance of the present policy, it would be in excess of $100,000,000, the providing for which will annually absorb practically 60 per cent of the entire revenue of the Province." He goes on to say: "It must be apparent to even the most casual observer that the state of the Provincial finances cannot be regarded with anything but a large measure of anxiety." The Government debt actually reached ninety-nine and one-half million dollars by 1924.

The late Comptroller-General recommended, in the same report, that the Government Agents be reduced to 14. A similar recom-

63 Letter from Comptroller-General to Premier dated Feb. 22, 1921.



mendation was made by the Kidd Committee [64]. However, on November 1, 1930 [65], a Government Agent's office was opened in Kelowna, which is represented by the Minister of Finance and at present there are seven Government Agents in the triangle embracing Kamloops, Revelstoke and Merritt. In Princeton $39,000 [66] was spent on Government buildings in the 3-year period ending March 31, 1931, one of which is a Government Agent's residence, although there is no Government Agent there at present.

In 1930 a Court House was built in Salmon Arm [67], the constituency represented by the present Minister of Public Works. In Penticton, the home town of the present Minister of Mines, property was purchased for the erection of a Court House and plans prepared for a $100,000 structure [68]. British Columbia is the only Province in Canada that maintains Government Agencies. The estimates for 1933-34 include $563,585 [69] for Government Agencies, Assessors, etc.

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64 Economy (Kidd) Committee Report, p. 21.

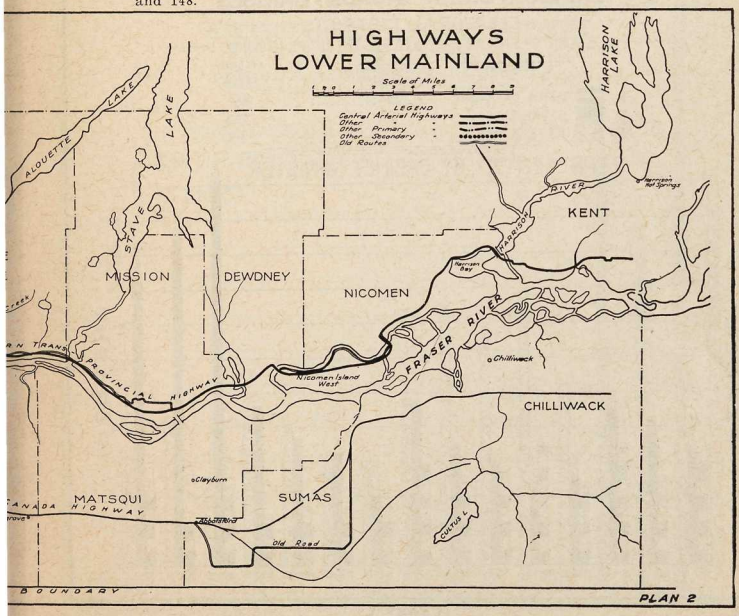
65 Votes and Proceedings, March 29, 1933.

66 Minister of Public Works Report, 1929-30, p. 173; 1930-31, pp. 147 and 148.

67 Votes and Proceedings, March 7, 1933, p. 1.

68 Chapter IX, Public Works Department, Table 12 appendix.

69 Estimates for 1933-34, p. 65.



2.

During the three years following the 1928 election, the total expenditures for highways in the Province was 50 per cent greater [70] than during the three years preceding the election year. However, in Salmon Arm district the increase was over 350 per cent; in Dewdney, 400 per cent; and in Saanich—the Premier's constituency—800 per cent*.

Revelstoke's expenditures on highways during the three years after the 1924 election, when its member was Minister of Public Works, was 500 per cent over the amount expended in the three years preceding 1924, when it did not have Cabinet representation.

In the Prince Rupert Electoral District during three administrations five miles of road from Prince Rupert east [71], one building [72], and one bridge [73] cost over one million dollars, and the population of the electoral district is 8476 [74]—over $124 per capita.

70 Chapter IX, Public Works Department, Table 3 appendix.
71 Chapter IX, Public Works Department, page 2 appendix.
72 Chapter IX, Public Works Department, Table 2 appendix.
73 Chapter IX, Public Works Department, Table 8 appendix.
74 Map of Electoral Districts with population.

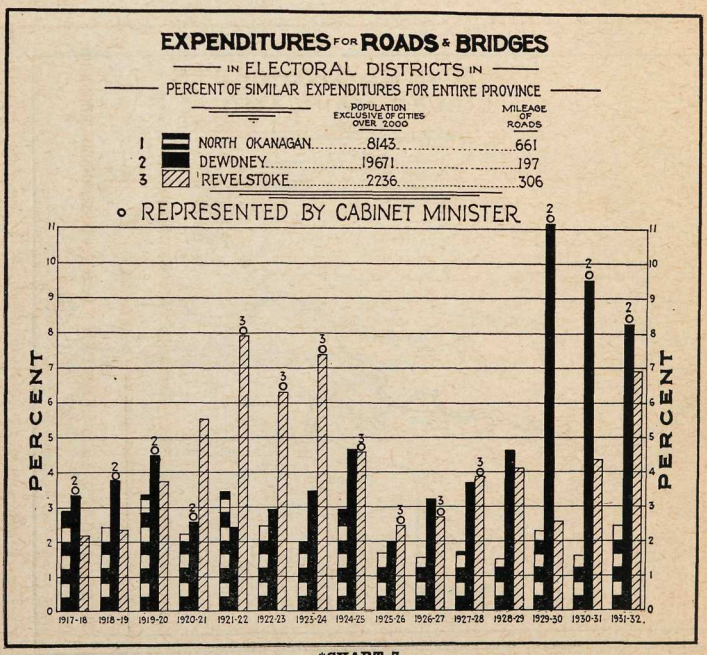


*CHART 7.
(See also Chart 8, page 19, and Chart 9, page 20).

In Dewdney district, with Cabinet representation, $2,170,000 were spent on highways in the 3-year period 1929-30, 1930-31 and 1931-32, or $110 per capita [75].

In 1920 a Highway Act was enacted [76] providing that provincial funds could be expended on highways, in municipalities, only when such highways were designated by Order-in-Council. This very properly corrected a practice then prevailing whereby the recommendation of the local member was usually the deciding factor. But on March 29, 1929 [77] this corrective measure was nullified to a degree by the inclusion of a clause forming part of the loan bill for that year. This clause provided that "such sums, not exceeding in the aggregate $75,000, as the Lieutenant-Governor-in-Council may from time to time direct to be expended in the construction, reconstruction, improvement, protection and surfacing of certain local roads and bridges within municipal limits necessary for extra-municipal traffic or the more convenient use of provincial highways."

75 Public Accounts, 1929-30, 1930-31, and 1931-32.

76 Highway Act, R.S. 924; C. 103, S. 1.

77 Loan Act assented to March 30, 1929, Chapter 36, p. 247.

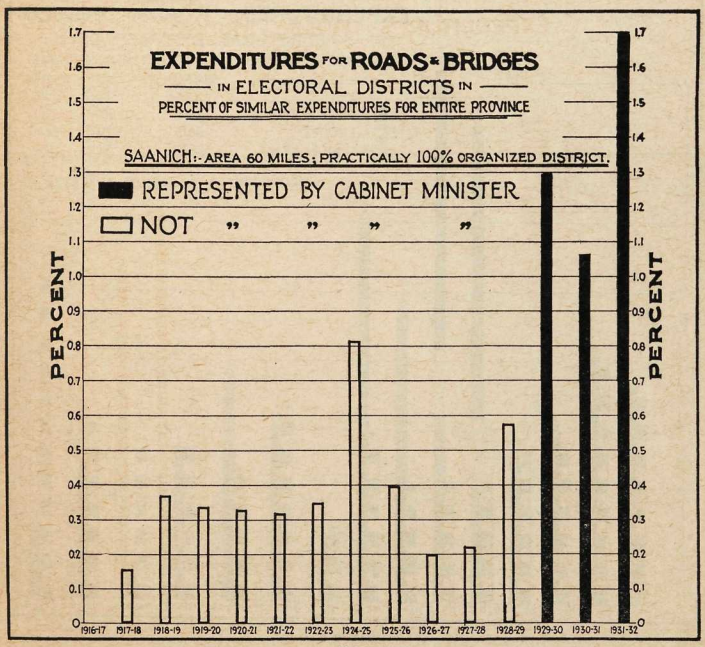


CHART 8.

Under this enactment the sum of $66,000[78] was expended in 1929-30, of which 58½ per cent was upon roads and bridges in the electoral districts represented by four Cabinet Ministers and 24½ per cent was expended in Dewdney—the district represented by the then Minister of Public Works.

Furthermore the classification of highways under the Highway Act has been carried to extremes. For example, since Saanich has had Cabinet representation, the Provincial Government has classified and assumed the responsibility for the entire cost of reconstruction and maintenance of 11½ per cent of the graded roads in Saanich municipality[78a].

In Dewdney Electoral District, represented by the then Minister of Public Works, the Government has classified and pays all or part of the cost on over 28 per cent[78b] of the graded municipal roads in that district.

78 Report of Minister of Public Works, 1929-30.

78a Report of Minister of Public Works, 1929-30, p. 48, and Chapter IX, Public Works Department, Table 4 of appendix.

78b Report of Minister of Public Works, 1929-30, pp. 47-48.

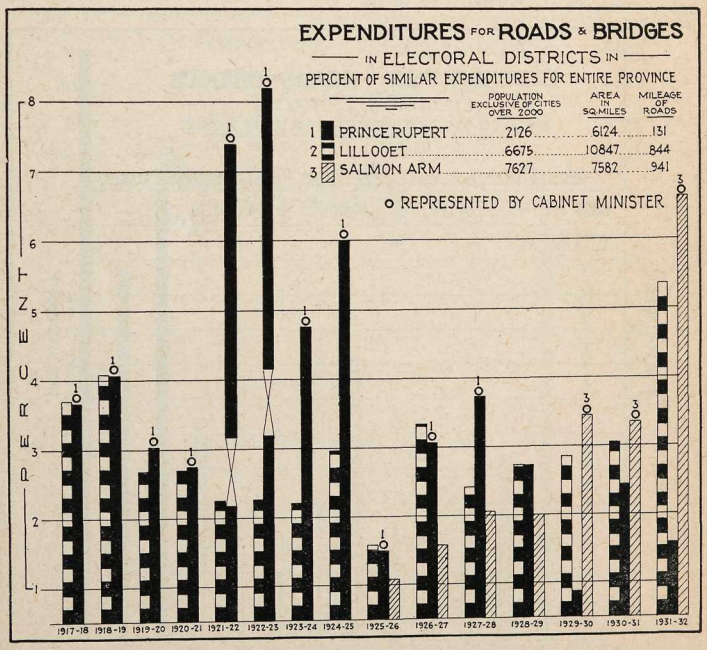


CHART 9.

(Extensions 1921-22 and 1922-23 give percentage, including Court House expenditures).

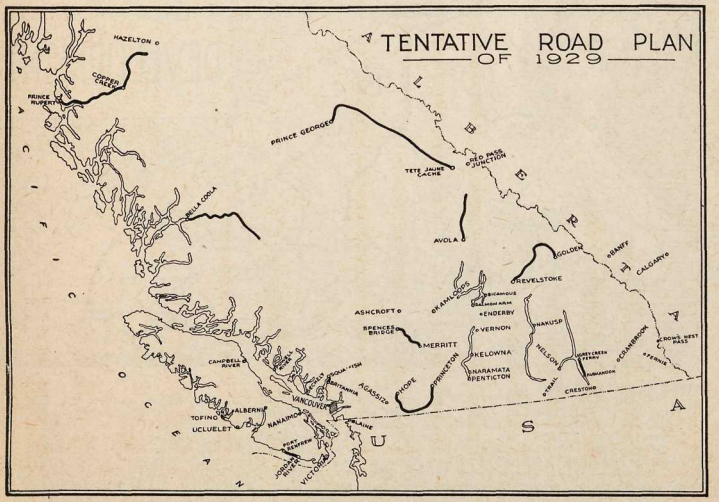
The Government's liberality in this respect is most pronounced in electoral districts represented by Cabinet Ministers. The result has been that in 1930-31 the Provincial Government's share of expenditures on 513 miles of municipal highways amounted to $1,680,000[78c], or 33 per cent more than it has voted this year for all the highways in British Columbia, i.e., 513 miles in municipalities and 18.667 in unorganized districts [78c].

I, in common with many others, felt that when the Honorable Mr. Bruhn became Minister of Public Works there would be a drastic reduction in the extensive highway construction program, but while his personal and public statements indicated that there would be—the charts and maps show that he, too, was inoculated with the virus of political expediency, to what extent I will endeavor to show.

To afford a proper background for my remarks in this connection I should say that at the 1929 meeting of the Good Roads League, at Harrison Hot Springs, Honorable Mr. Lougheed appealed for support for increasing the gas tax from 3c to 5c, saying that by thus raising funds for improving roads the operating cost of vehicles would be reduced considerably. At this meeting he outlined plans for the construction of a number of new roads such as the Prince Rupert Highway, the Hope-Princeton and Big Bend roads, and others. In November, 1929, I prepared a report on nine of these mooted road projects showing that they would cost about $11,000,000 [79], and the carrying charges and maintenance would approach $1,225,000

78c Chapter IX, Public Works Department, Table 5 of appendix.

79 Letter to Minister of Public Works, January 30, 1931.



MAP 3.

annually whereas the estimated increase in revenue by increasing the gas tax would be only $600,000, thus making no provision for improving existing roads. With my report I sent a map* showing how far removed were these roads from the centres in which was the greatest registration of motor vehicles. Yet, when the Minister's road program was brought down, the following spring, it included not only these nine projects but also many others [80].

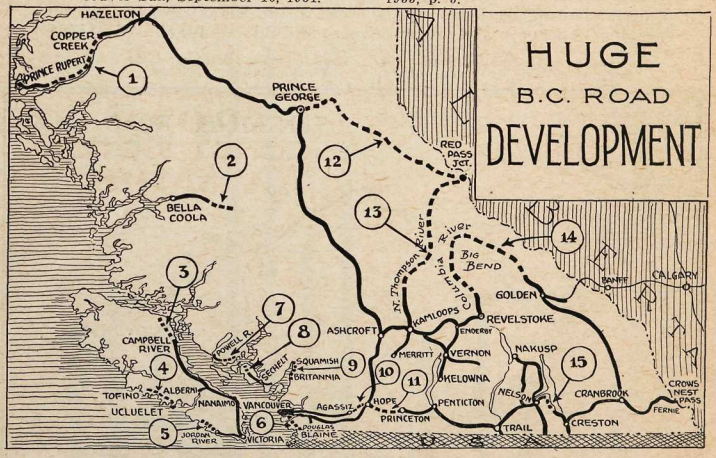
When addressing the annual convention of the Union of British Columbia Municipalities and Good Roads League, at New Westminster, on September 15, 1931, Mr. Bruhn said [81]: "The Government, with limited funds, has 25,000 miles (of roads) to look after, and a halt will have to be called on the construction of new roads, otherwise the Province will never be able to maintain its existing highways." On September 23, 1931 [82], ten days later, the Government highway program was announced and the maps ** appearing in two Vancouver papers showed 15 new roads to be constructed, which would cost about $15,000,000. This program included two roads not in the Lougheed program and, later, the Kelowna-Naramata and the Aldergrove-Bellingham roads were added. On the Kelowna-Naramata project a road camp was built near Naramata at a cost of $5221.66 [83],

80 Municipal News, April 30, 1930, p. 12.

81 Letter to Minister of Public Works, September 21, 1931; Vancouver Sun, September 16, 1931.

82 Vancouver Province, September 23, 1931.

83 Votes and Proceedings, March 16, 1933, p. 5.



* Map 3, see foot page 21. ** MAP 4.

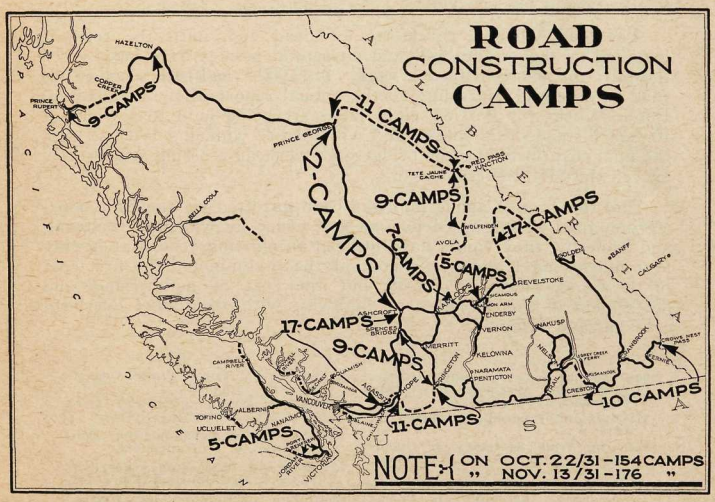
(1) Extension east of Prince Rupert to Copper Creek. (2) Extension east to Bella Coola. (3) Extension north of Campbell River, Vancouver Island. (4) New road between Tofino and Ucluelet. (5) Extension from Jordan River to Port Renfrew, Vancouver Island. (6) Road from new Ladner Bridge to Douglas. (7) and (8) Completion Powell River-Vancouver road. (9) Road between Britannia and Squamish. (10) Road between Agassiz and Hope. (11) Road between Hope and Princeton. (12) Road from Aleza Lake to McBride on Prince George-Red Pass Junction line. (13) Completion of road north from Wolfenden to Swift Current along North Thompson River. (14) Completion of Big Bend Highway along Columbia River. (15) Road between Kuskanook and Gray Creek along Kootenay Lake.

whereas the amount expended on the Kelowna-Naramata road was only $5167. One week after the highway program had been announced, the Minister was quoted on the front page of The Province of October 1, 1931 [84], as saying that "British Columbia is not embarking on a wild road-building scheme" and his statements on that occasion are of particular interest because they showed that he was as conversant with road problems as Mr. Jones was with the financial conditions that obtained. He said: "It is absolutely untrue. We are not embarking on a program of constructing new roads, we simply cannot afford to do it. Our program at the moment only includes new roads which we must finish in the visible future." "It would be folly, in our opinion, to start large road projects and then leave them uncompleted somewhere in the wilderness." "Another point which should not be overlooked," the Minister emphasizes, is "That if we build too many roads at this time we would not have the money to maintain them properly when they are completed. The result will be that all the roads of the Province will be inadequately maintained." . . . . "There is plenty of opportunity for employment on our existing roads and the few new roads that we must build and finish with the money now available."

On October 22, 1931, I secured a copy of a map* showing the road construction camps erected in the Province. This map [85] showed 154 camps, of which 46 of the larger ones were on new roads. In discussing this question with the Minister, some time previously, I had

84 Vancouver Province, October 1, 1931.

85 Map of road camps.



* MAP 5.

strongly recommended closing down the Hope-Princeton, Big Bend and Prince Rupert roads, as the Provincial Government could not finance them to completion. He stated that for certain reasons work on the first two could not be stopped, but no more work would be done on the Prince Rupert highway. On November 13, 1931, the map was brought up to date and it was found that 22 new camps had been built, 9 of which were on the Prince Rupert highway.

On February 20, 1932, when there were 70,616 registered unemployed [86] there were 237 camps. Today, with 53,505 registered unemployed [87], only 79 camps are in use [88].

The 237 camps had accommodation for 18,340 [89] men, and at October 31, 1931, there were 11,353 men in camp [89].

This map also showed that on October 22, 1931, there were five new construction camps on the road between Salmon Arm and Sicamous on what is known as the Canoe-Sicamous cut-off.

The estimated cost of constructing this cut-off is $150,000 [90]. The road has a 12 per cent grade and a dangerous hairpin curve approaching the C. P. R. tracks at Sicamous, and the Railway Board stipulated that the right-of-way at the temporary level crossing to connect with a proposed ferry should be fenced by the Provincial Government and a gate placed on the road at the railroad crossing, to be in charge of the ferryman as far as possible [91]. Thus there would be a ferry and a gate on this new section of the Trans-Canada highway.

This ferry would require replacing later with an overhead crossing that would cost $20,000 [91a], and a costly bridge.

The road will be a cul-de-sac, or dead end, until the ferry is installed or the bridge built and no capital monies have been voted this year for new construction work. $129,000 [92] had been spent on the road to date and, according to the annual report of the Minister of Public Works for 1931-32, eight miles are being built to a width of 16 feet instead of 22 feet [93], and will require widening later so that the final cost, including the bridge and overhead crossing will greatly exceed the $150,000 estimated.

Had the Trans-Canada highway been gazetted via the Kamloops-Vernon road as far as Glenemma and hence by way of Armstrong and Enderby, they would have utilized an existing road that is only four miles longer and would not only have eliminated the first cost of the Canoe-Sicamous cut-off but the cost of maintenance and betterment of this 19 miles of highway with its timber overhead crossing and bridges.

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86 Report of Select Committee of the Legislative Assembly on Unemployment, 1932, p. 5.

87 Votes and Proceedings, March 31, 1933, p. 4.

88 Letter from Secretary of Unemployment Committee, Vancouver, B. C.

89 Report of Select Committee of the Legislative Assembly on Unemployment, 1932, p. 6.

90 Chapter IX, Public Works Department, p. 2 appendix.

91 Order of Dominion Railway Board No. 47668, November 17, 1931.

91a Chapter IX, Department of Public Works, p. 3 of appendix.

92 Votes and Proceedings, March 7, 1933, p. 2; B. C. Journal, 1932, p. 142.

93 Minister of Public Works Report, 1931-32, p. 10.

On account of this large program which was being carried on I had an interview with the Honorable Mr. Jones the day he addressed the Board of Trade here, in April, 1932. He then stated that the new regulations of the Treasury Board gave him greater control over expenditures, which control he intended to exercise. In placing the suggestions before him on April 15th [94] of that year the last two paragraphs of my letter were as follows:

"Your Budget expenditures this year total about twenty-five million dollars. I cannot help but feel that the revenues will fall several million short of this amount, particularly as the average revenue over a period of seven good years was only $21,700,000. I believe it would, therefore, be advisable to notify the different Departments to keep their expenditures to a minimum during the early months of the year so that, if revenue is falling off, the expenditures also can be curtailed. In the Public Works Department, particularly, there is always the possibility of unusual weather conditions causing damage to roads and bridges that will require extraordinary repairs, and this year there is half a million dollars less for maintenance than there was last year.

"I believe it would be inadvisable to undertake any program of surfacing highways this year in view of the above conditions, so that as much money as possible will be available for the contingencies mentioned."

On June 17, 1932 [95], an advertisement appeared in the local press calling for the laying of pavement on the Salmon Arm-Sicamous Road, in the Minister of Public Works' district, and on a road in the Dewdney district, represented by the Minister of Lands.

On June 26, 1932, nine days later, Mr. Bruhn in again addressing the Union of British Columbia Municipalities, this time at their Nelson convention, stated [96]:

"That if ever there was a time when men should forget their party that time was the present. What matter if one went into oblivion if he knew that he had done what he believed to be best for all the people as a whole?" He continued: "Perhaps it is a little dangerous for me to say this, but it is my opinion that in the United States and Canada personal or party advantage has usually taken precedence over the country's welfare."

On August 5, 1932 [97], Mr. Bruhn instructed engineers to spend no more money on maintenance of roads, as the Finance Department had ordered a cut of $600,000. However, new construction work was continued on the Big Bend, Hope-Princeton and other roads. I am informed that the work on the Hope-Princeton road was not closed down until December 15th last; the construction of the Aldergrove-Bellingham road continued until February, 1933, although the relief camp was closed on December 15, 1932, and work is still continuing on the Canoe-Sicamous cut-off.

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94 Letter to Hon. Minister of Finance, April 15, 1932.

95 Journal of Commerce, June 17, 1932.

96 Nelson News, June 27, 1932.

97 Vancouver Province, Aug. 5, 1932.

In the year 1929-30, when Mr. Lougheed was Minister of Public Works for the full year, there was spent on highways in Dewdney district the sum of $927,700 [98]. This was over 11 per cent of the entire expenditure of the Province on highways, and amounted to $47 per capita.

In 1931-32, when Mr. Bruhn was Minister of Public Works for the entire year, including the Dominion Government's share of unemployment relief there was spent on highways in Salmon Arm district $400,500 [99], which amounts (exclusive of Indians) to over $52 per capita.

Leaving now consideration of highway expenditures in the district represented by Mr. Bruhn, let us briefly glance at some instances of administration and work carried out under the Public Works Department in other parts of the Province.

Last year a bridge was built at Nanaimo. The lumber for forms and scaffolding was supplied by a man who did not have a mill, and the price paid was $20.69 per thousand feet B. M. [100]. A fair price at that time was about $11 or $12 per thousand feet B. M.

A man from Victoria was placed in charge of construction of the Central Arterial Highway [101], Burnaby, in January, 1931. He was paid a salary of $240 a month, a living allowance of $30 a month and provided with a car and chauffeur at the Government's expense. In the adjoining office at New Westminster an engineer—a graduate of Queens University who has been in charge of work in that district for about ten years—was demoted to road foreman at a net salary of around $150 per month. Several of the other engineers were similarly demoted. A general foreman was appointed in another district who was an ex-grocer, and, in a third, the general foreman was an ex-hardware salesman. The latter is a brother of the member for this district.

The following is an extract from a letter which passed between two Government Engineers some time ago, but could apply to many Electoral Districts throughout British Columbia at any time during the last ten years:

"The local member dictated the policy of the Department and dismissals were the order of the day. Six out of nine foremen were changed at once, one general foreman (without any experience) and two additional foremen were appointed. The mechanic was changed, not for the better. At the instigation of the local executive, this man or that was discriminated against in the matter of employment and recommendations by the same executive regarding the appointment of certain men as sub-foremen and for other work had to be observed.

The member assumed the position of supervisor, encouraged the foremen to report direct to him and insisted upon employment of the hangers-on of his own political persuasion, whether competent or not.

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98 Minister of Public Works Report, 1929-30, p. 115.

99 Public Accounts, 1931-32, pp. 206, 230, 241, 250, 272, 279, 293, 298, 323, 334.

100 Votes and Proceedings, March 13, 1933, p. 3.

101 Votes and Proceedings, March 16, 1933, p. 5.

Regarding the purchasing of supplies, certain firms or individuals were to be favored, and I have been informed at different times that a purchase from some other person has created a delicate situation, even when the matter was dealt with by the Purchasing Agent, and not through the local Public Works office."

The following is an extract from a letter from another engineer who had been in the employ of the Government: "During over 20 years of practical experience with contracting and industrial concerns, I have never seen an organization on a par with this organization for inefficiency or petty politics, although they have some very clever engineers in this Department, and no doubt some men who would become very highly rated engineers if given the opportunity. This inefficiency is quite apparently caused by politics and patronage, and all employees are hampered by some form of political pull or strife. Engineers and other employees cannot give their best services to the Department, owing to having to be on guard at all times. in an effort to avoid offending politicians of both political parties, and are unable to devote their whole time and energy to their work on account of continual pressure or interference from all classes of politicians. With the result that it has lowered the efficiency and morale of engineers, and has not given them the required time to concentrate on their work."

It can readily be realized what the loss through inefficiency has been when such conditions obtained while the Government was spending millions of dollars on work done by day labor.

Up to March 31, 1931, the Government has purchased machinery at a cost of $3,400,000 [102]*. Twenty-eight power shovels were purchased at a cost of $277,589, and 82 snowplows at a cost of $122,402, some snowplows costing as much as $3510 each.

Although, on March 31, 1931, the Government had on hand plant valued at millions of dollars, in the summer of that year an Austin grader was purchased at a cost of $5047. It was of foreign manufacture, weighed 14,400 pounds, and was sent to Duncan. A fair price f.o.b. Duncan at that time was $4610. I was informed that there was no tractor in the district heavy enough to haul it and finally it was shipped to another part of the Province.

*** TABLE 4.—ROAD MACHINERY AND EQUIPMENT.**

Year	Plant Purchased Cost	Cost of Repairs
1916-17 to 1926-27	$668,675	
1926-27	126,588	
1927-28	341,705	$ 4,961
1928-29	513,513	31,036
1929-30	895,535	145,556
1930-31	870,100	246,773
	$3,416,116	$428,326

(NOTE: These amounts are exclusive of cost of tools and equipment).

1929-30 to 1931-32 — Purchased 28 power shovels at cost of $277,589.

1929—Purchased 2 power shovels at cost of $23,124. Cost repairs $11,029; (traded in August, 1931, at valuation $3100).

1929—Purchased 2 Ryan Graders; cost $9703 (weight 9800 pounds each. One sent to Salmon Arm, one to Cariboo).

1931—Purchased 1 Austin Grader; cost $5047 (weight, 14,400 pounds. Foreign manufacture. Sent to Duncan. Fair price in 1931, f.o.b. Duncan, $4610).

Purchased 1 power shovel; cost $10,777; (weight 19 tons. Sent to Kelowna. Highway Act limits load on unpaved highway to 10 tons in summer and 7 tons in winter, without special permit).

Purchased 86 snowplows; cost $122,402. (Price varied from $368 to $3510 each).

(NOTE: Tenders were not called for the purchase of machinery).

102 Chapter IX, Department of Public Works, Table 11 appendix.

Of the power shovels two were purchased in 1929 at a total cost of $23,124. The cost for repairs was $11,029, and they were traded in in August, 1931, at a valuation of $3100. The total cost for repairs to plant in the fiscal year 1930-31 was $246,773. Tenders were not called for the purchase of machinery.

My examination of the body politic has been as complete as time will permit. It has not been an altogether pleasant task for me to lay bare—for you to hear and see—the lamentable condition in which the Provincial body politic is today. Yet this condition is the natural result of party politics as carried on in this Province over a term of years. I have outlined to you instances of Provincial expenditures made because of pledges made during election campaigns. Remembering that under Canadian law it is an indictable offense to bribe a voter and reviewing the lavish promises of party candidates in this Province for roads and bridges, I wonder under what classification such pledges should come. And this wonder is the greater inasmuch as many of the highway expenditures I have mentioned in my remarks are admittedly economically unsound. Political expediency is, to my mind, a mild term for instances of this character.

As to the general operation of Government in power at Victoria over a long term of years I find that, regardless of what party was in power, political expediency has been the general order of the day. To what end? To developing an insidious and destructive cancerous growth in the body politic that threatens its life. This deadly growth is now deep-seated because it has apparently been allowed to get a firmer hold while Government after Government has functioned. It has spread and poisoned the whole system until the body politic has become the body political. The stage has now been reached when heroic action is necessary. The cancer must be removed and the treatment of the patient changed from "bleeding" to a rigid diet.

How can this be accomplished?

Let us again turn to Mr. Jones, the Government's financial physician, for advice; because his advice is sound although he himself does not always follow it. He says "the three essentials are [103]:

"(1) the assembling of facts;

"(2) to make the people thoroughly familiar with such facts;

"(3) a remedial policy."

The facts can be secured from the Minister's Budget Address and Government reports, but although these addresses are just bristling with startling statements about our critical financial conditions, I think I am safe in saying that not one-tenth of one per cent of the citizens ever saw them—let alone read them.

However, last summer a committee of business men, known as the Kidd Committee, prepared a report which, if judged by the discussion it caused, has jolted the public out of its apathy. Whether or not we are in accord with all of its recommendations, we must agree that it rendered a very valuable service to the community. It

103 Budget Address, 1932, p. 21

accomplished something that nothing else in years has been able to do. It aroused public interest in public affairs. The men who served on that committee without remuneration, and the business men who provided the funds to meet the cost of clerical and other expenses in preparing the report, deserve the sincerest thanks of the citizens of British Columbia and of the Dominion of Canada, as I understand that the appointment of a National Committee on Economy in public finance was made by the Canadian Chamber of Commerce as a direct result of the work of the Kidd Committee. This National Committee is now publishing valuable bulletins on Governments—Federal, Provincial and Municipal.

The educationists have been criticized for criticizing the report. But in the light of our investigation showing such waste and extravagance, I think that consideration should be given to the fact that their branch of the service—a most important one—was promptly subjected to severe cuts while at the same time the waste was continuing.

The Provincial Government's total pay roll, according to the estimates for 1933-34, is only 5½ per cent less than it was in the estimates for 1932-33 [104].

The estimates for 1932-33 show a material reduction in staff compared with the previous year [105], but the majority are still in the employ of the Government with the salaries charged to votes where the individual positions do not appear in the estimates.

In the peak year of construction, when the Public Works Department spent nearly thirteen and one-half million dollars, one District Engineer was in charge of Engineering District No. 2. Today there are two District Engineers. The same applies to Engineering District No. 5 [106].

A comparison between [107]* the cost of our Mental Hospitals and the University is illuminating. From figures that appeared in Votes and Proceedings of the Legislature dated March 27, 1933 [108], the three Mental Hospitals in British Columbia have cost an average of $965,300 per annum during the last three years for maintenance and operation. If the interest and sinking fund on the Capital invested [107] were added at an average rate of 8 per cent, which is conservative, the total cost of the Mental Hospitals in 1931-32 amounted to $1,318,000. This compares with $782,000 [109] for the University of British Columbia in the same year. The number of inmates of the hospitals was 2607 [110] and the number of students attending the University was 2772 [111].

A new unit was built at Essondale Mental Hospital and completed in 1932 that has cost, with furnishings, $673,000 [112], but it has not been used on account of lack of funds.

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* **Chart 10, see foot page 30.**

104 Estimates, 1932-33, and 1933-34.

105 Estimates, 1932-33, p. 106.

106 Chapter IX, Department of Public Works, Charts 3, 4 and 5 of appendix.

107 Annual Reports on Mental Hospitals, 1916-17 to 1931-32.

108 Votes and Proceedings, March 27, 1933, p. 7.

109 Public Accounts, 1931-32, pages 64 and 65, and Public Accounts, 1916-17 to 1931-32.

110 Annual Report, Mental Hospitals, 1931-32, p. 35.

111 Letter from Registrar of University of British Columbia, March 22, 1933.

112 Votes and Proceedings, March 27, 1933, p. 7.

The 1933-34 estimates provide $764,370[113] for maintenance and operation of the three Mental Hospitals compared with a grant of $250,000 for the University[114]. We have to look to the University and not the Mental Hospitals for public leaders to revitalize this diseased body politic which the rising generation will fall heir to.

My criticism of the educationists would be that, in endeavoring to point out the unfair treatment they were getting they befogged the main issue.

I am satisfied, however, if waste and extravagance were first removed and then all essential services reduced as they must be—but on an equitable basis—that the educationists would heartily co-operate and it will require the united efforts of all the more thoughtful elements of society to bring about the drastic changes that are absolutely necessary.

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113 Estimates, 1933-34, p. 92.
114 Estimates, 1933-34, p. 42.

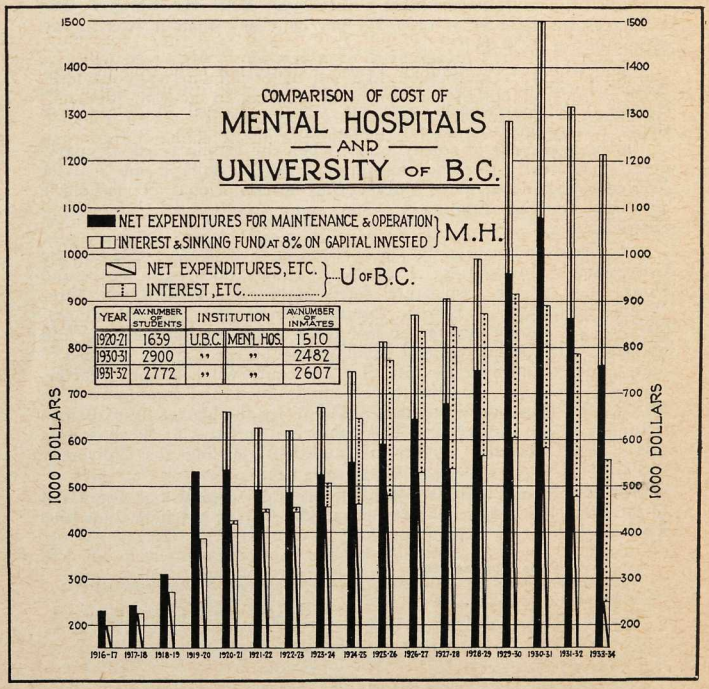

CHART 10.

The second essential is to make the people thoroughly familiar with the facts, and, I might add, all the facts and nothing but the facts, and these must be in such simple form that the man on the street can understand them. That is your job and mine. No remedy can be effective unless supported by public opinion and we want not only an aroused but an informed public opinion.

Third, a remedial policy can only be carried out by men of courage, integrity and experience, who will face the facts and correct conditions without fear or favor.

Those men must have freedom of action on matters of principle and important policies and not be bound by that octopus, the Caucus.

The floor of the House and not the Caucus is the place where the members should be free to express themselves. That was the original intent of Parliament.

Constructive criticism from within will be much more effective than destructive criticism from without.

Another matter of vital importance is to have as our representatives, men with the courage of their convictions. Men who will give the public the facts even though it be neither popular nor considered good politics. Men who instead of attempting to meet the demands of their constituents will, to again quote the Minister of Finance, "educate the public to realize that many a public clamor is economically unsound" [115].

Finally, we need as our representatives men of character who will practice what they preach.

The Honorable Winston Churchill, in the Sunday Dispatch, said [116]: "The language of statesmen in all countries becomes increasingly urbane, and their sentiments ever more elevated. But when these statesmen have finished making their public speeches, they go back to their offices or Cabinet Councils and hold very different talk among themselves. This gap between public professions and reality, between what the people are told and they—the Governments—are doing, has now become so wide that it is a positive duty to draw attention to it."

I have endeavored to "draw your attention to IT" as prevailing in British Columbia. And now, to use the words of the popular song, "What To Do About It?" Are we, in view of the conditions I have outlined, to "put out the light and go to sleep?" That is not the spirit of the stock from which we spring. The conditions I have pointed out were man-made—and where men in weakness have erred men with courage can correct. That this is true is proven by the action of the Motherland in accepting and working out the policies

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115 Budget Address, 1932, p. 21.
116 The Vancouver News, December 27, 1932.

of the May Commission, which has brought about a rehabilitation of Governmental policies and activities, the results of which have astounded the world. What we need in British Columbia today is a change of policy behind which there is a change of heart. The call is for intelligent leadership dominated by that spirit of honesty—absolutely honesty—which is the keystone of the Oxford Group Movement rather than the policy of political expediency which has landed us where we are today. May God send us leadership of that type—men who, with an informed electorate solidly behind them, shall lift this Province from the morass of political expediency in which it is now sinking and set its feet upon solid ground over which we may proceed to the fulfillment of the visions of greatness to which the boundless resources and geographical location of British Columbia entitles us as our birthright.

As the issue of this address is necessarily limited it will be appreciated if the recipient, after reading, will pass the copy on to some friend or neighbor.