THIRD ANNUAL REPORT

OF

THE LAND SETTLEMENT BOARD

OF THE PROVINCE OF

BRITISH COLUMBIA

FOR THE YEAR ENDING

DECEMBER 31ST, 1919

PRINTED BY
AUTHORITY OF THE LEGISLATIVE ASSEMBLY.

VICTORIA, B.C.:
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1920.

To Colonel the Honourable EDWARD GAWLER PRIOR,

A Member of the King's Privy Council for Canada,

Lieutenant-Governor of the Province of British Columbia.

MAY IT PLEASE YOUR HONOUR:

I have the honour to submit for your consideration herewith the Annual Report of the Land Settlement Board for the year 1919.

E. D. BARROW,

Minister of Agriculture.

Department of Agriculture,

Victoria, B.C., March 19th, 1920.

LAND SETTLEMENT BOARD OF BRITISH COLUMBIA,

VICTORIA, B.C., March 17th, 1920.

The Honourable E. D. Barrow,

Minister of Agriculture, Victoria, B.C.

SIR,—I have the honour to transmit herewith the Third Annual Report of the Land Settlement Board for the year ending December 31st, 1919.

I have the honour to be,

Sir,

Your obedient servant,

W. S. LATTA,

Director.

Land Settlement Board of British Columbia.

Land Settlement.

During the year the Land Settlement Board has succeeded in establishing settlement areas in the vicinity of Prince George, Martin Lake, Alexandria, Rose Lake, Smithers, Francois Lake, Tatalaska Lake, Colleymount, and 10-Mile Lake respectively.

The benefits to be derived from the establishing of such areas are manifold. Many of the owners of land within such areas are now making a serious effort to develop their holdings in order to comply with the regulations of the Board. Others who find it inconvenient to utilize their lands are selling same to the Board at their appraised values, the Board in turn disposing of the lands so acquired to settlers who are in a position to utilize same.

The absentee owner or speculator is being forced into activity, and is now carrying on an energetic colonization campaign and disposing of his holdings to *bona-fide* settlers at reasonable prices in order to escape the conditions imposed by the "Land Settlement and Development Act" and the regulations of the Board.

An energetic educational campaign has been carried on with a view to interesting the settlers now on the land as to the best means of utilizing their farms.

Realizing that the Cariboo and Central British Columbia is specially adapted for dairying, and that the future success of the farmer in these districts will depend largely on the dairy cow, the Board has succeeded in interesting the farmers in this important industry, with the result that large numbers of them have, with the assistance of the Board, already procured the nucleus of dairy herds, and thus the foundation of an important industry has been laid.

Arrangements are now under way by which creameries will be established at different points, and the farmers are taking a lively interest in the construction of silos, several of which have already been built, with a view to economic feeding, the Board rendering assistance by distributing educational literature, furnishing plans, etc., and making arrangements whereby the material necessary for construction may be procured at reasonable prices.

Land Development.

Early in 1919 the attention of the Land Settlement Board was directed to the need for organized land-clearing to be undertaken in order to provide new areas for cultivation and production in the heavily timbered lands of Vancouver Island and Southern British Columbia.

It was recognized that adjacent to some of the best agricultural districts in the Province heavily timbered areas existed on which soil conditions were highly favourable to agricultural production, but that these were lying idle on account of the heavy initial work required to clear and make available such areas for cultivation.

Steps were taken to make a selection of typical areas with a view to undertaking land-clearing on a large scale. At the same time the need for measures to provide land for returned men who were desirous of taking up farming was so great as to compel immediate action along the lines indicated above.

Two main areas were selected, one comprising 14,000 acres of logged-over land in the Comox District, seven miles north of Courtenay; another in the Kootenay, near Creston, the latter containing 7,000 acres of land partially logged off.

Two smaller areas were acquired, one of 440 acres near Kelowna and one of approximately 1,000 acres near Fernie. These two, however, cannot be taken as typical areas for purposes of comparison.

In all areas a detailed survey was made and plans for the subdivision into farm units to suit local conditions were adopted.

The following are the average sizes of farm units in the various areas: Courtenay, 50 acres; Creston, 20 acres; Kelowna, 15 acres; Fernie, 80 acres.

It was decided as a general guide to development-work that the farms would be partially cleared, a proportionate acreage, varying from 5 to 20 acres, being fully cleared on each and a further similar acreage partially cleared for pasture. House-construction was undertaken in the two main areas.

The policy adopted by the Board with regard to the actual settlement of the areas was to employ in the development-work men who were desirous of obtaining farms ultimately. It was considered that the fitness of all such men for the work and management of a farm would be determined to a very great extent by their personal records in the development phase. This has been proved correct, and at the present time it is considered that, while development and cultivation of farms should be carried forward with all possible speed, the actual turning-over of such farms to individuals should be delayed until all possible steps have been taken to assure success.

Thus, while at Courtenay there are 200 acres that will be ready for crop in the coming season and at Creston approximately 100 acres in a similar state, it is considered desirable if possible to continue with the further development of the areas, using all available men for this purpose, while at the same time making full use of the land already available for cultivation.

Apart from the above plan, it will be advisable to allow a number of men who are well qualified to take up loans under the Soldier Settlement Board and to operate their own farms in the coming year. Arrangements are now complete with the Soldier Settlement Board to enable this to be done in a manner satisfactory to this Board.

Agricultural representatives are at work in both areas giving instruction to settlers and supervising cultivation of available land.

In addition to clearing operations, approximately 1,600 acres at Courtenay were seeded down last autumn for pasture. This area is being fenced and will provide adequate grazing for the community needs.

Owing to the increased cost of lumber, steps have been taken at Courtenay and Creston to secure a permanent supply at a cost uniform with that obtaining at the commencement of the work. At Creston a valuable timber limit is being acquired lying immediately adjacent to the area. A sawmill plant having a capacity of 20,000 feet per day will be installed.

It is considered that the manufactured lumber available by this means will be ample for all future requirements and that the requirements of the sawmill and logging-work will give additional employment to the settlers.

It is of interest to note that the land on which the timber referred to is located is of very good value for agricultural purposes and will be available ultimately for settlement.

In summarizing work completed in the development areas up to the end of the year, returns for land-clearing show that over 300 acres have been fully cleared, 350 acres blasted ready for grubbing, and 700 additional acres rough cleared; 1,600 acres have been seeded down for common pasturage. Eighty temporary and thirty-five permanent houses have been erected.

Over 300 returned soldiers have received constant employment at wages ranging from $4 per day upwards. Of the above, 100 married men with families have been accommodated in the areas, and schools at Creston and Courtenay have been erected to accommodate over 120 children who are of school age.

Stores are operated at Courtenay and Creston to supply the needs of the settlers, all profits being divided amongst the people in the settlements in proportion to the amount of purchases.

A community centre has been laid out at Courtenay, with provision also for a number of small tracts of land for workmen.

AGRICULTURAL LOANS.

The lending of money on agricultural lands during the past season's operations has been of very material benefit to the farmers of British Columbia in enabling them to increase agricultural production by the purchase of stock, implements, machinery, etc., and to clear and bring under cultivation more land. The fact that only a very small percentage of the borrowers are in arrears and that no foreclosures were necessary points to a very healthy state of affairs in this branch of the Board's work.

DYKING COMMISSIONERS.

The Board has also acted during 1919 as Dyking and Drainage Commissioners for the Sumas Dyking District, West Nicomen Dyking District, and Cameron Drainage District.

AGRICULTURAL CREDIT COMMISSION.

Report of Loan Applications for the Year ending December 31st, 1919.

On Hand at January 1st, 1919.

11 appraised			$25,250 00
Disposed of as follows:—	Applied for.	Granted.	
1 granted	$ 6,000 00	$6,000 00	
2 rejected	6,000 00		
8 pending	13,250 00		
	$25,250 00		
26 unappraised			$22,150 00
Disposed of as follows:—			
7 withdrawn		$ 7,950 00	
19 awaiting appraisal		14,200 00	
		$22,150 00	

Report of Applications during 1919.

11 appraised (as at January 1st, 1919)			$25,250 00
Disposed of as follows:—	Applied for.	Granted.	
1 granted	$ 6,000 00	$6,000 00	
2 rejected	6,000 00		
8 pending	13,250 00		
	$25,250 00		

Eight Applications pending Action as at January 1st, 1919.

Application No.	Amount.	Remarks.
36	$ 500 00	Dominion homestead.
79	850 00	Enemy alien.
193	3,000 00	"
270	500 00	"
539	1,000 00	"
725	4,400 00	"
757	2,000 00	"
1233	1,000 00	"
8	$13,250 00	

26 unappraised		$22,150 00
Disposed of as follows:—		
7 withdrawn	$ 7,950 00	
19 awaiting appraisal	14,200 00	
	$22,150 00	

Nineteen Applications awaiting Appraisal as at January 1st, 1919.

Application No.	Amount.	Remarks.	Fees.
600	$ 1,000 00	Dominion homestead	$ 5 00
631	1,000 00	" "	5 00
749	500 00	" "	2 50
755	350 00	" "	2 50
827	500 00	In appraiser's hands	2 50
864	600 00	Dominion homestead	5 00
974	500 00	" "	2 50
1019	500 00	" "	2 50
1024	1,000 00	" "	5 00
1154	250 00	" "	2 50
1180	1,000 00	" "	5 00
1194	500 00	" "	2 50
1202	2,000 00	" "	7 50
1358	500 00	" "	2 50
1377	500 00	" "	5 00
1385	500 00	" "	2 50
1401	1,000 00	" "	7 00
597	1,500 00	" "	7 50
1355	500 00	" "	2 50
19	$14,200 00		$77 00

STATUS OF AGRICULTURAL CREDIT COMMISSION LOANS AS AT DECEMBER 31ST, 1919.

382 loans in force as at end of 1918 for		$773,350 00
1 loan cancelled during 1919	$ 750 00	
40 loans have been paid off during 1919	79,350 00	
41 loans disposed of as at December 31st, 1919	$ 80,100 00	
382 loans in force	$773,350 00	
41 loans disposed of	80,100 00	
341 loans in force as at January 1st, 1920, for	$693,250 00	
4 loans granted, principal not yet paid	$ 4,300 00	
Amount still due to borrowers		$ 4,238 00
Balance of loans as at December 31st, 1919—		
Principal	$639,086 58	
Interest	6,495 62	
		645,582 20

ACCRUED INTEREST ON VICTORY LOAN BONDS.

Amount.	Due Date.	No. of Days.	Rate.	Interest.
			Per Cent.	
$ 53,250 00	December 1st	31	5½	$ 248 74
110,150 00	November 1st	61	5½	1,012 48
$163,400 00				$1,261 22
	Less amount now credited			379 72
				$ 881 50

REVENUE AND EXPENDITURE ACCOUNTS FOR YEAR ENDING DECEMBER 31ST, 1919.

A.C.C. Accounts.

Expenditure.		Revenue.	
Proportion expenses, L.S.B.	$ 7,857 65	Interest on deposits	$ 1,314 93
Postage and stationery	157 85	Interest on loans	46,964 05
Depreciation, furniture and equipment (10 per cent. written off)	54 60	Interest on Sinking Funds	5,249 79
Appraisers' expenses	32 75	Appraisal fees	15 00
Legal expenses, trustee fees	200 00	Legal fees	79 26
Interest on debentures	45,000 00	Balance, being deficit for year carried to balance-sheet	7,744 93
Interest rebates	240 95		
Interest on deferred payments, Victory Loan bonds	116 00		
Exchange and discount	13 96		
U.S. premium on coupons	1,582 20		
Discount on debentures, 1/25 written off	6,112 00		
	$61,367 96		$61,367 96

STATEMENT OF ASSETS AND LIABILITIES AS AT DECEMBER 31ST, 1919.

A.C.C. Accounts.

Assets.			Liabilities.	
Cash in bank—			Debentures, due May 1st, 1941	$1,000,000 00
Canadian Bank of Commerce—			Appraisal fees (unearned)	77 00
Current Account		$ 26,975 77	Coupons unpaid	1,327 50
Coupon Account		1,327 50	Accrued interest on debentures	7,500 00
Discount on debenture sales		130,389 34	Accounts payable	25,829 57
Furniture and equipment		500 00		36 11
Loans on security of first mortgage		639,086 58		
Interest outstanding on loans		6,495 62		
Accrued interest on loans		10,305 63		
Sinking Funds		164,683 00		
Victory Loan bonds	$163,400 00			
Canadian Bank of Commerce	21 78			
Accrued interest on Victory Loan bonds	1,261 22			
Balance—				
Deficit as at Dec. 31st, 1918	$ 47,261 81			
Deficit for year ended December 31st, 1919	7,744 93			
		55,006 74		
		$1,034,770 18		$1,034,770 18

Deficit, 1916	$19,015 32
„ 1917	22,200 92
„ 1918	6,045 57
„ 1919	7,744 93
Total deficit	$55,006 74

LAND SETTLEMENT BOARD.

REPORT OF LOAN APPLICATIONS FOR THE YEAR ENDING DECEMBER 31ST, 1919.

1918 Applications.

9 appraised ..... $ 16,100 00

Disposed of as follows:—	Applied for.	Granted.
1 granted	$ 2,000 00	$1,400 00
2 rejected	6,500 00	
6 pending	7,600 00	
	$16,100 00	

24 unappraised			$ 34,850 00
Disposed of as follows:—			
7 granted	$12,250 00	$11,150 00	
11 rejected	12,900 00		
6 awaiting appraisal	9,700 00		
	$34,850 00		

1919 Applications.

180 applications			$452,650 00
Disposed of as follows:—			
85 granted	$178,250 00	$151,650 00	
62 rejected	207,800 00		
33 awaiting action	66,600 00		
180	$452,650 00		

STATUS OF LAND SETTLEMENT BOARD LOANS AS AT DECEMBER 31ST, 1919.

217 loans in force as at end of 1918 for		$468,850 00
100 loans granted during 1919 for		183,700 00
317 loans granted for		$652,550 00
19 loans cancelled during 1919 for	$30,650 00	
21 loans have been paid off	37,700 00	
40 loans have been disposed of for		68,350 00
277 loans in force		$584,200 00
36 loans granted, principal not yet paid	$88,100 00	
Amount still due to borrowers		86,487 49
Balance of loans as at December 31st, 1919—		
Principal	$472,885 76	
Interest	3,755 30	
		476,641 06

STATEMENT OF ASSETS AND LIABILITIES AS AT DECEMBER 31ST, 1919.

Assets.

Cash and advances—		
Cash in hand	$ 604 51	
Cash in bank	260 73	
Advances to Directors and sub-offices for expenses	1,200 00	
		$ 2,065 24
Loans—		
Loans granted	$621,900 00	
Less amounts due to borrowers	145,258 94	
		476,641 06
Accrued interest—		
On loans	$ 7,496 88	
On live-stock sales	506 74	
On land-sales	1,327 68	
		9,331 30
Accounts receivable—		
Live-stock sales	$ 40,028 17	
Agricultural Credit Commission	24,603 86	
Sundry accounts	299 95	
		64,931 98
Carried forward		$ 552,969 58

Brought forward			$ 552,969 58
Land purchases and development—			
Area.	Purchase Price.	Development Costs.	
Courtenay	$ 64,898 86	$255,059 69	
Creston	82,834 85	115,657 61	
Kelowna	33,070 50	17,960 21	
Fernie	12 50	20,055 22	
Telkwa	27,668 35	2,022 10	
Vanderhoof	64,690 66	4,720 84	
Marten Lake	4,067 32	1,251 56	
Prince George	42,117 29	1,176 42	
Lot 341, R. 5, C.D.	3,215 35	.....	
Cranbrook	4,741 99	539 90	
Smithers	.....	917 24	
Rose Lake	.....	750 20	
6-Mile Lake	.....	274 00	
Alexandria	.....	490 60	
Francois Lake	.....	1,931 49	
	$327,317 67	$422,807 68	
		327,317 67	
			750,125 35
Investigations—			
10-Mile Lake (lands)		$ 422 81	
Barrett Ranch (lands)		1,360 64	
Sayward District (lands)		235 40	
Pritchard (lands)		777 89	
Beaver Valley (lands)		308 90	
Elk Creek (drainage)		60 80	
			3,166 44
Dyking and drainage projects—			
Capital Account—			
Cameron drainage		$ 6,570 63	
Sumas Dyke		26,216 94	
Cherry Creek		1,490 85	
Maintenance Account—			
West Nicomen Dyke		3,317 68	
			37,596 10
Office furniture and equipment (less depreciation)			2,355 00
Office alterations			700 00
Motor-car (less depreciation)			600 00
Stationery			400 00
Balance—			
Deficit as at December 31st, 1918		$ 16,731 67	
Deficit for year ending December 31st, 1919		51,856 52	
			68,588 19
			$1,416,500 66

Liabilities.

Loans—		
Provincial Treasury		$1,315,897 92
Accounts payable—		
Sundry	$ 1,971 38	
Development areas	57,277 55	
		59,248 93
Carried forward		$1,375,146 85

Brought forward		$1,375,146 85
Land-sales receipts—		
Part Lot 341, R. 5, C.D.	$ 550 00	
Telkwa Area	16,094 81	
Vanderhoof Area	22,948 66	
Courtenay Area	64 24	
Marten Lake Area	1,447 60	
		41,105 31
Appraisal fees unearned		248 50
		$1,416,500 66

STATEMENT OF REVENUE AND EXPENDITURE FOR YEAR ENDING DECEMBER 31ST, 1919.

Expenditure.			Revenue.		
Salaries—			Appraisal fees		$ 885 00
Directors	$ 7,987 25		Exchange, discount, and commission		24 81
Office staff	13,118 14		*Legal fees*		725 20
		$21,105 39	Interest—		
Travelling expenses—			On loans	$33,445 72	
Directors	$ 7,759 10		*Less* rebates	1,321 54	
Office staff	296 14			$32,124 18	
		8,055 24	Live-stock sales	1,527 56	
Office expenses—			Bank deposits	260 73	
Stationery	$ 690 28		Land-sales	1,549 60	
Postage	375 00		Dyking and drainage projects	1,202 75	
Telegrams and telephone	160 00				36,664 82
		1,225 28	Agricultural Credit Commission, proportion of operating expenses		7,857 65
Sub-offices—			Balance, being deficit for year, carried to balance-sheet		51,856 52
Vancouver (salaries and expenses)	$ 1,654 47				
Kelowna (expenses)	84 60				
Cranbrook (expenses)	210 55				
		1,949 62			
Interest on Treasury loans		47,772 72			
Rebates on returned soldiers' land purchases		14,919 10			
Publicity, pamphlets, etc.		544 75			
Expenses *re* live-stock purchases		356 19			
Depreciation—					
Furniture and equipment	$270 29				
Alterations	542 81				
		813 10			
Costs of investigations written off—					
Palling lands	$194 70				
Rippon lands	67 68				
Leistikow lands	141 60				
Kitwanga lands	28 00				
Fort St. James lands	32 75				
Burns Lake lands	56 95				
Gold Creek lands	13 00				
Nazko River lands	33 50				
General lands	80 00				
"Empress of Asia" scheme	178 00				
		826 18			
Directors' removal expenses		446 43			
		$98,014 00			$98,014 00

I hereby certify that the accompanying balance-sheets and revenue and expenditure statements are in agreement with the books of the Land Settlement Board (including the separate books of the Agricultural Credit Commission), and exhibit a true and fair statement of the financial position of the Board as at December 31st, 1919, and the result of the operations for the year ended that date.

A. N. MOUAT, C.A.,
Comptroller-General.

Victoria, B.C., March 11th, 1920.

VICTORIA, B.C.:
Printed by WILLIAM H. CULLIN, Printer to the King's Most Excellent Majesty.
1920.