

OCT

1939

Tuesday, October 31, 1939.

Colorful Opening Ceremonies Are Lacking As Legislature Begins Wartime Session

TROOPS DRESS IN WAR GARB

By B. A. McKELVIE.
Daily Province Staff Correspondent.
VICTORIA, Oct. 31.—With traditional ceremony but without much of the pomp and display that characterized previous functions of its kind, the third session of the nineteenth Legislature of British Columbia was formally opened by Hon. Eric W. Hamber, Lieutenant-Governor, this afternoon.

The solemnity of the Empire at war was evidenced as the members gathered to hear His Honor address them. The guard of honor—usually resplendent in scarlet and gold, with medals glistening and jingling—was garbed in the dull drab of field uniform. Service ribbons decorated the tunics of some of the officers, but medals were absent.

Outside the building, where ordinarily a brightly-armed guard is drawn up for inspection by His Honor, as field guns boom out in salute, the picked men from the Princess Patricia's Light Infantry—one of the units destined for the first overseas division—stood rigidly at attention, wearing service uniforms. The white pith helmets that made a white line against the grey stone of the Parliament pile was gone. Steel helmets formed the line today.

In keeping with the occasion, His Honor laid aside his Windsor uniform and wore formal attire.

NEW MEMBERS SEATED.

The speech was short. It reiterated British Columbia's adherence to the purpose of prosecuting the war.

After His Honor had retired, prayers were read by Rt. Rev. Harold E. Sexton, the lord bishop of Columbia.

With usual formality, Mrs. Laura E. Jamieson, newly-elected C.C.F. member for Vancouver Centre, and Arnold J. McGrath, Liberal, the new representative for Cranbrook, were introduced to Mr. Speaker Whittaker and were seated.

Then following a custom that goes back into the dim mists of the parliamentary past, Attorney-General G. S. Wismer presented a bill, "An Act to Amend the Supreme Court Act," and moved its first reading. This established the right of the Commons to transact the business of the people before considering that of the King.

KING MOVES REPLY.

Messrs. Leary, Kenny, Straith, Maitland and H. E. Winch were named as a committee to select members for the standing committees of the session.

Numerous departmental reports were filed.

Before concluding, on motion of Premier Pattullo, seconded by R. L. Maitland, M.C., Conservative leader, a resolution bespeaking the genuine nature of the House

at the passing of the late Fred Crone, member for Vancouver Centre, was passed by a standing vote.

The sitting was then adjourned. At the meeting of the House tomorrow, Tom King, member for Columbia, and Glen Braden, member for Peace River, will move and second the reply to His Honor's speech from the throne.

B. C. TO START OIL DRILLING IN PEACE AREA

Geologists Report Some
Prospects, Throne
Speech States.

SHORT SESSION

By Daily Province Staff Correspondent
VICTORIA, Oct. 31.—British Columbia will drill for oil in the Peace River district, following examinations made in the area by geologists for the government, it was announced in the speech from the throne at the opening of the Legislature this afternoon.

Reports by the experts indicate there is a good possibility of striking oil.

TO SPEND \$200,000.

British Columbia will spend \$200,000 next year boring for oil in the Peace Country, Premier Pattullo stated later.

An appropriation will be included in the estimates for the putting down of at least one hole.

The government is determined to explore the area thoroughly. The region which is claiming attention, the Premier said, is about seventy miles in length, with an undetermined width.

The first hole may not prove successful, but it will provide valuable information for further drilling operations. The \$200,000 is the initial outlay for drilling.

In touching upon the proposal to drill for oil, Lieutenant-Governor E. W. Hamber said:

"For the past two years geological examinations have been made in the Peace River area for the purpose of determining the possibility of oil-bearing zones. These examinations, which had their inception some twenty years ago, have resulted in favorable indications, and you will be asked to make an appropriation to enable drilling operations to be carried on next year."

SHORT SESSION.

The speech foreshadowed a short session of the House, saying that "other than some essential measures" the government will not submit an extensive legislative programme.

"A year ago we were grateful to realize that the immediate threat of war had been removed for the time being although grave apprehensions for the future still existed. Today, war—unrelenting and ruthless—is devastating Europe and Asia and its repercussions are vitally affecting the whole world," said His Honor.

"Following the declaration of war against the German Reich by Great Britain and France, Canada, through its Parliament, also declared war against the Reich.

B. C. OFFERS AID.

"My government thereupon informed the Dominion Government that British Columbia was prepared and anxious to co-operate to the very fullest extent with Dominion authority in the prosecution of the war to a successful conclusion.

"That the Allied powers shall be successful is not only necessary to their future existence as nations, but upon that success depends also the freedom and liberty of the peoples of other nations, now living in constant fear and dread of conquest or actually suffering under the weight of ruthless oppression.

"It is very gratifying to know that individuals, welfare and economic organizations, corporations and public bodies have so patriotically and so unanimously volunteered their services in the prosecution of the war and, with a united and determined Empire in co-operation with our faithful Allies we can hope for a successful outcome."

AUTO FEES DECREASE

B.C. INCOME TAX UP

Levy Nets Increased Revenue of \$2,700,000

(By Canadian Press.)

VICTORIA, Oct. 31.—Hon. John Hart, British Columbia minister of finance, told the Legislature in his public accounts today that \$10,002,606 was collected from income taxation last year.

This was an increase of \$2,700,000 over collections for 1937-38, and was regarded as extremely significant as a gauge of expanding business conditions in the province.

The rate of taxation was not changed. The income levy produced nearly a third of the entire provincial revenue.

Other sources of revenue did not show any such spectacular changes, income tax alone accounting for record revenue collected by the treasury.

From auto license fees \$2,826,440 was collected, a drop of \$44,000 from the previous fiscal year, and from gasoline taxes \$3,284,485, an increase of \$120,000. This made a total of \$6,110,925 collected from motorists.

Liquor profits were \$3,892,119, down \$200,000. Other major sources of cash included land taxes \$1,641,541, up \$83,000; timber royalties \$1,655,950, down \$310,000; fuel oil taxes \$422,863, down \$98,000; succession duties \$704,780, down \$560,000; races tax \$171,723, up \$2000.

Details of the public accounts appear on the financial pages.

B.C. Government Reports Surplus of Nearly \$4,000,000 In Year of Record-Breaking Revenue

Sinking Fund Shortage Listed At \$15 Million

By Daily Province Staff Correspondent
VICTORIA, Oct. 31. — From an all-time revenue high of \$32,639,825 for the year ending March 31, 1939, the government made expenditures totalling \$28,664,445, leaving a surplus of \$3,975,380, according to public accounts filed in the Legislature.

While there exists a shortage of \$15,000,000 in the sinking funds, the major part of the surplus was applied to debt redemption. Two million of the surplus sum was utilized for retirement of a short-term loan on July 8, while sinking funds were augmented by \$926,729, and \$47,649 was used in cash as part payment on a treasury bill. The total application of the surplus to redemptive purposes was \$2,974,379, leaving a surplus balance of \$1,001,000.

This balance was applied to unemployment relief costs.

BORROWINGS LISTED.

The government borrowed \$2,966,100 on the open market to finance relief, and \$546,551 from the federal treasury for the same purpose. In addition a small balance from former borrowings was used for relief.

Had the maturities which were retired from current revenue been refinanced, it would not have been necessary to have approached the open market for the loan for relief purposes.

The cost of relief in B. C. to the Provincial and Federal governments for the year amounted to \$6,904,935.87. Of this total the Dominion paid \$2,385,873.99 and the province \$4,519,061.88.

According to the statement of provincial assets and liabilities shown in the balance sheet, there is a surplus of assets amounting to \$22,077,543.48 being an increase for the year of \$2,798,992.15.

VALUE DOUBTED.

The value of the annual balance sheet as shown in the public accounts has long been the subject of argument, as it is frankly admitted that many of the assets are quoted at figures that do not represent their realizable value.

In this category the P.G.E. is carried at a value of \$83,197,202, although the comptroller-general adds a footnote to the effect that it is a book value only "as the ultimate realizable value can not be determined at this date."

The same comment is made respecting Dyking Assessments Adjustment Act 1905, of \$627,083.33 and of Land Settlement Board amounts totalling \$5,056,735. University endowment lands carried as an asset at \$2,184,937.84 is another item of which the comptroller-general expresses doubt as to its real worth.

Listed liabilities include: Debenture debt of \$122,108,236; mortgage on B. C. House, London, \$80,625; current account

borrowings, \$1,000,382.98.

Short-term borrowings on treasury bills reached the high total of \$40,223,117.03, of which \$6,190,906.48 was owing to the Canadian Bank of Commerce; \$32,957,210.55 was due to the Dominion Government, mostly on unemployment relief advances, and \$1,075,000 was outstanding on miscellaneous treasury bills account.

The Legislature Meets

THE 1939 session of the British Columbia Legislature, which opened today at Victoria, is not likely to be a very exciting one. Owing to the war, there is a political truce of sorts in the province, and this, while it does not mean the abandonment of criticism, must mean that the edge of criticism will be somewhat blunted.

But, though the session is not likely to be exciting, there is no reason why it should be unfruitful. The co-operation of the parties should, for once at least, yield as much as the clash of party combat. The great issue of provincial rights being buried for the present—and more or less discredited by events in Quebec—there is not really very much to fight about.

But there is a great deal to do all the same. Canada is at war and war is the principal preoccupation of the Federal Government. All the more reason why the local governments should bend their shoulders to the wheel and take up the job of looking after home affairs as far as they can. The home fires must be kept burning. The home industries, which with us are to quite an extent war industries, too, must be kept busy.

War-time is always a time of difficulty and anxiety. War involves lives and careers. It dislocates business. It interferes with the ordinary course of life. The Provincial Government, if it would help to the extent of its power, might make itself a buffer against some of the severer blows which war aims at individuals, and the Legislature might encourage the government to do this.

Nor is there any reason why war should be allowed to interfere unduly with the regular course of reform. If there are ameliorations which would have been made had war not come, there is warrant for bringing them into effect without too much delay. The war acts as brake enough on the wheels of progress. There is no need of adding to its sinister power.

C.C.F. ANSWER HITS MAITLAND

The C. C. F. party has issued a reply to a statement made by R. L. Maitland, K.C., leader of B. C. Conservative party at its annual meeting here. Mr. Maitland said that the C. C. F. is a "subversive, unpatriotic" organization.

In answer, the C. C. F. through its publicity chairman, Barry Mather, has made the following statement:

"Mr. Maitland has been reported as declaring that the C. C. F. is a 'subversive, unpatriotic' organization and as being 'disgusted' with a statement quoted from an editorial in the C. C. F. paper, the Federationist."

"Inasmuch as Mr. Maitland's remarks are presumably the serious statements of the leader of a responsible party they require an answer. The editorial quoted, or misquoted by Mr. Maitland was one advising members of the C. C. F. in regard to the need for the maintenance of regular membership and organization during the period of national crisis."

"REASONS OBSCURE."

"In view of the fact that Mr. Maitland's statement was made during the meeting of the B. C. Conservative Association, a meeting which also concerned itself with the problems of party organization during the war period, the reason for Mr. Maitland's 'disgust' with the C. C. F. is somewhat obscure."

"It would seem that Mr. Maitland is very easily disgusted with the C. C. F. Surely there are other things besides the regular organizational efforts of our party which might, with more reason give rise to Mr. Maitland's disapproval."

"For example—is not Mr. Maitland 'disgusted' with those business men of Canada who were recently reported to be 'flocking like vultures' to Ottawa in the hope of profiting from the war contract business? Has Mr. Maitland no 'disgust' for the political game that Federal and Provincial governments are playing with the lives of the Canadian unemployed? Is Mr. Maitland not just a little 'disgusted' with the contrast of food and profiteering and the increasing cost of living borne by the unemployed average Canadian?"

"C. C. F. leader of the B. C. of denc organiz itself v be bett legislat in seek "How of the may be Maitlan ities of far as the pos party in the Mr. aware the C. now p aggreg the Co plus a setback sees in in Van the C. Cranbr disgust official "If stand the C. steady begin misgov bia; a Conser admini so far in peac party Canada to star terests."

"C. C. F. IN LEAD."

"Mr. Maitland is the present leader of the official opposition in the B. C. Legislature. Instead of denouncing the efforts of an organization which does concern itself with these issues, he would be better employed in using what legislative influence he may have in seeking their solution.

"However, from the viewpoint of the Conservative party, there may be some justification for Mr. Maitland's disgust with the activities of the C.C.F.—that is insofar as those activities threaten the position of the Conservative party as the official opposition in the B. C. House.

"Mr. Maitland is probably well aware as the general public that the C. C. F. in British Columbia now polls a considerably larger aggregate provincial vote than the Conservative party. This, plus a few more of those "C. C. F. setbacks" which Mr. Maitland sees in the recent C. C. F. victory in Vancouver Centre riding and the C. C. F. gain of 300 votes in Cranbrook riding, may well be disgusting to the leader of the official opposition.

"If Mr. Maitland would understand the factors giving rise to the C. C. F.'s emergence and steady growth, he might well begin by studying the record of misgovernment in British Columbia; a record compiled by past Conservative and present Liberal administrations. In the meantime, so far as the C. C. F. is concerned, in peace or in war, it yields to no party in loyalty to the people of Canada and in its determination to stand on guard in their interests."

The Provincial Accounts

THE magic word "surplus" has been used by the provincial finance minister again to throw dust in the eyes of the British Columbia public. The minister presented his accounts to the Legislature, yesterday, and left the impression that he had administered the record revenue of \$32,639,825 to such good purpose that there was a surplus of nearly \$4,000,000. When one goes looking for the surplus, however, he finds that it really is not there. Instead of the attractive heap, there is an ugly hole.

It is not suggested that the minister is attempting deliberately to deceive his public. He may be only trying to put his best foot forward, and he is so competent and experienced an accountant, himself, that he may think his bill of particulars is crystal clear. But no statement is crystal clear which talks of a surplus when there is really a deficit.

Mr. Hart uses again the device which he has used for some years, now, of separating relief costs from ordinary expenditure. If there were no relief costs, he would have a surplus. So, assuming no relief costs, he assumes a surplus. His revenue was \$32,639,825 and his ordinary expenditure was \$28,664,445, leaving \$3,975,380 to the good. The snug assumed surplus is, however, more than wiped out by relief costs of \$4,519,061, and instead of the surplus there is a deficit of \$543,681.

British Columbia hears a lot about surpluses from time to time but hardly ever enjoys them. Nearly always there is a nigger somewhere in the financial woodpile. There have only been two real surpluses in twenty-five years, and these together, did not total half a million dollars.

Another unsatisfactory feature of the statement of accounts presented by Mr. Hart is the balance sheet. This is, apparently, not satisfactory even to Mr.

Hart's own department. The P.G.E., for instance, is listed as worth \$83,197,202, but the comptroller-general notes that this is a book value only. The figure is apparently arrived at by totalling all the amounts the railroad has cost the province since its beginning. University endowment lands are carried on the books as worth \$2,184,937, but here again the comptroller-general is doubtful.

Surely, if the provincial balance sheet is to be regarded as of any value at all, its various items should represent actual rather than imaginary values. The ordinary business man is compelled to recognize such actualities as depreciation of assets and bad debts. Why should the public accounts be allowed to ignore them?

Liquor Board Has Net Profit Of \$3,841,230

VICTORIA, Nov. 1.—The net profit realized by the Liquor Control Board on operating account for the year ending March 31 last, was \$3,841,230. As shown in the public accounts, the gain for the first six months from April 1, 1938, amounted to \$1,679,950. The second half of the year produced a profit of \$2,161,180.

Coal Commission

An additional amount of \$21,486 was spent by the provincial government in the past fiscal year upon the coal and petroleum commission.

This brings the cost of the commission during the past five years to \$123,908.

The cost of the first year's operation of the Coal and Petroleum Products Control Board Act to March 31 last amounted to \$27,179.

The newly-created public utilities commission, which was organized during the year, expended \$9959.

Bridge Revenue

Revenue obtained on the Pattullo Bridge at New Westminster for the fiscal year 1937-1938 amounted to \$261,501.

It cost \$49,672 to operate the toll gates and maintain the structure, leaving \$211,828, which was applied to interest charges on the capital cost.

At the same time it cost the province \$46,713 to keep the old Fraser River bridge in repair. This sum had to be authorized by special warrant.

Relief Total

Joint provincial and federal relief expenditures in British Columbia for the fiscal year ending March 31 totalled \$6,904,935.

Of this amount the Dominion, under various agreements, provided \$2,385,873, leaving \$4,519,061 for the province's share.

OCT

1939

Legislature Opens

The drab opening ceremonies which become necessary in the days of war are to mark what promises to be a drab session of the British Columbia Legislature.

No one has indicated any desire to initiate any policy, or to attempt remedial measures for the many troubles of the province, in the face of a national emergency. Even the one big project of construction—the B.C.-Alaska Highway—looks like being hung up by international events.

There are some big public works jobs to be continued, which presumably will not be checked by war conditions, being based on appropriations voted at the regular Ottawa session.

There is no prospect of additional taxation when the budget comes down, because the provincial authorities cannot be oblivious of the increased levies imposed under the Federal war budget, which will hit just the same class of taxpayers.

It is that uncertainty with regard to prospective revenue which is the key to the whole proceedings of the Legislature at a time like the present. What reductions may be expected owing to war conditions, what accelerations of revenue can be anticipated owing to demand for B. C. primary products, these are the questions which cannot be answered, and therefore no fair basis of production levy can be foreseen.

Freedom of discussion with regard to the operation of the arbitration measure is likely to be challenged by the C.C.F. owing to a mining dispute which has already reached the courts, and therefore may be considered sub judice. It is not likely to be conducive to good relations before a tribunal, if the matter is argued under the parliamentary privilege concurrently with a judicial hearing to test the measure.

The Legislature had been promised the report of the Rowell Commission in time for consideration, but the delays in the issuance of the report, dwarfed now by the emergency powers taken by the Federal government under the War Measures Act, have entirely changed the whole picture. It is still promised to be submitted before this House rises, but at the best of luck any chance of Ottawa implementing its provisions in war time affords the slenderest hope.

Bound up as this question of Dominion and Provincial relations is with the autonomous rights of the provinces, and the B.C. ministers having already pledged their support to the war policy of the Ottawa Government, there is no encouragement in the country to hasten any action thereon.

The estimates are likely to be framed on the minimum of maintenance needs. Officials have already been advised along those lines.

HOUSE TO OPEN TODAY --- MINUS MUCH OF POMP

Victoria Ceremony Will Lack Color of Peacetime Days

Victoria, Oct. 31—(BUP)—Minus much of its traditional pomp and ceremony, the third session of the nineteenth legislature of British Columbia will open this afternoon when His Honor Eric W. Hamber reads the Speech from the Throne.

With wartime conditions prevailing, the session will lack most of its usual gold braid. Notable will be the appearance of the Lieutenant-Governor in morning coat instead of the usual Windsor uniform.

Missing also from the assembly room will be scarlet uniforms of members of the armed forces. This year dress tunics and feather bonnets will be replaced by service khaki.

A wartime touch will be lent by the guard of honor that will meet His Excellency outside the building on his arrival for the Speech from the Throne. Drawn from the Princess Patricia's Canadian Light Infantry, the guard will appear in steel helmets and service dress. In like manner the escort of officers for the Lieutenant-Governor will march beside him in khaki.

There will be no 21-gun salute this year when His Honor arrives at the buildings, the garrison forces being employed on active service duty elsewhere.

Approximately 600 guests have been invited to attend the opening ceremonies.

Before His Honor meets the House this year two new members will be presented. Arnold, McGrath, Liberal, will be conducted to the seat which he will fill for Cranbrook, and Mrs. Laura Jamieson, C. C. F., Vancouver Centre, will be conducted to her seat. Seating of the two new members will complete the total of 48 members for the present session.

OCT

1939

Throne Speech Commends Unity To Win War

Patriotism of individuals and organizations, which has been demonstrated since the declaration of war against Germany, and the co-operation of the provincial government with the allied powers were noted by Lieutenant-Governor Eric W. Hamber in the Speech from the Throne at the opening of the British Columbia Legislature this afternoon.

The Speech reads as follows: "I welcome you to this third session of the 19th Parliament of British Columbia.

"A year ago we were grateful to realize that the immediate threat of war had been removed for the time being although grave apprehensions for the future still existed. Today, war — unrelenting and ruthless — is devastating Europe and Asia and its repercussions are vitally affecting the whole world.

"Following the declaration of war against the German Reich by Great Britain and France, Canada, through its Parliament, also declared war against the Reich.

"My government thereupon informed the Dominion Government that British Columbia was prepared and anxious to co-operate to the very fullest extent with Dominion authority in the prosecution of the war to a successful conclusion.

"That the Allied powers shall be successful is not only necessary to their future existence as nations but upon that success depends also the freedom and the liberty of the peoples of other nations, now living in constant fear and dread of conquest or actually suffering under the weight of ruthless oppression.

"It is very gratifying to know that individuals, welfare and economic organizations, corporations and public bodies have so patriotically and so unanimously volunteered their services in the prosecution of the war, and with a united and determined Empire in co-operation with our faithful Allies we can hope for a successful outcome.

"Early in the year His Gracious Majesty King George VI, and His Gracious Consort, Queen Elizabeth, visited Canada and were everywhere received with heartfelt joy and expressions of sincere loyalty. The visit of Their Majesties emphasized anew the deep affection of the people of Canada for the Crown and the Motherland; and Their Majesties, by their simple sincerity, their sympathy and their personal charm, completely won the hearts of our people.

"During the past year my government established an exhibit at the Golden Gate International Exposition at San Francisco, California, which attracted the attention and praise of all who were privileged to see it. More than a million people visited the exhibit.

"While war conditions make necessary the conservation of our resources to the fullest extent, nevertheless every effort will be

made to maintain all essential services at as high efficiency as possible.

"For the past two years geological examinations have been made in the Peace River area for the purpose of determining the possibility of the existence of oil-bearing zones. These examinations, which had their inception some 20 years ago, have resulted in favorable indications, and you will be asked to make an appropriation to enable drilling operations to be carried on next year."

War Shadows Over Opening Of Legislature

War clouds in Europe cast their shadows today over the opening of the third session of British Columbia's 19th Legislature.

In sombre black morning suit, strongly in contrast to his brilliant Windsor uniform, Lieutenant-Governor E. W. Hamber read the Speech from the Throne that made special note of the Empire's struggle against Hitlerism.

Outside the House His Honor had reviewed an honor guard of Princess Patricia's Canadian Light Infantry in full fighting equipment, steel helmets, flashing bayonets that set off their drab khaki, and grim faces of men who will go overseas in the first division to do their bit.

The war atmosphere could be felt within the chamber, where the usual full galleries and the 48 members awaited His Honor's arrival. There was no dull boom of cannon to herald his coming, only the faint click, click of heels and muskets as the guard presented arms. The small honorary guard of officers who accompanied him were in service dress, minus their customary plumes and scarlet tunics, as were His Honor's aides, Lieut.-Commander C. E. Donaldson and Lieut.-Col. M. C. Turner.

It was a solemn procession as Premier Pattullo and Mr. Speaker N. W. Whittaker, K.C., escorted His Honor to the dais.

RITUAL CARRIED OUT

But even in wartime the ritual which signifies the traditional rights of British democracy was carried out to the letter. Not a thing was missed from the assertion of various prerogatives that have come to be an integral part of the governing system, the precedence of the people's business, the right of the people's representatives to say who shall print accounts of their proceedings, and those other delicate motions which have been brought down through history.

There was mention of the conflict, too, in the prayers of the House, led by Rt. Rev. H. E. Sexton, Bishop of Columbia.

Seating of two new members was carried out after the Speech was read, and was followed by introduction of the first bill, to amend the Supreme Court Act.

NEW MEMBERS

Harold Winch, C.C.F. leader, and Mrs. D. G. Steeves, C.C.F., North Vancouver, presented Mrs. Laura E. Jamieson, the C.C.F. members for Vancouver Centre, and escorted her to her seat.

Arnold J. McGrath, the new Liberal from Cranbrook, took his seat just eight days after he was nominated to contest the seat vacated by F. M. MacPherson, the former Minister of Public Works. He was presented to the House by Premier Pattullo.

Since its last session the House has lost one member through death, the late Alderman Fred Crone of Vancouver, and a special motion of condolence to his family was proposed by the Premier and the opposition leader, passed by standing silent vote.

Appointment of standing committees was left in the hands of a special committee headed by Capt. C. S. Leary, Liberal whip, and the House adjourned until 2.30 Wednesday.

Debate on the address in reply to the Speech from the Throne will be opened then by Thomas King, Liberal, Columbia, and Glen E. Braden, Liberal, Peace River.

BACK ROW SEAT FOR NEW MEMBER

Mrs. Laura Jamieson, the new C.C.F. member for Vancouver centre must take a back seat in the Legislature just like any other new member, it was ruled today.

Application was made this morning to have a front row seat on the left-hand benches for Mrs. Jamieson beside the other C.C.F. woman member, Mrs. D. G. Steeves.

But Mrs. Jamieson was given no preference because she is a woman, and it was decided she must take a second row seat as other new members do.

OIL DRILLING VOTE \$200,000

An appropriation of \$200,000 is proposed by the government to finance drilling for oil in the Peace River next year, Premier Pattullo indicated today as the Speech from the Throne overshadowed the government's program.

The Premier said the government intends to keep going until it strikes oil.

The \$200,000 vote will finance drilling of one well, but if this is not successful the government will ask more money in the future to drill other wells, because geologists' reports are so favorable.

The Premier said a structure at least 70 miles long would be proved if the drilling operations are successful, an area much larger than Turner Valley.

A 35-mile road is being built now so that machinery can be taken to the scene of this year's examinations where drilling will commence.

Revenues Gain To Meet Mounting Government Costs

British Columbia's treasury last year collected \$32,639,825 from the taxpayers and was able to take care of its entire unemployment relief bill with the help of an additional \$546,551 borrowed from the federal government.

This was the picture presented to the Legislature today by Hon. John Hart, Minister of Finance, when he tabled the public accounts for 1938-39.

In brief the government spent \$28,664,445 on running expenses and its usual debt allotments, \$2,974,379 on special debt redemptions and \$4,519,061 on unemployment relief, or a grand total of \$36,157,885. This figure does not include capital works.

In meeting the bill Mr. Hart used his record revenue of \$32,639,825, borrowed \$2,966,100 on the open market, picked up \$5,409 from a previous unspent loan and took \$546,551 from Ottawa.

On the face of it this shows the cost of government still going up in the province with revenues increasing to meet it, without changing the rate of taxation. Expenditures exclusive of relief cost show an actual increase of \$4,000,000 from 1937-38, but this was mainly to take care of the \$2,974,379 in special debt payments.

On his ordinary current account operations Mr. Hart showed a surplus of \$3,975,380, all of which went to debt repayment and relief costs.

The total cost of relief to the two governments is given as \$6,904,935, of which the Dominion paid \$2,385,873 and the province \$4,519,061.

In the balance sheet assets are given as \$265,600,333, which was an increase of \$3,589,821 and liabilities are placed at \$243,522,790, an increase of \$790,829. This leaves a surplus of assets over liabilities of \$22,077,543, an increase of \$2,798,992 for the year.

Gross debt obligations at March 31 are given as \$182,551,978, a decrease of \$2,327,205. However the net debt figures are not stated, and it was explained the reduction in the net debt will not be so great since part of the sinking funds was used for debt repayments.

B.C. Income Tax \$10,000,000

Hon. John Hart, Minister of Finance, showed the Legislature in his public accounts today that he collected \$10,002,606 from the income tax last year.

This was an increase of \$2,700,000 over the collection of 1937-38 and was regarded as an extremely significant gauge of expanding business conditions in the province since the rate of taxation was not changed. The income levy produced nearly a third of the entire provincial revenue.

Other sources of revenue did not show any such spectacular changes, the income tax alone accounting for the record revenue collected by the treasury.

From auto license fees \$2,826,440 was collected, down \$44,000 from the previous year, and from gasoline taxes \$3,284,485, up \$120,000, or a total of \$6,110,925 from motorists.

Liquor profits were \$3,892,119, down \$200,000.

Other major sources of cash were: Land taxes \$1,641,541, up \$83,000; timber royalties \$1,655,950, down \$310,000; timber licenses \$663,676, up \$59,000; timber sales \$574,579, down \$24,000; amusements tax \$216,452, down \$4,000; fuel oil tax \$422,863, down \$86,000; mineral tax \$581,616, down \$220,000; succession duties \$704,780, down \$560,000; rural school taxes \$896,083, up \$120,000; races tax \$171,723, up \$2,000; game Act fees \$235,113, up \$7,000.

C.C.F. PUBLISHES LOYALTY CLAIM

The publicity committee of Co-operative Commonwealth Federation's British Columbia section today issued a prepared statement which said the C.C.F. "yields to no party in its loyalty to the people of Canada and in its determination to stand on guard in their interests."

The statement was issued as an answer to an address of R. L. Maitland, K.C., British Columbia Conservative leader, who referred to the C.C.F. at the British Columbia Conservative Association's annual meeting last week as a subversive and unpatriotic organization.

The C.C.F. statement said that Mr. Maitland might have some justification for disgust from the viewpoint of the Conservative Party, in so far as the C.C.F.'s activities threatened the position of the Conservative Party. It continued:

"If Mr. Maitland would understand the factors giving rise to the C.C.F.'s emergency and steady growth he might well begin by studying the record of misgovernment in British Columbia, a record compiled by past Conservative and present Liberal administrations."

B.C. Truce Hopes Fade As Heads Of Tories Differ

In the absence of major issues on legislation, as the British Columbia Legislature opened today interest centred on the political situation created by the Conservative pledge of co-operation with the government and the C.C.F. declaration to "carry on its work."

The indication from these statements is that the C.C.F. will attempt to monopolize the debates since the government does not intend to press home any political advantage in view of the promise of R. L. Maitland, K.C., the Conservative leader.

There is already a hint that Conservative ranks, while solidly behind Mr. Maitland's policy, do not want to see the C.C.F. steal the Opposition spotlight.

First outspoken move in this regard comes from Herbert Anscomb, Victoria Conservative, who proposed that, war or no war, Conservatives should contest all provincial by-elections. (In the recent Cranbrook by-election the party did not run a candidate.)

Mr. Anscomb declared that there was such a thing as being a little too loyal when it came to taking a back seat where the political welfare of British Columbia was concerned.

"We should not join the Liberal Party in everything it does. The present circumstances are very different from 1914," he said.

"Communist thought—whether you call it C.C.F. or not—is prevalent in British Columbia," said Mr. Anscomb. "I do not believe we should let any by-election go uncontested. If we do, what are we to do when a provincial election comes?"

"The Communist Party is ever on the alert, ever on the offensive. Unless we are prepared to act, the Conservative Party will fade out of the picture."

Co-operation Assured

IT WAS NOT EXPECTED, OF COURSE, that the Speech from the Throne with which the Lieutenant-Governor opened the Legislature yesterday would contain much beyond a brief reference to such legislation as the government finds necessary to introduce. It quite properly emphasized the assurance already given to the Dominion Government that British Columbia could be depended upon for every form of co-operation calculated to assist the national effort in the present emergency.

Hon. John Hart, Minister of Finance, promised Prime Minister Mackenzie King several weeks ago that the provincial authorities would introduce no controversial questions affecting British Columbia's relations with federal authority and jurisdiction until the removal of Hitlerism had paved the way for the restoration of more stable conditions. Since Victoria's cabinet representative relieved the government at Ottawa of any qualms on this score the electors of Quebec—following the rapprochement between Ontario's Premier Hepburn and Mr. King—have issued their verdict on the ancient province's attitude toward Canada's participation in the war. The country, therefore, is united as never before.

As already noted, the Conservative Opposition Leader has announced that his party does not purpose to waste the time of the Legislature on unnecessary debate, or attempt to manufacture political capital. Occupants of the ministerial benches and the rank and file of government supporters likewise may be depended upon to observe the good faith implied in Mr. Maitland's promise. At the same time, however, the ministry will be in error if it assumes more than the official opposition intends. Criticism, so long as it is constructive, should be welcomed, war or no war, for never is there such a need for watchfulness on the part of all who have the real welfare of their country at heart than in times of national stress. This is not to suggest the government has either reason to be hostile to criticism or will not appreciate any contribution that will assist it to implement Mr. Hart's pledge to the Canadian Prime Minister. On the contrary, it is to bespeak fair play in respect of everything that may be offered to assist the nation's cause, no matter from what quarter it may come.

It must not be forgotten that to interfere with or stifle a fair exchange of view on any matter of importance to the province as a whole would be interpreted as a challenge to the system under which our affairs are conducted. The underlying principle of that system is now being defended by brave men and women. We must jealously guard and defend it here.

Dignified and Businesslike

UNDER WAR CONDITIONS, CEREMONIES attending the opening of the Provincial Legislature yesterday gained in dignity. With the ban on full-dress uniforms there was eliminated the fantastic atmosphere of past openings. The business-like service dress appeared more fitting such an occasion than the customary feathers, gold braid and weighted uniforms, all relics of other times and conditions. For, after all, our government is something that is very real and the fewer illusions about it the better. It is probable, especially if the war runs into years, we shall never go back to the trappings we have known. They seem doomed with Sam Browne belts, puttees, swords and even kilts in combat zones. Already, although the war is only two months old, they are beginning to seem useless and somewhat absurd carry-overs from a world that has gone.

O C T

1939

B.C.'s 1938-39 Revenue Hits \$32,600,000

Finance Minister Gives Best Report in 5 Years

Collections Exceed Estimates by \$4,600,000; Ten Million Received in Income Tax

By Sun Staff Reporter

VICTORIA, B.C., Oct. 31.—Aided by a record revenue of \$32,639,825, the British Columbia treasury in fiscal year 1938-39 paid its entire expenses including debt redemption and all unemployment relief bills, with the exception of \$546,551 borrowed from the Federal government.

This, in a nutshell, was the story told in public accounts submitted to the Legislature today by Hon. John Hart, Minister of Finance, his best report in five years.

The accounts show the overall expenditure covering both debt redemption and all relief costs, but excluding capital loan works, was \$36,157,885.

TOTAL EXPENSES

To meet this the Finance Minister collected \$32,639,825 from the taxpayers, borrowed \$2,966,100 on the open market, picked up \$5,409 balance from a previous loan and borrowed \$546,551 from the Dominion.

The total of government expenditures outside of relief, are given as \$31,638,824. This is an increase of approximately \$4,000,000 from the fiscal year of 1937-38, but it included the repayment of a \$2,000,000 bond issue out of revenue, allotment of \$926,729 to sinking funds, and allocation of \$47,649 to payment of a treasury bill.

Thus while he had a current account surplus of \$3,975,380, he applied \$2,974,379 of this to the redemption of debt, which left him \$1,001,000 as current surplus applied to the cost of relief. As mentioned above, he borrowed on the open market and from Ottawa to get the extra funds for relief.

SURPLUS OF ASSETS

The accounts place the total cost of relief to the two governments at \$6,904,935, of which the Dominion's share was \$2,385,873 and the province's \$4,519,061.

Most significant part of the accounts, as reflecting business conditions, was the \$32,639,825 collection of revenue, which exceeded the estimate by \$4,600,000 and was \$1,600,000 greater than in the previous year.

Major source of funds was the income tax which produced the all-time record amount of \$10,002,606, up \$2,700,000 from the previous year.

Here are some of the other large sources of revenue:

Liquor profits \$3,892,119, down \$200,000; auto license fees, \$2,826,440, down \$44,000; gasoline tax \$3,284,485, up \$120,000; land taxes \$1,641,541, up \$83,000; timber royalties \$1,655,950, down \$310,000; timber licenses \$663,676, up \$59,000; timber sales \$574,579, down \$24,000; amusement tax

\$216,452, down \$4000; fuel oil tax \$422,863, down \$86,000; mineral tax \$581,616, down \$220,000; succession duties \$703,780, down \$560,000; rural school taxes \$896,083, up \$120,000; races tax \$171,723, up \$2000; game act fees \$235,113, up \$7000.

B.C. Will Back War To Limit

Legislature Opening Hears Gov't Pledge of Co-operation

By BRUCE HUTCHISON

VICTORIA, Oct. 31.—The Legislature of British Columbia opened its annual session today in the grim atmosphere of war.

Gone was the usual color and pageantry of peacetime and in its place appeared for the first time since 1918 the khaki of service uniforms while the government, declaring its determination to aid Canada's war efforts, announced that it would not submit any extensive legislative program.

The keynote of the government's policy in the war years was contained in the Speech from the Throne read by Lieut. Governor Hamber, who said:

"While war conditions make necessary the conservation of our resources to the fullest extent, nevertheless every effort will be made to maintain all essential services at as high efficiency as possible."

C. C. F. PLANS CAMPAIGN

Victory in the war, he asserted at another point, is essential to the existence of the Allied nations and to the existence of freedom in the world.

While the government and the Conservative opposition were preparing for a brief business-like session and for a new rule of wartime co-operation, C. C. F. leaders let it be known as the House opened that they expected to carry on as usual, with vigorous criticism of government policy.

Determined to provide the real opposition this year they will insist that the war must not be allowed to hold up the solution of social problems.

PEACE RIVER OIL DRILLING

The Legislature will be asked this year to provide money for oil drilling in the Peace River country next year, it was announced in the Speech from the Throne.

"For the past two years," the speech said, "geological examinations have been made in the Peace River area for the purpose of determining the possibility of the existence of oil-bearing zones."

"These examinations, which had their inception some twenty years ago, have resulted in favorable indications."

In sombre black morning suit, strongly in contrast to his brilliant Windsor uniform, Lieutenant-Governor E. W. Hamber read the Speech from the Throne.

RITUAL CARRIED OUT

But even in wartime the ritual which signifies the traditional rights of British democracy was carried out to the letter.

Not a thing was missed from the assertion of various prerogatives.

Harold Winch, C.C.F. leader, and Mrs. D. G. Steeves, C.C.F., North Vancouver, presented Mrs. Laura E. Jamieson, C.C.F. new member for Vancouver Centre.

Arnold McGrath, the new Liberal from Cranbrook, was presented by Premier Pattullo.

Appointment of standing committees was left in the hands of a special committee headed by Capt. C. S. Leary, Liberal whip, and the House adjourned until 2:30 Wednesday.

Debate on the address in reply to the Speech from the Throne will be opened then by Thomas King, Liberal, Columbia, and Glen E. Braden, Liberal, Peace River.

TEXT OF THRONE SPEECH

Following is the text of the Speech from the Throne:

A year ago we were grateful to realize that the immediate threat of war had been removed for the time being, although grave apprehensions for the future still existed.

Today, war—unrelenting and ruthless—is devastating Europe and Asia, and its repercussions are vitally affecting the whole world.

B. C. PREPARED TO CO-OPERATE

Following the declaration of war against the German Reich by Great Britain and France, Canada, through its Parliament, also declared war against the Reich.

My government thereupon informed the Dominion government that British Columbia was prepared and anxious to co-operate to the very fullest extent with Dominion authority in the prosecution of the war to a successful conclusion.

That the Allied powers shall be successful is not only necessary to their future existence as

nations, but upon that success depends also the freedom and liberty of the peoples of other nations, now living in constant fear and dread of conquest or actually suffering under the weight of ruthless oppression.

It is very gratifying to know that individuals, welfare and economic organizations, corporations and public bodies have so patriotically and so unanimously volunteered their services in the prosecution of the war and, with a united and determined Empire in co-operation with our faithful Allies we can hope for a successful outcome.

THE ROYAL VISIT

Early in the year His Gracious Majesty King George VI and his gracious consort, Queen Elizabeth, visited Canada and were everywhere received with heartfelt joy and expressions anew of the deep affection of the people of Canada for the Crown and the Motherland; and Their Majesties, by their simple sincerity, their sympathy and their personal charm, completely won the hearts of our people.

During the past year my government established an exhibit at the Golden Gate International Exposition at San Francisco, California, which attracted the attention and praise of all who were privileged to see it. More than one million people visited the exhibit.

While war conditions make necessary the conservation of our resources to the fullest extent, nevertheless every effort will be made to maintain all essential services at as high efficiency as possible.

NO EXTENSIVE PROGRAM

For the past two years geological examinations have been made in the Peace River area for the purpose of determining the possibility of the existence of oil-bearing zones.

These examinations, which had their inception some twenty years ago, have resulted in favorable indications, and you will be asked to make an appropriation to enable drilling operations to be carried on next year.

Other than some essential measures, my government will not submit any extensive legislative program for your consideration.

Contractors Favor

B.C. Licensing Law

VICTORIA, Oct. 31.—Representatives of the Victoria construction industry have approved the proposed contractors' license law and the British Columbia Legislature may now be asked to put the measure into law.

The approval was given at a meeting of construction representatives sponsored by the Victoria's Builders' Exchange Monday night.

The proposed law is an Act patterned after the methods of self-regulation now available in other industries, such as engineering and barbering.

Tuesday, October 31, 1939.

No Changes in B.C. Labor Act

By Sun Staff Reporter

VICTORIA, Oct. 31.—The provincial government will reject all demands for changes in the Labor Arbitration Act which C.C.F. members are expected to propose as an upshot of the Pioneer Mine strike. The government, it was learned today, considers the Act as it stands entirely satisfactory and will not consider altering it.

It is opposed especially to the C.C.F. proposal often advanced in the past that strikes before arbitration be legalized.

While a lengthy debate on labor questions is expected during the present session of the Legislature, it will not result in any change in existing legislation, a government spokesman indicated.

Maitland's Charges Draw C.C.F. Fire

'Yield to None in Loyalty' Says Statement

The C.C.F. "yields to no party in loyalty to the people of Canada, and in its determination to stand on guard in their interests."

This is the gist of a statement issued today by the C.C.F. publicity committee in rebuttal of charges made Saturday by Hon. R. L. Maitland, K.C., at the annual meeting of the B.C. Conservative Association, to the effect that the C.C.F. is "unpatriotic."

Mr. Maitland based his remarks on an article appearing in the C.C.F. paper, The Federationist, and in its rebuttal, the party's publicity committee declared:

"EASILY DISGUSTED"

"The editorial quoted, or misquoted, by Mr. Maitland was one advising members of the C.C.F. in regard to the need for the maintenance of regular membership and organization during the period of national crisis.

"It would seem that Mr. Maitland is easily disgusted. Surely there are other things beside the regular organization efforts of our party which might, with more reason, give rise to Mr. Maitland's disapproval.

"For example—is not Mr. Maitland disgusted with those businessmen of Canada who were recently reported to be 'flocking like vultures to Ottawa in the hope of profiteering from the war contract business?

POLITICAL BO-LO GAME

"Has Mr. Maitland no disgust for the political bo-lo game that federal and provincial governments are playing with the lives of Canadian single unemployed? Is Mr. Maitland not just a little disgusted with the contrast of food stuff profiteering and the increased cost of living borne by the hard-pressed average Canadian family?"

The statement suggests that Mr. Maitland is perhaps "disgusted" with the evidence of the steady rise of the influence of the C.C.F. and ends by suggesting that:

"If Mr. Maitland would understand the factors giving rise to the C.C.F.'s emergence and steady growth he might well begin by studying the record of misgovernment in British Columbia, a record compiled by past Conservative and present Liberal administrations."

C.C.F. and War

(From the Comox Argus)

Mr. Colin Cameron, member for Comox, has been campaigning for the C.C.F. candidate in the constituency of Cranbrook. He is doubtless introduced at his meetings as the "member for Comox" and he has been making statements there in regard to the war and the conduct of it that we think do not reflect the opinion of the majority of the people of this constituency.

It is excellent that Mr. Cameron should be allowed to express himself so freely; but it is all wrong that the people of British Columbia should get the impression that because he is the member for Comox he represents the views of the people here about the war and our participation in it. He was elected on entirely different issues.