HON. MR. TATLOW'S BUDGET SPEECH

Minister of Finance Comments on Continued Prosperity of the Province.

GIVES VERY ABLE ADDRESS

Policy of McBride Government Works In Interest of the Entire Country.

IN the legislature on Saturday, Hon. Mr. Tatlow, minister of finance, delivered the budget speech, which is pronounced one of the ablest ever delivered on the floor of the assembly. He said:

I had hoped that on this occasion it would not be necessary for me to again refer to past conditions from which we have so recently emerged, but that I would be able to devote the short remarks I intend to make to the present and future prospects. However, I cannot allow the statement made a few days ago by Mr. Wells to pass uncontradicted. That gentleman, speaking of the financial position, said, practically, that the work of the finance minister was now easy, "all plain sailing," since the more important public works had been completed before this government assumed power, more particularly the bridge over the Fraser at New Westminster. A particularly unhappy example, for as you know, the recent government floated a loan of 3½ millions in the year 1902, and by a reference to the act under which this loan was granted you will see that the money so raised was to be applied:

1st, in payment of the then existing overdraft,

2nd, in payment of construction Fraser river bridge,

3rd, balance to be paid into revenue account.

But what was the actual result? On the commencement of the fiscal year, when we took office, we found $80,000 in the treasury which represented deposits on account of suitors' funds and intestates estates to the amount of $152,000, in other words, we were $72,000 behind, and since that have had to pay out over $556,000 to complete the New Westminster bridge ,in addition to nearly $200,000 on other public works then under contract, and which were supposed to be provided for out of the balance of that loan. So it could hardly have been called "all plain sailing." However, it is useless referring to a condition of affairs, now happily past, so well known to the people of this province.

I am glad today to be able for a second time to announce that we have not only been able to live within our income during the past year, but have also been able to bring forward a good surplus of revenue over expenditure amounting to $265,265. In considering this surplus, the first question that naturally arises is how was it arrived at? And I am happy to be in a position to show that it was entirely due to the expansion of revenue due to improved industrial conditions. You will remember that in framing our estimates for the last fiscal year, we exercised the greatest possible economy, so it was hardly possible to curtail the expenditure, in fact, the actual expenditure for the year was $2,424,196, and the estimated expenditure, $2,638,285, showing the small excess of $13,911; while, on the other hand, the actual revenue was $2,920,461, and the estimated, $2,522,076, showing an excess of $398,385, principally due to timber revenue, land revenue, land sales and receipts under the Chinese Restriction Act. The amount received under the Chinese Restriction Act appears practically for the last time. In 1904 we received $258,000 under this head, in 1905, as I said, $225,000, and in all we received as our share of the tax, $955,000; and as this large source of revenue has now disappeared, it is well for us to remember that such a surplus as we show this year can hardly be repeated for some time to come, and it will still be necessary for us to exercise the utmost care and economy in order to keep expenditure within revenue.

As stated, the increased revenue points largely to an improvement in industrial conditions, as will be seen from a comparison of the last few years:

In the year 1900 the net revenue was $1,544,106.

In the year 1901 the net revenue was $1,605,920.

In the year 1902 the net revenue was $1,807,925.

In the year 1903 the net revenue was $2,044,630.

In the year 1904 the net revenue was $2,638,260.

In the year 1905 the net revenue was $2,920,461.

That is a steady increase amounting to $1,376,355 in the six years.

Of this there is due to increase in timber royalty about $300,000; land sales, $100,000; land revenue, $120,000; per capita grant, $65,000; taxation (real, personal, income and wild land), $400,000; revenue tax, $80,000; Chinese head tax, $175,000.

On the other hand, there is a corresponding increase in expenditure which a reference to the public accounts will show have for many years been more or less in excess of revenue, an excess which in 12 years preceding 1905 amounted to over nine million dollars, and had to be met by periodical loans, the result of which is that between interest, sinking fund and redemption, the charge for public debt this coming year amounts to $732,924, of which, however, $272,000 goes to sinking fund and redemption of debenture, or, in other words, about one-quarter of our revenue has to be set aside to meet the standing charges, an amount which, however, is yearly decreasing as our debentures are redeemed, and by the end of 1907 will be reduced by the payment of the loan maturing that year, and redemption of the debentures under Parliament Building Equipment Act, by over $67,000. This charge also includes $56,700 for interest and sinking fund on dyking debenture under the act of last year, and which will be partly repaid by the charge on dyked lands.

At the present time the debt of the province stands as follows:

Balance due under Loan Act, 1877	$ 462,690
Balance due under Loan Act, 1887	381,210
Balance due under Loan Act, 1897	30,000
Balance due under Loan Act, 1903	900,000
Inscribed stock	9,921,936
Dyking debentures	1,036,000
In all	$12,731,836
The amount to credit of sinking fund	1,513,538
Leaving the net debt of the province at	$11,218,298

or $164,488 less than when I presented my statement of last year.

In examining the accounts of expenditure for the last fiscal year it will be apparent that our total actual expenditure is practically the amount of our estimates, there being a difference of less than $14,000.

I might particularly mention the estimate of taxes under the heads of real and personal property, wild land and income, which were estimated to yield $656,000, and actually produced $652,890, and the provincial revenue tax, estimated at $150,000, yielded $157,000.

The amount of cash at our credit at the bank on July 1 was $525,804, of which, however, $170,182 was due to deposits on account of suitors' funds, intestate estates, etc., leaving the amount belonging to the province, $355,621, on which the province is drawing interest until the money is required.

In the Dyking Act of last year provision was made for an issue of debentures not to exceed $365,000, with which to take up the overdraft on dyking account at that date amounting to $254,271. These debentures, which bear interest at 3½ per cent., are prepared and ready for issue when the money is required, but are in the meantime carried by the treasury.

As taxes and other moneys are largely collected towards the end of June, there is usually a good deal of money on hand in the early portion of the fiscal year. By an arrangement with the bank we receive 3 per cent. on our deposits over $25,000. This arrangement has been in force since 1st of April, 1904, and for the 21 months during which it was in force to December 31 last, we received in interest $28,506 from the bank, instead of, as formerly, having to pay the bank on an overdraft. A condition of affairs that having once attained, we should endeavor to continue.

A comparison of the half yearly statement to December 31, 1905, with that of 1904 shows:

To December 31, 1904	$1,235,463
To December 31, 1905	1,188,505
A decrease of	$ 46,958

But as the 1904 statement includes the $225,000 under Chinese Restriction Act, we can regard the statement as satisfactory, showing an increase of other revenue for the half year of over $150,000. While the estimate of expenditure is also less for the half year than in 1904, the fact is not so significant as the proportions of moneys voted if not spent in the first half are usually included in the second half of the year. However, from the returns made, and taking into account the supplementary estimate of $83,823 asked for the current year, I feel safe in prophesying that the end of the year will show that once more we have succeeded in living within our income.

In coming to the estimate of revenue and expenditure for the fiscal year ending 30th June, 1907, you will see the revenue is estimated at $2,647,976, or $88,000 more than for the present year, although in arriving at that amount allowance has been made for decreases under certain heads. Owing to the amendments to the Assessment Act, by which the personal property tax was reduced, the formation of municipalities, and also to the fact that we find that although there is a large increase in income tax from $28,900 in 1903 to $72,000 in 1905, still the estimate for last year was in excess. Consequently we have reduced under these heads:

Taxes	$ 65,000
Mining receipts, free miners and general	15,000
Licenses	20,000
Coal tax and royalty	20,000
Miscellaneous	40,000
In all	$160,000

On the other hand, we are able to increase:

Land subsidies and revenue	$ 35,000
Timber royalties and licenses	135,000
Mineral tax	15,000
Unworked crown granted claims	10,000
Registry fees	10,000
Revenue tax	10,000
	$215,000

In addition to which are new sources of income, under

Log scalers' fees	$ 10,000
Dyking Assessment Act	14,700
Commercial Travelers' Act	20,000
In all	$259,700

Added to which are some smaller claims not necessary to detail, making, as I said, the net increase about $88,000.

The public debt is practically the same, the small increase being made necessary by an addition of about $2,000 required to meet final payments on 1877 loan, which is payable in 1907.

Civil government salaries show a nominal increase of about $10,000, but of this $10,000 is for log scalers, and as an estimate of receipts under this head appears on estimate of revenue, this may be called a cross entry. Another amount of $6,500 for assessors throughout the province is to enable us to appoint more assessors, as they become necessary, so as to carry out the recommendation of the tax commission by making a board of equalization. Already assessors have been appointed on Vancouver Island on the west, and the Kootenays on the east, and it is proposed gradually to extend the system to the whole province. Apart from these items, the increase provides for a clerk in the bureau of information, an assistant inspector of fruit pests, and a few other small items.

Public institutions show an increase of $10,000 for insane asylum and printing office; hospitals and charities, an increase of $7,000, principally due to assistance to tuberculosis sanitarium of $5,000. Education shows a decrease of $13,758, due to the School Act. In considering this item, it must be borne in mind that half of the present fiscal year comes under the old act.

The principal item of increase, I am happy to say, is that of public works, to which I am glad to say we are able to devote $236,150 more than last year, an amount practically equal to our surplus on the 30th June last, thus bearing out the promise made in the speech at the commencement of the session, of a more liberal appropriation for public works.

The total estimate of expenditure is $2,837,916, to which must be added interest on railway guarantees, $50,000, an advance under Dewdney relief and in all, $25,000, making a total of $2,912,916, an amount nearly $300,000 in excess of the estimate of expenditures for the present year, and $265,000 in excess of the estimate of revenue and receipts for the year 1906 to 1907; but this deficiency, as explained before, is practically covered by the amount of the surplus at 30th June last, which is still intact.

In speaking of the excess of actual over estimated revenue, I attributed the increase to the improved condition of our industries, notably lumbering. This appears to be due to an increased demand for our lumber with the Northwest, owing to the fact that the trade in the United States has been sufficient to absorb their own production, and for the time being to relieve us of their competition in our legitimate market. But this is a condition of affairs that may change at any moment, and makes it none the less necessary for us to press for protection of the industry. The various revenues derived under this head exceeded the previous year by $162,000, mostly from royalty and special license, the numbers of which latter increased nearly 50 per cent., from 1,451 in 1904 to 2,166 in 1905. At the present time there are 126 mills in operation in the province, with a daily capacity of 4,260,000. The total cut for last year is estimated at $500,000,000, an increase of 110,000,000 over 1904, and everything points to a still further increase in the near future. New mills are being erected, which will still further increase this output, and there is a hope that contemplated tariff changes by our neighbors to the south will give us a larger market for manufactured products, enabling us to dispose of various grades which have been regarded as worthless in the past. In the meantime I think the province has every reason for congratulation on the effect of the policy of restricting the export of raw material.

Mining conditions are also looking very favorable, and there is a steadily increasing output.

Approximate of mineral output, 1905:	
Gold	$ 5,960,500
Silver	2,007,700
Copper	5,480,000
Lead	2,330,000
Zinc	182,800
Metalliferous	$15,961,000
Coal	3,330,000
Coke	1,212,000
Building materials	900,000
	$21,403,000

—and would be larger, but for falling off one-quarter of a million tons of coal, due to the Western Fuel Company being shut down for a portion of the year.

Comparisons of last ten years:

1896	7,507,936
1897	10,455,000
1898	10,906,000
1899	12,896,000
1900	16,344,000
1901	20,086,000
1902	17,486,000
1903	17,495,000
1904	18,977,000
1905	21,403,000

The great advance made in the past year is the more gratifying for the reason that it is not alone due to increased prices of the various metals, but also to the increased tonnage mined, including over 20 million lbs. lead and half a million lbs. copper.

There is one item in this connection worthy of special reference as pointing to the creation of practically a new industry, that is, zinc, the increasing quantity of which—some 13,000 tons—developed in connection with lead mines in the Kootenay country, was the most serious problem confronting the mine owners. But now the matter has been taken in hand, a commission of the foremost men in their profession has reported on the question, which has lead to the establishment of plants at Kaslo and Frank for the purpose of dealing with these ores. But not only have we to congratulate ourselves on the increased production of ore, but on the fact that this increase has lead to such activity in smelting. All our smelters are now working—many have increased their capacity, new plants are being established, and we have the satisfaction of knowing that almost every pound of ore produced is smelted or otherwise treated within the boundaries of the province.

Dealing with my own department, of

AGRICULTURE,

it is safe to say that the numbers of people who have come to the province in the past years, and the inquiries for land, have exceeded any former years. More especially does this apply to immigration from Manitoba and the Northwest, whence many who have shared in the general prosperity have crossed the mountains to invest their savings and make their home in the milder climate of British Columbia. Almost invariably the inquiries are in the direction of fruit growing—grain growing is naturally discouraged, as the land can be put to more profitable uses for dairying, poultry, swine raising, etc., in all of which branches there is great opportunity for expansion, as the consumption is far in excess of the production, a condition which, however, is already beginning to show signs of improvement, as we find the imports of agricultural products for 1905 are slightly less than for 1904.

In 1905 we imported from foreign countries $1,838,568; from other provinces, $4,821,170, and paid duty, $343,908, a total of $7,003,646. In 1904, imports from foreign countries, $1,500,817, from other provinces, $5,598,621, a total of $7,199,438. Duty paid, $291,926. Total, $7,491,634, showing an improvement of $487,718 less sent out of the province than in previous years, which can be attributed almost entirely to increased local production. But as the amount of produce handled or marketed is over $12,000,000, and local production little over $5,000,000, it is plain there is still a great opening for those willing to engage in this industry.

We are at the present time in negotiation with the department of agriculture at Ottawa, with respect to the formation of a Live Stock Association, and the holding of a sale for pure bred stock, and are in hopes we may be able to couple with it the inspection of creameries and instruction in dairying, the object being, firstly, that a superior article of uniform quality may be produced at the lowest cost, in order to compete successfully with the imported article, thereby keeping in the province the large sums now being sent out to purchase products which can and should be raised in the province; and, secondly, to bring owners and possible purchasers of live stock together, in order that a fair price may be realized and animals of good quality and well acclimatized, be acquired, to the mutual benefit of all concerned.

Perhaps, however, our greatest effort so far has been in horticulture, where, for a second time, we have to record a great success at the exhibition of colonial fruits in England. Encouraged by our success in 1904, we determined this year on making still greater efforts. The Canadian Pacific railway kindly offered to carry our fruits over their lines free of expense, so that at a comparatively small cost we were able to send to England a carload of British Columbia fruits, which gained for us not only the gold medal and eight silver ones at the show of the Royal Horticultural Society in London, but an amount of advertising almost invaluable in its value and effect—for the real object of these exhibitions is not so much to exploit foreign markets for our fruit, as to present an object lesson of our climate and resources. Everyone knows the immense strides by this industry in the last few years; from the latest returns we find that the C. P. R. handled 4,237 tons of fruit in 1905, against 3,010 tons in 1904, and 2,544 tons in 1903; while it is estimated that 800,000 trees have been planted in the last year, in addition to 200 acres of strawberries and a large acreage of small fruits. It has been necessary to protect those enjoying the industry by the passage of very stringent regulations against the importation of poor or diseased stock, and we have been so successful up to date that we read in the London Times in an article on our fruit: "The insect plagues that work such mischief in California have been excluded hitherto; this immunity gives British Columbia an enormous advantage. The expense and risk of insecticides are avoided." Mr. McNeill, of the Dominion department of agriculture, says: "The one thing that impressed me is the fact that as far as the fruit industry is concerned, the growers commence in this country with a clean slate."

We are determined to use all our efforts to keep the slate clean, because we realize the loss caused by bad or diseased stock is not so much the cost of planting and cultivation as in the ulterior effect, when after years of waiting for a profitable return, the planter finds himself in a worse condition than when he began. After the exhibition in England, Mr. Palmer, who so successfully handled our fruit, sold portions by auction in different cities, and obtained such prices as would assure a good profit, and the verdict in London and Liverpool, as reported by the agent general, was that our growers "might always feel confident of selling such fine fruit at an equal price, or even a better one."

There is every reason to believe that with due diligence on our part our province will continue successfully to invite the attention of those who are seeking an ideal locality for fruit raising or small farming, and will at no distant date become the banner fruit district of Canada.

In dairying, there is a steady improvement, and the older methods are giving way before the co-operative creameries established under the auspices of the government. Of course the imports are still largely in excess of local production, but it is satisfactory to find that the product of our sixteen creameries in 1905 was double that of 1902, when it amounted to 715,812 lbs. In 1905 these creameries produced 1,400,000 lbs., or about 250,000 lbs. more than 1904, and distributed over $314,000 among their patrons, or $54,000 in excess of 1904. In addition it is estimated that there were 400,000 lbs. of private manufacture, increasing the total product to some 1,800,000 lbs., valued at $480,000. As to the quality, I may add that Mr. W. A. Wilson, who judged the dairy products at the Dominion exhibition, paid a high compliment to both their quality and uniformity.

"Since acting in the capacity of judge of the dairy products at the Dominion exhibition at New Westminster, I feel that I cannot permit the opportunity to pass without complimenting you and the people of British Columbia on the quality and uniformity of such a large and splendid exhibit. Out of 114 entries only a few of them scored under 90 points out of a total for perfection of 100. The dairy as well as the creamery stood high in point of excellence, and the entire exhibit showed marks of ability on the part of the makers. The flavor, too, which is chief among the points on which butter is scored, was good throughout. I can safely say that the exhibit was the best I have ever judged, and I am convinced that its high and uniform quality is largely, if not almost wholly, due to education along dairy lines in the course the provincial government has been pursuing. I feel that I cannot too strongly mention such a commendable dairy exhibit, and to me it is evidence that the people of British Columbia are anxious to improve and take advantage of the assistance the local government is so generously extending."

In conclusion I would like to quote from the address of Mr. Walker, manager of the Bank of Commerce, as showing how we are viewed by an outsider in a position to know:

"While the Northwest provinces have had more attention from Eastern Canada and from the outside world during the past year, no province in Canada has had greater prosperity relatively to its immediate possibilities than British Columbia. This huge province, destined probably some day to outstrip all others in wealth, with resources which require literally millions of people for their development, has at present but a handful, as it were, of people. It is so rich in products of both sea and river, valley and mountain—fish, fruit, grain, cattle, timber, coal, and almost all minerals; it is so lovely a country for man to live in; and it can eventually be so largely self-supporting because of its possibilities in producing varieties of food and varieties of manufactures, that no one can doubt as to the character of its industrial future. But the physical and financial problem of British Columbia is by far the most difficult of any of the provinces, and it seems desirable that the other people of Canada should appreciate what the British Columbians have to do.

"This small body is called upon to make the initial expenditures necessary to render even the earliest conditions of settlement possible. And these initial expenditures mean roads built in one of the most difficult of countries, bridges across great rivers, etc.; indeed, at every point, the first outlay is most costly, especially as compared with that of the prairie provinces. And when communication is made, the individual again has to expend unusual labor and money before he can get any return. The ultimate result of such initial expenditure, if wisely made, is not a matter of doubt, but the difficulties explain why British Columbia grows more slowly in population than we all wish."

If they believed that Mr. Walker's prophecy was true, a great responsibility rested upon this House to endeavor to realize these reasonable anticipations, to avoid legislation which would in any way check that progress or prevent the possibilities outlined from being realized.

"The question could not be summed up better," said Hon. Mr. Tatlow, "than in Mr. Walker's address to the shareholders at the annual meeting. I think it is Burns who says the greatest gift is to be able to see ourselves as others see us, and in this address we do see ourselves as others see us, and if that statement of our conditions is true, surely a great responsibility rests upon the province for the proper handling and development of these great gifts with which Nature has endowed us, and it is for us to show that by our handling of these great resources with which we are blest that the affairs of the province are conducted in such a manner that it stands above reproach; that our financial position is as good as that of any other country in any part of the world; and that by our legislation we keep clear of such laws as may inure to the benefit of any one particular class or any one portion of the province; in fact, only such legislation as shall be for the general interest of the whole country; that will tend to place the province in a proud position in the world, a position worthy of the province, that will become the richest and most valuable of all the provinces in the Dominion of Canada." (Loud and prolonged applause.)

EVENING SESSION.

The House resumed the debate on the Columbia & Western subsidy Act at 8:30 p. m.

Mr. J. H. Hawthornthwaite said that this was one of the most important that had come before the House. It involved the sacredness of contract, and there was certainly nothing that had been so dinned into the ears of the working classes as the importance of carrying out their agreements. It was one of the planks of his party to oppose all land grants and subsidies of any kind to railways, but the adoption of that plank was the result of ignorance. Many years ago Great Britain acquired foreign territory and colonized it. Their object was to develop their colonies on English lines. These settlers found abundance of good fertile land, and they seized and cultivated it. Then capital was introduced for greater development. A price was put on land, and large tracts were granted to corporations. Settlers also by the use of a small capital were able to purchase land and implements and work their land. These conditions no longer existed. If every acre of land in Canada were free today settlers could not follow this course. They might raise commodities, but they would not be able to sell them. All governments existing today were the tools of corporations. This condition will continue as long as the capitalists control representation. The working men had been told that railways would bring them prosperity and plenty. In England and Pennsylvania, where there was a perfect network of railways, there was the greatest poverty and misery. The member for Delta had tried to make the House believe that he had been opposed to the Columbia & Western railway subsidy, but when such a bill was introduced into the House to extend this grant, he supported it. Mr. Hawthornthwaite read from the minutes of the House in confirmation of this statement. In section 1, 16 chap., 1905. In face of this fact it cannot be alleged that up to that date at any rate the subsidy held good. Mr. Oliver prated of inconsistency. Why, that same year he held up his hands for no less than $5,000,000 subsidy to railways. But that same year he did more, when a little vote for $60 for a poor janitor came up in the House he opposed it vehemently. It was all right as long as the Olalla railway got its share of the whack. But there was another boodling corporation, the G. T. P., owned the labor administration body and soul. This corporation came to the provincial government for 6,000,000 acres of land and were turned down flat. He knew that the G. T. P. would leave no stone unturned to put the government out of power. There was a scheme on foot in which members of the opposition were involved. It was rumored that Mr. Evans was going to resign to make room for Mr. Ralph Smith, and Mr. Smith Curtis, to infuse the necessary new brain matter into the opposition, and Mr. Curtis lent color to the rumor by getting on the public platform and turning out such everlasting rot as this—(holding up a newspaper with Mr. Curtis' speech at Ymir). He, the speaker, should refuse to be influenced by Mr. Curtis; no man held or controlled his political conscience. Mr. Curtis was now in the real estate business, and would no doubt like to see this land on the market.

Turning to the question under discussion, was this a new grant, or the confirmation of an old one? A grant which had again and again been endorsed by this House. He wanted to know what Mr. Macdonald meant by the C. P. R. coming before the House by clean hands. If the hands of the C. P. R. were dirty, the hands of the G. T. P. were foul. Why even the Kalen Island deal recoiled on the head of Sir Wilfrid Laurier! They hoped to damage the provincial government and the chief commissioner, but had utterly failed. The member for Rossland had charged that he (Mr. Hawthornthwaite) did not represent labor, and was only supported by a handful of socialists. He knew that on the floor of this House he represented labor and socialism both.

The government that gave the Columbia & Western subsidy was a composite government, but it included many Liberals. The Hon. F. Carter-Cotton did not oppose the subsidy, in saying that he did the hon. gentleman was mistaken. Contracts should not be broken. The Semlin government extended the grant in 1899. That government included Dr. McKechnie and Mr. Ralph Smith; and "you'll bet your sweet life they never repealed it!" They handed it over to the C. P. R. Then they were defeated, and it fell to the lot of the Dunsmuir government to renew it. In 1901 a petition was presented to the House asking for an extension of time, and it was granted. The original subsidy was good for seven years from 1896. The grant applied to each separate section as soon as completed. Then the C. P. R. tried to get two blocks of land to which they were not entitled. But the government did not tell them that they were not entitled; on the other hand, they issued to them two crown grants, and the present member for Golden took them down in his little carpet bag to Montreal and tried to make a better deal. Later the House refused to endorse them, and the C. P. R. had to begin again and survey their lands. Was it honest to try, now that the road had been built, to deprive them of their well earned subsidy? The province may have received no benefit from the railway, still they had earned the subsidy, and the opposition were guilty of repudiation and confiscation. Turning to the opposition, he said: "You are thoroughly ashamed of yourselves, and you look it!" The Western Federation of Miners positively refused to make any contracts because they knew that the employers would not keep them. Why, the Western Fuel Company, had broken a contract entered into solemnly by that company before the ink was dry, and had discharged his hon. friend the member for Newcastle, in violation of the first clause of that agreement. Now the House was asked by the opposition to break an honorable contract. The Socialist party did not believe in confiscation without compensation. A few days ago the country was thunderstruck at the somersault turned by the member for Rossland on the labor question, when he became an abject follower and supporter and admirer of the speaker. And why? Because he saw the treasury benches in sight. He licked his lips at the prospect. Then he crossed the floor and tried the seat. That was why Mr. Macdonald supported him.

There were many working men in the province today who believed it would be a good thing to give every acre of land away to the railway corporations. He was not one; he had voted against every bonus brought before the House. But he was not in favor of breaking a sacred contract. If this bill were defeated, if this government were turned out, the very important labor measures passed this session would never become law. They had done their best to defeat them in the House, and would never let them become operative. That was a sufficient reason why he would vote for the bill.

JUDGE DUELL SERVED.

Aider and Abettor in "Town Topics" Blackmail to Be Tried

New York, March 2.—In connection with the recent testimony about Town Topics in the Hapgood libel suit, Justice M. Duell, of the court of special sessions today accepted service of papers in a suit instituted for his disbarment from his position as a justice. The suit is brought by District Attorney Jerome, Jas. W. Osborne and Edward M. Shepard, acting as citizens. The specifications include that of conducting business other than that of a justice and of being the owner and manager in part of Town Topics and other publications. The papers are returnable March 23rd.

KING ALFONSO'S TOUR.

Will Meet King Edward and Then Pay Visit to France.

Madrid, March 2.—King Alfonso goes to San Sebastian Monday where during the week he will receive King Edward. Later King Alfonso will go to Biarritz to return King Edward's visit. The Spanish king will afterwards proceed to Versailles and visit his financee, the Princess Ena, of Battenberg, returning here in time to receive the king of Portugal, who will visit Madrid March 21st.

David Spencer Ltd.
WESTERN CANADA'S BIG STORE

Suits for Children

Child's Box Pleated Russian Dress, made of Panama cloth, front trimmed with 4 velvet straps fastened with buttons, belt made of same material as dress, white linen turndown collar, with tie of black taffeta silk. Colors, red, navy and brown. Suitable for children from 6 to 10 years of age. Price, $3.75 and $4.75.

Child's Navy Blue Serge Dress, gored skirt, full pleated waist trimmed with velvet straps and buttons, long cuff and full puff sleeve, belt edged with velvet. Sizes, 8, 10, 12 and 14 years of age. Price, $5.00.

Child's Navy Blue Sailor Dress, made of serve, double collar, top collar and front made of white serge trimmed with braid. Sizes 21 to 30 inches. Prices, $3.25 to $5.00.

Child's Navy Blue Serge Sailor Suit, bottom trimmed with 6 rows of white braid, cuffs and top collar made of white serge trimmed with braid to match skirt, white silk tie. Sizes 21 to 30 inches. Prices $2.75 to $4.00.

Child's Serge Dress, gored skirt, full pleated waist with pointed bertha around yoke, trimmed with 4 rows of fancy white braid, bertha piped with white. Sizes, 6 to 10 years. Prices, $4.00 to $4.50.

Child's White Serge Sailor Suit, top collar, cuffs, front and ends of tie trimmed with 3 rows of red braid. Sizes, 5 to 8 years. Price, $4.50.

Child's White Serge Sailor Dress, with collar of pale blue silk trimmed with white applique and braid, tie trimmed to match. Sizes 7 to 8 years. Price, $4.50.

Child's White Serge Sailor Dress, with white silk collar trimmed with Yak lace insertion and edged with frill of white silk, white tie to match. Sizes 7 to 8 years. Price, $4.50.

350 yds. of Spring Dress Trimmings

Values $1.00 to $3.50 per yard. Monday, 35c.

No two pieces alike and in lengths from two to six yards.

Guinre combinations (red and white, grey and white, tan and white, tuscan and white); silk embroidered and Persian trimmings, etc.

400 Dozen Fancy Button Ornaments

In steel, metal and embroidery; values in the lot to $1.50 per dozen. Monday, 25c. per dozen.

A manufacturer's make-over assortment; bought at a big reduction.

New Goods

Walking Skirts
Costumes
Millinery
Dress Goods
MEN'S SUITS

240 Ladies' Lawn and Muslin Waists

Colors, White, Navy, and Black.

Go on sale Monday at 85c. each. Values from $1.25 to $1.50. White Lawn Waists with 15 rows ½ inch hemstitch tucks.

Navy and Black Muslin Waists

Monday, 85c.

Hair line stripe, with fancy white design; tucked and one row of blue and white embroidery.

Navy and Black Muslin Waists with lace stripe effect, printed white design and tucked.

50 Spring Tweed Walking Skirts

Bought at a sample reduction, 15 styles in assorted grey mixtures (no two alike); values $7.50, $8.50 and $9.50. Monday, $6.50.

Tweed and Black Cloth Skirts

Values $2.75, $3.50 and $4.50. Today, each $1.75

Tweeds as follows: Plain Skirt trimmed with stitched bands, edged with velvet, in dark grey, dark green and dark brown mixtures.

Circular cut, Tweed Mixtures and Homespun Skirts, with circular flounce.

Black Cloth Skirts, circular cut, stitched bands, pleated flounce, trimmed with straps.

On Sale Tuesday, each at $1.75

Kid Gloves

Girls' Kid Gloves, sizes 0, 1, 2, 3, 4; colors, brown and tan. TODAY, 25c. per pair.

Ladies' Suede Gloves in grey, beaver and black; sizes 5½, 5¾, 6, 6 1-4, 7 1-4. TODAY, 50c. per pair.

Wrist Bags

Wrist Bags in black, navy and brown leather, heavy metal frames, inside purse. Value $3.00. Tuesday, $1.00.

Wrist Bags in black and brown leather, rope handles. Values $2.50, $3.50, $4.00. Tuesday, $1.00.

Wrist Bags in dark green and tan smooth leather, jeweled handles. Values $2.00, $3.50 and $4.00. Tuesday, $1.00.

Fancy Jeweled Silk Bags, Bead Bags, Suede Bags, all light shades. Values $5.00 to $8.50. Tuesday, $1.00.

4 only, Opera Bags. Values $2.50 to $7.50. Tuesday, $1.00.

Brush Sets

13 Ebony, light and dark wood Brush Sets, consisting of mirror, hat and clothes brushes, plain and fancy metal back. Values $1.50 to $6.50. Tuesday, $1.00.

420 Yards of Armure Silk

Regular $1.25 per yard. Tuesday, 50c.

Plain colors as follows: Purple, Pink, Emerald, Rose, Mauve, Helio, Resida,, Serpent, Red, Myrtle, etc.

See Window Today

These Silks will wear well and are suitable for waists and dresses.

A TALE OF GRAFT IN THE YUKON COUNTRY

Visitor to Victoria Throws Some New Light on Latest Shady Transactions.

A recent arrival in the city, who has been surveying in the Bulkley valley and Telqua districts, gives some interesting facts in connection with the management of the telegraph line from Ashcroft to Dawson. In conversation with a Colonist reporter yesterday he characterized the line as being "simply rotten," and as one of the worst cases of graft that has ever been perpetrated by the Dominion government. So well known is the fact, continued the Colonist's informant, that when a request was made in the federal house for an inquiry into the construction and management of the line that it was voted down by the Liberal party. The line was very poorly constructed, in the first place, and in fact many of the poles that were put in place by the Western Union in 1864 are being used, and they are so rotten that they will hardly carry the weight of the line.

It is in the handling of supplies for the operators at the various stations that the biggest graft comes in. In the first place, the pack train was owned and operated by the government, but for some unaccountable reason it was sold out to some very good Liberals, and since that time the government has been paying 17½ cents per pound where it costs others less than half that amount. At the present time the packers are paid the highest rate that has ever been paid, and they obtain the same rate per pound for one mile as for ten.

An outsider who is going in the country may have his goods conveyed from Quesnel to Hazelton, a distance of 400 miles, for 12 cents a pound. The Hudson Bay packer will pack from Quesnel to Fraser lake, a distance of 220 miles, for 6 cents per pound, and from Hazelton to Fraser lake, a distance of 200 miles, for the same price. The packers for the government, however, earn the "small" remuneration of 17½ cents per pound. They also have the advantage of the local packer from the fact that they begin to deliver their load after they have gone twenty miles, and the load continues to get smaller as they go along, but still they only get 17½ cents per pound, while the local packers will pack the entire distance for from 6 to 12 cents per pound.

It would not be so bad, said the gentleman, if the wires were kept in order, but it is impossible to depend on them.

The operators' cabins also came in for "graft." In the first place they were to have cost $200 each, but whether or not that amount was spent on them it is hard to say, but it is a fact that the operators have been forced to erect new cabins in order to protect themselves from the climatic conditions, while the government buildings are falling down.

Another case of graft is in the Telqua coal district, where a few companies have secured the entire coal belt. The Transcontinental Exploration syndicate is one of the largest, and among the directors of the company is Hon. Frederick Borden. The majority of these companies are incorporated in Ottawa and have now complete control of the coal of that district. The coal is of the finest quality, said the speaker, and would be of great advantage to the working of the mines in the nearby section, but it is impossible to say what the owners of the coal will dispose of it for. Continuing, he said:

"I have been over the line of the G. T. P. railway as far as Edmonton and can say that the route is the best that could be selected, but the railway will never reach the coast by the year 1911. The Pine pass, through which it is intended to bring the road, is the easiest to reach of any other pass in the mountains, and has an elevation of 2,250 feet, and is easily reached from both sides. The route this side of the mountains is a very good one, but, as I have said, it will be impossible for them to reach the coast within the stipulated time of the contract."

In concluding the conversation, the gentleman said:

"I see that you are having a great time with the electors. I wish you every success. I wish I could take the electors of Victoria through the northern part of British Columbia and also the Northwest territories. If I were able to do that I am certain that Mr. Templeman would not receive a single vote. The rottenness of the Liberal government was never more apparent than it is in those districts, and I hope that Mr. Beckwith will be elected by a large majority."

AMERICAN CLAM PIRATES.

Nanaimo, March 2.—(Special.)—The American clam pirates have removed from the scene of their operations at Ganges harbor to Denman island, where it is said a vast clam bed has been located. For some days past the American Baynes sound, engaged in loading up Barnes sound, engaged in loading up with clams for Sound canneries. The method pursued is to contract with Indians for the delivery on the steamer at a set price per pail; and Denman spit during nights last week has been illuminated by strings of lights, carried by Indian clamdiggers. It is said the Electric has made several trips to the Denman island clam beds without a bill of health or reporting to the customs.

The Indian woman who was badly burned last night is still alive, although her recovery is very doubtful. Walter Davidson has been arrested in connection with the case.

GRAIN GROWERS AND INSURANCE

Brandon, March 2.—Grain Growers' association in convention here today adopted resolutions demanding government investigation of hail insurance in this province and for establishing of a provincial insurance scheme.