

**THE HERALD**

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 JAMES MCISAAC,  
 Editor & Proprietor.

**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.**

**Our Provincial Finances.**

The Provincial Auditor's report on the Public Accounts of this Province for the year ended 30th. September 1907 was tabled in the Legislature on Thursday last. As usual the accounts show a deficit on the financial transactions of the year; and this notwithstanding the fact that one half of the \$70,000 increased subsidy from Ottawa had been received. The receipts for the year are set down at \$350,479.09 and the expenditure at \$361,158.94. These figures at once show a deficit of \$10,679.85. To this must be added accrued interest on loans amounting to \$11,004.33. This on the face of the accounts brings the deficit for the last fiscal year up to \$21,684.18. But this is not by any means all the unliquidated liability created by the Government during the year. The Public Works report shows a balance on unfinished contracts amounting to \$43,304.33. This brings the Government's liabilities beyond their revenue up to \$64,788.51.

As usual the expenditure is divided into ordinary and capital and this affords an opportunity for some "cooking" of the accounts. This is evident in the matter of the Prince County Court House and Jail at Summerside. The building was destroyed by fire and the Government received \$5,000 insurance on it. This amount they placed to credit of ordinary revenue; but the sum of \$4,980, paid out by the Government for rebuilding was charged to capital expenditure. This is simply a fraud to make the ordinary receipts appear greater by \$5,000 than they really are. The court house building was an asset of the Province, and could therefore be placed to the credit of capital account. But when it was burned that much of the capital was wiped out. The replacing of the building did not add anything to the capital of the Province, it was only bringing the capital up to what it was before the fire; therefore any money spent thereon should be charged to ordinary expenditure, just as the money received for insurance was placed to the credit of ordinary revenue.

The debt of the Province on the 30th. September is set down in the accounts as \$801,022.47, and is made up as follows: Debenture debt \$217,541.69; Loan account \$474,069.63; due to Banks \$109,411.15. But to this we must add the accrued interest on loans, and the amount for unfinished contracts above referred to, both together amounting to \$54,308.56. This would bring the debt up to \$855,331.13. We may be sure this is under the mark as many other items are sure to have been held over when the accounts were closed. There is for instance the quarter's salary to teachers, falling due on the 30th September and paid within a few days thereafter.

In the table of expenditures the amount of \$31,531.15 is set down as the interest paid on the Provincial debt last year. To this must be added

the interest accrued on loans, above referred to. This brings the interest charge up to \$42,535.48, a pretty formidable amount. A little more and it will take all of the increased subsidy to pay the interest on our debt. The interest charge is a pretty fair measure of a debt. We do not know what is the average rate of interest paid by the Government. On some of the debentures 4 per cent is paid and on others 3½ per cent. They pay four per cent on call loans; if we mistake not; but we do not know what they pay to the Banks. It is said to be as high as seven per cent. Putting the average rate at five per cent, which is certainly a high average, the debt is fully up to the figures given above viz. \$855,331.13. If the average interest is below five per cent, then the debt is greater still. In any event we may be sure the Provincial debt is not far from \$900,000. We shall have occasion to refer to different phases of our Provincial finances from time to time; but meanwhile we think the figures here given prove beyond the possibility of cavil that our Provincial Government, in their last year's financial transactions, have well sustained their reputation for creating deficits, piling up the interest, and rolling up a huge mountain of public debt.

**New Brunswick Elections**

As stated in our last issue, the elections in New Brunswick, on the 3rd. inst., resulted in the overwhelming defeat of the Liberal Robinson Government by the Conservatives under the Leadership of Mr. J. D. Hazen. Hazen won thirty one straight Opposition seats, and besides these three independents were elected in Gloucester, who will probably support the new Government. This would give them a majority of 22 in a full House.

The victory won by Mr. Hazen was remarkable in many respects. In the last House the Opposition led by Mr. Hazen, numbered only 11, giving the Government a majority of 24. As will be seen from the figures above quoted, these figures have practically been reversed, the new Government having almost as large a majority as their opponents had in the last House. A consideration of this reversal will show how herculean was the task of the Opposition and how sweeping was their victory. The victory achieved by Mr. Hazen and his followers was remarkable, not only as a complete withdrawal of confidence from the Robinson Government, but also for the tremendous majorities by which the Opposition candidates were elected in the different constituencies. The majorities ranged all the way from 200 to 1,200. In St. John City the four Opposition men were returned with over 500 majority, and in York County, which includes Fredericton, where four Liberals were elected five years ago, with majorities of 800, the four Hazen candidates were returned on this occasion with majorities of over 1,200. A most gratifying feature of the vote was its uniformity; that is to say, that there was no splitting; every member of the ticket receiving almost the same number of votes. All this shows the people were in earnest, and were determined that the Government should go. Four members of the Executive are among the slain. They are the Provincial Secretary; the Solicitor General; the Commissioner of Agriculture and a member without portfolio.

Let us now see what were the forces arrayed against the Opposition and what were the odds over which they won

such a splendid victory. There was first the influence and power of the Provincial Government, whatever those counted for; next there were the power and prestige of the Dominion Government, who made the fight their own. Mr. Pugsley, Minister of Public Works in the Laurier Government who a year ago was Premier of New Brunswick, came down from Ottawa, instead of attending to the important duties of his office, and went into the thick of the fight. He was most lavish in his promises of financial aid from the Federal treasury. He promised that, if the Robinson Government were sustained, New Brunswick would get its share of the Halifax fishery award \$2,000,000. He promised that the Federal Government would construct numerous large and expensive public works at and near St. John, and would take over the wharves at almost every port in the Province. These are only a fraction of the promises he made and the financial bribes he held out to the electorate of New Brunswick in return for support for the Robinson Government. Mr. Emmerson, the would be slayer of the "Beasts of Ephesus" was meandering round the Province, telling the people the Federal Government were going to take over all the local branch Railways and thus relieve the Province of their support, besides paying well for them. All the other Liberal members of the Commons and Senate from New Brunswick were in the Province during the campaign, exerting every energy and holding out every inducement in favor of the Robinson Government. Not satisfied with what they could do themselves, they brought with them French members from Quebec to harrangue and beguile, if possible, their compatriots in different sections. But to the everlasting honor of the electors of New Brunswick, they repudiated all these blandishments, and repelled these insults, and went to the polls as independent men and sent the Government into well deserved political oblivion.

A few months ago, when Mr. Pugsley became Minister of Public Works, the Conservatives of St. John courteously allowed him to take his election without opposition. In view of this fact, it might be expected that he would keep his nose out of the Provincial election. But Mr. Pugsley wanted to show his friends at Ottawa what a power he was in New Brunswick. Now he goes back discredited and humiliated, and denuded of every vestige of power and influence.

The outgoing Government was thoroughly discredited throughout the Province. By its wretched legislation, its recklessness and maladministration, it had completely forfeited the confidence of the people, and the electors stood prepared for its overthrow, whenever the opportunity offered. Mr. Pugsley, knew this; the other Liberal Senators and Commons knew this, and the Government press were not unaware of it. But in face of all this, they appealed, in the most scandalous manner, to the avarice and the mercenary instincts of the people, to support this unworthy moribund aggregation. The electorate of New Brunswick were determined to turn out this rotten Provincial administration; but the members, friends and supporters of the Ottawa Government scrupled not to insult the intelligence of the people, by appealing for support on the ground that two Governments, capable of dispensing large patronage, should not be opposed. The appeal to the people by the friends of the Government was to the effect that the Governments

are the masters and not the servants of the people. The argument presented by the Government supporters and the Government press was of the most deceptive kind. It was simply an attempt to dazzle the people by promises of financial bribes and gigantic public works, in the hope of preventing the electors from realizing their own power. The whole business was a scandalous prostitution of the powers delegated to the Government by the people. But the electors of New Brunswick have taught these impostors a lesson; they have reminded them that the people are masters; that they make and break Governments, and that Governments are the servants of the people, to whom they must render account.

The lesson of the New Brunswick elections should be pondered by the electors of this Province. We have just as had a Government as they had over there; and the Government press here is equally as unscrupulous as that of New Brunswick. The Patriot loses no opportunity of distorting facts and in every other way attempting to conceal from its readers the true state of public matters in this Province. Let the people always bear in mind that they are the masters, and that no Government exists except by the will of the people.

Since Mr. Hazen won his splendid victory, apologists of the late New Brunswick Government have been striving to mitigate the humilities of their crushing defeat by insisting that the contest had no significance, so far as Federal politics is concerned; that the Robinson Government was a coalition, embracing members of both political parties. This unfounded contention would be sufficiently answered by pointing to the part taken in the campaign by Mr. Pugsley and the other Liberal members of Parliament from New Brunswick. But we have ready at hand more positive evidence than even this, of the light in which the fight was viewed by the Liberals of New Brunswick. The St. John Sun, the leading Liberal organ in that Province, made this declaration on February 29th, three days before the election: "For Liberals as a party this campaign has a new significance. For the first time the Provincial Government is straight Liberal in personnel, sympathy and affiliations, and makes its first appeal upon straight party lines. Its defeat would mean Liberal disaster. It would be hailed all over Canada as a great Conservative victory, as evidence that Laurier was losing his hold, that a tidal wave was foraging in the Maritime Provinces which would later sweep him from power." We have nothing to add to this, except to concur and to rejoice in the fact that the Sun's worst fears were fully realized. We congratulate Mr. Hazen on the splendid victory he has won, and hope that he may be spared for many years to give New Brunswick good, clean and honest government.

**Sessional Notes.**

The Government, under the new Premier, does not seem to have improved in the matter of economizing time. This will readily be seen from the fact that over two weeks have elapsed since the Legislature opened, and practically nothing has been done beyond adopting the address in reply to the Lieutenant Governor's speech.

After routine proceedings on Monday 2d Hon. Mr. Reid continued the debate on the address. He was followed by Mr. Morson who in a vigorous speech severely arraigned the Government for their numerous shortcomings. He pointed out that the Liberals deserved no credit for the prosperity of Canada. This prosperity had its source, not in the administration of the last ten or twelve years, but in its extraordinary natural resources and in the fact that Sir John Macdonald and his colleagues had, in spite of the Liberals, built the Canadian Pacific Railway and established the national policy. While Sir John Macdonald and his associate Conservatives were thus working for Canada, what were the Liberals doing? They were doing what the Conservatives never did. They were preaching blue ruin and decrying Canada. But once in office they adopted and are now carrying out the policy of their predecessors. They knew very well that Canada's salvation was bound up in the Protective Policy and they did not dare attempt to do away with it, as they had promised before coming into power. They knew all this very well before 1904; so that their free trade shibboleth was simply a deception and

a snare. Referring to the increased subsidies, Mr. Morson showed that we had nothing to thank the Government for in this connection. For receiving the per capita subsidy on the maximum population, the people of this Province are indebted to the Opposition in the Legislature, and to Premier McBride of British Columbia. The Government at Ottawa and the Government of this Province failed to safeguard Prince Edward Island in this respect. When Mr. McBride went to London to look after the interests of his Province, he was asked by our Local Opposition to interest himself in behalf of our Province. Had it not been for this we should have lost about \$3,700 per year on our per capita subsidy. The proof of this was to be found in subsection 8 of the statute passed by the Imperial Parliament amending the British North America Act. This subsection was put in on the representation of Mr. McBride and was as follows: "(8) In the case of the Province of British Columbia and Prince Edward Island the amount paid on account of the grant payable per head of the population to the Province, under this Act, shall not at any time be less than the amount of the corresponding grant payable at the commencement of this Act; and if it is found at any decennial census, that the population of the Province has decreased since the last decennial census, the amount paid on account of the grant shall not be decreased below the amount then payable, notwithstanding the decrease of population."

In face of such evidence as this, it was little use for the Government members to argue that they had safeguarded our rights in this matter. The Federal Government were bound to make the amending Act "final and unalterable"; but the vigilance of the Opposition here and at Ottawa, coupled with the good offices of Mr. McBride, saved us. Mr. Morson next directed attention to the dangerous state of our Provincial debt. Most of the debt was "on call," and this left us at the mercy of the money lenders. If the Government had issued debentures payable at a certain distant future date, we would not now be in this position. There was a financial stringency last fall, and the result was that the banks came down on the Government, and now they are paying interest at the rate of 6 per cent, compounded every month, equal to 7 per cent per annum. The Government's conduct in the matter of our fisheries next came under review. Mr. Morson and Mr. Farquharson had laid a claim to \$5,000,000, on account of the failure of the Dominion Government to carry out the terms of Confederation; but they afterwards sold out this claim for \$30,000 a year. The failure of the Government to exercise proper vigilance to prevent small pox from visiting the Province; the retrograde movement of the Government in removing the teacher of Agriculture from Prince of Wales College, which they were afterwards forced to correct, and many other shortcomings came in for criticism.

Hon. Mr. Hughes followed for the Government. Mr. Prowse, for the Opposition, severely criticized the Government. He joined in the expressions of regret for the death of Hon. Mr. Gordon, Hon. Mr. Peters, and other members of the House who had passed away during late years. A member of the Government who had enumerated the members who had passed away recently, had overlooked one name—that of Mr. Pines, who had, at one time, rendered valuable service to the party. Was his name purposely forgotten? There certainly was cause for thankfulness, he said, for the abundant harvest and other products of the people's labor last year. He failed to see, however, that the Liberals are entitled to any credit for these, or for any other cause of the country's prosperity. They had not inaugurated Free Trade, which was their principal cry for many years. Canada's prosperity was due to the Conservatives, who laid deep and solid national foundations. In the railway and national policies of the Conservatives lie the reasons why Canada is attracting immigrants and making advances. With the great national resources opened up by civilization, it would be wonderful indeed if the country were not prosperous. Still there is room for improvement all round. Why have the Liberals in this Province not taken some steps to retard the exodus? They have been in power for seventeen years, but during all that time the people have been continually going away from the Province. Nothing has been done to develop our resources; nothing has been done to improve our educational system; everything has been allowed just to drift along. All these things are true, and our debt has been piled up, because the men of the Liberal party have been looking after their own interests, rather than the good of the Province. Mr. Prowse also directed attention to the snailly question, showing how the Government had persistently, but vainly, tried to make it "final and unalterable." Why, he asked, did the Government fail to bring the arrangement made at the Conference with regard to the Commercial Travellers tax. Mr. Clarke followed on the Government side and moved the adjournment of the debate. The House then adjourned.

When the House met on Tuesday afternoon, Mr. Clarke resumed his speech. At the conclusion of his speech, the House went into committee on the address, Mr. Agnew in the chair. On the clause referring to public education, Mr. Mathieson made a strong speech in favor of revision of the present Educational system. Mr. Prowse followed along the same lines, and concluded his speech by moving, seconded by Mr. Wood, that it be Resolved, "That the following words be added to paragraph five of said address after the word results: and we desire to assure your Honor that immediate action will be taken to provide a thorough normal training for the teaching profession in this Province."

The Government had no argument to meet the contentions of this resolution; they simply voted it down.

Mr. Prowse moved, seconded by Mr. Kickham, that all words after the word "Honour" in the first line of the sixth paragraph be struck out, and the following substituted in lieu thereof: "In approving of the increase of subsidy obtained by this Province for the maintenance of its Government and legislature, under which head this Province has received equal justice with the other Provinces of Canada; but we regret that upon the second ground of increase namely to meet the increased cost of Education, Public Works, Maintenance of Asylums and upon other grounds, the claims of this Province to obtain a further increase of subsidy equivalent to that obtained by the other Provinces of Canada were not recognized nor even presented."

Mr. Mathieson pointed out in the first place, that the paragraph relating to increased subsidy and the one in reply thereto in the address in reply expressed satisfaction with the subsidy adjustment as a whole. Mr. Hughes had ventured the opinion that the Provincial affairs could hereafter be carried out without recourse to direct taxation. But the fact is, taking one year without another, the present Government has created deficits of above \$70,000, although taxation has been applied to all classes of the people. The stand taken by the Opposition last session, and everything they said or did, have been amply justified by events. The Imperial Parliament refused to follow the terms of the address of the Dominion Parliament. Had they not taken this course we should have lost the right to payment of our per capita subsidy on our maximum population. It was the House of Lords that preserved that right. The bill went through the Commons, with the words "final and unalterable," contained in the address. In the Lords, the Earl of Elgin, Colonial Secretary, moved two amendments that saved us. Nothing the Government here did helped us. Our great complaint is that the Government failed to demand a sufficient amount. We get a little less than the average of all the Provinces, for Government and legislation; while on the other ground of increase we got nothing at all. Ontario got over \$600,000. Quebec got nearly \$500,000, and there are increases along the line. Prince Edward Island alone gets nothing on accounts of increased cost of public works, education, asylums etc. We have need of increases for these; they are costing us more and more; but we got nothing. The Federal Government was not asked for anything; therefore we got nothing. At Confederation the taxation of the people of Canada was \$17,000,000; now it is five times that sum. Our interests were never considered of any account. At the conference of 1902, Mr. Ross, then Premier of Ontario, saw the inequality and injustice the smaller Provinces were suffering from the proposed arrangement. He submitted a resolution making the smallest payment to any Province for government and legislation \$200,000, and the maximum \$300,000. A committee was appointed to consider the resolution, and a member from Prince Edward Island was on that committee. What did they do? They brought in a report condemning the proposed plan. It will thus be seen that we might just as well have had \$100,000 more than we received. Our taxes to the Federal treasury are three to one what they were at Confederation; but the money has gone to build up the west. The amount we received was arranged by the scale adopted at the Quebec conference of 1887, and we would have received it, suppose we had no delegates at the Ottawa conference. What a contrast between our delegates and Premier McBride of British Columbia. He was not satisfied, although \$100,000 additional for ten years were allowed to his Province. Our delegates were in favor of the arrangement being "final and unalterable"; but Mr. McBride, by having subsection 8 incorporated in the amending bill saved us. Saskatchewan and Alberta, were allowed a population of 350,000, although they had only about 82,000. By the readjustment one of these Provinces got \$100,000 of an increase, and the other \$130,000. We could not have fared worse, and this had bargain, our delegates did their best to make "final and unalterable."

The address was reported from committee on Wednesday, and presented to his Honor, the Lieut. Governor on Thursday. The House adjourned for the week on Friday at noon.

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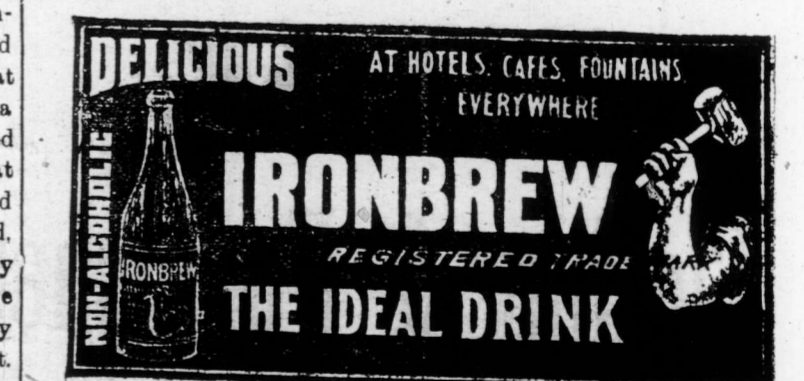
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