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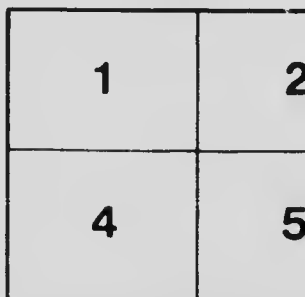
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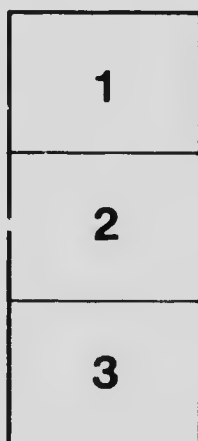
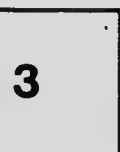
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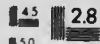
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"CRISIS IN B.C."

SUPPLEMENT

The purpose of this folder is to remind the electorate:

- (a) That the crisis in B. C. is more acute and as great as ever.
- (b) That the government most responsible for this shameful crisis, regardless of certain changes in its personnel, continues the same in spirit and practice.
- (c) That the charges set forth in the "Crisis" pamphlet have never been answered.

These charges are:

1. The alienation of B. C. lands from the bona fide settler to the speculator by means of the illegal power-of-attorney for which the government is responsible. The government's advertised reports of public lands suitable and available for settlement are entirely misleading.
2. The unwise alienation of the province's priceless coal lands without adequate return and proper safeguarding of the public's interest.
3. Wasteful maladministration of our timber resources.
4. Bad bungling of the pulp industry.
5. Criminal neglect in not limiting and regulating company promotions, resulting in ruinous over-capitalization, fraudulent enterprises, widespread loss to innocent investors, and discredit to the province.
6. Wasteful expenditure and juggling of public accounts and balance sheets.
7. "High finance" in railway policy.

The Ministerial Union asked the government for a fair judicial investigation of these charges. This has been refused. The Union turns to the electorate and confidently awaits its verdict.

Since "The Crisis" was issued in April, 1915, the following additional facts and proofs of statements made therein have come to light and are recommended to the serious consideration of the B. C. electorate:

LAND

THE ARREARS IN LAND SALES, amounting in 1914 to about \$13,000,000, and in 1915 (according to Sir Richard McBride) to \$15,000,000, which were suppressed from the Public Accounts and Journals, are also omitted from the Balance Sheet of the Public Accounts published this year.

THE SOLDIERS' HOMESTEAD ACT BY PROVIDING FOR CANCELLATION of large numbers of land purchases acknowledges the truth of "The Crisis" statement that millions of acres of agricultural lands are being held for speculation, in most cases without payment of arrears on purchase price, interest or taxes.

THE ALL-RED FOLDERS ON "SURVEYED LANDS FOR SETTLERS" ("Crisis," p. 3), which are shown to be entirely misleading by the pre-emptors' maps of the Land Department, and which perpetrate a gross deception on honest land-seekers, are still being issued through land offices and information bureaus.

THE "VOTES AND PROCEEDINGS" OF THE LEGISLATURE FOR MAY 16th, 20th, ETC., 1916, show that 5,760 acres of timber lands in the Renfrew district, with 60,000 feet of merchantable timber to the acre, were illegally sold to certain speculators as second-class agricultural land at \$2.50 to \$5.00 per acre, the government having received about \$18,000. These were afterwards sold to the Puget Sound Lumber Co., registered, and fees paid on a declared valuation of \$421,800. They are in the company's books as an asset value of \$689,000. The difference in value of timber on Crown-granted land and that on licensed lands would indicate a loss of \$345,670 to the province by this illegal transaction. (See also "Crisis," p. 15.)

MR. BOWSER STATED IN HIS ORPHEUM SPEECH in reply to "The Crisis" that the government "assessed and collected 50 cents an acre" for the Heinze and railway subsidy lands in the Boundary and Crow's Nest country. On March 21st Hon. Lorne Campbell told the house that **no taxes had ever been collected on any of these lands**, thus proving "The Crisis" correct.

TIMBER

THE FORESTRY COMMISSION OF 1910, WITH MR. A. C. FLUMERFELT as one of its members, urgently recommended in the interests of the public that timber license fees **should not be fixed for more than one year** at a time. This was the most emphatic of all the commission's recommendations, yet the Timber Royalty Act of 1911 fixed these fees at \$100 and \$140 **for the next forty years**. Mr. Ross was Minister of Lands and Mr. Bowser Attorney-General throughout this period.

THAT AMERICAN SPECULATORS HOLD IMMENSE AREAS of B. C. timber ("Crisis," p. 15) is confirmed by Supreme Court proceedings of June 1st and Sept. 20th, 1915, where it was revealed that **ALVO VON ALVENSLEBEN HAD PURCHASED \$2,200,000 OF TIMBER** from the Red Cliff Lumber Co. of Duluth.

FINANCES

IN THE LAST FOUR YEARS OF THE McBRIDE-BOWSER ADMINISTRATION (1913-1916) the finances of B. C. stand as follows:

Expenditure	\$54,623,305
Revenue	31,432,385
Deficit	\$23,190,920
Revenue for 1913	\$10,479,000; for 1916 (estimated) \$5,944,000
	Or a little over one-half for 1913 and less than half for 1912
Debt charges for 1913	\$ 529,776; for 1916 (estimated) \$5,472,894*
Deficit for 1913	\$5,475,865; for 1916 (estimated) \$9,408,000*
	Or nearly double for 1913
The Public Debt of this year =	\$13.96 per head; Expenditure = \$39.13 per head

N.B.—In the **ESTIMATES FOR 1911** all debt charges on the loan of \$7,275,000 issued April 1st of that year were suppressed. In the **PUBLIC ACCOUNTS** for that year one half-year's interest on this loan was also suppressed. Only \$541,736 was voted, but the actual amount was \$1,161,827. It would seem that both Estimates and Public Accounts were falsified so as to deceive the public.

***THE FOLLOWING DEBT CHARGES FOR THE PRESENT YEAR ARE SUPPRESSED** from the estimates voted last session:

Interest and sinking fund on \$10,000,000 loan	\$ 670,367
Discount, commissions, etc., on \$10,000,000 loan	1,528,000
Defaulted interest on C. N. P. Ry.	901,223
Defaulted interest on P. G. E. Ry. (three payments)	918,050
Total	\$1,059,610

N.B.—The \$316,000 interest paid on P. G. E. Ry. last January was paid without authority or vote of the House, or mention to the public, hence is here included. It should have been included in Supplementary Estimates voted on April 3rd, 1916. Sir Thomas White, Finance Minister at Ottawa, says we must begin Ods year to pay the interest we guaranteed on C. N. P. Ry. (See speech of May 6th, 1916.) **THE FALSIFICATION OF ACCOUNTS IN 1914 SEEMS TO BE REPEATED IN 1916.**

MR. BOWSER TAKES GREAT CREDIT FOR SECURING A LOAN OF \$1,000,000 FOR AGRICULTURAL CREDITS at 4½ per cent, but since the bonds were sold at 15.28 per cent, discount, the loan must cost us at least 5.65 per cent. The "Monetary Times," June 16th, 1916, shows that seven out of the nine provinces of Canada have sold equal or larger amounts of securities this year, all of them at a higher price than British Columbia; e.g., Ontario sold \$4,000,000 of 5 per cent. at par, and Nova Scotia \$1,000,000 5 per cent. at 100.28, each for 10 years. British Columbia's credit has been so impaired that we could only get 84.72 at 4½ per cent. for 25 years.

THE PROVINCIAL SALARY LIST in 1909 was \$384,821; in 1909, when Capt. Tatlow resigned as Minister of Finance, was \$511,186; and for 1915, \$1,777,666. This shows an increase of \$56,663 in first six years, and \$1,236,780 in second six years of the present administration.

THE ATTORNEY-GENERAL'S DEPARTMENT along with Administration of Justice has cost the country in 1906, \$298,147, or 76 cents per head. Mr. Bowser took charge in 1907 and by March, 1915, the expenses of his department had swollen to \$1,171,810, or \$2.89 per head; yet \$39,500 extra was paid to four outsiders for revising the Statutes of 1911. Crown counsel in different courts in 1914 cost \$30,817, yet Mr. Bowser, receiving \$6,000 per year as Attorney-General, never appears in the courts. His total allowance this year is \$10,600.

LAND DEPARTMENT SALARIES amounted in 1914 to \$516,103. Yet \$105,000 extra was paid to Messrs. Helmcken and Matson, and \$79,050 to H. O. Alexander, for purchasing the Songhees and Kltsilano reserves.

RAILWAYS

CANADIAN NORTHERN PACIFIC RAILWAY. Sir Richard McBride in 1915 stated in the Victoria house that this province would never be called upon to pay its guarantees on this railroad. In 1916 Sir Thomas White, Dominion Minister of Finance, stated at Ottawa that British Columbia would have to pay its share of interest on the C. N. P. this year.

Provincial guarantees for the road are about \$48,000,000. Annual interest is over \$2,000,000.

PACIFIC GREAT EASTERN RAILWAY. Provincial guarantees - Principal \$31,710,000. Annual interest, \$1,426,950.

Of this interest \$316,000 was paid by the government last January and two more payments are due in the present financial year.

The charter states that Messrs. Foley, Welch & Stewart subscribed \$10,000 cash for the whole stock of P. G. E. Railway and deposited with the government \$250,000 as security for fulfilment of contract.

The \$25,000,000 authorized stock has not been sold, but has been illegally issued as fully paid up stock to Messrs. Foley, Welch and Stewart.

The P. G. E. Co. has already sold guaranteed bonds to the amount of \$20,160,000, realizing \$18,035,198, which was handed over to the company contrary to statute. This illegality was admitted by Premier Bowser in the house on May 15th of this year, and defended on the ground it was necessary to save the contractors from bankruptcy. A further guarantee of \$11,550,000 has been authorized.

Contrary to the Premier's statement that Messrs. Foley, Welch & Stewart had put into construction \$9,000,000 over and above the \$18,000,000 advanced by the government, Chief Engineer Gauble's report shows the amount expended is only \$18,802,805.

Another \$6,000,000 was voted for the P. G. E. Ry. Co. at the last session.

N.B. The Railway Act of 1912 has been completely ignored as to its demand for an annual report by the Minister of Railways.

The entire affairs of this company, its financial position, its methods of construction, its relation to subsidiary companies and its treatment of sub-contractors and laborers call for immediate and thorough investigation. But according to the B. C. Railway Act, incorporated with the P. G. E. Railway Act practically, no such investigation can be held without the consent of the company itself. It enacts that any information or evidence given to the Minister of Railways "shall not be open to the public or published, but shall be for the information of the minister only." (Sec. 283 (a) Chap. 194, R.S.B.C. 1911.)

The above synopsis is proved by the "Votes and Proceedings" of the last session of the Legislature, which also prove that **MESSRS. BOWSER, REID & WALLBRIDGE ACT AS SOLICITORS FOR BOTH THE P. G. E. RY. CO. AND P. WELCH, THE CONTRACTOR.**

PATRONAGE

The Vancouver School Board investigation and the investigations during last session of the legislature prove that the Bowser machine system actually exacts contributions for its upkeep on all public business, even profiting out of the money contributed for the education of our children. British Columbia has the opportunity of leading the whole of Canada in the complete abolition of this hateful system by electing the Liberals, who have definitely pledged themselves to abolish patronage and establish a non-partisan civil service commission.

We recommend these facts and figures to the most careful consideration of the electors and appeal to them to act at the polls as their conscience dictates.

(Signed) **G. R. WELCH**

J. R. ROBERTSON

JOHN MACKAY

A. E. COOKE

J. S. HENDERSON



