PROVINCIAL LEGISLATURE.

Second Session of the Sixth Parliament.

TWENTY-FOURTH DAY.

THURSDAY, March 1[illegible], 1892.

The Speaker took the chair at 2 o'clock.

PETITIONS.

Petitions were presented as follows:

Mr. Smith: From the Westminster and Vancouver Tramway Company protesting against the Westminster and Vancouver Short Line Railway.

Mr. Nason: From residents of New Westminster and Cowichan asking for change in the liquor license law.

Mr. Kitchen: From certain ratepayers of Surrey *re* validation of debentures.

The following petitions were read and received, viz: From Amor DeCosmos, opposing private bill to incorporate the Victoria and Sidney Railway company; from the corporation of the city of Vancouver, opposing private bill to incorporate the North Vancouver Electric company; (two) from Mowat & Turner, H. M. Stramberg, and others, opposing private bill to validate certain debentures issued by the Surrey municipality.

THE BUDGET SPEECH.

HON. MR. TURNER moved that the House go into Committee of the Whole to consider the question of supply to be granted to Her Majesty. He said: Mr. Speaker—In making this formal resolution preparatory to going into Committee of Supply, it is my intention with your permission, to follow the time honored custom of reviewing the finances of the province, and to make a statement on its revenues and expenditure. As you are aware, sir, there has been, since the last session of this House, a very important change made in connection with the finances of the province. I think I am right in characterizing it as important, for it is of such a nature as to entirely alter the method hitherto pursued in respect of the public debt, its effect being to reduce the rate of interest that we shall pay on our loans, and it also enables the province at any time to secure money for all its legitimate requirements, with the certainty of getting it on the most favorable terms, and at the lowest rate of interest that the position of the province warrants. In introducing the Inscribed Stock Act and the Loan Act, last session, I said that it was the intention of the Government to take advantage of a favorable condition of the money market, in order to float a loan preparatory to the conversion of the loans of 1877 and 1887. The rate of interest I then proposed, was 3½ per cent., and I assured you, sir, that I felt confident, though the rate of interest was low for a young province, still that the Government would succeed in placing it, and at such a price as to save considerable money in interest and sinking fund over the other loans. The plan of issuing this loan before attempting conversion was in order to have a British Columbia stock quoted on the London market, and thus to get a price fixed so as to enable the conversion of the old bonds to be dealt with intelligently.

For some months after the close of last session the money market owing to serious contingencies, was in a very bad condition, but in August last the Government was informed that a very favorable opportunity had arisen, and that undoubtedly, if immediate action were taken, the loan could be floated advantageously. It was felt that this was so important a matter, that no time should be lost, and it was decided that I should go to London at once. I may say that, as far as the journey was concerned, no time was lost, for I was dining in London in less than thirteen days from the time of leaving Victoria. Immediately after arrival I set to work. The money market was, I found, in a very peculiar condition. New South Wales had a short time before, through its Agent General, made arrangements to float a large loan, but met with no encouragement, and withdrew; while the Dominion of Canada only a few weeks before had met with the same experience. I was assured by a good many that there was not the ghost of a chance of our little known province being successful in borrowing at so low a rate of interest, at anything like the price I contemplated. However, after fully inquiring into the matter I found that, though some of the large and favorite borrowers had not been successful, it was not at all on account of scarcity of money. On the contrary, money was plentiful and cheap, and it was rather from a feeling of caution on the part of investors. There was evidently an impression that some of the older colonies had debts quite large enough; but, on the other hand, British Columbia, though hardly known in the London money market, was evidently coming to the front. There was an idea afloat that it was a growing country, that its resources were great, and that the development of these resources must cause prosperity. These ideas, though not very decided, were manifestly increasing, and led to the belief that British Columbia was a safe country to which to lend money.

After consulting a number of the most eminent financiers, to whom I had the good fortune to be introduced, I found they were of the opinion that the opportunity for British Columbia was good, mainly from the growing conviction of the value of this Western province. We were, in fact, just in the nick of time; that, in the words of the late Baron Rothschild, it was the psychological moment. They, however, thought the price we named—86 for a 3 per cent. loan—was far too high, as it at once placed British Columbia above many of the well-known borrowers, and only a little below the Dominion. Their view was that we could not expect the public generally, to invest in our 3 per cent. at anything over 83, and that we should be doing very well to get that price. Such being the prevailing opinion, I realized that the admirable scheme that had been proposed to me by our Government brokers, Messrs. Woolston & Beeton, was greatly in the interest of the province. They had secured an agreement with a number of the most influential financial firms and corporations in London for my acceptance, offering to guarantee the whole of the loan at the price of 86. After very carefully considering it, I decided that the safe plan was to accept this guarantee, as probably without it the loan—being the first of the kind for British Columbia—might not be all subscribed. The acceptance of this guarantee not only secured success, but it also secured the whole of these influential guarantors in the interest of the provincial credit.

It will be seen by the papers, relating to the loan, laid before the House, that the issue was very largely advertised in England and Scotland. This advertising of a three per cent. Inscribed Stock for British Columbia, drew the attention of people all over Great Britain to our province, and the circulars that I issued to accompany the prospectus, giving in a condensed form particulars respecting the business of the province, helped to enlighten a large number about the resources and capabilities of British Columbia, and created a great deal of interest. The applications from the general public for the loan amounted to about £117,000, the balance of the £200,000 had to be taken by the guarantors, who were responsible for the whole. This showed conclusively that the province had got the highest price possible for its issue, and pointed to the fact that the commission paid to the guarantors, was all saved by the higher price we thus obtained. The success of the loan gave British Columbia at once a very prominent place in the quotations on the stock exchange. The position and value of a country's loans—its credit in fact—is shown by the price at which the public will buy its securities, that is, the rate of return that investors are willing to accept for their money. The higher the position and credit of the country is, the lower investors are willing to take for their money. On referring to the list of subscribed loans we find they rank as follows:—

	£	s.	d.
1. Dominion of Canada 3% at 95⅝ returns to investors, including bonus	3	3	3
2. Ceylon 3% at 93½	3	5	9
3. Cape of Good Hope 3½% at 98½	3	11	10
4. British Columbia 3% at 86	3	12	2
5. South Australia 3½% at 95¾	3	13	9
6. Victoria 3½% at 95½	3	15	0
7. New Zealand 3½% at 93½	3	15	6

And others still higher.

This shows that the cost to British Columbia for her new loan is less than that of all the Colonies but three; and recent advices quote British Columbia three per cents as held at 86½, and that, after the half year's dividend of £1.10s. per cent had been paid, thus indicating that they may reach 87 to 88 per cent before the next dividend is due. This is of much importance for our conversion scheme. I have heard it said that British Columbia would have done better by borrowing at a higher rate of interest, and in the old form by bonds, and that by issuing in that way at say, 3½ per cent, all the money she wanted could be got in the province, and heavy charges for exchange and incidentals would thus have been saved. But I think I can show you that the new method is infinitely better and cheaper. The advocates of higher interest say that the increased rate enables you to sell nearer to par, and consequently effects a saving in the discount. But, if we refer to the Stock Exchange quotations, we find that the loans at low rate of interest seem to be the favorites, and buyers are well satisfied to take 3 per cent. at a better proportionate price than those bearing a higher rate of interest. This feeling in favor of threes arises no doubt from the greatly increased value that will attach to such loans as they approach redemption, owing to the large bonus. I was very careful to ascertain before issuing the 3 per cent. whether a 3½ per cent. would be as good or better for our province. I found that really there need be no doubt on the subject, for though I could get a 3 per cent. guaranteed at 86, I could not get a 3½ per cent. thought of at over 93, and it was doubtful at that. Now, a 3½ issue at 93 would have cost us yearly, including the bonus on redemption, £3 16s. 5d. per cent., while our 3 per cent. at 86 only costs us £3 12s. 2d. I refer to our loan as costing £3 12s. 2d. per cent. In reality what we have to pay out yearly on it is £3 9s. 9d. per cent. It arises in this way: As for every £100 nominal we issue we only receive £86. £3 per annum in £86 equals £3 9s. 9d. per cent. The discount of £14 is provided for in our sinking fund of 1 per cent. per annum. This sinking fund pays off the entire loan in rather under fifty years.

To illustrate our position still further:—Compare the present loan with that of 1887. The rate of interest on that issue was 4½ per cent., and the loan sold at 98½—a very good price, indeed, at the time; but the cost to the province at this rate is £4 11s. 6d. per cent. That loan should, in order to have been as cheap to the province as the 3 per cents. have been sold at £120. At that price it would have cost us £3 12s. 8d. per cent. Before passing on, I wish to refer to the bogey of discount. This seems to frighten some people, though all the best loans were below par (even English consols). They would quite agree, that to borrow money at 3½ per cent. is very cheap, but the discount staggers them. Well, sir, what are the facts? Take our loan—it is nominally for £200,000 at 3 per cent.—but, in reality, what we borrow is £172,000, not, it is true, at 3 per cent., but at a little under 3½ per cent. The true test is, what does your money cost you? At present it costs British Columbia £3 9s. 9d, and at the end of fifty years £14 additional has to be paid, but this £14 is all provided for in the sinking fund, which pays off the whole. If the advocates of higher interest would think, they would see the folly of their proposition. Say, for instance, the loan was issued at 3½ per cent. instead of 3. At that price they would not get par at any rate until the credit of the province is established, and they would still have to set aside 1 per cent. per annum sinking fund—so they virtually throw away half per cent.; and when you consider that 1 per cent. per annum pays off the debt in less than 50 years, it is easy to realize the fact that the half per cent. extra paid for interest might have been used instead to pay off half the debt.

Now sir, as to being able to borrow in the province, it is possible we might have got the £200,000; but certainly at not so low a cost, and we should have done nothing to place the credit of the province on a good footing. We had to look to the future. It is certain that loans will have to be resorted to from time to time in order to get money for great public works. It was felt to be of the utmost importance with respect to our finances that the province should not have to depend on financial companies or a limited number of private lenders, but should be able to go to the world for its money, and that it should know beforehand, with approximate certainty, what it will have to pay. The system instituted has fully accomplished this. The provincial securities are now regularly bought and sold on the London market, and their value is known. Then, when additional money is required, the Government in power can rely on floating their loans at near the market rates, and at a very small cost for incidentals. Having referred to expenses, I may say, sir, that the cost for issuing our £200,000, appear to be heavy, the expenses attending a first loan of the kind being greater than in future would be necessary. In the present case, though we have only issued £200,000, arrangements have been made for the issue of the additional £500,000 authorized to be raised, and the expenses already incurred cover a great part of that required for the whole issue. The foundation has been laid, and any future borrowing will simply be by adding to the present 3 per cent. loan, and this can be done at near the price of the day, at very small cost. I may add that the cost of the present loan, when conversion is complete, will not be over 1⅝ per cent. and any further issues will cost about 1¼ per cent.

I have said that the position obtained by the province will enable it to get what money it requires, and to get it cheaply, but there is a qualification to put in here. Borrowing must be with discretion. I have already referred to the impression in the minds of financiers in London, last year, that some of the great colonies had borrowed quite as much as they ought to do, and, therefore, though their loans stood at a good price, they found it difficult to get more money. The same would apply to British Columbia. As long, however, as her borrowings are mainly for the purpose of such public works as will tend to improve and develop the province, and thereby increase the population and revenue without unduly taxing the people, there will now be no difficulty in obtaining all the money she can legitimately require, and at the easiest rates. But the line must be drawn there.

Our present position, as I shall show more fully, when I deal with the question of revenue, makes it plain that loans wisely expended add to the revenue, and hence increase the security to the lender. Our estimate of revenue for 1890, based on the result of the current year, shows that though, owing to the change in the land laws, the revenue under land sales will be stationary and even fall off; still the revenue from other sources is more than that of the past year. There is, in fact, a healthy increase in the total. This is of the utmost importance, in view of the contemplated early conversion of the old loans. I have alluded to the reduction of revenue from land sales. This arises, sir, from the change in the land laws, by which public lands are withdrawn from sale, except under special circumstances, thus keeping the capital of the country in the form of its public lands in the hands of the province, only to be disposed of to actual *bona fide* settlers. It is confidently believed that though this withdrawal of lands from sale in large blocks will reduce the revenue from that source for a time, it will soon produce more revenue from the increased number of settlers on the land. There is no disputing the fact that increased population adds to the wealth of the province, and 100 settlers each owning 160 acres is better for our credit than eight large proprietors with 2,000 acres each. I touch on this matter here, sir, because the credit of the province—the quotation of its securities—is so intimately connected with its revenue, and it is important to call attention to the fact, that, though for a time our receipts from land sales may decline, our other sources of revenue steadily give an increase without an increase of taxation, and that the province, besides this revenue, is keeping in reserve, in its hand, the strongest card in the form of its two hundred million acres of public land as a security for investors.

By your permission, Mr. Speaker, I will now turn to the Public Accounts and Estimates. As the estimates for next year are based on the results of the past and the present year, I will first take up the Public Accounts to 30th June last. The revenue for that year exceeeded the estimate made of it by some $50,000. This arose principally from the real property tax, which showed $16,000 increase; registry fees increase, $26,000; personal property, $6,000; and provincial revenue, $7,800. These hardly call for comment. They indicate, however, pretty clearly the progress of the province. The expenditure for the same time exceeded the revenue by $110,000. This arose largely from the decision of last session to go on with large public works early in the year, and the House voted some $138,000 for this purpose, which was brought to account in 1890-1. When on the estimates last year, I said that at the end of the year we should probably have in hand some $80,000, we really, however, found ourselves on the 1st July last with considerably more to begin the next year on, as owing to receipts from sources independent of regular revenue we had $135,000. To arrive at our position when the next financial year begins on 1st July next we have to take into account the receipts up to date; but, as by far the largest part of our revenue comes in during the last half of the year, we have to estimate it. We find, sir, pretty conclusively that it will come to such an amount as to leave us to begin 1892-3—the year for which the estimate now in your hands is framed—with about, including loan, $800,000.

If we now refer to these Estimates for 1892-3, we find the revenue put down at $1,055,464, an increase over the amount for the present year of about $150,000. There is an increase of $5,000 from miners' certificates. This is likely to arise under the mining developments now in progress at Kootenay and elsewhere. General mining receipts, for the same reason, give an increase of $4,000; and, as prosperity should add to happiness, we put down an increase of $1,000 under marriage licenses. I am not sure whether any members of this House will help to increase this personally. Then, under provincial property tax, there is an increase of $25,000; wild land, $45,000, this latter arising from the change in rate; provincial revenue tax, increase, $5,000; registry fees, increase, $15,000. These are the most important sources of increase. They hardly require comment. They arise, as I have before said in referring to last year, principally from the growth of population and wealth. There are, however, two lines of revenue which, in the usual course, would show a large increase, but which we put down the same as last year. These are land sales, $200,000, and real property tax $100,000. They are very important factors in our revenue, and call for special notice. As you are all fully aware, under the new Land Act, no public land is to be sold in large blocks, consequently an actual reduction in revenue might be looked for under this head. The land that will be disposed of to actual settlers coming principally, as it virtually does, under the pre-emption clause, will produce small revenue for a time; but there is a quantity of land acquired, or to be acquired, under the old act, the payment for which will come into next year. And, beyond this, as the Governor in Council can sell land by auction for townsites and other special purposes, these sales will undoubtedly for some length of time produce a considerable revenue, while in a few years the pre-empted lands will give a steadily increasing revenue from real and personal property tax.

The other important line of revenue put down the same as the present year is the real property tax. This at first sight may look to be incorrect as, especially in view of the general increase of wealth, this amount should augment; but there is a special cause for this sum being apparently stationary—it is not really so. It comes largely from the great increase of municipalities. There are applications in now for, I think, for seven new municipalities, and as they take the real property tax it will sweep out of our revenue some $30,000; so that in reality there is a larger amount paid under this head than now, but so much of it goes into the pockets of the municipalities. Of course, sir, on the other hand, the formation of municipalities should reduce our expenditure, as when they get the tax they are supposed to do all their own public works. I say supposed, but there is a supposition the other way, too. It is often remarked that these municipalities after being formed do not tax themselves, but look to the Government still to carry on their public work. This, I hardly think, can be the case from what we know of the representatives from the district where these municipalities are as thick as blackberries. They would never consent to take public money under such conditions! There is one very important line which I have left to the last. It is that of the grant *per capita* from the Dominion Government. This gives an actual increase of $26,213, the total being now $74,213, based on a population of 92,767. We have hitherto been paid on a population of 60,000. This is an important gain; but we have every reason to believe that the population is at least 110,000 to 115,000, and very strong representations have been made by the Government to the Dominion on this point, showing, I think, conclusively that we are entitled to some $8,000 to $10,000 more.

On turning now to the other side, we find the expenditure is $1,273,550, an excess over revenue of $218,090. This excess has, however, been fully provided for by the loan, which was raised especially for the purpose of carrying on extensive public works and a general survey, without which the country will either stand still or recede. The largest expenditure, it will be seen, is under public works, which amounts to $411,350—about a third of the whole. It is unnecessary for me to weary the House by going into the details of the expenditure. It is carefully calculated with the view to promoting the welfare and progress of the province. The next large line of expenditure, is that for education, $211,790; but from this has to be deducted the refund from cities of $42,000, leaving $169,790 as the total—an increase of $22,000 over the current year. This is one of the growing expenditures that must be risen to, and of which we cannot complain. It is certain that with our pleasant climate and surroundings, the main cause for this expenditure—children—will steadily continue to increase, and must be provided for. It reminds one of Tennyson's Brook, "Men may come and men may go, but I go on forever." But as this is a subject on which the Minister of Education has had so much experience, I will leave this steady increase for him to revel in, adding thereto the amount on the estimates some $24,000 for school buildings. There is a moderate increase under the head of Civil Government Salaries of about $12,000, and Administration of Justice Salaries, $13,000, arising simply from increase of work and the extension of the Government offices throughout the province.

In view of the important financial arrangements which we purpose shortly to conclude, I refer to the conversion of the old debts. It is important to notice the expansion of our revenue. In 1888-9 it was $706,779, and in 1892-3 it will be at least $055,464, an increase of about 50 per cent. It is evident that by 1895-6 it will amount to $1,600,000 at least, and that without additional taxation. The increase of expenditure in the current term has been somewhat less than 50 per cent, and a large part of this expenditure being for public works, which in that term amounts to $1,353,000. This, of course, is paid for by the loans. If we eliminate this from the expenditure. we find that in 1888 the cost of running the country was $610,403, and in 1892-3 $862,200. Thus, whilst revenue has in that time increased by 50 per cent, expenditure, including the heavy sums for education, has increased only 36 per cent. In reference to the conversion of the old loan, I wish to explain that the issue of the £200,000 was preparatory to this. By this issue we get a British Columbia 3 per cent. Inscribed Stock quoted in the London market, and thereby are able to arrive at the real value of our securities, thus enabling conversion to be intelligently dealt with. Should we succeed in converting these old loans, it will save the country about $20,000 in interest and sinking fund, and release, for the use of the Province, about $300,000 of sinking fund now lying idle in London.

Under miscellaneous, there is an increase of about $20,000. There are some very important and beneficial expenditures grouped here, notably, $5,000 for the Imperial Institute and $5,000 for the Chicago World's Fair. All agree that the province should be represented at those great centres, and we hope to do it well. It will be seen that the Government has not overlooked the sick and poor, the vote for hospitals and charities being $42,000, or $12,000 over last year. This is a vote which commends itself to British Columbians. It expresses their proverbial liberality. I have not yet referred to the expenditure under Public Debt. This has gone up about $41,000, and arises largely from the new loan, being for sinking fund and interest, $38,800. This of itself strikingly shows the advantage of the new loan and its cheapness. If you compare it with the other loan you see that whilst this cost $38,800 annually, the 1887 loan cost $68,288, and the 1887 cost $58,200. These figures speak for themselves. As has been already stated, the excess of expenditure over revenue has been provided for by the loan, so that at the end of the next financial year—that is on 30th June, 1893—we shall still have on hand approximately $600,000, and that with an increasing revenue.

I don't think, Mr. Speaker, it is necessary for me to say much more at this time, as owing to the very dry character of the subject, I feel sure that all honorable gentlemen will be getting wearied. I have endeavored to show in as condensed a manner as possible the exact position of our finances at the present time, and the probabilities for the future. I have fully explained the issue of the 3 per cent. loan, and the advantage to the Province of that transaction, and I have alluded to the importance of being cautious now that the Province can borrow cheaply not to borrow too much. All this, sir, has been of the nature of dry figures. I might have been tempted to branch off into poetry to relieve the monotony, but the eye of the junior member for Yale prevented me, and I remember when on one occasion I did venture on a flight of that kind, he raised the House on me, and, as a result, we had hardly anything else but poetry during the rest of the session, the whole led by the hon. gentleman who still so earnestly watches me, and who presently will essay to demolish all I have said. But he will, if he tries, only waste his power, and so he had better advise his fellow members of the Opposition and also the dependent Independents that our position is too strong. I now move that you do leave the chair. (Applause).

HON. MR. BEAVEN complained that the Minister of Finance had departed from the usual custom in taking up the discussion of the estimates the day before it was proposed to take them up.

HON. MR. TURNER corrected the hon. leader of the Opposition. He said he had informed him (Mr. Beaven) on Tuesday evening last that he would take up the discussion to-day.

HON. MR. BEAVEN replied that, at any rate he was not quite prepared to discuss the estimates, for the reason that he had not brought to the House several papers and books he had generally used in going into matters of this kind. This was one thing which hampered him in criticising the budget speech; but there was still another feature to which he wished to direct the attention of the House. That was, that for the second session now there had been no report from a committee of the House known as the Public Accounts committee. For some reason or other that committee had been unable to meet and go into the public accounts, so that the House was in practical ignorance of the whole question of finance and expenditure. Then, again, there was formerly a return brought down to the House each year showing revenue and expenditure from June 30 to Dec. 31 of each year, this being a supplementary return to the public accounts report. He thought that, as the Public Accounts committee had not done anything to look into the finances of the province, a Royal Commission should be appointed to take up the work.

HON. MR. ROBSON—Whose fault is it that the Public Accounts committee has done no work?

HON. MR. BEAVEN replied that the trouble was, that so many members of the House were on other committees, that they had no time to attend to the work of the Public Accounts committee. Now, he said, it was a fact that every member of the House wanted to know about the finances of the province, and here, for fully two years, there had not been one iota of information had from any independent source. He hoped this would be corrected. He had still another cause for complaint, he said. It was because the return he had asked for, and the House had decided he should get, relative to the issue of Inscribed Stock of the province, had been brought down by the hon. Finance Minister, in a most incomplete form, and did not give half the information desired or required. This was, he claimed, simply in pursuance of the general policy of the Government, which was to conceal as far as possible from members of the House and from the country, true and complete information of what they were doing. (Laughter.) Under section 44 of the Financial Act, it was expressly stated that the Finance Minister should lay before the House every session of the Legislature an abstract of the provincial expenditure and receipts up to the latest date possible.

HON. MR. TURNER—Yes; some time during the session (laughter).

HON. MR. BEAVEN continued that he supposed the Finance Minister would consider he had complied with the requirements of the law if he laid the abstract referred to before the House on the very last day of the session; but that was only one way of really evading the law and depriving the House of the information to which it was entitled. He ridiculed the hon. Finance Minister's remarks about what he (Mr. Turner) had done in London, and said that the hon. gentleman would seem to lay claim to having done what no other Financial Minister had ever done or would ever have been able to do. As a matter of fact, the financial transactions of the Province of British Columbia were but a drop in the bucket, and could have no effect on the money markets of the old world one way or the other. As to the actual proceeds of the loan, he said it was a great shame the way the money had gone. Here was the sum of £200,000, for which the province had made itself liable, and had only received in return therefor, some $800,000 in actual cash. He was not blaming the Minister of Finance so much, for he believed he (Mr. Turner) had done as well as any other Minister of Finance could have done. The arguments of the hon. Minister of Finance had gone to show that British Columbia Inscribed Stock was a good investment for the capitalists who had money to loan, but that did not argue anything in favor of the province.

HON. MR. ROBSON—Yes, it does. It establishes our credit in the money markets of the world. (Applause.)

HON. MR. BEAVEN continuing, gave the Minister of Finance credit for having taken advantage of the Imperial Statute and issued the Inscribed Stock. He, (Mr. Turner), had nothing to be ashamed of in connection with this matter, but he had certainly done nothing to boast of, and had no right to claim any credit for doing just what any other man would have done. Referring to the estimates, he, (Mr. Beaven), said that past experience had shown they were utterly unreliable and there was little or no use discussing them. The estimated receipts and the actual receipts were so divergent, that it would be a waste of time to attempt to criticise them. There was one thing though, he regretted to see. That was that the province was rapidly going ahead on the wrong side of the ledger. There was a great breach between the actual receipts and expenditures. He thought the Government was spending too much money in proportion to the amount received, and either the taxes were not collected or the population was not increasing. He complained that the public land, of which the price was ostensibly $5 per acre, was being sold at $1 to $2.50 an acre, principally at $1 per acre, and again contended, as he had done before, that the House should set the price on the land, and not leave it to the discretion of the Chief Commissioner of Lands and Works to say whether the price should be $1 per acre or $5. He also complained that the returns brought down to the House from time to time were not printed in the sessional papers for the information of members. This, he said, was another example of the policy of the Government in endeavoring to conceal their doings from the people.

MR. KELLIE continued the debate. He was astonished, he said, that the district of West Kootenay which was, without doubt, one of the richest in the province, had not been more liberally dealt with in the estimates. Referring to the Slocan Land Reserve question, he said, he was surprised to see from a return that had been brought down by the Provincial Secretary, that the Government had put a reserve on that land on the single and unsupported representation of one Charles E. Taylor, who was a man of no reputation whatever.

HON. MR. ROBSON—Don't say that.

Some hon. members—No, no.

MR. KELLIE—I am prepared to back up what I say, and I know what I am talking about. He declared that it was no credit to the Province to have a Government in power that could be so easily misled. The Government should have in a matter like that of the Slocan land reserve, listened more to the representations of their own agents in the district and less to outsiders. The district of West Kootenay, he said, had not been spoon-fed, but, on the contrary, had paid dollar for dollar in the way of revenue, and he thought it should be apparent that it was the duty of the Government to put such a rich and prosperous district on its legs and do the right thing in the way of building roads, trails, etc., to open the country up. He also would like to see the Government appoint a provincial geologist and spend $4,000 to $5,000 a year in this way so as to make the resources of the province known. The Government should also divide the district and put a couple of live Government agents up there who would do some work instead of repeating nursery rhymes and silly twaddle. He (Mr. Kellie) would say, to the credit of the Government, that every dollar of the money granted by the House last year for West Kootenay district, had been properly and judiciously expended.

MR. HALL replied to Mr. Kellie. He did not think it fair to call upon the Government to build trails and roads on the strength of rumors as to the wealth of any particular district. He also defended the action of the Government in selecting their present representative in Kootenay.

COL. BAKER declared himself a brother in adversity with Mr. Kellie, his district not having obtained an appropriation such as it ought to have.

MR. SEMLIN wished that the Minister of Finance, who was also Minister of Agriculture, had given the House some information as to the latter department. His hon. friend claimed that the Government had done a great deal towards bringing about the present prosperous state of the province, but he (Mr Semlin) believed it was but the course of events, and not the policy of the Government—for the Government had no stability and no policy. Anything the Government had done they were obliged to do owing to the force of public opinion. In comparing the distribution of public funds in the various districts, he found that the injustice done was greater than ever. Districts which contributed liberally to the public revenue were put off with paltry allowances, while sections which contributed but little were liberally provided for in the estimates. He showed that Victoria contributed $22,000 to the public exchequer, and a sum of $16,000 was appropriated. In the Island district $5,000 is to be expended, while that section contributed $22,000. In his own district, which had contributed $95,000, provision had been made but for $22,000. He spoke of several works necessary in his own district, and said that the amount provided for in the estimates would not cover the cost of what was required. He asked what had been done with the petition presented, praying for the construction of a bridge across the Thompson River at Kamloops. Having complained that public works were not carried out by contract, as was the presumed policy of the Government, he asked if any provision had been made for the Crofters, and said that with all the increase of prosperity and expansion of revenue, it was strange that the Government was called upon to go into the markets of the world and seek to borrow money. Concluding, Mr. Semlin regretted that the Attorney-General had left his seat, as there was a matter which he would like to have alluded to, were that gentleman present. It appeared that the Attorney-General had started a Government organ to run the machine after his own views, and how the two Government newspapers were going to harmonize, he could not understand. One of them had represented the Government for years, and yet a member of the Government had decided upon taking action against the old Government organ for libel. It was the strangest piece of Government tactics or newspaper tactics he had ever heard of. Did the Government support the Attorney-General's newspaper, or did that gentleman start the organ to represent his own particular views? If there was not harmony in the Cabinet on this point, what might they expect? Was one paper representing the Government, and the other the Atttrney-General, and those who particularily fell in with his views? He regretted the Attorney-General was not in his place, or he would have more to say on the point.

MR. MARTIN defended the action of the Government, and contended that the appropriations were as liberal and as fairly divided as possible. In reply to the member for West Kootenay, he said that that gentleman was unreasonable in supposing that the Government could expend money in the opening up of roads and trails to undeveloped and unknown mines in the Kootenay district. The old-timers packed their stuff to the mines now established in that country, and when it was proven that the mineral wealth had been discovered and work in operation, then the Government made the roads. He would like to see the Kootenay country developed, believing that there was immense wealth there, and the Government would be happy to assist in this development. The country was rich, for he had read in a newspaper, the other day, that his hon. friend from West Kootenay (Mr. Kellie) was a millionaire.

MR. KELLIE—That appears in the Attorney-General's paper. (Laughter). I wish I were a millionaire.

MR. MARTIN—So do I.

MR. KELLIE—If I were I would give the Attorney-General $20,000 to help to wipe out that terrible COLONIST with its flaming headlines. (Laughter).

MR. SWORD criticised the estimates at considerable length, and moved the adjournment of the debate.

QUESTION OF PRIVILEGE.

MR. KITCHEN rose to a question of privilege. He complained that a copy of a bill printed in the Government printing office, which had not been yet submitted to the House, had been tendered and accepted as evidence in court in Westminster in a matter affecting the election of Reeve for the municipality of Richmond. He wished to know by what authority the Queen's printer had furnished a copy of that bill, to be used in evidence in court, before it had been been submitted to the House.

HON. MR. ROBSON explained that the Reeve of Richmond was in town some time ago, and had received a printed copy of same proposed amendments to the Municipalities Act, with his (Hon. Mr. Robson's) consent.

MR. KITCHEN complained that the Queen's Printer would not give him (Mr. Kitchen) a copy of a bill before it was submitted to the House.

HON. MR. ROBSON—And quite right. This was not a copy of a bill, but a few amendments.

MR. KITCHEN further objected that a certain petition from one of the municipalities of his district, applying for the appointment of a Royal Commission, had been altogether ignored by the Government.

HON. MR. ROBSON replied that this was not so. The reason that the petition did not come up was that he had subsequently received a letter from the chief kicker, withdrawing his objections.

The House adjourned at 6 o'clock.