

THE HERALD

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Our Provincial Finances.

As briefly stated in our issue of last week, the Provincial Auditor's report on the Public Accounts of the Province, for the year ended September 30, 1911, shows the total receipts for the twelve months to have been \$384,797.82, and the total expenditure \$416,631.08. This would leave a deficit on the year's financial transactions of \$31,833.26. But this does not show the difference between revenue and expenditure, for in the total receipts calculated above, is included an amount of \$10,000, proceeds of debentures sold during the year. As these \$10,000 of debentures are a charge against the Province and constitute that much of the Public debt, they must be added to the debit side of the account. We shall then have, on the face of the public accounts, an expenditure of \$416,631.08 as against receipts amounting to \$374,797.82, and an addition to the Provincial debt of \$41,833.26. That is the amount added to the Provincial debt by our Liberal friends in the last year of their political existence in this Province, after holding office for over twenty years and a half. All will admit that as deficit producers and debt creators, they established a most unenviable record.

The report places the Provincial debt at \$904,344.51; but adds a note to the effect that unpaid accounts, accrued interest and unfinished contracts are not included. These odds and ends along with various other liabilities leaves upon our Province a burden of debt dangerously near the million mark. The public debt is made up in the Auditor's balance sheet as follows: Debenture debt, less sinking fund, \$726,662.18; loans account, \$83,906.23; due to Banks, \$93,776.10. Total, \$904,344.51.

One of the largest items on the debit side of the account is that paid in interest on the Provincial debt, \$39,041.63. That is over \$36,000 more for a year's interest than was paid the year before the late Liberal Government came into power in this Province. As a matter of fact, it is also gathered too much interest for a Province such as ours to be paying; consequently the debt which calls for such a large amount of interest annually is far more than should be saddled upon the people of this Island.

There are many other features of the auditor's report, all damaging in the highest degree to the administrative reputation of the late Liberal Government, to which reference might be made; but they are of a piece with other numerous shortcomings, upon which we have passed judgment from time to time. It had been the fashion of the late Liberal Government, on the occasion of the annual appearance of the public accounts report and the delivery of the budget speech, to look backwards instead of forward. Such venerable chestnuts as the withdrawal of \$200,000 from capital and other imaginary political offences of their opponents, occurrences of the middle of the last century or thereabouts, instead of dealing with the actual questions of the day. The object of such tactics was, of course, to divert attention from their own ruinous mismanagement of our public affairs. It is not the intention of the present Government to pursue any such silly policy. They are prepared to assume full responsibility for things as they find them, and to outline a sane and progressive policy for the future. All this will be unfolded, we feel sure, when Premier Mathieson delivers his budget speech. We shall then have occasion to discuss the different phases of our financial condition.

The Vacant Senatorship.

The following letter, relative to the present vacancy in the Senate for this County, appeared in the Guardian of the 4th inst:

Dear Sir,—In the Guardian of the 27th, ult., you have an editorial on "The Vacant Senatorship." With much of what is therein advanced I am in accord. I quite agree with you when you point out that "the existing vacancy should be filled by a man of capability and energy, thoroughly conversant with the wants and requirements of the Province, and able to hold his own with the best in council or debate." As to whether or not "the appointment belongs to Queen's County," all I have to say is that that has been the rule in the past. All Senators who have represented this county have been residents of the county.

You intimate that some speculation exists as to whether or not the appointee should be of the same religious faith as the deceased Senator. I certainly think that he should be. There are now three Protestant Senators, and if the existing vacancy should be filled by another Protestant, we would have four Protestant Senators and not one Catholic. Catholics are nearly one half the population of the Province, and surely it would not be fair or just to deprive them of all representation in the Senate. These are my views on the matter, what do you think?

Very truly,
JUSTICE.

Charlottetown, April 2nd, 1912

This letter, so far as it goes, puts the case very fairly. The two points raised by "Justice," are; whether or not the vacancy should be filled by a Queen's County man, and whether or not the appointee should be a Catholic. While "Justice" deals fairly with these questions, both of them are capable of considerable development.

As to the first point raised, all precedent favors the appointment of a resident of Queen's County. All the Senators for this county have been residents of the county. Haythorne, Montgomery, McDonald, Ferguson and Prowse were all Queen's County men. It will thus be seen that precedent tradition, practice unwritten law or whatever the procedure may be called—all favor the appointment of a resident of Queen's County to fill the existing Senate vacancy for this Province. The same holds good in large measure for the other two Counties. In Prince County Senators Howlan, Arsenault and Yeo, all Prince County men, succeeded one another. The first Senator for King's County was the late Hon. T. H. Haviland. He represented a King's County constituency (Georgetown,) in the Legislature before Confederation, and when we entered the union he was appointed Senator. When he resigned the Senatorship to accept the office of Lieutenant Governor, he was succeeded as Senator by the late Hon. J. S. Carvell, a Charlottetown man. This is the only departure from the practice of appointing Senators from the County which they are to represent, and those who are familiar with

The \$100,000 Additional Subsidy

(Hansard, March 26, 1912.)

Speech of Mr. A. A. McLean, M. P.

Mr. McLEAN (Queen's P. E. I.) I listened with a great deal of satisfaction to the remarks made by the Minister of Finance (Mr. White Led'g) in introducing this measure. He made a very clear and lucid statement of the position which Prince Edward Island occupies today in the Confederation. He tells you Mr. Chairman, and this House, that the government had decided to grant this subsidy of \$100,000, not as he believed, upon legal grounds, but as a matter of equity, that Prince Edward Island was entitled to it in fact, because she had not profited by Confederation. These statements may be true, but I believe that there is a great deal in the statements made by the men who came up here from Prince Edward Island. They put our case not only upon a legal basis, but upon an equitable basis. We do not care very much what part of that case is admitted, whether the legal or the equitable, so long as we get the money. We are getting the money, and I may say that I am proud that I belong to the party that is giving justice to Prince Edward Island. We have been knocking at the door here for several years. We did not start right at Confederation. There was a defect in the terms which Prince Edward Island received from the Dominion; and we have been under disadvantages ever since we entered Confederation. As the Finance Minister has stated there have been deficits almost every year since Confederation. It could not be otherwise. We have not the means; we have not received enough to make both ends meet. We are differently situated from the other provinces. When we entered Confederation, we had industries. True they were only young industries, we had our carriage factories, and a great many other industries. But when we entered Confederation, the wall was taken down and the consequence was that our young industries could not compete with the industries of Upper Canada; the large firms in Upper Canada flooded our provinces with their manufactures and our manufactures went to the wall. The reasons given to the government by the representatives of Prince Edward Island who came here, I think are reasons that must commend themselves to every man in Canada. Let me read just the first clause of the memorial. I will not read the whole document, because it is long and I know the House has already received all the information necessary from the Minister of Finance.

That it was the intention of the founders of Confederation to provide for each province, from the federal revenue, a sum sufficient to enable each province to manage its local affairs without resort to direct taxation. The services assumed by the Dominion together with the subsidies were intended as an equivalent to each province for its surrendered customs and excise duties.

We surrendered our customs and duties. We were getting along very well when we entered this Confederation. We were practically out of debt. It is true, we owed money for our railways, but we had that as an asset, and so were practically out of debt. We came into Confederation, as I have said, on terms not adequate, and the consequence was that we commenced to go back, until now we have a debt of something like \$1,000,000, too large a debt for a small province. The only recourse our province could have, was to appeal to the Dominion for relief. So these gentlemen came up here. My hon. friend from King's P. E. I. (Mr. Hughes) says they have omitted some clauses from this memorial which they should have included in it, and he blames them very much and says they were guilty of a gross breach of duty in not including in this memorial a clause with respect to the Manitoba arrangement. When these gentlemen submitted this memorial to the government, the Manitoba Bill had not been introduced into this House, and no member of that committee knew anything about the terms of that Bill.

(Remainder of Mr. McLean's speech held over for want of space.)

Speech of Mr. D. Nicholson, M. P.

Mr. NICHOLSON. Mr. Chairman, I have listened with considerable interest to the hon. mem-

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ber for Pictou (Mr. McDonald) who has been very bitter since the question of the car ferry has been brought up here by some hon. members representing Prince Edward Island. He apparently looks at this question from a selfish standpoint, because the trade of Pictou comes from Prince Edward Island, and if it were not for Prince Edward Island, Pictou would hardly exist. It would simply be a place for bats and owls. He finds fault with my hon. friend the Minister of Finance (Mr. White) in that, he says he has given no reason whatever for asking this parliament to contribute \$100,000 a year to Prince Edward Island. I have heard this question discussed by very able men from year to year, but I have never heard a better presentation of the claim of Prince Edward Island put forward by any representative of that Province than that which we had the pleasure of listening to this afternoon. I remember very well hearing Senator Ferguson and Sir Louis Davies discussing this question, but I must say that the Minister of Finance has put the case much more forcibly than I ever heard any Prince Edward Islander put it. At the readjustment in 1906 Sir George Ross, then Premier of Ontario, in the conference here, stated that, in view of the fact that Prince Edward Island would not obtain any increase in subsidy on account of an increase in population, that province ought to be credited with an amount of \$200,000. As a matter of fact our delegates came up here, and accepted \$70,000, or \$130,000 less than Sir George Ross suggested that the province was entitled to. I think from that point of view alone, the Minister of Finance is justified in giving us \$100,000 a year, because every province, under that readjustment, got an increased subsidy. Ontario received an increase of \$629,000. The subsidies paid to Ontario and Quebec were originally fixed on the basis of the population of 1861, but under the readjustment Ontario's subsidy was increased, on account of increase of population by \$629,000. Quebec received an increase of \$429,000; Nova Scotia, \$47,000; Manitoba, \$81,000; British Columbia, \$61,000; and Prince Edward Island nil—not one dollar. Under these circumstances Prince Edward Island did not receive any benefit, and in view of that fact—

Mr. PUGSLEY. Did the hon. gentleman say that Sir George Ross was Premier of Ontario at that time?

Mr. NICHOLSON. He was shortly after that.

Mr. PUGSLEY. Sir James Whitney was premier then, and he was at the conference. Prince Edward Island received the same additional allowance for the administration of government as the other provinces.

Mr. NICHOLSON. No.

Mr. PUGSLEY. I think so.

Mr. NICHOLSON. I beg the hon. gentleman's pardon. The province of Ontario receives \$160,000 and Prince Edward Island \$75,000.

Mr. PUGSLEY. The same proportion.

Mr. NICHOLSON. No proportion at all. We had all the paraphernalia of government as well as any other province, and therefore we lost by it. It is nothing but fair that we should have this \$100,000 increase at the present time. I must say that the present government is the only government that has ever attempted to carry out the terms of Confederation that the Dominion entered into with Prince Edward Island. We were not asking for anything extraordinary, but yet our claims have not been attended to up to the present time. The leader of the opposition came down to Prince Edward Island some years ago, and he dangled before the people that if they voted for the Liberal party they would have a tunnel built. But we have waited for twenty years for that tunnel, and now this car ferry is the only real attempt to carry out the terms of Confederation in that respect. The present government are therefore to be commended for giving us that justice which we have been agitating for during the last thirty-eight years. The government of the right hon. Mr. Borden deserves all credit for that.

Local and other matter crowded out for want of space.

The ice in the Kennebec River at Bath Maine on the 9th, broke up and went out with the ebb tide. The river was open for navigation from its mouth to Augusta on the 10th.

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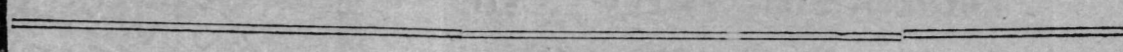


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