

THE HERALD

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Battle of the Ballots.

The general result of the Federal elections held on Monday last, is not what we expected from the evidence before us up to the date of polling. We certainly anticipated the defeat of the Laurier Government, and feel somewhat disappointed that this has not eventuated. So far as this Province is concerned, Kings County has done nobly in electing Mr. Fraser with a handsome majority. Queen's County, however, went back on its record of four years ago and elected Prowse and Warburton, the Liberal candidates, by something over a hundred majority each, over Messrs. Martin and McLean, who carried the riding handsomely in 1904. In Prince County too, the result has been contrary to what we anticipated, Richards, Liberal, is elected there with a majority of about two hundred. Mr. Fraser's majority in King's seems to be about 150. We congratulate Mr. Fraser on his success, and congratulate the electors of King's on the excellent work they have done. In a future issue we shall publish the corrected figures for the three counties. Nova Scotia, where the whole eighteen Liberal candidates were returned at the general election of 1904, has done splendidly for the Conservatives, this time, returning six or seven opposition members. Our Liberal friends there can no longer boast of a "solid eighteen." Halifax did itself credit by electing Borden, Leader of the Opposition, and his colleague, Crosby, Mayor of Halifax. This is a complete reversion of its conduct four years ago, when Roche and Carney, Liberals, were allowed to go to Ottawa as that city's representatives. Borden is also elected by a large majority in Carleton County, Ontario. New Brunswick has been a disappointment, not more than three Conservatives being returned from the whole Province. In St. John Daniel and Pugsley, one on each side, have been elected. Foster, after all that the Liberals did and said against him, is handsomely elected in Toronto. Laurier and McGivern were elected in Ottawa city. Quebec Province did better for the Conservatives than at the election of 1904 and probably returned fifteen Opposition members. The accounts from Ontario are disappointing. They are not complete, but indicate that a greater number of Liberals were elected than was expected. The reports from all parts of the country west of Ontario are very incomplete and confusing and will require a day or two to correct. The Laurier Government has been sustained; but likely with a considerably reduced majority. When full and correct returns are in, the exact majority will be known. It is certainly unfortunate that Canada should, for four or five years more, be under the sway of this extravagant and corrupt administration.

Look behind our prices and you'll see quality and style in overwhelming proportions.—Prowse Bros., Limited.

Our clothing always fits well, looks well, wears well and sells well in spite of costing you so little.—Prowse Bros., Limited.

The Provincial Contest.

Now that the Federal elections are over, the electors of this Province should at once turn their attention to Local matters. The Provincial Government have, as usual, brought on their general election in the immediate wake of the Federal contest. This is done with the hope of catching the people off their guard; of confusing Federal and Provincial issues and of securing a snap verdict from the electors, before they have fully eradicated from their minds the issues on which the greater electoral battle was fought. The Provincial Government cannot and dare not, with any hope of success, appeal to the people on their own record; therefore they have recourse to the tactics of the juggler, and spring their election while the people are thinking of something else and have their gaze turned in another direction. Let the people, therefore, be on their guard and let them not be deceived by this attempt to divert public attention from the real issues before them in this Provincial election. In one sense the public questions involved in this Local election are of much more importance to the taxpayers of this Province than the great general issues fought out in the Dominion contest. These are of such vital importance that they come right home to the humblest citizen of the Province.

Let our people, therefore, at once, realize the necessity of immediately flinging themselves into the Provincial fight and doing their best to throw off this incubus, that for the last seventeen years, has masqueraded in the name of a government. The Dominion election is past and gone; eliminate all thought of it from your minds, and throw yourselves into the fight for a reputable Local administration. Every voter; every individual who has the slightest interest or influence should consider that success in this contest rests on his energy and his efforts.

Did the Government dare to come before the people in their true light, they would have to appeal to a record of broken promises and violated pledges. They would have to acknowledge that they promised to equalize revenue and expenditure and that, instead, they have from the start piled deficit upon deficit until they have run the Provincial debt up from \$128,000, to \$1,000,000. They would have to admit that while they promised to keep the day of taxation far removed they have drawn from the peoples pockets in various forms of taxation, nearly \$800,000. They would have to confess that the interest on the Provincial debt has been increased by them from less than \$3,000, when they assumed power, to upwards of \$32,000 at the present day.

They would have to acknowledge that they have utterly and absolutely failed to accomplish what they promised and have done that which they were not asked to perform. These are the facts of the case so far as the Local Government are concerned, and when they appeal to the electors of this Province on any issues other than those we have enumerated, they appeal on false pretences. It remains now with the electors to say whether or not they will any longer leave power in the hands of those who dare not present their true record to the people.

On the other hand the Opposition, through their Leader, Mr. Mathieson, have presented a reasonable and comprehensive platform on which they appeal to the honor and honesty of the Island electorate. It will be found in this issue, together with the Leaders speech in promulgating it. Read the platform and read the speech, and then decide how you should vote.

Mr. Mathieson's Speech.

(Continued from fourth page.)

It would at once double the value of every acre of land in this Province.

It would make of Georgetown one of the great winter ports of Canada.

It would multiply several fold the value of our fisheries.

It would lead to the establishment of many industries which our present isolation prevents.

It would bring us into vital connection with the main currents of Canada's commercial life.

We have already contributed to Canada in excess of Canada's expenditure upon us an amount which would go very far in the construction of this great work and possibly equal or exceed it. What do we pay to Canada in taxes? Are we being bled white by the Dominion?

No separate trade statistics of this Province are kept! An exact calculation is therefore impossible but we can approximate closely enough for a fair understanding of the case.

We have seen that at the inception of Confederation the balance was against us by \$150,000 per annum.

In 1884 this had grown to \$230,385. What is it now?

Taking the total revenue of Canada for the year ending 31st March 1908 at \$96,500,000.

What do we receive in return? Cash subsidies amounting to \$286,000. Then allow for winter services, deficit on P. E. I. and new services say \$200,000, all together amounting to \$768,181.

The loss in one year to P. E. I. is therefore \$1,096,819.

In taxation alone our contribution would be \$1,400,000 in 1908.

These computations are based on the assumption that we pay to Canada taxes and other contributions in proportion to the rest of Canada.

But this does not put the case fairly for this Province as the use per capita by the people of this Province of dutiable goods is probably much above the average. Nor have we taken into account the indirect burden we bear in the purchase of Canadian goods of which the price is increased by reason of the Canadian tariff.

Captain Read who speaks with best information from the Government side of the House estimated two years ago that today under the Dominion tariff and the increased imports the derivable revenue from imports alone if we were still independent of Canada, would be over two millions of dollars per annum.

This estimate does not include excise duties nor the many other contributions made by this Island to the Canadian revenue.

It is safe to say that we contribute in all three dollars at least for each dollar received back.

Where has this excessive contribution gone?

It has partly been invested in the public lands of Canada, partly in the railways and canals, in promoting immigration and in other ways not profitable to us.

From this condition arises our claim No 5 for Compensation to this Province in respect of the public lands of Canada which have been transferred to the larger Provinces without any consideration for the interest of this Province therein and in respect of its contributions to the great public works of Canada from which this Island derives no advantage.

We had a partnership share in these lands. We bear upon our shoulders our proportion of the debt for their purchase. We helped to build every mile of railway and highway that ran through them and of all the cost to fit them for settlement.

When by these means their value had increased manifold they were carved in huge slices and given away to the large and wealthy provinces. When it becomes valuable they give it away. Meantime it is our privilege to help make it valuable. What yet remains along the northern rim will assuredly follow the same course until from the international boundary to the polar sea we will not have one foot of all that land to call our own. It is simply robbery of the weak by the strong.

What should have been the heritage of our children is given away in frantic haste to aliens and grafters until today the semi-savage from Central Europe is shown more favor than the sons of P. E. Island.

Without including the last two years we have contributed since Confederation in money and land grants to railways, canals, immigration and other services not beneficial to us \$9,500,000 at the latest estimate

This year we bear our share of the thirty millions being spent on the Grand Trunk Pacific. This will amount to considerably over half a million and it is not worth five cents to us. We have a right to compensation on these grounds. Such a right was recognized by Canada twenty years ago when we received an increased subsidy of \$20,000 per annum on the ground that we do not share to the same extent as the other Provinces in the benefits of railway construction on the mainland.

It may be said that this claim is in part offset by the construction of railways and the Hillsboro Bridge, within this Province, but that is not for the reason that the increase of the debt of Canada since Confederation together with the liabilities incurred in respect of the Grand Trunk Pacific imposes upon us a heavier burden than the expenditure by Canada upon the Island works amount to.

CLAIM NO. 5.—An Equivalent for the Increased Subsidies Granted the Larger Provinces to meet the Increased cost of Education Public Works, &c.

The consideration of this claim takes us back to the Confederation contract. What was the intention of the parties to this contract?

Sir Wilfrid Laurier in introducing the resolutions in 1907 providing for the increase of subsidies to the various provinces makes this clear by reference to the records of that time. He says: "This testimony is conclusive. Lower Canada would not have entered the Confederation if as a consequence she had been obliged to resort to direct taxation to levy the revenues necessary to carry on her domestic affairs. What was true of Lower Canada was equally true of the Maritime Provinces. Nova Scotia New Brunswick, Prince Edward Island would not have agreed to enter Confederation if as a consequence direct taxation had to be restored to them."

By reference to the Confederation Debates in the Legislature of this Province in 1873 it is made clear that they entertained the same views. Various calculations were made of the amount of revenue necessary to carry on our local affairs. Sir Louis Davies estimated a total revenue under Confederation of \$223,320,02, an expenditure of \$205,216,71, leaving a surplus of \$17,103,31 which would have wiped out the land tax of \$13,547,37 and left a net surplus of \$3,555,94.

Hon. D. Laird counted upon a total revenue of \$218,640,32, an expenditure of \$206,048,85, and a surplus of \$12,591,47.

Hon. J. C. Pope estimated an expenditure of \$257,387,59.

In 1908 Hon. P. L. Hazzard estimated the expenditure at \$378,968, together with unspecified sums to meet the cost of two commissions.

An excess over the average estimate of \$156,000.

Such an increase was evidently not anticipated by the statesmen who led us into Confederation nor did they anticipate that the taxation of Canada would have increased from \$5.05 per capita to \$11.70.

In the year 1887 after 20 years experience in Confederation a conference of the Premiers was called at Quebec at the instance of the late Mr. Mercer, Premier of Quebec, for the purpose of formulating a plan for a general increase of subsidies to the provinces.

The resolutions which were then adopted are incorporated in the amendment of the B. N. A. Act of 1907, without any change whatever as far as this Island is concerned. It is under the terms of the Quebec Resolutions of 1887 that we now receive the additional subsidy of \$70,000. This Province was not represented at that Conference.

There are the provisions of the Resolutions of Quebec:—

"A" In stead of the amounts now paid the sum hereafter payable yearly by Canada to the several provinces for the support of their governments and legislatures to be according to population and as follows:—

(a) Where the population of the Province is under 150,000—\$100,000

(b) Where the population of the Province is 150,000 but does not exceed 200,000—\$150,000

(c) Where the population of the Province is 200,000 but does not exceed 400,000—\$180,000

(d) Where the population of the Province is 400,000 but does not exceed 800,000—\$200,000

(e) Where the population of the Province is 800,000 but does not exceed 1,500,000—\$220,000

(f) Where the population of the Province exceeds 1,500,000—\$240,000

(g) Where the population of the Province exceeds 1,500,000—\$240,000

(h) Where the population of the Province exceeds 1,500,000—\$240,000

(i) Where the population of the Province exceeds 1,500,000—\$240,000

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(w) Where the population of the Province exceeds 1,500,000—\$240,000

(x) Where the population of the Province exceeds 1,500,000—\$240,000

an increase of \$170,000 instead of \$70,000 it met with no support from our delegates and so fell dead.

They supported instead the Quebec Resolutions of 1887 and set out in exact terms the effect that Resolution B. would have on the several provinces. Here it is in effect:—

Ontario—an increase of—\$629,484.80.

Quebec—an increase of—\$429,865.60.

Nova Scotia an increase of \$47,659.20.

New Brunswick an increase of \$78,885.60.

Manitoba an increase of \$81,952.80.

British Columbia an increase of \$62,987.20.

Or a total increase of 1,258,835.20.

P. E. Island a loss of 4,655.20.

This Conference dissolved.

The third Conference met at Ottawa in 1906—joint Conference of Canada and the Provinces.

They adopted the Quebec Resolutions as the foundation for a readjustment of the subsidies but did so "under reserve of the right of any Province to now submit to the Government of Canada memoranda in writing covering any claims it may have to larger sums than those set out in the said resolutions or to additional consideration or recognition."

British Columbia presented a claim for special subsidy on the grounds of: 1. The Cost of Administration owing to the physical character of the country,

2. The distance from the commercial, industrial and administrative centres of Eastern Canada.

3. The non industrial character of the Province as compared with Eastern Canada whereby a large percentage of goods are imported and consumed increasing the contributions to the Federal Treasury in the way of taxes in a ratio of three to one.

4. The disadvantages of the Province in relation to the market for its special products.

On these grounds the Conference agreed to concede a special subsidy to British Columbia of \$100,000, per annum for ten years.

It is well known history how Premier McBride refused to accept this as a final settlement and how through his instrumentality the words "final and unalterable" are not incorporated in the Imperial Statute of 1907 respecting the subsidies, and how by an amendment to the Bill in its passage through the Imperial Parliament this Island was not further shorn of its rights.

It should be noted that on the grounds on which British Columbia's claim was conceded the case of P. E. Island would have been incomparably better. But our delegates sat dumb. This was the golden opportunity for presenting to the Government of Canada, then in Conference with the representatives of all the local governments, all the claims of this Province "for larger sums than those set out in the said resolutions and for additional consideration and recognition."

Instead of this they voted to make the terms then concluded "final and unalterable."

Sir Wilfrid Laurier on the 25th of March 1907, speaking in the House of Commons, makes this point clear when he says: "The plan we proposed was that we should revise the subsidies given the Provinces with the clear intimation to them that this was to be a final settlement, that no further claim would be recognized, that each Province must carry on its affairs with the means at its command and must not have recourse to this Parliament. We thought we could not do better than have a friendly conference with the Provinces and ascertain what was the most they deemed requisite in order to prevent their coming again to Ottawa and knocking at the door of this Parliament."

The effect of the subsidy settlement is that the subsidy for Governments and Legislatures is in each case increased as follows:—

Ontario, former subsidy, \$80,000, new subsidy, \$240,000.

Quebec, former subsidy, \$70,000, new subsidy, \$240,000.

Nova Scotia, former subsidy, \$60,000, new subsidy, \$190,000.

New Brunswick, former subsidy, \$50,000, new subsidy, \$180,000.

Manitoba, former subsidy, \$50,000, new subsidy, \$180,000.

British Columbia, former subsidy, \$35,000, new subsidy, \$140,000.

P. E. Island, former subsidy, \$30,000, new subsidy, \$100,000.

Alberta, former subsidy, \$50,000, new subsidy, \$150,000.

Saskatchewan, former subsidy, \$50,000, new subsidy, \$140,000.

Total of former subsidies, \$478,000.

Total of new subsidies, \$1,610,000.

The increase which we receive on this subsidy is slightly below the average increase to the other Provinces and is the lowest amount that could possibly fall to us. It would apply to any Province that might be carved out of

the public demense however small its population. We were not named nor considered.

But on the per capita subsidy as changed under this re-arrangement we got nothing, can never get anything, and narrowly escaped losing part of what we had.

In the case of Ontario and Quebec they were formerly paid the 80 cents per capita on their population as shown by the census of 1861. The Maritime Provinces refused to come into Confederation unless this limit was imposed. They recognized then that the great advantages of the union would accrue to the large Provinces unless a limit was set to the vast revenues which they would receive from Canada with their increase of population, while the Maritime Provinces with their restricted areas would shortly reach their limit. If the distribution of the subsidies was to be by population, to use the words of Col. John Hamilton Grey, the historian of these negotiations, "the Provinces of Upper Canada would receive what they did not want, while the others (i.e. the Maritime Provinces) would not get what they did want." Agreement seemed hopeless, and on or about the tenth morning after the convention met the conviction was general that it must break up without coming to any conclusion. The terms of mutual concession and demand had been drawn to their extremest tension and silence was all around."

Then a compromise was effected by virtue of which Ontario and Quebec were to be paid the per capita subsidy on the population as shown by the census of 1861 and the Maritime Provinces on their actual population until it should reach 400,000.

It is this limit which has now been removed without any equivalent to us in any form. Ontario at once gains \$69,000 per annum by the change and Quebec \$429,000 to be increased every decade. With their territories multiplied by four, the expenditure of enormous sums within their boundaries for their development, and the growth of population soon to follow no man can measure the prospective value to them of this change in the Constitution. We will have no part in this except to pay our share of their enormous gain.

This concession, this increase, was made to them on the ground that the increase of population imposed upon them heavier burdens for schools, public works, agriculture, asylums, and the other urgent demands which modern conditions impose. But not a word is said about the boundless wealth of the Canadian land given to them from which already they derive millions annually in timber and mines. We in this Province unfortunately have not an increase of population, but the reverse; yet we have the same need and the same right to be paid for our increase cost of education, public works, etc., as have these wealthy and growing Provinces. Our increase since Confederation in the maintenance of these services is \$128,000 per annum which is far below the sum actually required for their efficient performance, yet we are left to struggle along unaided. To those who had been given, and from us who had not been taken away even that which we had.

CLAIM No. 7.—The Payment of the Subsidies upon an Assumed Population of at least 150,000.

In the 30 years before we entered Confederation our population had doubled, manufactures had sprung up and progress was on every hand. Then we handed our destinies over to Canada. Soon the march of progress became slower, stopped, reversed and is travelling backward still. By their failure to implement the terms of Confederation and by the great and growing drain of taxation to feed the mammoth works of Canada, the natural advantages of the Island have been overcome and better opportunities made elsewhere—hence our loss of population—a national evil that grows upon itself, and involves all losses.

If our national conditions of growth had not been impaired is there any doubt that we should have increased as rapidly as Newfoundland, during the same period? If so our population today would have reached at least 150,000 and we would have been entitled to be paid our subsidies upon that basis and would also have saved our representation.

It is outrageous that we should be penalized by Canada for the wrongs she has done us.

Other Provinces have been

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