EXEMPTION OF RAILWAY LINES

GOVERNMENT TAKES ENORMOUS POWERS

Will Be in Position to Bring Companies to Their Aid.

(From Tuesday's Daily).

In the legislature yesterday the principal debate was that on the resolution introduced by Dr. McGuire on the subject of the price of coal. The question of coal being far too high in the province was alluded to by the minister of finance in connection with his bill to increase the coal tax. While he contended that the coal companies were making far too great a profit he failed to suggest any remedy except to get a little more taxation from the collieries.

It remained for John Oliver to suggest a rational course. He suggested that an inquiry should take place to ascertain just what the coal companies were doing in the matter and how far the assertions made were founded in fact.

But this did not suit the government members who apparently feared doing anything which would bring the coal barons into opposition to them. A remedy was found and moved by Dr. McGuire. This was the noble course of shaking off all responsibility locally and passing the proposition on to Ottawa to investigate.

Yesterday Mr. Oliver moved an amendment to refer the whole question of the price of coal and alleged violations of the coal mining laws to a select committee of the House.

This was, of course, voted down as it did not suit the purposes of the government party and the Socialists to have a full investigation. It was preferable in fact for them to pass resolutions regarding the duties to the Dominion government in which they had no power to act.

J. H. Hawthornthwaite, for the sake of effect, protested loudly against the employment of Orientals in the mines, and doubted the premier's replies to questions on the subject. He, however, voted against Mr. Oliver's amendment to have this investigated.

Stuart Henderson, on the debate on the University bill, pointed out the necessity for improving the public school education beyond which stage the vast majority of pupils in the province never went.

The bill passed its second reading.

The Coal Tax Act amendment passed its third reading.

Press Gallery, Feb. 10th.

The House met at 2.30 o'clock.

Railway Reported.

Mr. Ross (chairman) on behalf of the railway committee, reported the bill to incorporate the Eastern British Columbia Railway Company. The report was received without discussion.

Motion for Supply.

On motion of the minister of finance, seconded by the premier, it was resolved:

That this House will on Monday, February 17th next, resolve itself into committee of supply.

Nelson's Borrowing Power.

Dr. Hall introduced a bill to enable the city of Nelson to borrow $85,000 for electric light and power purposes.

Cemetery Bill.

Hon. Dr. Young introduced a bill regarding the approval of cemetery sites.

Coal Combine.

Dr. McGuire moved the following resolution:

Whereas it would appear that the cost of coal to the consumer in the province of British Columbia is out of all proportion to the cost of production; and

Whereas, owing to the abundance of the coal deposits in this province and the proximity of the sources of supply to the market, the cost of coal to the consumer in British Columbia should be much less than at present is the case; and

Whereas the excessive price of coal in British Columbia has the effect of retarding and preventing the establishment, in this province, of industries depending upon a fuel supply; and

Whereas much of the product of the coal mines of the province is being exported to foreign markets and sold at a price that enables it to compete with coal from other countries in such foreign markets; and

Whereas a belief exists that an understanding exists between the persons or corporations controlling or owning such coal mines to maintain the high prices now being charged to consumers in this province;

Therefore be it resolved, that an humble address be presented to His Honor the Lieut.-Governor by this House praying him to request the Dominion government, through the proper channel, to cause an inquiry to be instituted by the Dominion department of trade and commerce, to decide whether there exists a combine or understanding between the owners or controllers of the coal mines of this province, whereby an excessive price is charged to consumers in the province for coal produced from said mines, or any of them.

In supporting the motion he observed that according to expert estimate, the Crow's Nest areas possessed 39,400,000,000 tons of coal, and the areas of Nanaimo 600,000,000 tons, and that notwithstanding these vast resources, only a fraction of the coal deposits of the province, there had been a shortage of coal in Vancouver last season. One-half of the coal produced in British Columbia was exported to foreign markets. He further observed that the local wholesale price of coal was $4.50 per ton of 2,240 pounds, and the retail price per ton of 2,000 pounds was $7.50 and $8.45 per ton of 2,240 pounds. The price obtaining in San Francisco was from $6.50 to $7.00 wholesale per ton of 2,240 pounds. The estimated cost of production at the Vancouver Island collieries was from $2 to $2.60 per ton, and at the Crow's Nest $1.50 per ton. On the coast coal was selling on contracts at $4 to $5, and to the agents of the company at $4.50. The retail price in Victoria and Vancouver was $8.40 per ton.

For purposes of comparison he quoted the prices obtaining on the Atlantic seaboard. In New York city bituminous run of mine coal sold from $2.50 to $2.75 per ton. The Pennsylvania railway and the B. & O. railway $1 to $1.50 per ton; Pittsburg $1.15 per ton; Chicago $1.65 to $2. The Dominion Iron and Steel Company was purchasing coal at $1.24 a ton under contract with the Dominion Coal Company. Public corporations, he remarked, were subject to supervision by parliament. Private corporations worked under charter and were not amenable to restrictions so long as they worked up to the requirements of their charter. Very often these corporations were capitalized at an excessive figure and they had to make a good dividend on the capitalization, to satisfy their shareholders. They were, therefore, willing to mulct the public for as much as they would stand for. It was the duty of the legislature to protect the public in so far as possible. He was, therefore, asking the Dominion government for a commission to inquire into the matter, pointing out that investigations as to freight rates, the lumber trade, the beef trust and other matters had been instituted under the auspices of that government.

John Oliver recalled that when the finance minister had stated his figures with reference to coal prices when speaking to the motion for the second reading of the coal tax bill, he (Mr. Oliver) had pointed out that, if the hon. gentleman's figures were correct, it was the duty of the government to take steps immediately to have an inquiry instituted. The finance minister had stated that some of the coal mined on the coast was yielding a profit of $2 to $2.50 a ton, and it was assumable that he had authority for the statement he had made. He (Mr. Oliver) argued that the matter was, therefore, a fit subject for inquiry, not by the tribunal asked for in the resolution before the House, but by a tribunal to be selected by the legislature; and that the inquiry should take place without delay.

When he (Mr. Oliver) had suggested the other day, that a thorough inquiry should be made into this subject, the junior member for Vancouver had solicited an opinion as to the best method of bringing this about, and he (Mr. Oliver) had suggested that a select committee of the House was the proper way of making this inquiry. He was somewhat astonished to find that Dr. McGuire was now seeking to throw the investigation upon the Dominion government. A good deal had been heard in the House of supposed interference by the Dominion in matters of provincial import. He would not suggest that it was improper for that government to inquire into the condition of the coal trade in British Columbia, but he did think the legislature had full power to order all the inquiry that was necessary. As representing the people of the province he thought it was the duty of the House to take immediate steps to bring this inquiry about. He did not think that the round-about method proposed would commend itself to the people. There was no reason why the investigation should not be fully under way within a week. In order to test the feeling of the House on the question he moved, seconded by Mr. Brewster:

"That all the words of the resolution after the word "province," at the end of the last recital, be struck out, and the following words inserted in lieu thereof:

"And whereas there is reason to believe that the laws for the protection of workers underground in coal mines are not being observed:

"Therefore be it resolved, that a select committee, consisting of five members of this House, be appointed, with instructions to inquire into the truth of the above allegations, with power to call for persons, papers, books and documents, to examine witnesses under oath, and to report their findings, recommendations and the evidence to the House."

Mr. Oliver observed further that in 1902 the Conservatives in convention at Revelstoke had passed a resolution unanimously, to the effect that out of every coal area in the province to be disposed of thereafter, a portion should be reserved in the public interest, for the specific purpose of opening up coal mines, if it became necessary in the interests of the people of the province. He pointed out that the premier and his supporters, during the life of the last parliament not only neglected to carry out the pledges given to the people in this respect, but openly repudiated the same, by voting down a resolution which called upon them to give effect to the resolution they pledged themselves to in 1902.

Mr. Hawthornthwaite wanted to know why Mr. Oliver had embodied a call for investigation into alleged evasions of the Coal Mines Regulation Act in his amendment?

Mr. Oliver remarked that it was because it occurred to him as a matter which would naturally fall within the scope of the inquiry.

Hon. Mr. McBride contended that the only remedy in respect to the sale of coal in the province must come from Ottawa. It was a matter of trade and commerce, and was, he held, beyond the jurisdiction of the provincial legislature. As to the allegations concerning the underground workings of the mines and collieries, he said, it was a serious thing to make such allegations, unless there was something behind them. He claimed that efficient inspection of the mines was made under departmental supervision. If there were violations of the laws the matter should be brought to the attention of the department. In a general way to say that things were wrong was a practice which should not be encouraged in the House, because it would not add to the reputation of the government, in so far as the management of the coal mines was concerned. If hon. gentlemen made complaints in the proper way he would see that they were investigated. In view of the fact that coal mines were recently opened in Nicola, in Southeast Kootenay and other parts of the province, the government, he said, had decided to ask for two more inspectors, and a general readjustment of the staff of inspectors was proposed. On these grounds he opposed the amendment.

Mr. Hawthornthwaite said the Liberals and Conservatives were apparently preparing for an election, for as he took it, they were bidding for popular sympathy in soliciting an inquiry into the price of coal. He then entered upon a lengthy argument in which he sought to show, on economic principles, that prices were regulated by the laws of supply and demand, and that legislative interference was useless; also that high prices meant good wages, and vice versa. It was not the consumer who was robbed by the coal prices, but the men who mined the coal, and it did not matter whether the coal was produced by a trust or by an individual.

Adverting to the premier's remarks as to the enforcement of the Coal Mines Regulation Act, he said it was positively notorious that these laws were flagrantly violated by almost every corporation in the province. Some of the men were working sixteen hours a day without regard to the laws. And in other cases the time of the men was encroached upon to the operators' profit. He argued it in this way that if one man were made to give five minutes a day over his legal time, it would amount to three days in the year, for which he would not receive a cent; and that this was capable of multiplication over a large pay roll of say 1,000 men, into very significant figures. He claimed that British Columbia mines were more inefficiently governed than any in the world. The percentage of accidents was higher than elsewhere, being 15, as compared with 2½ and 2¼, and so on in New Zealand and other countries. This was the case, as shown in statistics three years ago. He contended that the mines were not inspected, had never been inspected, and never would be inspected until the working class dominated the legislature. There were 1,000 Orientals employed under ground on Vancouver Island. The House had been deceived in the figures again and again. The replies given by the premier the other day, he said, were not correct.

Hon. Mr. McBride rose to a point of order. He said he had given the figures as passed to him by the inspectors. He had never intended to deceive the House in regard to the same.

Mr. Hawthornthwaite said that the premier had then been deceived by the inspectors. The answers given showed the number of Orientals employed by the colliery, but not the number employed by the contractors. Therefore, the House had been deceived, and he believed, deliberately deceived. He wanted to know if the premier would dare to get up and tell him that these Orientals had qualified under the laws of the province. As far as the men employed by these companies were concerned, they were simply held as slaves. If they knew that 5,000 Mongolians were going down to work underground tomorrow they dare not protest. If they dared to get up and fight against the company industrially or politically, or in any way whatever it would mean instant dismissal. Men had been hounded out of the country for less occasion than that.

Hon. Mr. McBride: "If my hon. friend is prepared to make any complaints with regard to the condition of affairs he has just outlined, I will have an investigation and give him opportunity to make good."

Mr. Hawthornthwaite contended that he had called the attention of the late attorney-general to what was going on again and again. He said that the examination which qualified Chinamen for mining at Cumberland consisted of questions put this way: "You heap save mining, John?" "Yes I heap savee." And this was the examination. He said he wanted an investigation, but excused himself from supporting the proposal of the member for Delta on the ground that it would mean a political inquiry.

Hon. Mr. McBride remarked that there was no law to prevent the employment of Orientals under ground, section 4 of the Coal Mines Regulation Act having been declared ultra vires of the provincial parliament. The coal mines in which the Chinese were engaged underground were at Comox, and were owned by the Wellington and Union Colliery Company. He was advised that the rate of wages paid to the Orientals was precisely the same as that given to white workmen. He was further advised that there had not been one single complaint from Cumberland or outside with respect to the bona fides or efficiency of the board of examination. He made this statement simply for the purpose of checking any unrest which might be occasioned by the violent remarks of the hon. member for Nanaimo. He did not agree with the member for Nanaimo that the laws of the province were openly violated.

Parker Williams said it was the commercial side of the coal mining enterprises which would be involved in the inquiry as proposed by Dr. McGuire. An investigation as to the enforcement of the Coal Mines Regulation Act would have to do with the operating departments. The coal operators had a right to combine to keep up the price of coal if they wanted to. There was nothing in the laws to prevent them. And if a maximum price were attached to the conditions imposed upon them by the government they would find a way of evading it, as was the case at Fernie. He did not think the public was entitled to protection in the matter, having permitted this public utility to fall into private hands.

Dr. McGuire, replying briefly to Mr. Hawthornthwaite's economic argument, observed that to admit its accuracy they would have to assume that the difference in price always went back to the men in wages, which was not the case.

The question was then put, Mr. Oliver's amendment being defeated, and the original resolution being carried on the following vote:

Yeas—Williams, Hawthornthwaite, McInnes, Tatlow, McBride, Bowser, Cotton, Ellison, Shatford, McPhillips, Thomson, Hunter, Fulton, Taylor, Garden, Gifford, Grant, Behnsen, Manson, Hayward, McGuire, Mackay, Parson, Davey, Schofield—25.

Navy—Naden, Hall, Jones, Yorston, Kergin, Oliver, Macdonald, Henderson, Munro, Jardine, Brewster—11.

Pairs—Ross, Eagleson.

Return Asked.

John Oliver moved that an order of the House be granted for a return of a copy of the map, plan and book of reference (with certificate of the Hon. Chief Commissioner attached) deposited by the Victoria Terminal Railway Company in connection with the acquisition by the company of additional rights of way through the lands of John Weaver at Mud Bay.

The motion passed.

Enforcement of Laws.

Mr. Hawthornthwaite's resolution, setting forth certain statements with respect to the non-enforcement of the Coal Mines Regulation Act, was allowed to stand over.

Settlers' Rights Question.

Mr. Hawthornthwaite asked: "Is it the intention of the government to bring down a measure this session amending the Vancouver Island Settler's Rights Act, so as to extend the period of time during which settlers can put in a valid application?

Hon. Mr. McBride said the matter was now under advisement.

Third Reading.

The bill to amend the Coal Tax Act was advanced to its third reading and finally passed.

University Bill.

Stuart Henderson continued the debate on the University bill. Last year he said he had expressed opposition to the university idea and had not since changed his mind. The promise of the government to give its scheme to the House before the close of last session had not been fulfilled. While the minister in his speech confessed to having consulted Prof. Petersen of McGill, and other university authorities in Eastern Canada, his bill was almost identically a copy of that incorporating the University of Saskatchewan, including all the mistakes and faults of that instrument. The act, he thought, evidenced an intention of the government to keep too close to the university. There was room for question whether the passage of this bill would not do away with the measure of last year, setting aside lands for university purposes. He objected that the board of control was subject to creation wholly by the government and that the senate was to be made up, more than one-half, by appointments from the same source. The best university authorities had decided that it was not good for such an establishment to have too close connection with the government.

Speaking of the scheme generally, he suggested that the government was running too fast in proposing a university at all. Only a small percentage of those attending the public schools were permitted to extend their studies beyond that stage. It seemed to him, therefore, that it should be their object to improve the public schools if necessary, and make the salaries such that good teachers would be induced to remain in the educational service. He quoted the remarks of Mr. Whitney in speaking on the proposal to extend assistance to the Toronto University, in which Mr. Whitney pointed out that the vast majority of the youth of the province would not go to the university and that, therefore, the first step should be to improve the public schools. He (Mr. Henderson) thought the minister should seriously consider this idea before advancing very much further with his university scheme. In conclusion he commented on the fact that there was no intimation in the bill as to where the university was to be located. Here was a university to which they had given a brain and a constitution and yet it had no place to abide in nor a spot where its corner stone should be laid.

The motion passed and the bill was read a second time.

Bills Committed.

The bill granting certain lands to New Westminster for park purposes was committed, Mr. Yorston in the chair. It was reported complete.

The bill to amend the Municipal Incorporation Act passed committee and was reported complete.

The bill to amend the attachment of debts act passed committee; also the bill to incorporate the city of Chilliwack.

Petitions.

H. B. Thompson presented a petition against the Victoria water works scheme.

G. T. P. Negotiations.

In reply to a question by Mr. Oliver, the premier said that negotiations with the Grand Trunk Pacific Railway Company with respect to matters in dispute between them and the government were still under way. We are in high hopes, however, said he, that within the next ten days we shall know definitely what position the Grand Trunk will take with regard to the several matters which are being discussed. The vice-president of the company has taken with him to Montreal a draft agreement concerning all the points in discussion. If the directors there are satisfied with the terms proposed we hope to be able to bring down legislation at an early date endorsing the arrangement the government proposes to enter into.

The House rose.

(From Wednesday's Daily).

In the legislature yesterday afternoon the government's policy in asking for the right to exempt railways from taxation was very fully discussed on report. The weakness of the bill and the utter disregard of the principles of responsible government which it represented were well shown up by the leader of the opposition, John Oliver and Stuart Henderson.

The premier was forced to admit that he had his eye on the G. T. P. in connection with the bill, and John Oliver pointed out the leverage which the measure was calculated to give the government just preceeding an election.

The Conservative majority in the House, however, bore down all opposition and insisted upon putting the bill through its third reading.

Press Gallery, Feb. 11th.

The House met at 2.30 o'clock.

Hon. Dr. Young introduced a bill to amend the Hospital Act.

Mr. Hawthornthwaite's resolution soliciting an inquiry into alleged evasions of the Coal Mines Regulation Act, was allowed to stand over, the premier remarking that he was having some further data looked up in connection therewith.

On the motion for the third reading of the Railway Assessment Act Amendment, Mr. Henderson moved that the bill be referred back to committee for the purpose of inserting the following provision:

"That neither directly nor indirectly, shall any person of Oriental birth or extraction be employed, either (a) in the construction of the said railway, or (b) on the exempted railway during the life of the exemption."

He observed that the real beneficiaries, under the bill, were not the unemployed, as stated in excuse for the measure, but the railway companies. In support of this view he pointed to what had happened hitherto in regard to railway construction in the province, with reference to the employment of Asiatics. In 1901 there was a trackmen's strike from one end to the other of the C. P. R. system. The trackmen at that time were getting a wage of $1.55 and less. The strike lasted about three months, and then the railway practically capitulated. Since that time, gradually, but emphatically and effectually, wherever possible, the white men who were employed on the maintenance of way on that line, have been removed, and their places filled by representatives of the Oriental races. This weeding out of the white men had gone on until to-day there was scarcely one left, except in the position of foremen, on the road. And the Canadian Pacific Railway Company had pursued this policy not only with respect to work on the right of way, but the gradual supplanting of the white worker by Chinese and Japs was observable in their hotels along the line.

In the summer of 1906 a large influx of Japanese occurred into British Columbia, which investigation had traced to contracts made with the Canadian Nippon Supply Company for the Canadian Pacific railway, which agreed to take two thousand Japanese per annum for five years. Two thousand Japs were brought here under this contract, and were on the hands of the Canadian Pacific Railway Company today. The company assumably intended to employ them, and everything pointed to an intention on their part to employ them on the extension of the Esquimalt & Nanaimo railway; which it was the declared purpose of the government to assist under this bill. For these reasons he proposed to amend the bill with a provision that no Orientals should be employed on railway undertakings exempted under its terms. The government's proposal was that the whole matter should be left to its judgment. This left the way open for correspondence with Mr. Marpole, and an easy evasion of any genuine endeavor to protect the interests of labor. He pointed out that it was not only that portion of the road which was to be built, but the whole railway, which was exempt from taxation during the period of ten years. The contention that the government must report the contracts it may make to the House, afterward, did not relieve the proposal of the objectionable features, that it vested a power in the government which should be exercised by parliament itself.

Replying to the premier's argument that his amendment would cause the disallowance of the bill at Ottawa, he showed that the minister of justice had never disallowed acts of the legislature because of conditions therein that Oriental labor should not be employed. Taking the acts of 1902 he showed that there were three of them within this classification, which had been dealt with by the minister of justice, and that the decision of the minister was that they should be allowed any operation which they might have. He cited the opinion of Hon. Chas. Fitzpatrick (minister of justice) expressly to this effect. One of these acts contained a provision that "notwithstanding anything contained in any act of the legislature enacted at the present session of the legislature, or to be hereafter enacted, the Lieut.-Governor in Council shall not grant aid by money, securities or lands of the province or right of way over lands of the province to any person, firm or corporation, in respect to any railway or any other work to be undertaken by such firms, or corporations, until such firms or corporations shall have entered into an agreement with the Lieut.-Governor in Council as to the employment of labor upon or in connection with such railway or other work upon such terms and conditions as the Lieut.Governor in Council should think fit and proper. As to this act, the minister of justice held that the legislature was permitted to impose the conditions set forth, and this was an emphatic answer to all that had been said as to the disallowance of the bill before the House.

The minister of justice passed similarly upon another act of 1902, providing that no liquor licenses should be granted to any person of the Indian race, or any person not on the voters' list for the legislature of the province. This act was not held up on account of the Indians being connected with it, but on account of the provision that licenses should not be issued to persons not on the voters' list. Protests were received from Chinese who held licenses and the minister of justice noted this protest and did not disallow the act, which was law in the province to-day. In view of these facts he was forced to conclude that the government objected to his amendment, not because any question of disallowance, but because the railway companies would not like it.

Hon. Mr. McBride did not think the member for Yale was in a position to speak as to the motives of the government. He assured the House that the conditions upon which they were given power to negotiate with the railway companies would be carried out to the letter. The government did not wish to do anything to forfeit the confidence of the people. He admitted that the C. P. R. was a large employer of Oriental labor, but remarked that other transcontienetal lines did the same thing. He said he would like to see white men employed on the railways, but contended that the provincial parliament had no jurisdiction in the matter. It was a question for the Dominion authorities.

Mr. Henderson: "Is the Natal Act any good?"

Hon. Mr. McBride said he hoped to make the bill effective. He insisted that the opinion of Hon. Chas. Fitzpatrick showed that the act referred to by Mr. Henderson withholding the franchise from Chinamen and Japs, was subject to disallowance at Ottawa.

J. A. Macdonald: "Did he disallow it?"

Hon. Mr. McBride: "It went to the courts, where it was held to be within our jurisdiction. He maintained that in spite of the decision of the Privy Council the minister of justice had held that the bill could not stand.

J. A. Macdonald pointed out that the bill was not disallowed.

Hon. Mr. McBride said the local government asked permission to amend the bill so as to conform with the wish of the minister of justice, but this was refused by the Dominion authorities.

J. A. Macdonald: "Why did they not disallow it?"

Hon. Mr. McBride said they dared not do so in view of the feeling in the province. Hon. Mr. McBride said the government's position was this: They were anxious to have the act considered ultra vires. They expected by this legislation to enter into agreements which would bring about immediate construction of railways in the province. He claimed the government was just as keen on Oriental exclusion as was the opposition. If the government failed to protect the interests of the people it would be subject to the censure of the House. The opposition was only playing a game to have members put on record.

John Oliver called the attention of the House to the powers they were asked to confer upon the government by this bill. It was proposed to put into the hands of the government the power to grant "any" railway company the exemption from taxation proposed. In other words, they were asked to give the government absolute power to discriminate between one railway company and another. The desirability of this power was easily conceivable, from the government's point of view, especially at a time immediately preceding an election. Considering the fact that a very large mileage of railway construction was contemplated, or under way, the immense leverage which this power would give the government was easily understood. The government would be in the position to say to any railway company: "If you meet our wishes in certain respects we are in a position to exempt you from taxation," irrespective of any public interest whatever. Take for instance the C. P. R., which by means of subsidiary companies or direct charters, proposed to build in the province probably 700 miles of railway, including the extension of the Columbia & Western from Midway to Nicola, the Kootenay Central project, and the extension of the E. & N. railway. Then there was the proposed construction of the V. V. & E., and the Grand Trunk Pacific line, the last mentioned road being included in those which were to receive the benefits of this bill, according to the statement of an official paper. He recalled that the premier had denounced the Dominion government during the last Dominion election, for the terms they had given in connection with the building of this line. The premier had declared that the railway was receiving assistance unparalleled in the history of railways. And yet they found that the premier proposed to give them the benefits of the exemption allowed by this bill.

Hon. Mr. McBride: "Yes, but on conditions which will protect the interests of the people."

Mr. Oliver expressed pleasure that the House was getting some information at last. He proceeded to discuss the bargain which the government, as reported, had made in the disposal of their reversionary interest in the reserve lands at Prince Rupert at $2.50 an acre, or for the 13,000 acres involved, $33,000.

Hon. Mr. McBride: "Does my hon. friend know that the Dominion government has given the railway a patent for the whole thing for nothing?"

Mr. Oliver: "I don't know it. And the first minister does not know it. He is not in a position to prove that."

Hon. Mr. McBride: "I will prove it when the proper time arrives."

Mr. Oliver observed that in addition to this $33,000 the government was to receive a quarter interest in the lands, and pointed out by reference to a letter on the subject, that the railway company had made this offer three years ago, before the premier had denounced the terms of the Dominion government as being extravagantly generous to the company.

Hon. Mr. McBride: "Do you suggest that I advised the Dominion government to follow that course?"

Mr. Oliver observed that the premier was following the course suggested by the railway company. He read a letter from the premier showing that he had suggested the course followed by the Dominion government.

Hon. Mr. McBride said he had suggested that the reserves could not be dealt with until the Indians were removed.

Mr. Oliver said that a year ago the premier denounced the Dominion government for doing the very thing which his suggestion indicated.

Hon. Mr. McBride said he had never denounced the Dominion government for doing things which were in accordance with well accepted usage. He did not advise the Dominion government and did not want to be responsible for anything it did.

Mr. Oliver remarked that the Dominion government was not so hard up for advice. He read another letter from the premier to the railway company, in which it was stated that "no disposition of said lands shall be made without giving your company an opportunity of purchasing the same."

Hon. Mr. McBride admitted this communication.

Mr. Oliver said it was therefore to be adduced that the only extra consideration the government was to receive for its interests at Prince Rupert was this $33,000; and he cited this in connection with the proposal to exempt the road from taxation, which at $90 per mile, on 500 miles, would mean $45,000 a year, or for the ten year period $450,000. "Was this," he asked, "a business proposition?"

Hon. Mr. McBride suggested that the member for Delta would want to take back water on this question before they got through.

Mr. Oliver, turning to a discussion of the principle of the bill, objected that the government had not made good its justification. On the E. & N., for instance, as to which argument was offered that the bill would secure immediate construction and work for the unemployed, the vast majority of those working thereon were of the Asiatic race. The other day the government produced a telegram from Mr. Marpole affecting to give assurance that white men were to be employed. But there was no intelligence of a movement toward this end forthcoming. And the government had voted down an amendment of the member for Yale which would have settled the question, on the flimsy pretext that Ottawa would have disallowed the bill. And in the proposal of the government the door was open for the railway companies to have the provision as to aliens set aside by the courts, as Mr. Bryden, a shareholder of the Union Colliery, had done with respect to the enactment against the employment of Asiatics in the mines. The railway companies, which could save hundreds of thousands of dollars on the cost of construction by using cheap Oriental labor, would scarcely hesitate to invoke any means which stood in the way of their financial interests.

In order to point an argument for earnest endeavor on the part of the provincial authorities to find means of discouraging immigration from the Orient, such as that afforded by their ability to prevent the employment of Orientals on works subsidized in any way by the government, Mr. Oliver pointed to the experience of Natal. In that colony in 1899 there were 60,000 white people, and 61,000 Asiatics. In 1903, four years after, there were 75,000 whites and 70,000 Asiatics. In 1907 the whites numbered 97,000 and the Asiatics 100,000. In other words, during the period covered, the whites increased 37,000 and the Asiatics over 40,000. And this occurred while the Natal Act was in force.

The question was then put and the amendment was lost, the House dividing as follows:

Yeas—Messrs. King, Naden, Jones, Yorston, Kergin, Oliver, Macdonald, Henderson, Munro, Jardine, Brewster, Williams, Hawthornthwaite, McInnis—14.

Nays—Messrs. Tatlow, McBride, Cotton, Ellison, Shatford, McPhillips, Thomson, Hunter, Fulton, Young, Taylor, Garden, Gifford, Grant, Behnsen, Manson, Hayward, McGuire, Mackay, Parson, Davey, Schofield—22.

Pairs—Messrs. Bowser, Ross, Hall Eagleson.

J. A. Macdonald moved that all the words after the word "That," in the resolution that the bill be read a third time now, be struck out, and the following substituted therefor, viz:

"This House, while not affirming that certain lines of railway may not properly be granted exemption from taxation upon terms advantageous to the public interests, strongly disapproves of placing the power to so exempt in the hands of the Lieut.-Governor in Council, and affirms that such power should be exercised only by the legislative assembly."

He said the amendment was intended as a protest against the principle of taking away from the legislature powers which should be exercised by them and not relegated to the government. One of the dearest rights of the people was the right to withhold supply from the government, and in this way control legislation. He saw no difference in principle in taking money from the treasury and presenting it to a railway company and exempting a railway from the payment of monies which would in due course go into the funds of the province. It was too important a question to be lost sight of by the people. The thin edge of the wedge was apparent in this proposal, which would eventually lead to the overthrow of government by the people and the placing of the governing power solely in the hands of the administration. He contended that it was not a safe power to be thoughtlessly relinquished to the government.

(Continued on Tuesday, Feb. 17.

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