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Our Increased Subsidy.

Hansard of March 26th, which came to hand on Saturday, contains the report of the debate in the House of Commons on the bill presented by the Finance Minister, granting an increased subsidy of \$100,000 a year to Prince Edward Island. The matter was presented in a masterly manner by Hon. Mr. White, who showed that he was not only thoroughly seized of all phases of our financial disadvantages, and the unfair treatment to which we had been subjected; but also evinced the warmest sympathy with us in our isolated and handicapped situation. Sir Wilfrid Laurier showed how much he cared for us, by opposing the grant, and fiercest opposition of all came from Mr. McDonald Liberal member from Pictou, N. S. Mr. James J. Hughes found fault with the grant because it was not large enough. That comes with fine grace from Mr. Hughes, in view of his conduct towards his native Province, when his own party were in power. Forcible and able speeches in support of the grant were made by Messrs McLean and Nicholson, Conservative members for Queen's County. Finance Minister White said:

The object of this Bill is to provide a subsidy in addition to the grant now authorized by law, to the amount of \$100,000 per annum, to the province of Prince Edward Island. The present subsidies to Prince Edward Island are as follows:

Allowances for government and local purposes (under B.N.A. Act, 1907)	\$100,000 00
Eighty cents per head on a population of 109,078, being at the rate of 80 cents per head (B.N.A. Act, 1907)	\$87,262 40
Compensation for want of Crown lands	45,000 00
Twelve months interest at 5 per cent on \$75,791 83	\$38,759 58
Additional subsidy granted in 1887	20,000 00
Additional subsidy granted in 1901	30,000 00
	\$321,051 98
Less interest upon the sum of \$782,402 83	\$39,120 10

Presents total subsidy to province of Prince Edward Island

I explained to the House on the resolution preceding this Bill, that we had been waited upon by certain members of the executive government of the province of Prince Edward Island who had put forward certain claims for an additional subsidy. For the information of the House I propose to deal briefly with these claims so advanced by the representatives of Prince Edward Island as grounds upon which an additional subsidy should be granted. Their first claim is for damages for non-fulfilment of the terms of the union in respect to continuous communication between the island and the mainland. By the terms of the order in council admitting Prince Edward Island the Dominion was to assume and pay all charges for certain named services, one of which was as follows:

Efficient steam service for the conveyance of mails and passengers to be established and maintained between the Island and the mainland of the Dominion, winter and summer, thus placing the Island in continuous communication with the Intercolonial railway and the railway system of the Dominion.

It is impossible for us, for want of space, to publish the

whole of Hon. Mr. White's excellent speech, and we cannot make a better summary of it than that contained in the St. John Standard. Among other things the Standard proceeds as follows:

THE "LITTLE SISTER OF CONFEDERATION."

The title is Mr. White's. The Province of Prince Edward Island has found a very doughty champion in the Finance Minister. Her claims for financial aid from the Dominion having been recognized by the Borden Government it fell to Mr. White this week to lay before Parliament the reason why, on equitable if not on legal grounds, the annual subsidy to "the little sister" should be increased by \$100,000.

Listening to his masterly review of the financial history of P. E. Island since Confederation, to his eloquent plea that she had borne her burdens but had not participated in the advantages of Union, the thought suggested itself that Mr. White was arguing from personal recollections and that he had as intimate a knowledge and sympathy with the Province as if it were his own. After the debate was over and the bill to secure the subsidy had passed the House, curiosity prompted a question: "Mr. White were you ever in Prince Edward Island?" "No," he replied. "I was never on the Island. When I began to study this question some weeks ago the more I looked into it the more I became convinced that the Province had never received fair play since Confederation. I am fully satisfied, as I said tonight, that this additional subsidy under the peculiar circumstances is equitable and just."

In connection with this claim Mr. White pointed out that in 1901 a special grant of \$30,000 was given to the Province "in full settlement of all claims as respects the maintenance of efficient communication." The Province contended that it was entitled to damages for non-fulfilment of this term of the Union since 1901 and, on equitable grounds that \$30,000 per annum was inadequate compensation. There was much, the Finance Minister thought, to be said for this contention. There could be little doubt the Province had lost heavily for lack of communication and had suffered commercially in consequence.

2. In respect of the P. E. Island Railway a large proportion of the debt allowance, which amounted to \$4,700,000, was used in its construction and immediately after its completion under the terms of the Union it became the property of the Dominion.

Mr. White said he found the Island had a very strong case in favor of equitable consideration with regard to debt allowance. He pointed out that by reason of the expense of the railway and by reason of having borrowed certain sums from the Dominion, instead of receiving something like \$235,000 per annum in interest, the Province received only \$38,789 58.

3. An allowance should be made in respect of the difference between the estimated expenditure upon the railways and canals of Canada and the money actually expended.

In 1887, Mr. White said, an additional subsidy of \$20,000 was given to the Province on this ground and also by reason of the fact that the Province was not in a position to derive the same advantage from expenditures on railways and in subsidies as the other Provinces. "If that was a good argument in 1887," he added, "how much more true today. P. E. Island remains still in her isolated position; she is still without communication with the mainland but

the expenditures on railways and canals have run up into the hundreds of millions. She has borne her share in the way of taxation to furnish the subsidies and assistance to railways since 1887. She has not shared in the advantages in proportion to the other Provinces but has shared in the burden."

4. In the B. N. A. Act of 1907 the limitation of 400,000 was taken away and 80 cents per head only was given to all the Provinces up to \$2,500,000.

The Province argued, said Mr. White, that by no chance could her population go to 400,000 and that she had no share in the advantages. The suggestion was made that she be allowed a calculation for her subsidies on an assumed population of 180,000. Personally he did not like the idea of an assumed population but there was a precedent for it in the cases of British Columbia, of Manitoba in 1885 and Alberta in 1905. The Island had a smaller population today than at Confederation.

5. Prince Edward Island has no public lands. This argument Mr. White regarded as one of the strongest put forward for an increased subsidy. The Island, he said, differed in this case even from the other Maritime Provinces. She received an allowance in lieu of public lands of \$45,000 per annum on a basis of 50 cents a head of population. Alberta and Saskatchewan in 1905 received three times that amount. He quoted figures showing the large territorial revenue of other Provinces. The case of P. E. Island, he said, was very exceptional.

6. The general question of the condition of P. E. Island and her experience since Confederation entitled her to consideration.

The arguments under this head Mr. White contended should carry great weight. All the other Provinces had thriven under Confederation but it could almost be said that Confederation had failed in the case of the people of P. E. Island, having regard to their condition before and their condition since. The Island had lost ground in two main directions, in population and in the condition of her finances. The population in 1871 at Confederation was 94,021, in 1911 it was only 93,722. Referring to the finances of the Province Mr. White said he did not know any stronger argument in favor of additional assistance than was given in the financial record. Out of thirty-five years since Confederation in only four years had the Province been able to take care of the ordinary expenditures. The deficits for thirty-five years aggregated \$1,460,017.49. The excess of the deficits over the surpluses for the whole period was \$1,423,299 78. "Prima facie, that to me, said the Finance Minister, "is a very strong argument indeed in favor of the proposition that P. E. Island has never had adequate subsidies from this Dominion in other words that the purpose of the subsidies at the time she entered the Union has by no means been realized."

On the financial aspect of the case Mr. White had evidently bestowed much time and attention. After pointing out that the people were subject to direct taxation he went on to show that an audit made by the incoming Administration on last December disclosed the fact that there was a deficit of \$120,000 on the fourteen months operations. The Finance Minister's conclusions on this aspect of the case are worth quoting: "Where the increase has taken place since Confederation in the provincial expenditures," he said, "I find some facts highly illuminative. In 1873, with a larger population than they have to

day, they spent the sum of \$59,000 on education; in 1911 they spent \$126,000 or an increase of \$67,000. On poor house and paupers, another item which is very significant in 1873 they spent \$11,614 while in 1911 they spent \$51,483, an increase of \$40,000. What does that mean? It means that the young strong and enterprising people are leaving Prince Edward Island and the infirm, the aged and sick have been left to be taken care of. The result is an enormous increase in this item of expenditure for the poorhouse and the maintenance of paupers. Now there is no doubt that this state of affairs has not been due to extravagant administration on the Island. It is stated, and there is no reason to disbelieve the statement, that the cost of legislation prior to Confederation was \$16,000 per annum. Since 1893 the Provincial representatives have stated that the average cost has been less than \$9,000 per annum. Their Ministers received \$1,200 per annum, the representatives receive a sessional indemnity of \$200. I am informed that their officials are not paid one half what the Dominion officials are paid; in other words, that the cost of administration is very low indeed in proportion to the public services that are rendered. Seeing that the administration is far from extravagant, it does appear to me that the fact of these recurring deficits, and the financial position I have indicated, are almost conclusive evidence that Prince Edward Island has not derived from the Federal Government the aid and assistance it should have received in order properly to maintain her services."

Having dealt with the claims put forward by the Island and briefly reviewing the arguments he had advanced, the Finance Minister gave the House his final conclusions.

"Summing it all up," he said, "and giving the best judgment in my power, I am of the opinion that the present condition of Prince Edward Island is due to two main causes, in the first place lack of access to the mainland, and, in the second place, lack of adequate subsidies from this Dominion since Confederation. I think myself that by reason of this grant of \$100,000 additional which we are now giving them, a new day will dawn for the Province of Prince Edward Island, and that her people will take fresh hope, and I look confidently for an increase of population. The business conditions, especially if the ferry service works out as we expect, and we have continuous communication between the Island and the mainland, and the prospects will decidedly and materially improve and we may look forward to a period not of deficits, not necessarily of surpluses, but to a very changed condition as compared with the past."

The claims in Mr. White's judgment were upon equitable rather than legal grounds. "They proceed," he added, "upon equitable grounds, upon grounds of fairness and justice as between this Dominion and the smallest of the Provinces, the little sister as it were of the Confederation. I feel and we all feel, that the grant of \$100,000 at the present time, is abundantly justified and is founded in considerations of justice and equity as between the Dominion and the Province." He disagreed with Sir Wilfrid Laurier's contention that the Government was departing from the policy hitherto followed. It had not been an infrequent occurrence in the past for the Government of Canada to give an additional subsidy to one Province.

"Having regard to the whole history of the Island since Confederation," said Mr. White, in conclusion, "and to

the fact that she has borne her share of the burdens of Confederation but has not been a participator in the advantages from the Union, having regard to the estimated expenditure on railways and canals at the time she came into the Union, and the enormous sums that have since been expended on railways and canals to the great advantage of all the other Provinces, "I think, as I have said, that this Government and this Parliament are abundantly justified in giving this additional subsidy of \$100,000 to Prince Edward Island. Nor do I think that the people of Canada will be disposed to criticise this Government even if we should appear not only to be just but to err on the side of generosity towards that Province." (We have not space for the excellent speeches of Messrs. McLean and Nicholson, M. P.s. They will appear next week.)

LOCAL & OTHER ITEMS.

The Legislature will adjourn tomorrow over the Easter holidays.

On Palm Sunday, the solemn blessing and distribution of the palms took place in the Cathedral at 10.30 Mass.

The market was not very largely attended yesterday, and prices were about the same as at last quotations.

Advice from New Zealand state that Capt. R. E. Scott's South Polar Expedition arrived March 30, on the steamer Terra Nova at Akaroa harbor, in Banks Peninsula.

In the Provincial general elections in British Columbia, on Tuesday last, Premier McBride again swept the Province. In a house of 42 members, 40 Conservatives have been elected, and 2 Socialists. Not one Liberal got a look in.

The Special Lenten sermon in the Cathedral on Sunday evening last was preached by Rev. Father Croken of St. Dunstan's College. It was an excellent discourse; but through an unfortunate mishap, a brief report of it intended for this days "Herald" is missing.

This being Holy Week the solemn offices of the Church will be carried out in St. Dunstan's Cathedral. Te Deum will be sung on Wednesday, Thursday and Friday evening at 7 o'clock. The way of the cross will take place on Good Friday afternoon at 3 o'clock.

The Earl Grey again attempted to come to Charlottetown on Sunday last. She left Pictou in the morning and fought her way along in the lee till she got within a couple of miles of the Block House. Beyond this she could not get. The gale and heavy seas were brought to the city in slight showers at 8 o'clock. She remained out there all night and went to Gorgewtown Monday.

The Oxford Eight on Monday, April 1st, won with the greatest ease the sixty-ninth annual boat race between eight oared crews representing the Universities of Oxford and Cambridge over the usual course on the Thames from Putney to Mortlake. The Dark Blues finished six lengths ahead of their rivals, and their time for the entire course of four miles and a quarter is twenty-two minutes and five seconds.

A despatch of March 30th from Quebec says: "Navigation below Quebec is now practically open and the coasting steamer Aramora left this morning for North Shore points. The Steamer Nantuxuan also left for below this morning. The first sailing from Quebec last year was April 5th. Above the city, however, the channel is still blocked with ice and not withstanding the efforts of the Montcalm have no sign of breaking away."

Hon. G. E. Pooley, K. C., former speaker of the legislature of B. C., died at Victoria about midnight of the 29th ult., shortly after news had been communicated to him that his son, R. H. Pooley, had been elected as Conservative member for Esquimalt, which district the pioneer, who came here in 1868, as a boy among the gold seekers, attracted from England, represented for many years, and who was a member of the Robson, Davis and Turner cabinets.

The Dominion Parliament prorogued yesterday. During the last days of the session the Liberals in the Senate manifested a hostile attitude towards the Province. Sir Richard Cartwright, leader of the Liberals in that chamber, and several of his associates, Liberals spoke strongly against the increase of \$100,000 to our subsidy, and pressed the matter to a division. The bill passed by a vote of 16 to 12. It is but justice to state that Senators Yeo and Brown, Liberals from this Province, voted with the majority in favor of the grant. But the Liberal majority in the Senate defeated the high-way bill, from which we expected to receive several thousands this year for the improvement of our highways. The Liberals in the Senate have thus deprived us of this money for this year at least. These facts go to show who our friends are at Ottawa, and how determined the Liberal parliamentarians are to prevent Prince Edward Island from receiving justice.

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The styles in derbies this year show a lower crown and broader rim than usual, while the soft felts are exceptionally good. Prices of derbies range from \$2.75 to.....\$3.50
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 Ch'town, Feb. 23, 1911-6m