



THE ROYAL BANK OF CANADA

MONTHLY LETTER

VOL. 47, No. 9

HEAD OFFICE: MONTREAL, SEPTEMBER 1966

Canada's West Coast

BRITISH COLUMBIA'S hills have their feet in the Pacific Ocean. All along the west coast the sea comes in to meet the mountains, with long sinuous inlets extending into the precipitous land. If stretched out in a straight line the seaboard would measure some seven thousand miles.

Off-shore, there are innumerable islands, peaks of a submerged mountain chain, which form a break-water against the direct onslaught of the Pacific and provide thousands of miles of sheltered waters.

Inland, British Columbia is bounded by the Rocky Mountains. At one time the width of the ocean and the bulk of the mountains gave the province a feeling of isolation. The Pacific is a ditch 5,000 miles wide, and Canada, a land mass the second largest in the world, extends to St. John's, the capital of the most easterly province, 4,000 miles away by air.

Isolation drove British Columbia into self-help, and so successful have its people been in triumphing over the difficulties of their swift-moving century that they are now among the most-favoured in Canada materially.

British Columbia is second among the provinces in per capita wealth and purchasing power. Personal income per person was estimated at \$2,236 in 1965, cheques cashed against individual accounts in that year totalled \$33,600 million.

Population has continued to grow rapidly. In the ten year period 1951 to 1961 it grew from 1,165,200 to 1,629,000, and projections to 1975 indicate that it will reach 2,370,000.

One feature attracting people to the British Columbia coast is the mildness of its climate, to which the warm Japanese current contributes its moderating influence. At Victoria, the capital city, the average annual temperature is 50.2, ranging from 39.2 to 60 degrees. The average year provides 2,093 hours of bright sunshine and 26 inches of rain, and only twenty days with freezing temperature. Inland, every environment of cool temperate lands is encountered, from the dense forests of Douglas fir to sagebrush and cactus; from the extensive flats of the Fraser River delta to the

large snowfields and mountain glaciers of the Rockies.

British Columbia has 234,403,200 acres, of which 58 per cent is committed to forest and only two per cent is regarded as fit for cultivation. Mountains dominate both landscape and economic history. Between the Coast Range and the Rockies is a high interior plateau cut by deep river valleys and secondary mountain ranges. The highest mountain wholly within British Columbia is Mt. Waddington, 13,260 feet, but up where the province ends and Alaska begins there is Mt. Fairweather, 15,300 feet.

The explorers

Sir Francis Drake, of Spanish Armada fame, sailed up from the coast of Chile in 1578 in search of the North-west Passage, and named the territory looming dimly on his quarter New Albion. Two hundred years passed before the greatest of the Oceanic explorers, Captain James Cook, made a landfall at Nootka Sound where he replaced his masts with Douglas fir.

Then came Captain George Vancouver, sent in 1791 to survey the west coast of North America and to carry out the terms of the Nootka Convention whereby Spain relinquished her claims to the territory. Overland from the east ventured Alexander Mackenzie. He reached the Pacific near Bella Coola on July 22, 1793. He was the first white man to cross the American continent, preceding by more than a decade the more southerly expedition of Lewis and Clark.

David Thompson, the first white man to descend the Columbia River from its source to its mouth, charted accurately the main routes through more than 1,500,000 square miles, preparing a map which has been the basis of all subsequent maps.

Settlement and government

These adventurous men found the placidity of a wilderness. Then came fur traders, rambunctious gold seekers, placid farmers, eager miners, foresters, persevering fishermen, and, at last, the industrial man who drew them all together in commerce.

In *British Columbia: A Short History*, published in 1957, Arthur Anstey and Neil Sutherland tell the absorbing story of the province from Vitus Bering's voyage in 1725 to a few years ago.

It was in 1849 that the Crown Colony of Vancouver Island came into existence, with its capital at Fort Victoria, then six years old. The population was 200. In 1856 a Legislative Assembly was formed, the first west of the Great Lakes. Two years later Victoria was able to vote money for streets, water supply and schools. In 1862 it was incorporated as a city, with 1,500 buildings in it.

Meantime, a mainland colony was inaugurated with due pomp and ceremony at Fort Langley on November 19, 1858, and New Westminster was its capital for nine years.

For a time the two colonies functioned separately, but a total population of 12,000 could ill afford two sets of government officials. In 1866 the colonies were united under the name British Columbia, and in 1868 Victoria became the capital.

The British North America Act of 1867 provided for eventual admission of British Columbia into the Canadian Confederation, and on July 20, 1871, it became the sixth province of the Dominion, which then truly spanned the continent from sea to sea.

When construction of the railway, promised for completion in 1881, had not begun in 1878, divorce from Canada was threatened, and a secession resolution was adopted by the Assembly. By 1880 the contract was awarded, the last rail was laid on November 7, 1885, and the first through train from Montreal reached the Pacific on June 28, 1886.

British Columbia has always had a diverse and cosmopolitan population drawn from many parts of the world. The fur traders were mainly British, with the Scots predominating, but there were also French Canadians in the employ of the fur company. The gold rush attracted adventurers from many countries, principally from the United States, with a sprinkling of eastern Canadians and the first members of the Chinese community. Another wave of immigration arrived with the railway, including many from continental Europe.

Transportation and electricity

British Columbia has been harassed by tremendous difficulties in transportation. The turbulent mountain rivers were not of the same value for transportation purposes as the more leisurely streams of the east. Railways and roads are difficult and expensive to build in mountainous country.

At the time when the province entered confederation a traveller to the east journeyed by steamer from Victoria to San Francisco and from there by train across the United States. British Columbia asked nothing more than a wagon road to Fort Garry, but

it got a railway, and today its transportation facilities are magnificent. Mainline tracks total 4,329 miles.

The airport at Vancouver is the north-west hub of international air transportation, with services east, south, north and across the Pacific.

Road building can be said to have started in earnest during the Cariboo gold rush when the Royal Engineers built a wagon trail from Ashcroft to Barkerville.

British Columbia has a total of 27,000 miles of highway, of which 6,000 miles are paved and 11,000 miles are gravelled.

The broad arc of the province's coast provides the shortest crossings of the North Pacific Ocean between continental North America and the Far East. British Columbia's ports continue to grow in meeting the demand for service — international water-borne shipping and coastwise shipping roughly doubled between 1958 and 1964. Vancouver is second only to Montreal in tonnage handled.

In 1952 the first oil pipeline through the province was begun, and now oil and gas pipelines are a major element in the transportation network. Investment in pipelines is nearing the \$1,000 million mark. They carry crude oil from the Peace River area to the trans-mountain line, and thence to Vancouver and the United States seaboard.

On an equal footing with transportation in an industrially-developing province is electric power, and here British Columbia is fortunate. Snow-fed rivers, a large volume of swift water, and extensive lake systems combine to give it abundant hydro-electric power resources. *Canada Year Book* lists available water power at ordinary minimum flow in British Columbia as the biggest in Canada.

Development of water power has been increasing for more than forty years at an average compound rate of eight per cent per annum, and total generation of electrical energy during 1965 was estimated by the Bureau of Economics and Statistics to be 18,268 million kilowatt-hours, of which 15,208 million were produced by hydro plants. B.C. Hydro generates about half of the total power, the balance being generated mainly by Alcan and Cominco.

In 1964 the Governments of Canada and the United States cleared the way for a start on construction of three large storage dams on the Columbia River in Canada. One of these, Mica, will be used for power generation, with an expected potential of close to two million kilowatts. The Portage Mountain Dam on the Peace River is scheduled for first power production in 1968, and the entire development, 2,300,000 kilowatts, is expected to be operational by 1976.

The number of people engaged in building these four projects will average 3,700 over the next five years, with a payroll averaging \$40 million every year. The development will provide a major power source to stimulate and support rapid industrial growth. The assurance of abundant power has already sparked the

construction of new pulp mills and the sinking of new mines in the interior.

The forest

The British Columbia forest is still responding to the demands made upon it. It produces 75 per cent of Canada's softwood lumber, 94 per cent of her softwood plywood, 100 per cent of her red cedar roofing, 22 per cent of her pulp, and 14 per cent of her newsprint and paper.

In its long-term plan of managing this resource, the British Columbia government has already placed 79 million acres under sustained yield, with regulated harvest and compulsory reforestation. It thus ensures, in return for invested capital, a supply of raw material in perpetuity. The estimated sound wood volume in trees ten inches in diameter and over is 306,000 million cubic feet; the net annual growth is 2,300 million cubic feet, and the net annual depletion rate is 2,200 million cubic feet. A news item by the Forest Service says the new growth in a year would build a ten-foot-wide boardwalk from the earth to the moon, 240,000 miles away.

When all the province has been brought under sustained yield management the allowable annual cut will be something like 3,100 million cubic feet a year.

While the ten years up to 1964 were marked by massive increases in the volume of lumber, plywood, and laminated products, the most spectacular progress has been made in the pulp and paper industry. The pulp mills used 500 million cubic feet of wood in 1965, more than fifty per cent of which came from waste generated by the lumber and plywood industries. Much of the 3¼ million tons of pulp went into 1½ million tons of paper and paperboard manufactured in the province.

New capital amounting to \$160 million entered the pulp and paper industry in 1965, and in 1966 there were two major sulphate pulp mills completed and four under way, representing a capital investment of more than \$400 million. In 1975, it is expected, pulp production should near the seven million ton mark.

Agriculture

The first farmer on the British Columbia mainland was Daniel Harmon, who settled in the Fraser Lake district in 1811, and in that year produced excellent crops of potatoes, other vegetables and barley. The gold rush in the 1850's brought settlers who saw good opportunity in the raising of supplies for mining camps.

But the physical characteristics of the province have restricted agricultural development. Production is regional and widely varied. With few exceptions, such as the Peace River plains and the grazing land of the interior plateau, farm land exists in isolated pockets of soil between mountain ranges or near river deltas.

While there is a significant export trade in tree fruits, holly, cut flowers, small fruits, nursery stock and

purebred cattle, agriculture is heavily orientated toward consumption within the province.

British Columbia's first large commercial apple orchard was planted in 1867, and 31 years later the first carload of apples shipped from the Okanagan Valley heralded an industry that now produces about six million boxes annually.

In its contribution to the provincial economy, agriculture ranks fourth to forestry, mining and tourism, with a cash farm income of \$156½ million in 1965. The 1961 national Census reported 20,000 farms, one-third having ten acres or less, and only 53 per cent could be classified as commercial. More than 200,000 of the one million crop acres are irrigated.

Minerals

British Columbia is currently undergoing a mining boom, in which major and small companies are busily searching for new mines. Nine of these new mines have been scheduled for production before 1968, at a capital cost, for plant and development, of \$175 million. Production of all minerals in 1965 amounted to \$280 million.

Historically, minerals provided one of the early incentives to explore and develop the hinterland. Coal was first produced in 1836; placer gold was found in 1857; gold-copper ore was discovered in 1889; lead-zinc at Kimberley in 1892.

The greatest single asset is the Sullivan mine at Kimberley, and ore from this, one of the world's largest lead-zinc-silver mines is treated in the world's largest smelting and refining works at Trail.

In recent years large quantities of crude oil and natural gas have been discovered in the north-eastern section of the province. Gas production in 1965 was 138,814 million cubic feet.

The fisheries and furs

British Columbia's commercial fishery is an important industry which employs about 20,000 fishermen and shore workers. The marketed value of fish products was \$85 million last year and has ranged between \$76 and \$92 million in recent years, with three species — salmon, herring and halibut — accounting for ninety per cent of the total.

The fur trade is a small part of today's economy. In the 1965 season there were 244,000 pelts taken, with a value of \$778,000 and fur farms contributed 322,000 pelts with a value of \$4.9 million.

Economic development

Some people wonder why, with all its vast natural resources, the west coast did not develop industrially as fast as the east coast. The environment was quite different. Canada's Atlantic provinces found themselves in the midst of an extensive trading system in

which Europe demanded food-stuffs and raw materials while North America wanted machinery and manufactured goods. This made for widespread commerce. The Pacific province, on the other hand, bordered on an ocean which led to underdeveloped and unindustrialized countries — countries which (with the exception of Japan) have up to now seldom demanded on a large scale the products which British Columbia can offer. Consequently, British Columbia has had to surmount mountains and encompass long sea routes to reach a receptive market.

But while awaiting her moment to step on the world stage her people laid the foundations of what are now profitable industries. Starts were made in forestry, fishing, mining and manufacturing.

It may be said that the years of the gold rushes were the years of transition, ushering in an era of progress. Consider the rush of 1858 as typical of several. It started in April when 450 people left California by steamship for British Columbia. In one July day more than 1,700 people joined the pilgrimage to the Fraser River. By the end of that summer more than 20,000 were at work on the sand-bars. Though some left, discouraged by ill success, many remained. Land values jumped; wharves, stores and hotels were built; Fort Victoria was transformed from a sleepy fur-trading post into a bustling embryo city.

In recent years, a continuing record-breaking level of capital investment has been led by expansion of the pulp and paper industry and the pace of work on the river developments. Capital and repair expenditures amounted to \$2,066 million in 1965, more than double that of 1955. Because of the geographical dispersion of activity, the impact on the economy was widespread.

Industry

Manufacturing has grown tremendously, supported by the availability of raw materials, cheap sources of power, increasing population and expanding foreign trade. The value of factory shipments increased more than four and a half times in the twenty years since 1945, the selling value in 1965 being \$2,881 million.

Manufacturing continues to be dominated by the wood and paper products industries, which account for nearly half of all factory shipments. The agribusiness complex is important, with all its varied activities: fish and dairy products, slaughtering and meat packing, fruit and vegetable processing, and others.

The Department of Labour report in mid-1966 showed a labour force of 711,000, up 231,000 since 1955; total wages and salaries \$2,728 million, up \$1,363 million since 1955; and average weekly wages \$104.64, up \$38.64 since 1955.

Education and the arts

Public administration of education began in 1872; the first high school was opened in 1876; higher

education had its start in 1899; the first convocation of the University of British Columbia was held in 1912.

For the fiscal year 1965-66, the province provided education expenditures totalling \$173.6 million, and for 1966-67, \$206 million. In presenting these figures, the Minister of Education pointed out that British Columbia had a labour force in 1961 with an average of 10.2 years of formal schooling, almost a year above the national average.

There are three public universities in the province, to which grants totalling \$33 million will be made in the current fiscal year.

Living in British Columbia takes on a broad meaning for its people. The arts are encouraged and well patronized. Music and drama festivals, school and community drama, two large symphony orchestras, numerous choral, instrumental and dance groups flourish. Discussion groups and literary organizations are part of the province's cultural framework.

Emily Carr, whose canvasses are eagerly sought, was born in Victoria, and some of her more dynamic paintings were done in the west coast Indian villages. Her *Forest Landscape*, in the National Gallery of Canada, reveals her affection for the dark mystery and grandeur of the deep forest. Frederick H. Varley, one of the Group of Seven, moved to the west coast in 1926, and transmitted to canvas some of the mystical quality he drew from the landscape.

As to the future . . .

British Columbia, while living with history is also living with history in the making. With its vast power resources, its rapidly growing population, its carefulness in conserving resources, and its abundant human energy, its prospects for continuing prosperity appear unlimited. Towns are springing up in areas until now unpopulated; huge dams are taming rivers to provide electricity, prevent floods and irrigate land; prospectors are finding new stocks of minerals and investors are developing them; huge industrial plants are being put into production.

In 1966, British Columbia celebrated its centenary, marking the union of the Crown Colony of Vancouver Island and the Crown Colony of British Columbia. In 1967, British Columbia joins the other nine provinces in celebrating the Centenary of the Confederation of Canada, the historic occurrence which bound the Canadian provinces together as one nation.

To mark these events the province has issued an invitation: "BE IT KNOWN: That in the years 1966 and 1967 the people of British Columbia and travellers from afar: Shall sing, dance, shout and rejoice in widespread jubilation and celebration of two centenaries. To celebrate suitably the Occasions, there shall be pageantry, feats on land, sea and in the air; great exhibits of art and physical prowess; festivals of music; and adventure to entertain everyone."