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SESSIONAL NOTES.

Beyond advancing several private bills along different stages, not very much progress was made in the business of the Legislative session last week. The House did not sit on Thursday, an adjournment being taken to enable the members to attend the seed fair at Summerside.

During question time on Tuesday the 8th. Mr. Dobie asked the Premier a question concerning the Meats and Canned Foods Act. Hon. Mr. Haszard said that he would prepare an answer. In reply to Mr. Prowse, Hon. Mr. Cummiskey said he intended to ask the Government for an increased grant for the roads this year, and would repair all that needed attention, to as great an extent as possible.

After these routine proceedings, the Leader of the Government moved the House into committee to further consider the bill empowering the Government to guarantee the bonds of the Island Cold Storage Company. In answer to the request of the Leader of the Opposition, made on the previous Saturday, the Premier laid on the table a copy of the minute of the Executive Council bearing on this matter. The minute was passed on the 19th day July 1909, and is as follows:

"The Council in Committee have had under consideration a proposition from Messrs Davis & Fraser, Pork Packers, Halifax, dated 31st May, 1909, with regard to the establishment of a general Cold Storage Warehouse in Charlottetown equipped with the most modern plant to be operated in connection with their establishment here, it being the intention of the Firm to incorporate their Island business into a limited liability Company and purchase the plant of the Dominion Packing Company, repair and equip the same, and continue and extend the packing and provision business in Prince Edward Island in every way, as more fully set forth in said proposition, on condition that the Government agree to guarantee 4 per cent bonds of the Company towards the cost of said Cold Storage and equipment to the amount of \$25,000, the Government taking the plant as security and also agreeing to guarantee at least one-half of any shortage in operating expenses for the first five years, the same not to exceed \$2,000 in any one year. The Government also to co-operate with the Company in securing the subsidy available from the Dominion Government for Cold Storage plants. The Council agree to recommend to the Legislature during the next Session the passing of an Act to guarantee the Companies' 20 or 25 years, 4 per cent bonds to an amount not exceeding \$25,000 on condition that a first mortgage security be given to the Government by said Company of all their Real Estate and plant and on the understanding that a Sinking Fund be provided for the purpose of redeeming said bonds—for which a sum sufficient shall be set apart and deposited by said Company with the Provincial Government every year, said amount to be allowed to remain and accumulate in the Provincial Treasury

and to bear interest at the rate of 4 per cent per annum; also on the understanding that said Cold Storage shall have a capacity sufficient to cool from 150,000 to 160,000 cubic feet at different temperatures; but the Council decline to recommend the Legislature to guarantee any deficit or shortage arising from the operation of the said Cold Storage."

Mr. Mathieson asked the Leader of the Government why the security for this guarantee by the Government was to be secured through a guarantee company. The Premier said this was now the usual way of taking such security.

After the minute of council had been read, by the Premier, Mr. Mathieson pointed out that the request for this guarantee was made to the Government by Davis & Fraser, while in the bill before the House the Island Cold Storage Company were the parties asking for the guarantee. He went on to show that these two parties were altogether different. All the security the Government are to have according to the bill under consideration, is the plant and property of the Island Cold Storage Company; but we have no lien on the resources of Davis & Fraser. That makes a great difference. Davis & Fraser are a reputable firm with a good business rating. The Dominion Government bonus to the cold storage business gives them thirty per cent on the investment. That with the guarantee this Government are giving them would enable them to establish a plant worth \$35,000, without putting one dollar of their own money in to the enterprise. The former company, that had this pork-packing establishment placed a value of \$104,000 on the plant. Yet this company wretchedly failed, and all the property brought in the open market after 8 years was \$13,500. Even this amount would not have been paid by Davis & Fraser were it not that our Government were willing to guarantee the \$25,000 of bonds. The Dominion Government evidently consider their bonus of 30 per cent should be sufficient to ensure a successful business, provided the operations are regarded as quite suitable. Suppose we have cold storage established at Charlottetown; what would that avail us? Where we should have cold storage, above all other places, is at Georgetown, for the purpose of saving our fresh fish. It might be asked why our Government so far favored this Company, rather than some other; or why this particular place should have been preferred to all other points.

The Leader of the Government said the initiative in this matter had been taken by the Government, rather than by Davis & Fraser. The proposition came up at the instance of the Government and this was the inducement to Davis & Fraser to purchase the pork-packing establishment.

Mr. Mathieson said that the Premier's sneering remarks to two-penny half-penny opposition, did not tend to advance this question. So far as he was concerned, Davis & Fraser were quite acceptable to him. But the question was that we should not enter into a bargain, in any way subject to the slightest scintilla of doubt. In this arrangement we have no control as to rates, expenditure, distribution etc. We have no control; in a few years, the Dominion Government would lose its control. The result would be that in the course of some years, this

company might step out and leave the Government in the lurch. If this is a good proposition, why do not Davis & Fraser themselves stand behind it? By putting these people in funds, by this transaction, they are preferred above all others. When \$50,000 had been advanced to the Dominion Packing Co. did not the lenders think it was a good investment? Yet these lenders after waiting eight years were glad to sell out for \$13,500. When \$150,000 of a guarantee was asked from the Government by the Dominion Packing Company, the value of their plant was placed at \$104,000. At that time we were told the guarantee would be the greatest thing that ever happened for the good of this Province. It was to make all the farmers rich, and was to revolutionize the whole business of the Province. Now, we are asked to guarantee the bonds of \$25,000; but the value of the plant is placed at \$13,500. The proportion between the value of the plant and the amount of the guarantee is less advantageous in this case than in the case of the \$150,000. Davis & Fraser may have little or no pecuniary interest in the Island Cold Storage Company. All these things considered, what is the manner of our security?

Mr. Arsenault, said it looked as if we would be obliged to take a good deal of what was said about this matter on faith. If this were a purely cold storage proposition, it might be worthy of consideration or it might not. Cold storage in Charlottetown would be of little benefit to the Province generally. This proposition was preferring this company to all others. This bill was not dealing with Davis & Fraser, but with the Island Cold Storage Company. Our joint stock companies act requires the subscribing of one half the capital. This is a cold storage and pork-packing company. In that way we were prejudicing other pork-packers. Nothing in this act could prevent this company from going into liquidation in a few years. Where would the Government be then?

Mr. McLean said he had been doing business with Davis & Fraser for years, and he found them first class. But he was shocked when he found the company under consideration was not Davis & Fraser at all. Mr. Fraser told him they would rather own the brick in the building they purchased, than the building itself. The members were not in the Legislature to legislate for Davis & Fraser or anybody else; but to protect the interests of the people of P. E. Island. The people of Souris put \$2,200, into the Souris bait freezer, and the Dominion Government paid \$1,000. It was a failure and any one could now buy the building for \$300. The proposition should be hedged round by all possible safe-guards; so that the public would be safe beyond cavil. We have no control; the Dominion Government control it. There is no specification as to what space any particular person may occupy in the cold storage establishment.

Mr. McLean, in response to the Leader of the Government, pointed out that whenever a limited liability company go to a bank for money the bank invariably asks the members of such a company to put up as security their own real estate and other resources. Were Davis & Fraser so liable in this instance he would not hesitate for a moment.

Mr. Mathieson emphasized the contention of Mr. McLean, that no provision was embodied in the bill for the accommodation of the public in the cold storage plant. Should any one be refused accommodation for cold storage, there is no remedy only to apply to the Dominion Government, a very uncertain and unsatisfactory condition. In consideration of what this Government is willing to do, we should have some control. The Dominion Government, pays a bonus of 30 per cent provided the company fulfills certain conditions; but our Local Government is willing to guarantee \$25,000 and ask for no conditions whatever so long as the company supply from 150,000 to 160,000 cubic feet of cold-storage space. Whenever the company supplies this space, their obligations are discharged. They give the space to whom they will, and charge whatever they like for it.

Mr. Dobie criticised the bill along the lines already attacked by other members. Mr. McKinnon read from correspondence incorporated in the agricultural report, regarding the conditions in which cheese arrived in market from time to time. He showed that any injury to the cheese in question, was not in consequence of the want of cold storage. The order in council regarding the contract entered into by the Government with the company, was passed in July last; but the public never knew anything about it until now. Had the people known what had been done the Government might have a very good idea of what was thought of this project by the tax-payers.

During the evening sitting, committee on the cold storage bill was resumed. Mr. McKinnon continued his remarks. He said the Premier was endeavoring to give us cold storage wrong and foremost. To benefit by cold storage we should have it in connection with transportation. Alluding to Mr. Crosby's remarks as to the benefit this is to the farmers, McKinnon thought if that were so—why was this matter not discussed in the by-election in which Crosby was returned, in July last? Another election was held in the Bedouque district in October. Why was not this matter of such great benefit to the farmers, submitted the electors by the Premier on that occasion?

Mr. Mathieson pointed out that the Commissioner of Agriculture would have no more control over the company, if this bill should pass than any other man. In principle this proposition is on all fours with that of the Dominion Packing Company. Curiously enough, the Dominion Packing Company first called itself the British American Packing Company. In the present case in the beginning of negotiations we were dealing with Davis & Fraser; but now we are asked to guarantee the bonds of the Island Cold Storage Company. He read from an account of a meeting held at Marshfield at the time the Dominion Packing Company proposition had been condemned by the people. Mr. H. J. Palmer was among those who at that meeting condemned the guaranteeing of bonds to the exclusion of competitors. He would oppose the guarantee even if the security were in gold. These arguments were applicable to the present question. Does Mr. Palmer hold these views now? If so, he must vote against this guarantee. Mr. Palmer's argument in 1902 was decidedly sound; such argument is sound now. Mr. Fraser, of the firm of Davis and Fraser, was present at that meeting, and opposed the guarantee then asked for. He said he believed the greater part of the company's working capital was secured in consequence of the Government's proposed guarantee. Mr. Fraser considered it decidedly wrong to guarantee a company so they might drive all others out of the business. That is true in this case, and this same Mr. Fraser is the one whom the Government desire to enable to drive out all competition. Have any meetings been held in the country asking for this guarantee? Nothing of the kind has taken place. The proposition of Davis and Fraser was made to the Government in May last. Two elections were held since then, but the Premier never opened his mouth about this matter. He knew better than to say a word about it. Premier Haszard had declared himself in opposition to guarantee the bonds of the Dominion Packing Company. Why does he now undertake to guarantee similar bonds? He considered it wrong

to give one company an advantage over all others then. Why is it not wrong now? The Cardigan district condemned the proposition of that day. Let the Government go to Cardigan now and conduct an election on this proposition. This company is responsible for no losses, but are prepared to reap all profits to be acquired. We already have a heavy Provincial debt and cannot sell our four per cent bonds at par. Therefore we should not assume this financial burden.

Mr. Prowse said this was a most important proposition. In the first place, the Government had not consulted the people on this matter, although two elections had been held since they agreed to the proposition to guarantee these bonds. No guarantee is given that the people will have any particular space allotted them under this bill. This company is not for cold storage alone; it is also to pack meat, can fruit, etc. In view of the Government's record, it was a pretty bold stroke to undertake this. Their whole record was one of political rascality and deception.

Mr. Murdoch Kennedy considered this was like a dying man grasping at straws. The Premier should understand that once he puts a proposition of this kind through the House he takes a step that will run the business of this Province. He had consulted a number of people about this matter, and in every case he found there was no demand for it throughout the Province. He gave many examples regarding the working out of cold storage in the past. After this company has been established, its members with the gift of \$25,000 from the Government will go to the Federal Government for their bonus of 30 per cent. Between these two subventions, this company makes about \$22,000 on the deal. He asked the farmer members on the other side to stand on their dignity and give this bill the six months' hoist.

Mr. James Kennedy opposed the measure on the same grounds as previous speakers. Nothing in the bill showed that there was any regulation for the convenience of the public. He would like to ask the Premier what he had ever done to facilitate the trade of the "two-penny half-penny" dealers he likes to talk so much about. What has the Commissioner of Agriculture done for the advancement of trade? He has done just as little as the Premier. The difference between the prices Davis and Fraser paid and what they should have paid amounted to \$50,000. That was the loss the farmers of the Province suffered in consequence of the conduct of Davis and Fraser. He showed how useless this cold storage would be to the fishermen or for cheese and products of that kind. No dealer outside of Charlottetown would use this cold storage. The expenses would be so great that a loss would be sustained. It is ridiculous to speak of putting meats in cold storage for a while and then taking them out for shipment. Mr. Kennedy said he had no knowledge that the inspectors of pork had been on the Island until he had gone to Quebec in November, although the Commissioner of Agriculture says they had arrived here in September. Why did the Commissioner not notify the dealers that the inspectors were here?

Mr. McLean wanted to know why Davis and Fraser, first mentioned in the negotiations, have stepped aside and been replaced by a limited liability company. Is it for the cold storage? The Government are guaranteeing? The Government are giving this company money at a rate two per cent less than they could get it at any bank. Why should the business the Government are willing to guarantee be wholly subject to the regulations of the Dominion Government? Why should not the control be in the hands of the local Commissioner of Agriculture? This is in only a skeleton company, not requiring one dollar of paid up capital.

Mr. Arsenault said that all the speakers on the Government side shielded clear of the pork-packing phase of the question. This company, it is said, intends to pack not only pork, but other meats, to can fruits, and start many other branches of industry. The Government then desire to guarantee the bonds of a company that may go into various industries in the

same building as they have their cold storage, and to enable them to more than equally compete with all competitors. This company is not in any particular different from the Dominion Packing Company. The first objection was that this company, getting capital at four per cent came into competition with all rivals and can put them out of business. Nothing in the bill requires the company to subscribe one share of stock before starting business. This company is irresponsible and therefore may withdraw at any time and the Government have no redress. It is against the principles of justice to single out any company in this way.

During question time on Wednesday, Mr. Prowse, asked the Provincial Secretary and Treasurer to table a statement showing: (1) The amount of interest on loans due Sep. 30th, 1909 and unpaid. (2) The amount of interest accrued and not due on loans to Sept. 30th, 1909 and unpaid. (3) The amount of interest accrued, due and not due on debentures and unpaid, Sept. 30th, 1909. Hon. Mr. Richards, said that the information would be prepared.

After some other business of a routine character, the Leader of the Government moved the House into committee on the bill for the protection of neglected and dependent children. The bill, quite a lengthy one, deals with the treatment of juvenile offenders and delinquents. It is adapted to our conditions, from the Ontario Act, and is intended to enable the Children's Aid Society, recently formed here, to carry on its work under the authority of the Dominion Juveniles Delinquent Act. Under the Dominion Act respecting juvenile offenders a House of Detention or Reformatory is to be provided before it can be brought into effect in any community. To establish such an institution here is deemed too expensive, the Premier said, and he had been in correspondence with the authorities of Nova Scotia, New Brunswick and Quebec in the hope that the few offenders from this Province who cannot be otherwise dealt with here, may be sent to reformatory institutions there. The most suitable of such institutions, for Catholic and Protestant children alike, had, he believed, been found in Quebec. But it is proposed to obtain for neglected and dependent children, and for those found guilty of merely venial offences, foster homes in this Province into which they may be adopted and where they may be trained up morally and religiously as well as practically to become useful citizens.

On Friday, Mr. Arsenault presented a petition from the Mayor and Town Council of Summerside, asking for certain amendments to the Summerside Incorporation Act. A bill founded thereon was referred to the committee on private bills. A petition from various rate payers of the Province asking for reform in the present educational system, which does not make sufficiently prominent the chief industry of this Province, agriculture, and requesting that provision be made for the better training of teachers and that more attention be given towards the teaching of agricultural subjects in the public schools, was presented. Mr. Mathieson wanted to know if any correspondence in regard to the petition had been received. The Premier replied that with the exception of a couple of letters he had got since the receiving of the petition, from people who said they had signed the petition under a misapprehension, no correspondence had been received. Mr. J. A. MacDonald asked the Hon. Commissioner of Public Works how certain money expended by W. W. Lavers in C. B. Clay's Inspectorial District had been disposed of during the year ended Sept. 30th, 1909. Mr. Cummiskey replied that the information had been brought down in a return last year. This was not satisfactory to Mr. MacDonald and Mr. Cummiskey said the information would be forthcoming later. Mr. Kennedy wanted to know the time the inspectors of pork had arrived here. Mr. Richards replied that they had come about Oct. 15th but had not been called to do work till a month later.

When questions were in order on Saturday forenoon Mr. Dobie, asked the Commissioner of Public Works, if it is the intention of the Government to give to the public an up-to-date Ferry Service on the Grand or Ellis River between Lots 14 and 16? If so, when will the improved service be put into operation? He also asked if the Commissioner was aware that the Ferry Road, Lot 16 is in a bad condition. Is it the intention of the Government to have said road repaired? If so when? Mr. Cummiskey made the usual stereotyped answer to these questions. In reply to Mr. Arsenault, the Leader of the Government said that the answer would be prepared by his question telephone line from Wellington Station to Mount Carmel. The bill respecting Immigrant Children was passed through the committee stage.

On motion of the Leader of the Government, the House went into committee on (Continued on third page.)

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