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Editor & Proprietor.

Nearly two month of 1909 have already elapsed and still a great many of our subscribers have not remitted their subscriptions to the Herald for 1908. They have been furnished with statements of their accounts and have been pretty constantly kept in mind of this little obligation; still they have shown great tardiness in its fulfillment. We need the money and should be pleased to hear from our friends without further procrastination.

Provincial Finances.

The auditor's report on the Public Accounts of the Province, for the year ended September 30th 1908, was submitted to the Legislature on Wednesday last. This report, like its all its annual predecessors since 1891, shows that the present Government are admirably sustaining their reputation for debt, deficits and deception. It will be remembered that Government candidates during the last election campaign, held out the assurance that the revenue would be more than sufficient to meet the expenditure for the year ended on the 30th Sept. last. They pleaded that the year closed on that date was the first in which we received the full amount of the increased subsidy, and that there would surely be an equalization of revenue and expenditure.

The auditor's report sets down the Government's expenditure for the year, at \$420,818.53. The report calls \$377,602.72 of this amount, ordinary expenditure, and styles \$43,215.81 capital expenditure. To the tax payers it makes very little difference by what names the expenditure is called; the important consideration for them is that the Government, during the fiscal year under review, spent \$420,818.53, while they received, as revenue only \$366,601.15, thus leaving a shortage of \$54,217.38.

In addition to the ordinary receipts, the Government disposed of \$40,000 worth of debentures, for which they received \$97.66 on every \$100.00 or \$39,144.00 in all. These debentures at once became a part of the debt of the Province; but in negotiating them a loss of \$36.00 was incurred, and this loss is properly chargeable in the expenditures of the year. We shall then have these figures representing the year's financial transactions:

Expenditure, for the year \$421,674.53
Receipts for the year 366,601.15

Deficit for the year \$55,073.38
These are the Government's own figures; they are the figures set down in the

Government auditor's report. We must therefore assume that, whatever less, they do not represent anything more than what the Government spent over what they received; the amount of last year's deficit; the amount the Government added to the Provincial debt in the financial year ended September 30th, 1908. These formidable figures show that the Government spent last year all the money they received from the full Dominion subsidy; from the sale of debentures; from the different sources of taxation; from all available sources and still went many thousands of dollars behind.

But appalling as these figures are, they do not tell the whole story of our wretched financial plight. To the figures above set down, as representing the excess of expenditure over revenue for the last financial year, should be added; accrued interest on loans, amounting to \$10,713.08, and also the amounts unpaid on contracts, some \$25,489.60. These two items added to the \$55,073.38, bring the balance of expenditure over revenue; the amount added to the debt of the Province last year, up to \$91,275.98. These figures are formidable; still we may be morally certain that they do not represent the whole excess of expenditure over revenue.

These facts unfold a tale of scandalous financial mismanagement and extravagance; but "wait till you see us next year." Unless a change is brought about, and the political talons of the present Government are clipped, our financial position at the end of the current year, stands to be much more wretched than on the 30th September last. There is no account in the report under review, of the lavish expenditure made by the Government on roads and other public works, for the purpose of gaining votes for the last election. These outlays were all made after the 30th September and are therefore carried forward. In addition to the loading down of the expenditure side of the account, with these charges next year the receipts will be short by \$4,000, refunds on hay account, and by \$7,840.00, received for commercial travellers licenses; a tax which is to be abolished. These two items together will reduce the revenue nearly \$12,000. It will thus be seen that the prospect of making revenue and expenditure meet is as far away as ever.

The Auditor's report places the debt of the Province, on Sep. 30, at \$850,611.11, and makes it up as follows: Debentures issued, less sinking fund \$252,056.95
Loans to private persons 463,016.37
Amount due banks 135,537.79

\$850,611.11
Of course these figures do not show the real debt of the Province, as a matter of fact we do not know what the true indebtedness is. If all that is held back were added, we may be very sure the debt would be nearer a million dollars than what the auditor's figures show it to be.

The magnitude of a debt may be estimated from the amount of interest paid there on, and tried by this test, the Government not only sustain but enhance their bad reputation as creator's of debt. In the auditor's report for 1907, the interest was set down as \$31,531.15. This was bad enough in all conscience; but during last year they advanced beyond this mark with gigantic strides, and rolled the interest for the year 1908, up to the astounding figure of \$38,559.44. Is it not time to pause and

consider and to cry "halt!" when our annual interest charge has reached the immediate vicinity of \$40,000? Where shall we land if this kind of financing is to be permitted to continue? What on earth is the good of receiving increased subsidies from Ottawa, when nearly \$5,000 more than half the increase is immediately paid out for interest on the Provincial debt? In the last year for which the late Conservative Government were responsible they only paid \$2,697.44, in interest. Even then a hue and cry was raised against them; they were accused of running the country in debt. But now those who railed against the Conservatives, are paying almost \$40,000 in interest. What do the electors of our Province think of that?

There are many other phases of the auditor's report to which we shall have occasion to refer from time to time. But, meantime we exhort our readers to seriously consider the facts we have here placed before them. We have shown that our Provincial debt has mounted up from \$127,000 to nearly, if not quite, a million dollars; that the annual interest charge has grown from less than \$3,000, to nearly \$40,000; that the excess of expenditure, over revenue, for the last year, under most favorable auspices, was upwards of \$55,000. Bear in mind, moreover, that all these unfavorable and unfortunate financial operations have been effected by those who clamored into power on the cry that revenue and expenditure should meet; that the era of deficits was to cease and that the day of taxation was far off. Everyone of those professions have been scandalously falsified by these men; everyone of their promises have been ruthlessly broken; every one of their pledges have unblushingly violated. Debt, deficits and deception have constituted their political stock in trade. Are they worthy of the people's confidence?

In its issue of the 16th. inst. the Patriot raises the question of responsibility regarding writers in the newspapers. In this connection it says: Irresponsible writers, who in the absence of argument, indulge in coarse personalities, should in this enlightened age be debarred from the public prints. It is shameful that a public man or men, who are giving of their time and talents to the Government, of this county can be so vilely traduced etc." Would it be believed that in this same issue of the Patriot there appear two scurrilous letters abusing two members of the Opposition, from irresponsible, characterless, cowardly nondescripts, for whom the Patriot acts as a mask to conceal their identity. Could journalistic hypocrisy and duplicity go further?

On our outside pages today appear an address to the people of Prince Edward Island, from Mr J Heber Haslam, himself an Islander. The Haslam Land and Investment company should certainly present attractions for investors. This company does not deal in speculation or promotion; it is a buyer and seller of land. Ample testimony is presented of the excellent business it has already done for clients here, and there does not seem to be any reason why equally good, or even better business may not again be done for those who have money to invest.

With an ear-splitting war-whoop a Navajo Indian ran amok in the union station Cincinnati Ohio, and fatally stabbed Mrs. Anna Devord and Max Meyers and seriously wounded Joseph Gordon. Navajo with four Sioux chiefs from Kansas, alighted from a crowded train. As the passengers stepped from the train the Indian with a yell drew a long knife and started through the crowd, slashing right and left.

SESSIONAL NOTES.

In our last issue, our space ran out before we were able to refer to the excellent speeches made in the debate on the address, by Mr. McKinnon and Mr. Wyatt.

Mr. McKinnon held the Government and the Premier up to public condemnation and ridicule on many points. He emphasized the divergence of opinion regarding the tunnel between the Leader of the Government and Captain Read, also a member of the Government. He pointed out that Captain Read held a seat in the Legislature by virtue of the action of an official of the Government, who created the conditions that enabled him to give a casting vote, thus seating Captain Read. Was it not an outrageous condition of things that forced an official of the Government to rob a whole constituency, under threat of losing his own office? Referring to the remarks of Mr. Agnew, Mr. McKinnon said that if that gentleman had any regard for himself or his position he would not follow a Leader who made himself a party to such acts. Mr. Agnew had said that last year was a good year for making roads, and that is why the Government had made large expenditures thereon. If it was such a good year for making roads, said Mr. McKinnon, how was it that the Government allowed the best months for working to pass without doing anything, and did not commence work till October, November and December? These are not good months for road-making. Their road operations showed the cloven political foot. New roads were opened where rights of way had never been bought or paid for. All these things happened just before the elections. Members on the Government side of the House had much to say in praise of the new Infirmary. It was said to be a credit to the Province. If that is so, said Mr. McKinnon, it was the first of the kind in the history of this Government. The other public buildings erected by them were no credit to the Province, so far as their manner of erection is concerned. The Prince of Wales College and the Summerside Court House and Jail were examples in point. The Government now say exhibitions are good. If that is so, why did the Government formerly wipe out exhibitions? This favorable view of exhibitions has been forced on the Government by the Conservatives. What has become of the agricultural education formerly going on in this Province; who discharged the able agricultural professors, formerly teaching here? These are questions Mr. McKinnon would like to have answered. Instead of being abolished, this department of education should have been expanded and improved, and now we would not be obliged to send our students to Truro; but the people of Truro would be coming here. Again referring to Mr. Agnew, Mr. McKinnon said that gentleman had the temerity to insinuate want of unity among the Opposition. But, said Mr. McKinnon, he should have looked to his own side of the House for evidence of disunity. The Leader of the Government alluded to the tunnel as an "enormous undertaking," while his colleague in the Government, Captain Read, considered the construction of the tunnel "as easy as rolling off a log." The same divergence existed among the Government members about the fishery award and the transportation question. The Leader of the Government was as "mad as a hatter," when confronted with the report of his speech in the Patriot. He said he was not to be bound by the words the organ might choose to put in his mouth. The Patriot, said Mr. McKinnon, had withdrawn a part of the Leader's speech, and Mr. Hazard himself disclaimed another part. But the peroration of the speech which the Patriot published, and Mr. McKinnon read, the Leader of the Government neither repudiated, affirmed or denied. It seemed to be a case of "you pay my money and takes your choice." Referring to the tactics pursued by the present Leader of the Government at elections, Mr. McKinnon pointed out that their first election was won by an expenditure of money that created the largest deficit in the history of the Province, and all elections since then have come in under the wing of the Dominion Government.

Mr. Wyatt made an admirable contribution to the debate on the address. He showed that he was quite well informed on the different subjects under review, and he kept the House in good humor by his many excellent sallies of wit and repartee. The fishery award, the question of our claims, the subsidy and the conduct of our delegates at the Ottawa conference of 1906, all came under review, and all were handled in a most creditable manner. Earlier in the session Mr. Wyatt had moved an amendment to the resolution appointing the public accounts committee. His amendment was that the name of Mr. R. N. Cox be struck out of the resolution and the name of Mr. John McLean be substituted therefor. Mr. Cox manifested much dissatisfaction at this action of Mr. Wyatt, and gave expression to his displeasure at the time. Now Mr. Wyatt referred to this attitude of Mr. Cox. He said that when he moved his amendment, he had ample reason for believing that Mr. Cox was not a competent man to be placed on such an important committee, and this debate afforded him an opportunity for unfolding these reasons to the House. He held in his hand a newspaper report of a public meeting held at Morell, about two years ago, when the matter of our subsidy from the Dominion Government was discussed. On the question of our per capita subsidy, it was pointed out by a number of speakers at that meeting, that there was danger of our losing a certain amount from time to time, in consequence of loss of population, as shown at successive decennial census returns. To guard against any such contingency the electors were advised to instruct their representatives to accept nothing less than the amount accorded us on our maximum population. Reduced to simple language, as Mr. Wyatt put it, the question was whether we should receive 80 cents a head on our maximum population, or a lesser amount. A resolution embodying this idea was submitted to the meeting, and it would be most natural to expect that such a motion would pass without a dissenting voice. But, extraordinary as it may appear, Mr. R. N. Cox moved an amendment, setting forth that the meeting in question was "incompetent" to pass an opinion on the subject. This amendment found a seconder and two or three supporters in a meeting of several hundred. Other resolutions along the same line were moved and carried almost unanimously, only Mr. Cox and two or three others dissenting. Mr. Wyatt considered that the course pursued by Mr. Cox at this meeting, was sufficient warrant for the proposal to have Mr. McLean substituted for him on the public accounts committee. At this stage Mr. Cox jumped to his feet and said what Mr. Wyatt had read from the newspaper in his hand had not occurred at all; that no such meeting was held. There were several persons in the Chamber, who had been at that meeting, and they knew the report Mr. Wyatt was reading was quite correct. Mr. Wyatt turned the tables on Mr. Cox very nicely, when he observed that with the loss of his recollection, the member for Morell had also lost his modesty. At the meeting referred to he expressed himself incompetent to pass an opinion as to whether it would be better to receive a greater or lesser amount of per capita allowance from the Dominion Government; now he seemed to consider himself competent for nearly anything. Mr. Wyatt spoke for over an hour and a half.

At the conclusion of Mr. Wyatt's speech, on the evening of the 11th. House went into committee on the draft address. Mr. McWilliams in the chair. After a short time the committee rose and the House adjourned. On Friday 12th, they sat only about half an hour in the forenoon, and nothing beyond routine proceedings was taken up. The House adjourned till Tuesday 16th.

Before the orders of the day were taken up on the 16th, Mr. Hazard rose to a question of privilege. He read an article from the Examiner of the 13th, which criticised the conduct of the Government pretty sharply. The Leader of the Government grew very hot over this matter and said that unless a retraction and apology were made an action for libel would be brought. Mr. Mathieson, Leader of the Opposition, followed. He admitted that on hearing the article read by the Leader of the Government, he considered it somewhat strong. But when he looked further into it he was quite satisfied the Premier had not correctly interpreted its meaning. Moreover, consideration should be given to the

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strong provocation that existed. The rights of the press are established and recognized, equally as well as the rights of Parliament, and we should not be too sensitive on these matters. The Patriot had written a scurrilous article about him. (Mr. Mathieson) and had not retracted. We must have fair play, or know why not. He went on to show that it was not by any accident the House had been called before the 3rd of February. The Government's conduct was reprehensible in this matter. Mr. Mathieson said that "no honest man, who is charged with a duty towards his neighbor would act thus." At this point, there were some cries of "order," and Mr. Speaker was evidently finding himself in deep water. But Mr. Mathieson pointed out that the Premier was out of order as he did not conclude with a motion. The discussion was continued in the afternoon. Mr. Mathieson quoted from articles that had appeared in the Patriot, and expressed the opinion that greater reason for complaint existed on the Opposition side than the Government side, about unfair criticism in the press. Let both sides of the question be considered, said he. He instanced the numerous transgressions of the Government and their organ. The debate was participated in by Mr. McLean, Mr. Morson and others, and was finally adjourned.

The House got into committee on the draft address, about 5 o'clock. In committee able addresses were made by Mr. Mathieson, Mr. Dobie, Mr. Arsenault, Mr. A. J. McDonald, Mr. Morson and Mr. McLean. The committee stage was continued during the evening session of the House. During the course of the discussion Hon George E. Hughes boasted somewhat about his unopposed election in Charlottetown, and showed how much he was in earnest about the tunnel by saying that it was "too great a leap from our present conditions."

Mr. Morson showed that if the members on the Government side, whose seats are in doubt, were woeed out, it would be seen that the Province had not justified the conduct of Mr. George Hughes and his co-delegate to the Ottawa conference 1906, nor of the Government generally. Our claims were better than those of British Columbia; yet that Province fared better than ours, to the extent of a million dollars. The Liberals, he pointed out, had increased our Provincial debt, to about a million dollars. The Government are paying six or seven per cent to the banks, while they receive five per cent from Ottawa. What is the good for them to get \$100,000 from Ottawa? They are just as far in debt at the end of every year. The Government deceived the people about our claims, and now Mr. Hughes says it was an inopportune time to press them. Hughes had spoken of no election being held in Charlottetown. What would be the use, said Mr. Morson, where there is an army of officials.

Answering Mr. Laird, who made a campaign speech, Mr. McLean pointed out that the Government of the day had issued bonds for the building of the P. E. Island Railway; but the Grits, to help out the Union Bank, raised a panic and forced us into Confederation. He pointed out, for Mr. Laird's benefit, that every tax not imposed on us was put on by the Grits. He would like to know if Mr. Laird approved of disfranchising the electors, as the Grit Government of Mr. Frederick Peters did? Mr. Laird might deny anything he liked, but that did not alter the facts. Had we the ballot vote, advocated by Mr. Mathieson, our Liberal friends would have a different tune to whistle.

Mr. Mathieson pointed out that it was a curious fact that all the Government members minimized our claims against Canada. One after another of them got up and injured our case, as far as possible. This was not what they came here for. Surely they should consider the interests of Prince Edward Island above all other interests. He pointed out that at Confederation our debt was only \$500,000, while we had large assets in cash, bonds, etc., altogether more than equal to the amount of our debt. The P. E. Island Railway was paid for by us; yet it was charged against us. The change of policy of the Dominion Government, regarding railways, since Confederation, entitled us to the price charged against us for our railway. The Federal Government had built a railway in Cape Breton since we went into Confederation, and had offered Newfoundland \$9,000,000 for her railway when endeavoring to negotiate terms with that colony. The Grits built the branches of our railway in the first place, and paid \$1,000 a mile more for them than the Conservatives. Our taxation was only three per cent, at Confederation; but it immediately went up to five per cent. The Conservatives got \$24,000 a year added to the first terms. Regarding our share of the fishery award he pointed out that it would be folly for us to join with New Brunswick, or any other Province in hope of securing it. We have a matured claim, he said, while New Brunswick has no claim at all. The only time we did join with New Brunswick was on the representation question, and the act proved disastrous to us.

On Wednesday the draft address was reported from committee, read a third time and presented to his Honor the Lieutenant Governor. In committee, and again on the motion to adopt the committee report, the following amendments were moved by the Opposition and voted down by the Government, the vote in each case standing 15 to 12:

Clause Four. "We are pleased to learn from your Honor that some of the unadjusted claims which this Province had against the Dominion, have during the recess, been satisfactorily settled, and are glad to know that other important questions affecting the Province will receive the favorable consideration of the Federal Government. Moved in amendment by Mr. Dobie, that the clause be amended by adding thereto the following words: "But it is deeply to be regretted that a sufficient increase in the subsidy from the Dominion Government was not obtained to enable the taxation upon the farmers of this province to be abolished."

Clause Five. "We note with pleasure the facilities offered the sons of our farmers of attending the short course of instruction at the Agricultural College at Truro, and feel sure that the opportunity thus afforded has been much appreciated." Moved in amendment by Mr. McKinnon, that all words after "afforded" in the last line of paragraph five be struck out, and the following be inserted in the lieu thereof: "If placed upon a just basis avoiding party favoritism will be much appreciated, and we earnestly hope that immediate action will be taken by your Government not only to restore the teaching of Agriculture to the high position it once occupied in the Prince of Wales College, but that the most modern system of agricultural education may become a prominent feature in the work of our public schools."

Clause Seven. "We agree with your Honor that the substantial and permanent improvements under the direction of the Department of Public Works is a matter for congratulation." Moved in

amendment by Mr. James Kennedy, that all after the word "that" be struck out, and the following substituted in the lieu thereof: "substantial and public works would be a great benefit to the Province. But we regret that waste and mis-management prevail in the Department of Public Works to such an extent as to call for immediate investigation and reform."

Clause Ten. "We believe that the bill proposed to repeal the tax on Commercial Travellers will meet with acceptance throughout the Province." Moved in amendment by Mr. Morson that Clause Ten be amended by adding thereto the following words: "And we trust that your Government will no longer delay the preparation and presentation of the claims of this Province against Canada to the end that the people of this Province may be freed from the burden of direct taxation."

Very little business was done on Thursday, 18th. Members visited public institutions in the forenoon, and the afternoon session was scarcely anything more than routine. The time on Friday was taken up, for the most part, with discussion on the consolidation of the Provincial debt. The Leader of the Government reported that \$350,000 of 4 per cent. debentures, to run for 30 years, had been sold to the Ontario Trust Co. at 99. An interesting discussion arose on this question, for which we have not space in this issue. The House sat for a brief space Saturday forenoon and adjourned till yesterday.

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