

THE HERALD

WEDNESDAY, MARCH 3, 1909

Nearly two months 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 fulfilment. We need the money and should be pleased to hear from our friends without further procrastination.

Provincial Finances.

In our last issue we set forth, in brief, the statement of the Provincial Government's financial operations for the last fiscal year. We showed what the receipts and expenditure of the Government had been; the amount of the deficit created in the twelve months, as well as the Government's statement of the debt and the interest paid thereon. We now wish to expand the subject somewhat and, by means of comparison, to make plainer to our readers the unfortunate condition to which we are brought by the reckless and extravagant financing of the present administration. As we showed last week the ordinary receipts for the year ended Sept. 30, 1908, reached to \$366,601.15 and the total expenditure amounted to \$421,674.53. These figures show a deficit as we have already pointed out, of \$55,601.15.

Comparing these figures with the statements of the Government for the financial year ended Sept. 30, 1907, we find the following: The revenue for 1908 as above stated was \$366,601.15. The revenue for 1907, was 350,479.09. Increase of revenue in 1908 \$16,122.06. The expenditure for 1908 was \$421,674.53. The expenditure for 1907 was 361,158.94. Increase in expenditure for 1908 \$60,515.59. The interest statement for 1908, as we showed last week, is 38,559.44. Interest statement for 1907 was 31,531.15. Increase for the 12 months \$7,028.29.

These comparative statements show that the Government during last year increased the expenditure, the debt and the interest. Every now and then, we are told this is a growing time and it must be admitted that, so far as the Government's financial operations are concerned, it is certainly a growing time. The expenditure grows; the debt grows, and the interest grows. Our Provincial finances are "growing" more and more wretched under the management of our "progressive" Liberal administration.

These facts exhibit an appalling recklessness, extravagance and disregard of the people's interests, in the management of our Provincial finances. But the most contemptible; the most insulting part of the business is the misleading, hypocritical and disingenuous attitude assumed by the Government organ. When the Leader of the Government made his budget speech last session, he admitted an anticipated deficit for the then current year, of about \$7,000. In the light of the facts and figures given

above, in connection with the financial statement for the year, it must be admitted that his statement was very modest indeed. At the same time he said the Government expected to sell during the year debentures to the amount of \$40,000. That meant of course, the addition of \$40,000 to our Provincial debt. But what does the *Patriot* do? It simply subtracts \$7,000, from the \$40,000, and proclaims a surplus of \$33,000. If surpluses can be created in that fashion, the only thing necessary to prevent deficits is to issue plenty of debentures. That is on the principle of paying your debts by giving your note of hand. Who ever heard of a more misleading, cold-blooded statement on a matter of such importance?

The financial year, then current, has closed and the figures already given, taken from the Government records, show how wide of the mark was the Premier's anticipations, and how absolutely false were the mouthings of the *Patriot*. The debentures were sold and the money secured from their disposal, as well as all other available moneys, was spent by the Government, and still they have a deficit of thousands upon thousands of dollars.

In confirmation of all the statements we have made concerning the financial operations of the Government for the last fiscal year, we publish the following statement of receipts and expenditures taken from the Provincial auditor's report:

RECEIPTS.	
Dominion Subsidy	\$265,881.88
Public Lands	2,873.29
Provincial Secretary's fees	981.20
Prothonotary's fees	1,518.11
Registrar of Deeds, Charlottetown	3,413.90
Registrar of Deeds, Summerside	1,915.74
County Court fees	683.02
Fines and Penalties	725.18
Hospital for the Insane fees	3,217.04
Private Bills	185.00
Vendors' licenses	1,100.00
Peddlers' licenses	960.00
Casual revenue	116.47
Commercial Travellers' licenses	7,840.00
Fire Insurance Companies	4,562.50
Life Insurance Companies	2,700.00
Accident and Guarantee Companies	500.00
Loan, Trust and Building Associations	450.00
Banks	6,863.34
Telegraph Company	375.00
Steamship Companies	300.00
Express Company	150.00
Gas and Electric Light Company	100.00
Brokers	150.00
Miscellaneous Companies	700.00
Income Tax	7,831.80
Land Tax	28,377.48
Road Tax	11,365.06
Succession Duties	7,480.09
Refund (Hay account)	4,000.00
Oyster beds, leases, etc.	35.00
Total ordinary receipts	\$366,601.15
Proceeds of debentures sold (\$40,000)	39,144.00
Total receipts	\$405,745.15

The debentures from the sale of which the \$39,144 that the auditor adds to the receipts, augmented the Provincial debt by \$40,000; consequently they will have to be placed on the debit side of the account.

EXPENDITURE	
Administration of Justice	\$23,588.03
Boards of Health	5,790.17
Coroner's inquests	239.66
Department of Agriculture	5,461.19
Executive Council	867.08
Education	127,091.68
Elections	800.40
Exhibitions	6,450.00
Hospital for Insane	34,985.51
Interest	38,559.44
Legislation	8,986.82
Library and Stenographic Office	2,722.92
Miscellaneous	9,222.86
Poor House	3,888.55
Postage	4,248.28
Public Lands	883.95
Provincial Sec. Treas.	884.44

Department	6,054.37
Provincial Building	3,596.55
Registry Offices	5,895.24
Telegrams	89.55
Public Works Department	5,216.27
Government House	552.18
Ferries & Ferry Steamers	9,649.24
Packets	2,980.00
Wharves	5,042.33
Roads	30,815.29
Inspectors' Salaries & Inquisitions	2,246.48
Bridges	22,297.25
Miscellaneous Public Works	3,840.22
Debtenture Sinking Fund	3,495.00
Provincial Infirmary	14,319.25
Prince County Court House and Jail	14,898.56
Rights of Way	1,154.84
Permanent Bridges	10,131.85
Concrete Culverts	2,354.71
New Wharf, Hospital for Insane	357.10
Debtentures sold	40,000.00
Total	\$460,818.53
Total receipts	405,745.15
Deficit, increase of debt	\$55,073.38

As we have already stated, the table of receipts and expenditures above presented, is taken from the auditor's report; they are the Government's own figures and consequently, we may be sure they present the case of the administration in the best possible light. As will be seen, the deficit on the year's transactions is shown to be \$55,073.38, practically the same figures we brought out in our calculation of last week.

From whatever point of view we regard the Government's financial statement for the last fiscal year, it presents a deplorable and lamentable condition of affairs and presages nothing but a continuance of debt, deficits and deception for the future. Instead of revenue and expenditure meeting; instead of deficits terminating; we have at the end of eighteen years, about a million dollars debt and an annual interest charge of nearly forty thousand dollars. Is that the condition of things the people want? Is it to accomplish these things the present Government are kept in power?

Hon. Matthew Smith, Speaker of the Legislature, died at his loggings in this city on Monday afternoon, from congestion of the lungs, after a very brief illness. He had not been in very robust health lately, and while on a visit to his home at Hampton last week, he contracted a cold. He continued to discharge the duties of Speaker until the adjournment on Saturday forenoon. After returning to his apartments he grew worse and medical aid was summoned. The fatal malady made swift progress and would not yield to treatment. About 2.45 Monday afternoon the end came. The late Mr Smith was about 65 years of age. He was born at Crapaud, and lived at Hampton, Lot 29, where he carried on farming and, for the last twenty years, conducted in the summer season, the Pleasant View Hotel. The body was conveyed from Charlottetown to Hampton yesterday afternoon. The cortege was large, including the members of the Legislature and officials of the Government. He leaves to mourn a widow, three sons and five daughters. The funeral at Hampton will take place on the arrival of his sons from Boston.

As our readers will remember, the general election in Newfoundland, some time ago, resulted in the return of an equal number of members of both parties. Premier Bond desired the Governor to grant another dissolution, so that a new election might be held in an endeavor to break the dead lock. This was refused, and Bond tendered the resignation of his government. The Governor called upon Sir Edward Morris, Leader of the Opposition, to form an administration. Morris has undertaken the task and will present the personnel of his ministry when the Legislature meets tomorrow.

Minard's Liniment used by Physicians.

SESSIONAL NOTES.

The Legislative Session is now in its fifth week, and practically nothing has been done. Last week the House sat altogether about eight hours. In the light of these facts, even the dullest of comprehension can easily punctuate the venter of political hypocrisy overlaying the precipitation of the Government in bringing on the session. All can now see that escaping the election trials was the motive actuating the Government, under the pretence of urgency for an early session.

A matter of some public importance, enquired into by the Leader of the Opposition, is the grant of \$2,500 made by the Government to the Quebec Battle-fields fund, without authority of the Legislature. The matter was discussed in an informal way last session, by the Leader of the Government and the Leader of the Opposition, and as a result the Premier decided to leave the item out of the estimates; yet here it appears in the year's expenditure. We should be just before we are generous, and borrowing \$2,500 to give away as a donation does not look like very good financiering. The Leader of the Government said the money was granted by an order in council; strongly urged by the Lieut. Governor, at the solicitation of the Governor General. The correspondence in the matter, could be seen by the members of the House; but would not be tabled. It will likely be heard of again.

The matter of consolidating the Provincial debt, brought up by enquiry of the Leader of the Opposition, created considerable discussion. As already stated, the Premier supplied information relative to the sale of 4 per cent debentures to the value \$350,000 to the Ontario Securities Company, at 99 1/2, the interest to be paid in Toronto or London. The remaining \$150,000 were reserved to be disposed of to local investors at par. Mr. Mathieson pointed out that the Government had been offered a better investment for their debentures three years ago, of which they failed to take advantage. He also pointed out that paying the interest on the debentures, abroad entailed inconvenience and expense. Mr. Mathieson also showed that the correspondence tabled on this matter, was misleading. The correspondence alluded to bore date of December 15th, last, and the statement of the financial standing of the Province therein submitted for the information of prospective investors, was that contained in the auditor's report for 1907. \$50,000 at least had been added to the Provincial debt in the mean time, and the discovery of such a discrepancy would be sure to militate against us in any future negotiations. Mr. McLean followed up the discussion animadverting upon the conduct of the Government in this matter.

The House then resolved itself into committee on the debenture bill. The discussion was continued in committee, and the Government were warmly taken to task by the Opposition, for their improper conduct in these negotiations. Mr. Morson took the Leader of the Government severely to task for his failure to furnish correct information to investors, regarding the debt of the Province. He said that the circular issued to investors, seemed to contain a great deal that was not correct. Mr. Mathieson showed that the offer made for Government debentures three years

ago, would have saved us \$823, per year in interest, and be \$21,445 in our favor at the end of the 30 years, as compared with the present arrangement. On the whole transaction we would be \$40,000 better off. Referring to Mr. Haszard's plea that the Provincial auditor had not struck the financial balance of the Province, on Dec. 15th, Mr. McLean wanted to know what was the good of an auditor, if he could not arrive at a knowledge of the Provincial financial standing in two months and a half. At Ottawa, where the transactions are in millions, a monthly statement showing revenue and expenditure and debt of the Dominion, is issued immediately after the close of each month. He considered the Premier's explanation very unsatisfactory. Mr. Morson again referred to the incorrectness of the information in the Government's circular to investors. The statement was made in that circular that the increased subsidy from Ottawa would now meet the expenditure. That was not true. The Government had for eighteen years failed to make revenue and expenditure meet. Not only had they failed in this, but they had utterly failed to fulfil one of the numerous promises made by them to the people when seeking for power eighteen years ago.

In answer to a question placed on the order book by the Leader of the Opposition, asking for a statement of receipts and expenditure from Oct. 1st 1908 to Dec. 31 1908, the Leader of the Government brought down a statement of receipts and expenditure, from Oct. 1 1908 to Jan. 31 1909. Mr. Mathieson called Mr. Haszard's attention to the fact that the Premier had not answered his question; but had tabled an altogether different statement. Mr. Mathieson said that if the Premier refused to furnish the information asked for, other means would be resorted to in order to secure the same. In pursuance of this statement the Leader of the Opposition placed on the order paper notice of a resolution demanding from the House the desired information.

On the motion for third reading of the bill authorizing the sale of debentures for the purpose of consolidating the debt, Mr. Mathieson moved an amendment to the effect that the debentures should be issued in denominations as low as \$100; so as to afford an opportunity of investment to persons with moderate means. In the form presented, the bill called for debentures in denominations of \$1,000 and upwards. Persons having less than \$1,000 to invest had no opportunity in that case. Those who now had call loans with the Government, in amounts less than \$1,000, would be obliged to place their money in the savings bank, and take three per cent for it; whereas the issue of debentures of low denominations. As to the calculating of interest on small debentures, he thought it would be easier than in the case of larger ones. Many of those who now had loans of small amounts with the Government would be glad, he felt sure, to exchange these for debentures if given a chance. Mr. Morson continued the discussion in favor of the smaller denominations. Mr. Mathieson combated the Premier's assertion that the course of the Opposition on this question was from political motives. He pointed out that the Government's course was not fair or just; it was intended to place a premium on wealth. It would cost very little to arrange for the issue of the smaller debentures. It certainly was improper to make such invidious distinctions as the present arrangement stood for. The small lenders would be compelled to withdraw their money; but would not be afforded an opportunity of reinvesting in the debentures. Mr. McKinnon, continuing the debate, said he considered that those who had loans with the Government should be afforded the privilege of converting these temporary loans into debentures of such denominations as would best suit them.

On Thursday last, the commissioner of Public Works, replying to a question put by Mr. McLean, respecting the road from Fairfield to the starch factory at the Baltic, said that the Government has not purchased any land for

that road so far. The road has been partially opened. He understood that the directors of the Starch Factory had purchased a right of way, and had paid \$200 for the land for the road. The Government could not pay a dollar on the road. It was said that the Hon. Lauchlin McDonald was doing all he could against the road. He read and tabled a letter written to Hon. Mr. McDonald. Mr. McLean asked the Commissioner to lay on the table the letter from Mr. McDonald to which his own letter, just read, was an answer. This, for the time being, Mr. Comminskey did not do. This matter raised a little breeze. In the course of the discussion, Mr. McLean wanted to know what right Mr. McDonald had to be denouncing the Government for money for roads. Mr. McLean further stated that when Mr. Comminskey says no petitions had been received concerning a road in this locality, he was not stating what was in accordance with facts. He knew that long ago, before the factory was thought of, petitions of this nature were presented. After the whole discussion ended, Mr. Comminskey tabled the letter he had received from Mr. Lauchlin McDonald, pointing out the political importance of contradicting what the Rev. James Eneas McDonald said about the failure to receive any Government money for this road.

On Thursday afternoon, the bill to abolish the tax on commercial travellers was passed through committee and reported. During the discussion of this bill, Mr. Mathieson pointed out that an agreement had been entered into at the Ottawa Conference 1906, to remove this tax. This had been denied by Mr. Hughes, the surviving delegate to that conference; but Mr. Mathieson read from the official report of the conference, the proof of the statement he was making. They had failed all these years, he pointed out, to make good their undertaking at the Conference. Now, they come forward and contradict themselves, by the introduction of the bill under consideration. The Government and their supporters, had been loud in proclaiming that this was not a tax on the farmers. Was it not, indeed? Did not the travellers place the amount of the taxes they paid, upon the goods they sold, and did not the farmer, in the last analysis, when he purchased these goods, pay the tax? The Government were not in a position to do without the money they gathered in from this tax; their financial position as wretched now as ever it was. Some other bills were advanced a stage, and the House adjourned at 6 o'clock, till the following day.

Following are some of the questions asked by members. Some of them have been answered; some partially answered and to others answers have been promised:

Mr. J. A. McDonald asked the Leader of the Government to lay on the table of the House a statement showing the particulars of the following expenditure:

SUPREME COURT.
Hilary term—Ottawa, \$1,253.35
July term—Georgetown, 377.46
June term—Summerside, 1,711.26
The names of the several persons receiving the same, the nature of the service rendered, the length of time engaged or other consideration for which money was paid.

Mr. McLean asked the Leader of the Government what authority the sum of \$2,500 was paid by the Government to the Quebec Battle Fields Fund? Also to lay on the table of the House all correspondence papers, letters and receipts, memoranda in anywise relating to the said payment.

Mr. James Kennedy asked the Commissioner of Agriculture to lay on the table of the House: 1st. Account Sales of all Farm Products, all live Stock, beef pork, etc., as shown on page 35 of Report of Department of Agriculture; to state how sales were made, if by tender, public sale or otherwise, and to table all statements, bills, correspondence, etc., in connection with same.

Mr. James Kennedy asked the Commissioner of Agriculture to lay on the table of the House the Annual Report of the Stock Farm: Number and Classes of Horses, Number and Classes of Cattle, Number and Classes of Pigs, Number and Classes of Sheep on hand, (1st) at the beginning of the last fiscal year, (2nd) at the end of the last fiscal year, (3rd) on hand now.

Mr. James Kennedy asked the Commissioner of Public Works for a statement of all moneys expended by Robt. Agnew, Inspector on Public Roads and Works, between the 30th of September, 1908, and the 31st of December, 1908, were the said moneys expended by public competition or otherwise, stating how much of the money has been paid, when, and to whom respectively; are any other amounts still owing and to whom; when was the work done; also all letters and correspondence in respect to such work?

Mr. Dobbie asked the Commissioner of Public Works if he is aware that the public wharf on the Ellis River, Lot 16, is fast going to wreck. Is it the intention of the Department to preserve this structure to the fishermen of Richmond Bay as a shelter for vessels and also as a landing place? Has any and what effort been made by the Government to induce the Dominion Government to take over said wharf in the interest of the fishermen.

Mr. Dobbie asked the Commissioner of Public Works if he is aware that the road known as the County Line

Road between Lots 18 and 21 is in a very bad condition. Some parts of the road are positively dangerous to drive over; also parts of said road are overgrown with trees and bushes so that wagons cannot pass. What action if any does the Department intend taking in the matter?

Mr. James Kennedy asked the Commissioner of Agriculture to table statement in detail with the names of the persons to whom paid, services rendered and dates of payment of the following items appearing in the last report of his Department: (1) Lecturers Expenses \$188.67, (2) Sundry expenses good Seed Meetings \$27.90, (3) Wages of farm hands \$863.30.

Mr. McLean asked the Leader of the Government to table a return showing by what authority the following sums were paid out of the Treasury for the year ending 30th Sept., 1908 in excess of the sums appropriated by the appropriation Act 1908 Cap. 14, 1. Boards of Health \$190.17
2. Executive Council 317.03
3. Interest 6,557.44
4. Miscellaneous Expenditure 2,531.86
5. Ferries, Queen Co 1,566.24
6. Wharves 1,042.93
7. Roads & Inspect Salaries 9,067.77
8. Bridges 7,297.25
9. Capital account 2,915.81

In answer to Mr. Murdoch Kennedy's question for a statement of expenses of delegation to Ottawa, the information was laid on the table.

Mr. McKinnon asked the Leader of the Government to lay on the table of the House the Stipendiary Magistrates' returns for King's, Queen's and Prince Counties for the past year. A statement was promised.

Mr. McKinnon asked the Commissioner of Public Works to lay

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