

THE HERALD

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Presenting Our Claims.

We publish today, in brief, the memorial presented to the Federal Government by Premier Mathieson and his associate delegates in support of the Claims of this Province. In this summary we have but the outline of the presentation made by our Premier. The arguments supplementing the written memorial; the explanation of the written documents and the elaboration of the various phases of our case could not be compressed within the limits of a newspaper article. But a perusal of even the summary presented is sufficient to convince anyone that our case was so admirably presented that the Federal authorities could not find a way out of granting us financial assistance. On the memorial presented and the argument behind it rested our claim to the following demands:

1. Damage for non-fulfillment of the terms of union in respect to Continuous Communication since the settlement of 1901.

2. Compensation in respect of the Public Lands of Canada transferred or proposed to be transferred to certain Provinces of Canada.

3. In respect of the Prince Edward Island Railway.

4. Allowance for the difference between the estimated expenditure upon Railways and Canals of Canada since Confederation, and the amount actually spent thereon.

5. An equivalent for the increased subsidies granted to the larger Provinces to meet the increased cost of Education and other public services.

6. The payment of the subsidies and the fixing of the unit of representation upon the basis of an assumed population of at least 150,000.

7. Increase of subsidy for want of public lands as paid to Manitoba and Saskatchewan.

The first conference with the Ottawa Authorities was on February 17th, when the delegates met the full Cabinet. On this occasion our case was presented, in admirable style, by Premier Mathieson. Afterwards, on Feb. 23 the delegates met a committee of five members of the Cabinet. On this occasion it was agreed that nothing should be considered for the time being except such claims as were special to Prince Edward Island. Additional large claims, in which some other Provinces might be interested, were left over for future consideration.

To have succeeded under all the circumstances, in securing \$100,000 addition to our annual subsidy redounds to the credit of Premier Mathieson and his co-delegates. The Premier's splendid presentation of the case; the justice of our cause and the sympathy of a just Government won the day for us.

When we consider that, within a few months we have had an appropriation of \$400,000 for the car ferry, the restoration to us of our oyster fisheries and an addition of \$100,000 to our annual subsidy, we should rejoice that we have at Ottawa and at Charlottetown Governments desirous of doing justice to Prince Edward Island and working in unison for her welfare.

Minor's Liniment cures Neuralgia.

Sessional Notes.

On Tuesday April 9th, the House met 3-35. After routine Hon. Premier Mathieson rose to table the papers in connection with the delegation to Ottawa. He said he regretted that he found himself under the necessity of presenting certain documents, which were in some sense private. This became necessary in consequence of the ungenerous and unjust conduct of the Leader of the Opposition and the opposition press. The Premier then read part of the correspondence which he tabled. The delegation had an audience with the Privy Council on Feb. 17th when our claims were verbally pressed and at the same time a memorial embodying the same was presented.

The Premier said a certain gentleman named Hughes, claimed to have made a discovery. He went on to show what he and his associates had done towards getting our rights. A claim had been put in for non-fulfillment of the terms of confederation in the matter of winter communication, etc. Our public lands had been taken from us by the Imperial Government. When the Sub-committee of Council was waited upon by the Island delegates it was agreed that no claims should be considered, except such as were special to Prince Edward Island. This was on the 23rd day of February. Following is the memorial of our claims:

A STRONG MEMORIAL.

That Prince Edward Island entered Confederation on July 1, 1873; that the intention of the founders of the union was to provide for each Province, from the federal revenues a sum, sufficient to enable each Province to manage its local affairs without resort to direct taxation. (This is supported by quotations from public speeches of Hon. George Brown, Hon. John H. Gray, Sir Louis Davies, Hon. David Laird and by resolution of the P. E. Island Legislature.) That the Island as a separate Colony was then one hundred years old, its population having doubled in the previous thirty years and its revenue in twelve years; that the debt of the Island, exclusive of the railway debt was more than offset by the balance due on lands, cash loaned to tenants, and other assets, all of which were subsequently converted into cash and used as ordinary revenue; that suitable public buildings had been constructed as well as wharves, breakwaters, light houses, roads and other public works, together with a stock and experimental farm; that manufacturing industries of many kinds were being built up, and in relation to its size there was no more progressive community in British America, and that all this had been done under a customs and excise tax not exceeding 3.10 per head. That by the Confederation agreement the Province at once became liable to a taxation of \$5.05 per head, or \$489,850 on our then population of 97,000, and in return Canada undertook the performance of services which were then costing the Island \$334,052. The financial balance was thus against the Province from the first to the amount of \$150,000 a year. The following financial statement was submitted, showing—

Table with 2 columns: Description and Amount. Rows include Assets of Province in 1873, Money borrowed for purchase of lands, Capital withdrawn from credit of Province, and Debt and Liabilities of Province.

Province 2nd Dec. 1911, (as per audit of Messrs. Roseborough and Danoh) less overdue taxes uncollected

Table with 2 columns: Description and Amount. Rows include 1,083,942 and \$2,606,580.

In the same period there has been collected in land, income and other direct taxes, the sum of \$1,190,224.00. A small part of this money was used in the construction of an Insane Asylum, and Infirmary and other necessary public buildings, but no revenue-producing asset of the Province has resulted from its expenditure. Except as above stated it has been used as ordinary revenue.

Table with 2 columns: Description and Amount. Rows include Subsidies for 1911, Expenditure for 1911, Expenditure for 1873, and Increase.

The gulf between revenue and expenditure is therefore \$97,816 wider than it was at the time of Confederation.

The memorial proceeded to show that the cost of legislation which at the union was about \$16,000 per annum has been reduced to less than an average of \$9,000; that the indemnity of members is but \$200 each, the number of heads of departments reduced from four to three and their salaries reduced from \$1,600 to \$1,200 each while the salaries of clerks and minor officials do not exceed one-half of what is paid by the Dominion for similar services.

NON-FULFILLMENT OF UNION TERMS.

The memorial proceeds to state that the present unfortunate financial condition of the Province is due to two principal causes,—(a) The failure of Canada to provide continuous communication with the mainland. (b) The insufficiency of the subsidies to meet the purposes intended. The first of these is argued forcibly and at length, setting forth among other things the following: That over twenty years ago a claim was made under this head for \$5,000,000 damages and agreed to by both parties as not excessive; that under pressure of immediate need this claim, with the added wrong of intervening years was sold out by the Local Government in 1901 for a try subsidy of \$30,000, which did not measure one-fifth part of the actual loss. The present claim is from the year 1901 to date. The memorial proceeds to recite at length the interruptions, delays and losses resulting in the winter steamer service, the uncertainty always before the producer and the shipper, the fact that the Province would not have entertained the union proposals, with the surrender of its fiscal independence and the change in its established currents of trade, but for the undertaking by Canada to provide continuous communication, and the further fact that the failure by the Dominion in that regard is to be held responsible for the loss of population, which involves all losses. In this connection it is mentioned that the promised Car Ferry gives hope of terminating this long standing grievance.

THE CLAIM FOR LANDS.

The second claim set forth is in respect of public lands of Canada transferred, or proposed to be transferred to certain Provinces. The memorial sets forth that each Province contributed to the purchase of these lands and to the expenditure for their development, and that any gift of those lands to any Province or Provinces without compensation to the others is so manifestly unjust as to require no argument. The case of the United States in dealing with the Louisiana purchase is cited,

where all the States outside of the purchased territory received liberal compensation. The justice of this claim and this well established precedent make the claim a very strong and important one.

THE RAILWAY CLAIMS.

Claim Number Three in the memorial is in respect of the P. E. Island Railway on which the Province had expended \$3,144,000. before the road was transferred to Canada. It was then estimated that the expenditure of Canada on account of railways and canals would not exceed \$79,000,000 but has since run up to over \$500,000,000 in excess of that estimate. Besides, subsidies are paid to company railways in other Provinces. The Island has contributed to all these, received nothing and gave its own railway to the Dominion. This is elaborated in Claim Number Four. There had been a settlement on this account and additional subsidy of \$20,000 given this Province in 1887, but the greater part of the Dominion outlay for railways and canals has since taken place.

CLAIM NUMBER FIVE

Is based on the increased subsidies granted to the larger Provinces to meet the increased cost of Education, Public works, Asylums, Agriculture, Charities, etc., under the readjusted subsidies of 1907. In this connection it is shown that the cost of these services in this Province has increased by \$145,000 a year since 1873. Ontario now receives \$901,644, Quebec \$672,614, and other western Provinces in proportion on account of that settlement while the Island has received an altogether inadequate addition.

CLAIM NUMBER SIX

In brief it is that this Province is entitled to payment of subsidies and representation in Parliament on the basis of an assumed population of at least 180,000. The memorial sets forth at length that Manitoba, British Columbia, Alberta, and Saskatchewan were given their subsidies and representation on the basis of an assumed population. The claim of Prince Edward Island under this head is shown to be strong because of the decline in population is due to the non-fulfillment of the terms of union the consequent diversion of trade routes, the closing of factory industries, and the fact that the exodus has left the Province to support a trebled number of the insane and poor. It is further pointed out that the Province has paid its full share of Canadian expenditure without sharing in the benefits of Confederation that the National Policy under which Canada generally has developed splendidly, has not extended its benefits to Island industries; that our proportionate contribution to the revenues of Canada in 1911 was \$1,181,052 computed at the average rate, but was really greater, owing to the extinction of our manufacturing industries, and consequent large importations. It is claimed that the Province now pays to Canada three times as much as was required for all its public services at Confederation, and that the Dominion with its bounding revenues can well afford the necessary relief but cannot afford to permit its smallest Province to be crushed under the burden of debt that now lies upon it. The memorial bears date 17th February and is signed by Hon. Messrs. Mathieson, McLean and Arsenault.

SENT TO SUB COMMITTEE

In compliance with the request of the delegates the Federal Government appointed a sub-committee of Council to hold further conferences with them composed of Right Hon. R. L. Borden, Hon. W. T. White Hon. George E. Foster Hon Robert Rogers and Hon.

George H. Perley. This sub-committee met on 23rd Feb. in the Premier's office with the delegates. It was determined that no claims would be there considered except those special to Prince Edward Island. The delegates, who had before presented separately a claim to a share in the Fishery Award submitted memoranda (A and B) of additional subsidy required by the Province under the following heads:

Table with 2 columns: Description and Amount. Rows include Deficit, Education, Asylums and Paupers, Roads, Bridges, Salaries, Civil Servants, etc., and a total of \$200,000.

MEMORANDUM B.

The memorandum set forth the claims upon which additional subsidies could be based, including the failure of continuous communication since 1901, a subsidy on the basis of an assumed population of 180,000, and an increase of subsidy for want of public lands, as in the case of Manitoba, Saskatchewan and Alberta. Each of these is accompanied by notes and explanations. After several consultations between the delegates and the sub-committee it was agreed that the closing up of the negotiations should be left in the hands of the Prime Minister and the Finance Minister of Canada and Hon. Mr. Mathieson, with the assurance that substantial aid would be given the Province. Hon. Messrs. McLean and Arsenault then returned home. On February 26 the Minister of Finance requested Premier Mathieson to frame for submission to the Cabinet alternative grounds on which to base an increase of subsidy of \$100,000. He submitted two plans, the first including \$20,000 for failure of winter communication since 1901, a subsidy on the basis of assumed population of 150,000, which would give \$50,000 more on account of the support of Government and Legislature, and \$32,737 on per capita subsidy, making in all \$102,737. Plan Number Two proposed an increase of subsidy for want of public lands from \$45,000 to \$125,000, the increase being \$80,000, and \$20,000 for failure to provide continuous communication. These two sums would make \$100,000.

THE SUBSIDY PROMISED.

On Feb. 28 Mr. Mathieson received the promise of the Prime Minister and the Finance Minister that \$100,000 of increased subsidy would be granted, either on one of the above plans, or on general account without particularizing, and on the following day he wired his co-delegates the good news in terms which they understood. Premier Mathieson then returned home, and on March 5 mailed to the Finance Minister a draft bill to be submitted to the House of Commons, with a brief in support of it, the bill providing for an increase of \$102,737 as set forth in Plan One above. On March 9 Hon. Mr. White replied, and on March 14 and 15 Premier Mathieson sent him further arguments and statements. On March 18 the Premier wired Mr. White that "though preferring grant on assumed basis of population any satisfied with straight grant without particularizing if more satisfactory to you." On March 19 the Finance Minister wired the Premier here— "Am giving notice of resolution providing for an additional grant of one hundred thousand dollars without particularizing. You may announce accordingly."

This telegram was delivered to the press and appeared in our newspapers at the time. The Premier thought it was since the Hughes imposture was disposed of. He referred to the claim of an allowance for want of public lands. He (the Premier) had brought this matter before the Legislature and the country from time to time for ten years past, only to be told by Mr. Hughes and his colleagues—"Oh, we have heard all that before." It was in the Conservative platform in 1908. Now it is a new discovery! The real claim is that Canada undertook to provide enough money to provide for our local services and had not done it. The Dominion did not take away our lands. One point that made it difficult to secure an increase of subsidy was the large expenditure called for by the promised car ferry. The case was submitted to a sub-committee of the cabinet in the cabinet, and two memoranda were filed, which he read

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