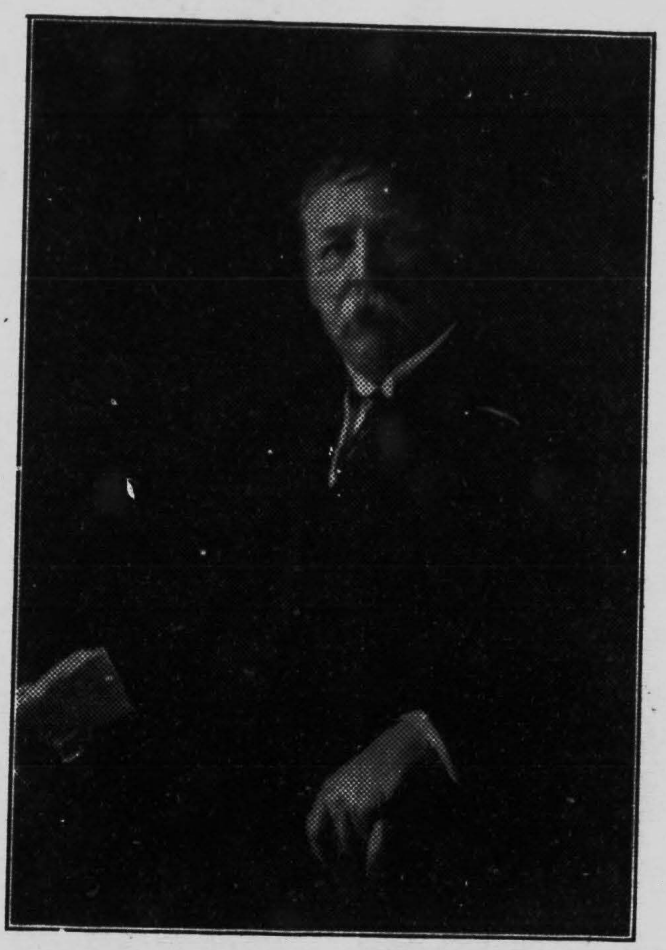
Abstract of the budget speech by Hon. Price Ellison, Minister of Finance, in the Legislative Assembly, February 23rd, 1912

ABSTRACT
OF THE
BUDGET SPEECH
BY



HON. PRICE ELLISON
MINISTER OF FINANCE

In the Legislative Assembly, February 23rd, 1912, containing the ANNUAL FINANCIAL STATEMENT of the PROVINCE and a Comprehensive Review of the Progress and Conditions of BRITISH COLUMBIA

1912

"I look forward, therefore, sir, to a still greater stimulus in the lumber trade of 1912, especially as there will be a larger amount demanded provincially owing to our development.

SUPPLY OF PULPWOOD

"It may perhaps be added that the supply of pulpwood in the Eastern United States has been hopelessly insufficient for the present needs of their people, and that they already import one quarter of the whole raw material for their paper mills from Canada, and that we are also exporting to them $4,000,000 worth of manufactured pulp for the paper mills of the Eastern States.

"I look forward, Mr. Speaker, to a rapid growth in that industry. I may be permitted to add, before passing from this subject, that the completion of the Panama Canal in eighteen months time cannot but have enormous influence in the development of our lumbering trade. It can hardly fail, in fact, to become by far the most profitable of our staple industries.

"The cheaper freight rates which will necessarily accompany the opening of the canal must give an unprecedented stimulus, and will at the same time prevent a recurrence of periods of depression.

"As my colleague, the Minister of [illegible]s, has already pointed out, with an easy means of communicati[illegible] secured to us by water as well as by land, the depletion of the w[illegible]ld's timber in other regions cannot fail to make the timber output of our forest lands a most permanent source of revenue for generations to come.

"This Province more than two years ago outstripped Quebec in the production of lumber, while in 1910 her output was on a par with that of Ontario. It does not require the eye of a prophet to see that, with a vast proportion of her virgin forests still untouched, she will, in proportion to her size, take a prominent place within a year or two among the greatest timber producing countries in the world.

PAPER MAKING INDUSTRIES

"In order to bring about this end, and to encourage the establishment of the paper making industry in the Province, the Government granted in 1901 twenty-one year leases of pulpwood forests to companies on liberal terms. In 1903 the law granting pulp leases was repealed. The annual rental now paid under these leases is, as the House knows, two cents per acre and a royalty of twenty-five cents per cord of pulpwood cut. Four companies are now either erecting or operating plants. The British Canadian Wood Pulp and Paper Company, the Swanson Bay Forests Wood Pulp and Lumber Mills, the Ocean Falls Company, Bella Coola, and the Powell River

Paper Company. As a proof of the prosperity of the industry, the last-named company is filled up with orders for all the paper and pulp which it can produce.

"I may be permitted to add, perhaps, one more word about the pulp trade.

"The legislation of 1901 relating to the encouragement of the pulpwood and paper making industries gave the first impulse to what will one day be the greatest trade of British Columbia.

"I believe that the mills of Powell River, Swanson Bay, Howe Sound and those of the British Columbia Wood Pulp and Paper Company, vast as they are, are but the pioneers of an enterprise which will fling its tentacles all over the world.

"Moreover, sir, as I said in the House in my introduction of the Land Bill two years ago, we have in this Province a combination of the three factors which together insure the prosperity of the pulp and paper trade—factors without which the industry can nowhere be successfully maintained. These three factors are: (1) Cheap water power, (2) cheap timber, (3) cheap transportation in close juxta-position. Washington, Oregon and California have the two last, but they lack that most essential factor—cheap water power.

"My conviction is, therefore, that we can always compete successfully against other producing countries in capturing the pulp trade.

MINING DEVELOPMENT

"I regret that it is not within my power to furnish to the House the same satisfactory report on the mining industry that was possible last year.

"The cause is within the knowledge of every member of this House. Fortunately, it is a cause of only temporary significance, a cause which has already been removed, and which I am sure I am expressing the sentiments of every one here when I say—a cause which should never recur.

"I allude, of course, to the strike in the Crow's Nest Company's mines at Fernie.

"My colleague the Premier expressed his hope that before long some machinery would be found which would operate successfully and without injustice to any, by which such deplorable industrial disturbances may in future be avoided.

"I echo that hope, and should like to add my personal belief that not only could such machinery be found, but that it ought to operate more quickly and more effectively than the arbitration board, which carried on their protracted sessions with little success for so many months of last year.