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THE BUDGET.

Tuesday evening of last week Premier Haszard delivered in the Legislature, what is commonly known as the budget speech; the speech in which the financial condition of the Province is supposed to be made known, and in which the ways and means to meet the estimated expenditure are expected to be made public. This is the most important announcement that any government is called upon to make; because it deals with questions that are vital to the very existence of the administration. In this speech is expected to be unfolded the methods to be adopted to raise sufficient revenue to carry on the public service. The people; the tax-payers, have to furnish the money for the purposes of government; therefore they are always deeply interested in the annual financial statement, and have a right to be informed as to the manner in which the money supplies already furnished have been expended. This is their inalienable prerogative under our system of representative government. The different phases of our Provincial finances, and a general review of the actions and conduct of the Government of the day, are expected in a budget speech.

Bearing in mind, in a general way, what the essentials of a budget speech should be, and applying the test to the deliverance of Premier Haszard on this occasion, it is no exaggeration to say that it was a disappointment and a failure in every particular. Instead of reviewing in a reasonable and practical manner the financial transactions of his Government for the past year, and endeavoring to justify the conduct of his party since their advent to power, seven years ago, he immediately plunged into ancient history. He spent one hour of his hour and three quarters speech, discussing political events in this Province, as far back as thirty years ago. Instead of making any attempt to justify the debt, deficits and deception of his Government and his party, for the last seventeen years, he devoted his time to a discussion of the actions of the Conservative Government that held power here from 1879, to 1891. Among other things he had a good word to say for the Davies tax act. It must have been on the principle that nothing but good should be said of the dead; for it is very likely this was the first time that tax act ever received a word of praise. Extraordinary to relate, the Premier trotted out that venerable chestnut, that has done duty for the last twenty odd years, the \$200,000 withdrawn from capital. He was at great pains to show what the interest on that sum, compounded, would amount to at the present day. Surely our public affairs, under the present administration, must be in a deplorable condition, when the Premier devoted so much time to these puerilities, in the hope of diverting public attention and obscuring the real issues before the people. In his excursion into the

realms of ancient history the Premier forgot or overlooked a great many things. He forgot to state that the Sullivan Government, when they came into power inherited a debt of \$51,000 from the Davies Government, their predecessors in office. He forgot to state that remission of taxes by the Sullivan Government left about \$360,000 in the pockets of the people. He forgot to state that the average expenditure of the Conservatives was only \$275,000 (including the 200,000); while the Liberal Government of which he is the head, spent \$378,000 a year. He forgot to state that the Conservatives, in their twelve years of office, collected only \$83,000 of taxes, while his Liberal Government have collected nearly \$900,000 in taxes of every conceivable kind. He forgot to state that his Liberal Government kept their promise of ending the era of deficits by creating deficits, averaging \$45,000 a year, for every year of their official existence. These deficits ran all the way from \$12,000, to \$120,000 a year, election years being especially marked by enormous deficits. He forgot to state that his party and his Government have, by their rolling up of deficits and general extravagance, piled up the debt of this Province to the vicinity of a million dollars. He forgot to state that the Liberals, who were in a large majority in the Legislative Council at the time, were responsible, equally with the Conservatives, for the withdrawal of the \$200,000 from capital. As a matter of fact the speech was much more remarkable for what it omitted than for what it contained.

After twelve years of office, after remitting taxes amounting to about \$360,000, and collecting only \$83,000 taxes the Conservative Government went out of power leaving a Provincial debt of only \$128,000. Of this amount \$51,000 were inherited as a legacy from the Davies Government; consequently only \$77,000 can properly be chargeable to the Conservatives. Were we to apply the rule of the Liberals and compute the compound interest on this amount, the debt properly chargeable to the Conservatives would be reduced to less than \$25,000. On this our Liberal friends have built until they have got the huge bulk up to \$1,000,000. Their multiplication of taxes; their rolling up of deficits; their piling up of our Provincial debt, have all been effected in direct violation of their solemn promises to the people. Mr. Frederick Peters, the Premier in 1891 declared that the era of deficits was at an end; revenue and expenditure were henceforth to meet, and the day of taxation was far off. Taxation was not to be inaugurated without consulting the electorate. These pledges were all violated. These are some of the elements in the record of his party and his Government to which the Premier failed to direct attention. The exposition of these salient features of his party's record are of far more vital importance to the people who pay the taxes than his delving into ancient history. The Government of the day stands condemned before the people of this Province on every phase of its record; but the Premier conveniently passes over these unpleasant considerations and discusses political matters of a generation ago. It is a wonder he did not go back to the days of Moses.

Another important announcement of one of Hon. Mr. Haszard's predecessors in the Premiership, was forgotten or overlooked by him. When Mr. Frederick Peters came into office he asked the

Legislature to empower him to issue debentures to the amount of \$185,000, to wipe off the floating debt of \$128,000 and make some repairs to the Provincial Building. After that there would be a clean sheet and there would be no more debt. He obtained the necessary authority and issued the debentures. But the debt and deficits did not stop and have gone on ever since, as we have shown. Why did not Premier Haszard have the manliness to make this his starting point in his review of our political history? The history of our politics from that time to the present, would be the history of his own party and his own Government. One would think he would delight to show their record. But no, he was so ashamed of this record that he scarcely alluded to it at all. Not much wonder.

The Premier estimates the expenditure for this year at \$378,968 and he places the revenue at \$371,831. This leaves a deficit of \$7,137. Thus the Premier admits a deficit at the start; but we may be very sure it will be much larger than \$7,000. If it stops at five times seven it will be well within the mark. But this is not all, the Government intends to borrow \$40,000 on debentures; adding at once that much more to the debt of the Province. This will bring the expenditure up \$411,881.88. We wish here to call attention to the manner in which the Premier has manipulated these figures. The Premier, as we have shown, admitted a prospective deficit on the years transactions, of something over \$7,000, and made the additional statement that \$40,000 would be raised on debentures, if possible, bringing the total expenditure well up to \$512,000. This \$40,000 is that much at once added to the debt of the Province. In the face of these declarations, the Premier, without attempting any explanation, or furnishing any figures, makes the statement that a surplus of about \$33,000 is anticipated on the years transaction. This is the most cold blooded pervariation that even this delectable sheet has yet uttered. It simply shows that lying and deceiving are the purposes for which this organ exists.

MR. MATHIESON'S GREAT SPEECH.

The Leader of the Opposition was received with an outburst of applause, when he rose to reply to the Premier. His eloquent, trenchant and witty speech at once captivated the audience, and held their closest attention to the end, and his withering sarcasm soon turned the laugh on the Leader of the Government and the Commissioner of Public Works. He held up to ridicule the Premier's asserions in the realms of ancient history, and tore to shreds the dimsy veil of political hypocrisy and deception with which the Leader of the Government had sought to screen from public view and public condemnation the wrongdoing of himself and his friends, and laid bare his utter failure, and laid bare his utter failure, wittingly or unwittingly, to grapple with the problems staring him in the face. He said the Premier had spent a whole hour by the watch in dealing with the public affairs of a quarter of a century ago. The Premier had thrashed the old straw over again, the straw that we have been thrashing year after year since this government attained to power. He went away back to 1877 and made a certain amount of noise and raised a certain amount of dust, but said nothing to the point.

Let us see what he had to defend in respect to the Public Accounts of last year. The financial year ended on the 30th of September. The public accounts were closed on 30th September. If they had been honestly kept not one dollar expended or received after that date would have been entered in them. We put the question some time ago, when was the \$35,000 increased subsidy received? Did the Premier do his duty? Did he answer the question as he is bound to do? He absolutely refused to answer the question. If he were not conscious that something were wrong—very wrong—why did he refuse? Why did he not come down with the information that ought to have

been made known as soon as asked? The \$35,000 was sent from Ottawa two months after the last year was ended, and it was included among the receipts of last year. But there was a debit of \$19,500 on account of Hillsborough, Bridge—and it did not appear. Why did it not appear all in one year? The government knew that they could not pretend to boast about a surplus if the accounts were properly kept, and therefore there was a deliberate falsification. A surplus as between ordinary revenue and expenditure was set forth when in reality there was a heavy deficit. Included under Casual Revenue was the \$5000 insurance money; while the amount paid for the construction of the building that had been burned was charged to Capital Account—the same capital account in which is included \$8,000 for road machines which are lying about the country, and many of which would not, at the present time, bring the price of old junk.

At the end of last year there was one of the largest deficits with which this Province has ever been cursed. We asked the Premier to state the receipts and expenditure up to the end of the calendar year. He refused. Why should he refuse? He said it was a matter of no consequence. He knows that the subsidy is paid, one half in July and one half in January. That which is paid in January is to maintain the Government till July, and that which is received in July is for use for the period up to the first of January. The calendar year has all along up till last year been the financial year of this Province. The subsidies are payable half yearly in advance. But our present financial year stops at the end of three months of the last half year. It was announced that there was a surplus. But what is the fact? The expenditures were shown to be \$361,158.34, and the receipts of the year actually were \$315,000, so that the deficit actually was \$46,158.34. That is a calculation which is beyond dispute. At the same time there was interest accrued on loans to the amount of \$11,000, which the government was called upon to pay on demand. There was also deferred payments on contracts, as shown in the Public Works Report, to the amount of \$6,191.67. Other deferred payments may be estimated at \$10,000, which added to the deficits, as shown, made up the amount of \$72,375.85. Then there was a balance on contracts payable amounting to \$37,110.00.

The whole, making up the large sum of \$109,988.02—for which the people of this Province were actually liable as a result of the operations of last year. That's how we stood at the end of last year, and it is well that the people should know it.

Throughout the whole period during which the Liberal Government has been in power there has been deficit after deficit, growing larger and larger as the years go by. The receipts from the 30th of September, 1907, to the 29th of February, 1908, as per the return brought down by the Leader of the Government, amounted to \$185,577.86. The expenditure in the same period amounted to \$185,308.96. The unearned portion of the half yearly subsidy of \$123,465.94 was \$50,977.23. Education cost during the two months ending 29th of February \$20,649.50. The interest unpaid, but accrued due was \$11,004.33. Add these amounts to the deficit shown by the Public Accounts on the 29th of September, 1907, and the interest of the debt for two months in all \$16,679.85, and you have a total sum of \$314,619.87. Deduct the receipts as shown by the return brought down by the Premier, and the amount added to the debt on the 29th of February, 1908, was \$129,062.51. On that day they had spent the whole of the half year's subsidy, and still had a deficit of \$129,000. If the accounts had been made out on the 29th of February last upon the same principle as they were made up by Messrs Chalmers & Davison in 1891, they would have shown a deficit to be added to the debt of no less than \$194,000. That's the financial statement as we find it.

The Premier said that it was only a matter of courtesy that they brought down returns showing the receipts and expenditures subsequent to the 30th of September last, and we are told how well we are off today, and what a splendid act the Davies Tax Act was. But they got away from the Davies act. They tried another scheme. Perhaps they intend to restore the Davies Tax Act. The Conservatives, say

they, did wrong when they abolished this Act and relieved the people from taxation. But this Government have never made such a mistake. They have never taken off a tax of any kind. Since they came into power there has been a steady increase of taxation and though this is true, and though they have collected close upon \$900,000 of taxation, the public debt is now close on a million of dollars. How is this to be accounted for? They have increased the public expenditures from \$275,000 a year, (the average shown, while the Conservatives were in office) to \$378,000 a year. That is to say, they have added \$103,000 to the amount which the Conservatives found to be quite sufficient. They have some \$90,000 a year more revenue than the Conservatives received. Yet we have now the assurance of recurring deficits from year to year.

The Leader of the Government has told us that the credit of P. E. Island is higher than that of Nova Scotia or New Brunswick. But that is not so. We have between \$600,000 and \$700,000 on call at the banks and on Loan Accounts; and if the call came we could not meet it. Nova Scotia and New Brunswick are not in a position such as this, and they pay no such rates of interest as we are compelled to pay. New Brunswick has a revenue from stumpage, etc., which we have not. Nova Scotia obtains large amounts as royalties on coal—some of which we have to pay. These Provinces receive a larger increase of subsidy than we receive. We are compelled to tax our farmers. They do not tax their farmers. If they have a debt they have also assets of a profitable making character, such as railways, etc.

Mr. Mathieson reviewed at some length the withdrawal of \$200,000 from capital, showed that the Liberals who composed a large majority of the Legislative Council had voted, first unanimously to withdraw \$183,000, and when that did not carry they voted for authority to withdraw \$250,000 and the government only drew \$200,000. But they say if that \$200,000 had only been placed at interest what a large amount we should now have had in hand. But it is to be remembered that the Conservatives were not taxing the people. If they had taxed the people, as the Liberals have done, they would have had a large surplus each year. How different the case of the present government, which with receipts of increased taxes and increased subsidies, is yet compelled to come down to the Legislature and to admit a deficit for the current year of upwards of \$7,000.

The party now in power never had a surplus. They will get on finely this year if they escape with a deficit of \$37,000. The Province stands in this position; with the addition of the \$70,000 subsidy, its government will not stop the deficit in any single year. The country cannot be satisfied with this condition of affairs. We must have more subsidy to defray the increased cost of education, public works, asylums, etc. without further resort to the taxation of our farmers. This is but justice in view of the heavy taxes that we are now paying to the Dominion Government. For every dollar that we paid in taxes to Canada in 1873 we are now paying \$10. We pay \$700,000 a year more taxes than we did; and we get back only \$70,000 more subsidy. The bargain made, in comparison with the other provinces, in respect to the increased subsidy was a fool's bargain. This is the first of April and that perhaps explains why the Premier has brought down his budget, and expressed satisfaction with the small increase that has been received. It was an awful bargain that was made. The other provinces pay no taxes upon lands. Our people are taxed. And besides that they pay ten times as much into the Dominion Treasury as they received from it.

The Minister of Finance says that \$30,000,000 will, this year, be expended upon the new Transcontinental railway. Of this amount our proportion is at least \$500,000. Is that railway worth five cents to us? Look at the expenditure of \$12,000,000 upon canals. What good are the canals to us? We are being bled to pay for great public works, from which we do not receive one dollar of advantage. Before us lies the great problem of the Island people. The magnitude of this problem is becoming greater and greater. Our requirements are becoming more and more pressing. Yet we are doing

nothing. The Premier and the Government have neglected the resolution passed at last session providing for the appointment of a committee to investigate and formulate the claims of this Province upon the Dominion Government. Practically nothing has been done. But the Premier thinks it worth his while to waste the time of the House in the discussion of issues a quarter of a century old.

We are doing very well, they say. We came out of the Ottawa convention with flying colors. Nova Scotia and New Brunswick and other provinces have received only 30 to 40¢ additional subsidy, while we have got 70¢ per head. That is to say, if we had half the population we have we should have double the subsidy; and if double the population, we should only have half the subsidy. We have been bled to the extent of \$1,000,000 in the last eleven years; and yet we are told by a leading City newspaper that we are well treated and have done better than the neighboring provinces when we are to receive \$70,000 a year. We have been worsted through and through. Our interests have not been safeguarded throughout the last twenty years. When the Sullivan government was in office we gained a recognition of the fact that we ought to be allowed compensation for our share of the expenditures in the great public works which the government has constructed in other parts of Canada. An Order in Council to that effect was passed. That Order in Council has furnished us with a weapon by which we must win if we are but true to the Province and to ourselves. Manitoba has obtained an increase of subsidy well nigh up to \$821,000. If our government had been as watchful as the government of Manitoba, they might have had that much money too. We might be abreast of the times and prepared to advance with the times. But we have men among us who are pocketing their fees and hoping for better places for themselves; and so the interest of Prince Edward Island have been neglected. (Applause.)

AMENDMENTS VOTED DOWN.

The committee stage of the election bill was finished on Thursday and it was reported back to the House. On motion that the report of the committee be agreed to Mr. Mathieson moved that the report be adopted, but that it be referred back to the Committee in order that provision might be made against the election of persons who are paid for by the Dominion or Provincial Governments and the sitting of such in the Legislature. The House divided:

Ayes:—Haszard, Cummiskey, Reid, McNutt, Gallant, Hughes, Smith, Clarke, McInnis, Richards, McWilliams, Irving, Arsenault, Agnew, McMillan, 15.
Yeas:—Mathieson, Morson, McKinnon, Prowse, Kitcham, Fraser, Wood, Kennedy, 8.
Mr. Mathieson then moved that the report be referred back for the purpose of inserting in the preamble in receipt of \$100 and less. The motion was voted down on the same division.

Mr. Mathieson moved that report be not adopted but that it be referred back to Committee for the purpose of striking out all reference to the Mayor, City Councillors and stipendiary Magistrate of any town. The motion was lost on the same division, except that Mr. McDonald was added to the list of those who voted 'yeas'.
Mr. Mathieson then moved that the Bill be referred back to the Committee for the purpose of inserting in the clause which provides against bribery and corruption in elections.
The motion was rejected on the same division.

Mr. Mathieson then moved that an improved system of voting by ballot be substituted for open voting. This amendment, he said, was as important as any of those which had already been voted down. If adopted, it would bring P. E. Island in accord with popular sentiment and in accord with the other provinces of Canada and the British world at large. The ballot had been rejected many years ago on the ground of expense alone. The expense of the voters' list was then found to be great. But since then it has been demonstrated in the Dominion elections conducted in this Province, that a voters' list is not at all required. That it is no essential part of the ballot system. In these circumstances we can easily afford to protect the voters of the country by means of the ballot. There need be no additional expense.
Hon. Mr. Haszard said that when this matter was brought before the Committee it was decided not to introduce the ballot; and he saw no reason for a change of mind in that respect. There is no need to protect the voters of this Province. The people are well satisfied with open voting.
The House divided and the motion was rejected on the same division as before.
Mr. Mathieson then moved the adoption of a clause requiring a member elect to take oath that he has not been guilty of bribery or corrupt practices in the election.
House divided and the motion was rejected on the same division.
The report of the Committee was then adopted.

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