

THE HERALD

WEDNESDAY, MAY 6, 1908

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Please don't delay your subscriptions for 1907. We need the money, we have earned it and shall esteem it a great favor if you remit now.

Beware of Deception.

II

Under the above caption, in our last issue, we let in some light on the tactics of silence and concealment pursued by the Provincial Government and their organ, regarding the manner in which our public affairs have been conducted for the past seventeen years. The most marked characteristics of these seventeen years of Liberal rule have been debt, deficits and deception. They came into power with the cry that the era of deficits was to end; that hence forth revenue and expenditure would meet, and that the day of taxation was far off. They had scarcely secured themselves in their seats when they proceeded, in the most flagrant manner, to violate every one of these pledges; to break every one of these promises. Instead of a cessation of deficits, they have had deficits every year of their official existence, varying from \$12,000 to \$120,000, and averaging something over \$45,000 a year. On election years, the deficits have been recklessly and scandalously large. Instead of revenue and expenditure meeting, they have continued separating, more and more apart, until the accumulated excesses of expenditures over revenue have brought our Provincial debt up to, at least, one million of dollars. While the Liberal Government were thus scandalously violating their promises, regarding the ending of deficits and the meeting of revenue and expenditure, they were none the less flagrantly deceiving the people regarding, taxation. The manner in which they kept the day of taxation at a distance, was to rake into their coffers nearly \$900,000 of taxes of every conceivable description. All this surely proves that they have well deserved to be described as the Government of debt, deficits and deception.

The members of the Government and the friends of the Government, as well as the organ of the Government, invariably seek to obscure the real issues before the public, and instead of discussing the record of the Government, rake up something of by-gone days, to serve as a buffer between themselves and critics. In this policy of bluff, they devote a great deal of time and space to very small matters. The Conservatives unhesitatingly make the statement that the debt of the Province, when they went out of power, was, in round figures, \$128,000. The friends of the Government say it was \$171,000. The difference is not very great; but we can show, more conclusively, that our contention is right, and that the statement of the Government, in this matter is in correct; and we will prove it from the statements of their own officials. Mr. F. W. Hyndman, who was the Provincial auditor under the Davies Government, in his report, in the Journal of 1879, Appendix N, shows the debt of the Province, on 1st January 1879, supposing all accounts to have been paid, to have been \$51,740.87. That

was the debt bequeathed to their successors in office, by the Davies Government. When the Peters Government came into office in 1890, they appointed a commission, composed of Messrs. Chalmers and Davison, two Bankers, to examine into the condition of our Provincial finances. The report of this commission is found in the Journal of 1891, Appendix N, page 5. This report places the balance against the Province on Dec. 31, 1890, at \$124,549.02. Add Stock Farm balance, as per same Journal p. VI, \$3,880.19, total \$128,429.21. This shows that the outside limit of debt chargeable to the Conservatives is \$76,688.34. Let it be constantly borne in mind that all these statements are taken from the reports of the officials and friends of the Liberal Government. The figures here given are further confirmed by the report of the Provincial auditor for the year 1891, the first full year for which the Liberals were responsible. This statement found at page V, of the auditors report for 1891, published in 1892, shows the Provincial debt to be \$158,450.19. This same report shows that the Liberal Government had inaugurated their policy of making revenue and expenditure meet, by having a deficit of \$30,439.20. If we subtract this deficit from the total debt, the balance will be \$128,010.99, or in round figures, the debt of the Province when the Liberals assumed power. It does appear to us that these statements are uncontroversial.

In 1906 the Province's financial year terminated on Sep. 30, instead of Dec. 31, consequently the public reports for that year showed the operations of only nine months. The receipts and expenditure for the three months to the 31st December, not covered by the reports, were asked for by the Leader of the Opposition, during the session of 1907, and were tabled by the then Leader of the Government. 1907 was, therefore, the first full year for which the reports were made out, according to the new arrangement. When the session of 1908 opened and the public reports were laid on the table, the Leader of the Opposition, according to custom, asked the Leader of the Government to bring down certain statements, regarding the revenue and expenditure for the three months from Sep. 30 to Dec. 31, 1907. This request, the Leader of the Government refused. He was also asked to lay on the table of the House a statement showing what was the date of the payment of the \$35,000 additional subsidy from Ottawa. This statement he also refused to furnish. Why did the Premier refuse this information? Because by furnishing it the false and misleading statements in the Auditors report would be exposed. If this was not the reason, what was it? Why seek to hide anything, if everything was straight and above board? The Premier thought to cover up his tracks by submitting a statement of the receipts and expenditure from 30th September 1907, to Feb 29th, 1908. But his refusal to divulge the date on which the additional subsidy was paid did not avail him anything; for the information was furnished by the Finance Minister at Ottawa, in answer to a question of Mr. A. A. McLean. The Finance Minister's answer, laid bare the deception of our Premier and let in the full light of day on the false statement in the auditors report. The \$35,000 entered in the Provincial Auditor's report as received prior to Sept. 30, had not been paid till the 30th. Nov.

two months after the close of the fiscal year. This is the reason the information was refused. But a Government that will deceive in a matter of this kind cannot be trusted in anything else. Doubtless, the Leader of the Government thought it was a master stroke to furnish statements of revenue and expenditure to Feb. 29, 1908 instead of to Dec. 31, 1907. In this way he thought he would conceal the date of the first payment of the increased subsidy and the date on which the \$19,500 for interest on the Hillsborough Bridge was deducted by the Dominion Government etc. Well, we have seen how he was exposed regarding the \$35,000, and we will now consider how his other statements work out.

In the return tabled by the Leader of the Government, he shows the Receipts from Sept. 30, 1907 to Feb. 29, 1908, to have been \$185,557.36 and the expenditure for the same period, he places at \$185,308.96. From these figures it will be seen that all the money received up to Feb. 29, had been spent, except \$248.40. The money thus spent included the half yearly subsidy, from Ottawa, of \$123,465.94. This half of the annual subsidy is intended to cover the half year ending June 30th; consequently any more than a proportionate share of it used for any fraction of this six months is unearned. But the statement tabled by the Premier shows that, in round figures, the Government had, on February 29th, used up almost the entire half yearly subsidy; a little over two thirds of which was unearned at that date. We must, therefore, charge to the Government, this unearned subsidy of \$81,000.00.

Education for two mos. to Feb. 29, cost about 20,649.50. Accrued interest on loans amounted to 11,004.38. Interest on Provincial debt for two mos. as per Public Accts. Sept. 30, 1907 16,679.85. Add expenditure tabled by Premier 185,557.36. These items total the sum of 314,891.04. From this we must subtract the receipts as tabled by the Premier 185,557.36. Deficit on Feb. 29, 1908 \$129,333.68.

There can be no disputing these calculations. If all the interest and all bills due on February 29th, last, were paid we would have \$129,333.68 of a deficit, and the whole of the six months subsidy used. On that date \$129,333.68 were added to the debt of the Province. This is the statement of our Provincial debt, as calculated from the statements brought down by the Premier; but, if we were to employ the same method in making up the accounts as Chalmers and Davison did, the amount added to the debt of the Province on the 29th of February last would be, not \$129,000, but \$194,000. That is the nearest we can now get to the actual condition of our finances.

Suppose the Government were not to increase the deficit for the year ending 30th Sept. 1908, beyond what we have shown to exist on Feb. 29th, the debt of the Province would be in the vicinity of \$1,000,000. But we may be very sure the deficit will be far in excess of what it was on Feb. 29th, last, especially as this is election year. We may rest assured, then, that the Provincial debt is now upwards of one million dollars. There are said to be about a million acres of land in this Province and this debt of a million dollars means one dollar on every acre of land in Prince Edward Island. Let our readers consider what this means. It means a mortgage of one hundred dollars on every farm of one hundred acres of land in this Province. That is the condition to which the present Government have brought our Provincial finances. Is it not time the electorate rose in their might and hurled from power such a corrupt and incapable Government?

BONUS APPROVED.

Majority Votes for Bonusing Immigrants—Three Liberals Refuse to Support It—Serious Defects in the System.

MR. PUGSLEY'S BACKDOWN.

Minister Consented to Eleven Dredging Contracts—All Without Tender or Competition—Got Order-in-Council Authorising the Deals—When Matter Became Public Pugsley Gave it up.

ANOTHER LAND DEAL.

\$125,000 Rake-off on a \$222,000 Purchase—Two Middlemen Bought Land Five Miles from Winnipeg for \$99,000 and Transferred it to the Government at 124 per cent. Profit.

Consulting Engineer Who Earns \$26,000 in Nine Months.

Cost of the Transcontinental.

OTTAWA, April 25, 1908. The House of Commons, by a straight party vote (save that La Vergne, Robitaille and Verville, Liberals, voted with the Opposition), has rejected Mr. Monk's motion against the payment of further bonuses to immigrants. Sir Wilfrid Laurier himself appealed to his followers to maintain the bonus system, and one of his supporters went so far as to hope that many millions would yet be paid to bring immigrants to Canada. In the discussion this week Mr. Borden, Mr. Lennox, Mr. Cockshutt, Mr. Robitaille, the latter a Liberal, condemned the bonus system as calculated to bring inferior immigrants. This argument has had the support of Mr. Oliver, now Minister of the Interior, who, before he took office, was an energetic opponent of the bonus system. Several facts came out prominently in the discussion.

extension of the contracts. Mr. Pugsley then announced that he had changed his mind and would call for tenders. He pleaded that since the order-in-council was rescinded he need not produce it. This plea was not accepted, and under the rules the papers were placed on the table. It was then seen why Mr. Pugsley did not wish to produce the documents. He had recommended the extension, without tenders, of no less than eleven contracts, not only around Midland, where he claimed that the work was urgent, but at other points on Georgian Bay and other lakes, and also in Nova Scotia, and, in fact, all over the country, where any contractor had found his work profitable and was opposed to new tenders. With one accord those contractors who had a good proposition asked for a new contract on the old terms, and in every case Mr. Pugsley consented. He went through the form of asking the deputy and the Government engineers whether the price was right and the work satisfactory. Unanimously the officers of the department commended the contractors, praised their plant and declared the price reasonable. The deputy, however, protested himself by reminding the Minister that it had been the custom of the department to call for new tenders every year and that he was proposing an entirely new departure.

A SCHEME THAT FAILED. Mr. Pugsley recommended the departure, council gave him authority to carry it out and everything was going on beautifully when the discussion raised in the House brought about a change. Mr. Pugsley's argument of exceptional urgency in one case became so ridiculous when applied to eleven contracts in all parts of the Dominion that the deliberate abandonment of the whole competitive system could not stand exposure. It was a humiliating backdown for Mr. Pugsley.

A TRANSCONTINENTAL LAND DEAL.

The Public Accounts Committee on Thursday chased down another beautiful railway land deal. The Transcontinental Commission fixed the Winnipeg terminals at St. Boniface, and bought 800 acres of land averaging about 5 miles east of the city. This land was bought by Commissioner C. A. Young, ostensibly in two lots, one of 480 acres, from J. H. Kern for \$188,000, the other of 320 acres, from E. C. Matthews for \$34,000. It is found that Kern and Matthews, who are represented as hotel keepers at Moosejaw, were partners in both lots. Kern acquired an option on them after the Commission had located the terminus. He took Matthews into the deal, which was put through in different names, for reasons that may be guessed.

NO NEED OF THE MIDDLE MAN.

The land for which the Government paid \$188,000 had been bought in the open market by Mr. Kern for \$59,000, while the \$34,000 property cost the partners \$40,000. They made only a partial payment when they took their option. Most of the money required for the deal was furnished by the Commission, which, before

WHAT THE MINISTER INTENDED.

The matter stood over until after Easter when Mr. Pugsley was to have brought down the order-in-council authorizing the

taking the title, paid the partners what was required to complete their original purchase. This neat rake-off of \$123,000 is good for middlemen, but why should not Commissioner Young, a Winnipeg man, who knew before anyone else what might be chosen, have bought the land at the original price of \$99,000 instead of paying \$222,000? This is not Mr. Matthews' only negotiation with the Government. In 1906 he was president of the "Western Power and Developing Company," which was seeking the right from the Government to divert the Bow River at Kanasaskis Falls for the purpose of supplying power to Calgary, Banff and Canmore, and was applying for the right to occupy Indian lands with his power plant.

PROFITABLE CONSULTATIONS.

H. E. Vautlet, of Montreal, consulting engineer, sometimes works for the Public Works Department. The Public Accounts Committee has given a little attention to his case, and finds the following paid him for services for the nine months from June 30th, 1906, to March 31st, 1907:— On account services, etc. \$10,000 Trips to Paris 600 Work in connection with masonry, 84 days at \$30 255 On account professional services 3,000 Total \$13,855 These are payments on account. Other claims of Mr. Vautlet amounting to \$14,250, for services in the same period, have been recommended by the department for payment.

ON A PERCENTAGE BONUS.

It comes about this way. The Government is constructing a dam on the Red River below Winnipeg to make 8 foot navigation between Winnipeg and Lake Winnipeg. The department arranged to pay this consulting engineer for the plans 5 per cent, on the estimated cost of the superstructure. The cost is placed at \$308,000 giving the engineer \$15,000. Mr. Vautlet testifies that the only other structures like that of St. Andrews are on the St. Lawrence below Paris. He went there to study them, the Government paying him \$600 (in addition to his 5 per cent) for the trouble he took in qualifying him self. There is a sub-structure of masonry for this dam and Mr. Vautlet was consulted about it. He was paid \$30 per day and expenses for the 84 days he devoted to this business. Of the \$15,000 as agreed upon he has received \$10,000 on account, and payment of the other is recommended by the department. Meanwhile Mr. Vautlet was also employed in making plans for a \$350,000 shed at Quebec harbour. His pay, as fixed by the department, is \$12,250, of which \$3,000 has been paid on account, though the shed has not been built. The department tried to pay him another \$5,000, but the Auditor-General held it up for the time and it stood over till the next fiscal year. Mr. Vautlet's total earnings, for these two plans, as settled by the Public Works Department are thus \$28,605. The remainder of his time was given to private customers.

COST OF THE EASTERN SECTION.

We have now the statement of the Transcontinental Commission of the estimated cost of the G T Pacific from Moncton to Winnipeg as ready for operation, but without rolling stock.

BAD GUESSES.

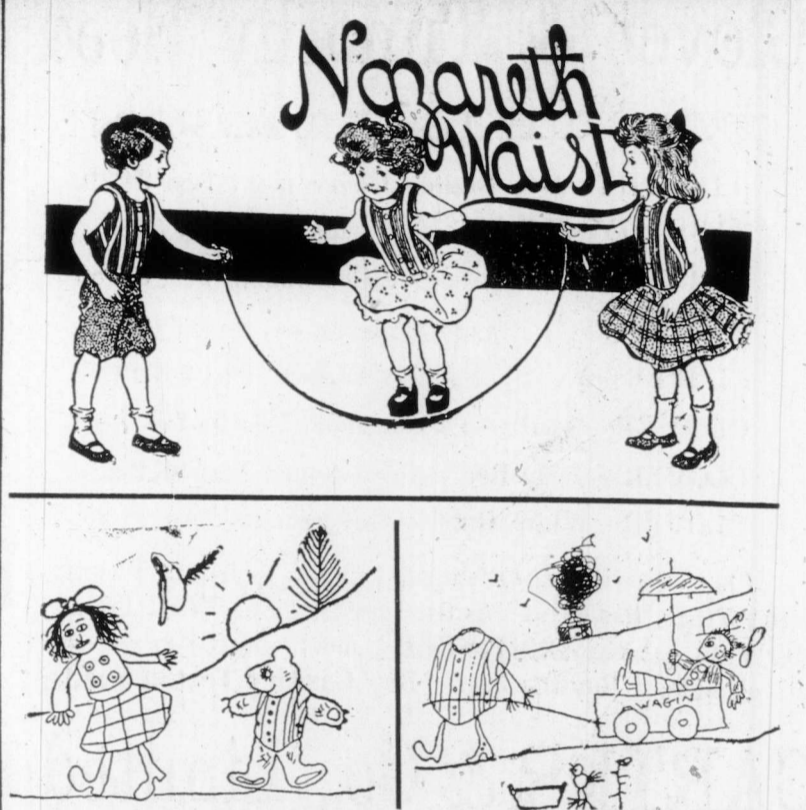
Sir Wilfrid Laurier about \$50,000,000 Mr. Fielding (Hansard 1903, page 8854) 51,300,000 Mr. Charlton (Hansard 1903, page 8505) 54,600,000 Mr. Hughes, P. E. I. (Hansard 1903, page 9191) 63,000,000 Mr. Heyd (Hansard 1903, page 8413) 51,000,000 Mr. Germain (Hansard 1903, page 8717) 54,000,000 Mr. Arch. Campbell (Hansard 1904, page 10022) 54,700,000 Mr. Roche, Halifax (Hansard 1904, page 1338) 56,250,000 Government Engineer (Hansard 1904, page 3625) 53,000,000

NEARER RIGHT.

Mr. Haggart (H. 1903, page 8661) \$108,000,000

Mr. Sproule (H. 1903, page 8774) 125,000,000 Mr. Lennox (H. 1903, page 8826) 88,000,000 Mr. Kemp (H. 1903, page 9188) 73,000,000 Mr. Bennett (H. 1903, page 9219) 72,000,000 Mr. Osler (H. 1903, page 9292) 120,000,000 Mr. Leforgey (H. 1903, page 9250) 72,000,000 Mr. Clancy (H. 1903, page 9693) 77,812,000 Mr. Henderson (H. 1903, page 9662) 112,352,000 Mr. Vrooman (H. 1903, page 10,110) 93,750,000 Mr. Pringle (H. 1903, page 10,139) 90,000,000 to 100,000,000

Mr. Borden did not make an exact estimate, but asserted that the cost would certainly exceed \$75,000,000. Mr. Tarte, who did not support the scheme, made an estimate of \$75,000,000 in the 1903 debate, but raised it to \$95,000,000 the next year. Mr. Fielding (Hansard, 1904, page 3626) ridiculed Mr. Borden's estimate of \$75,000,000 and other similar or higher calculations, which he declared, were absurd and unreasonable. He produced calculations from the Government engineer to support his own estimate, and proved also on the authority of Government engineers to be just about half the cost of the road. COST TO THE COUNTRY. Sir Wilfrid Laurier now explains that when he gave \$13,000,000 as the full cost of the whole road he meant that this would cover the amount not charged to the Company. Mr. Fielding reduced this burden below \$13,000,000 and even produced a calculation to show that \$8,000,000 or \$9,000,000 would be the present value of the national contribution. Let us see how it stands on the present estimate: By the time the Moncton to Winnipeg line is completed the Government will have paid interest at least equal to three years on the total cost, at no less than three and a half per cent. That is \$12,000,000. This,

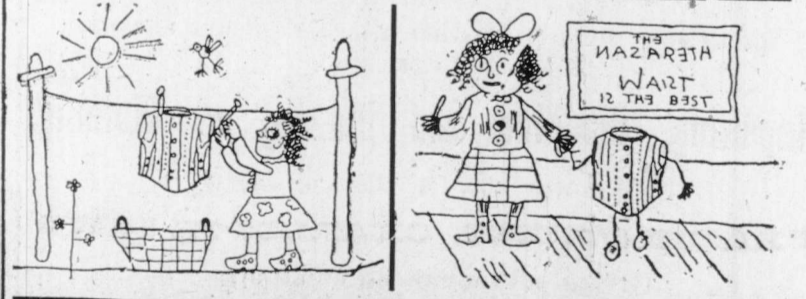


Nazareth Waist C-O-N-T-E-S-T

Open to all Children up to 14 years of age.

You need not be an expert artist as the funniest picture will most probably take the prize. Drop us a postal card for full particulars. Now don't simply draw a picture of a Nazareth Waist, draw a picture with a Nazareth Waist somewhere in it.

Closing day May 18th.



LADIES' Ready-to-wear Skirts.

We have picked out a few Skirts that are not selling as well as they ought to, and we have reduced the prices to make a quick clearance of the lot. 1 only \$2.35 Black Cheviot for \$1.50 each 3 only 2.95 Fawn Tweed for 1.75 each 2 only 3.85 Striped Tweed for 1.95 each 1 only 3.85 Black Cheviot for 2.65 each 4 only 5.25 Black Cheviot for 2.95 each and about 15 others.

Stanley Bros.