

PREMIER STEWART'S MASTERLY REPLY

(Continued from page one)

these Provinces, he report goes to show that the never did anything. As a matter of fact we do not know that any move was ever made by these gentlemen. That was the period during which the Maritime Provinces were under Liberal rule from one end to the other. Absolutely nothing was done, and that is just what we would expect (Applause).

Another statement of Hon. Mr. Graham's reply to my hon. friend was that the latter should be referred to the Provincial authorities. I will come to that a little later. I want first to say that we had this matter in 1924. When a conference was called at Ottawa of Provincial Secretaries, in November of that year, I sent a telegram to Hon. Mr. Graham, just before the conference, and received the following reply: It is dated Nov. 7, 1924, addressed to myself, Charlottetown.

"Reference your message it is not the intention to discuss Railway taxation on Tuesday next."

GEORGE P. GRAHAM. I had asked at that time the Minister of Railways, who was partly instrumental in calling this conference, to have this matter placed on the agenda for discussion at the conference; and there is his reply that it would not be discussed. That was practically a year before it was brought up by the Railway Committee of the House of Commons, according to the extract read by my hon. friend.

MR. SAUNDERS: That is not correct; it was in 1923 when Mr. Graham was doing the talking. He said three years before this it had been brought up by Mr. Rouel.

PREMIER STEWART: You read that he had communication with the Provincial Premiers in 1923, who apparently did nothing. Mr. Rouel is chief counsel for Canadian National Railways, the legal Vice-President. I have some communications from Mr. Rouel which I will read later. I had been endeavoring, as I will show, to have a general inter-provincial conference called, because I had learned that that was the only way in which this matter could be disposed of by an agreement between the Provinces. Some of the provinces were already receiving this taxation. Other provinces, more especially the Maritime Provinces, wished to get their share and a distribution could not be made without an agreement between all the Provinces. On the 8th of March, 1926, I wrote Mr. Rouel with regard to that, as follows:—

Dear sir:—I understand the matter of permitting the provinces to tax the Canadian National Railways has been under consideration for some time. I would be very grateful to be informed just what progress is being made, and what course, if any, will be taken. Yours faithfully, J. D. STEWART.

And I have a reply here from Mr. Rouel dated March 12th, 1926, which is long. It is not necessary for me to read it, except the last paragraph. He explains the situation in a general way, as I have already outlined, then he says:— "My own view is that we will never get anywhere through discussion with the Provinces individually, and that it would be expedient that representatives of all the Provinces should get together and discuss the question amicably with the Dominion Government, with the view of equalization."

That was his view at that time. Here is my reply to him, dated the 17th of March, 1926:— "I wish to thank you for your letter of the 12th instant re Provincial Taxation. I may say that before receiving your letter I wrote to the Premier of Ontario and Quebec asking that a joint inter-provincial conference should be held as soon as the sittings of the Provincial Legislatures are over. That, I think, would be the proper time to take up and settle this matter so far as the Provinces are concerned. I gather that you agree upon the basis of claim as being the Federal Government."

And I wrote on May 27th, in the meantime the Provincial Conference had been arranged for. With further reference to the matter of Railway Taxation, Dear Sir:—An inter-provincial conference will be held in Ottawa on the 7th, June next. Would that not be a good opportunity of settling the above matter? Yours faithfully, J. D. STEWART.

Mr. Rouel on the 31st of May replied to me as follows:— "Re Railway Taxation. I have your letter of the 27th inst. with regard to the inter-provincial conference to be held in Ottawa on the 7th of June, and am sending it to Major Bell. Yours Truly, GERARD ROUEL.

Major Bell, I may explain, is the Deputy Minister of Railways. On the 2nd of June I received his wife from Major Bell:— "Mr. Rouel, Vice-President, Canadian National Railways, has sent me a copy of your letter to him re Railway Taxation. Will be pleased to take

the records in your office he made strenuous effort to secure our claims. PREMIER STEWART: I will tell my hon. friend most emphatically that there were very few records of any kind left there. I searched diligently and I had to go over a great deal of work that I should not have had to go over if those records were there that should have been there. THOSE RECORDS WERE GONE! He will need a powerful microscope to find any of Mr. Bell's records of anything that he did to present those claims. (Loud Applause.) (Mr. Saunders did not reply.)

Inter-Provincial Conference I am now going to show you, Mr. Speaker, what efforts I made to have the Inter-provincial Conference called. When we came into office we found this situation: Politically there was an adverse Government at Ottawa. Facing the situation from this point the most effective method would probably be to approach the Federal Government with a comprehensive scheme of dealing with all the Provinces. In other words, we would be much more likely to succeed if we had behind us the support of all the other Provincial Governments. With that in view I began quite early to have an inter-provincial conference arranged, because previously on very many occasions the matter of subsidies had been dealt with in this way; more than one that resulted in increase of subsidy to one or more Provinces, and on one occasion, in 1907, in a complete readjustment. In December, 1923, a couple of months after taking office, I wrote to Premier Ferguson of Ontario. At that time, I want you to note, Premier Ferguson and myself were the only Conservative Premiers in Canada:—

Charlottetown, P. E. I., Dec. 27th, 1923. My dear Mr. Ferguson: You will remember that when we were in Quebec we had a sort of tentative arrangement that an inter-provincial conference should be held some time in the near future. We here in the Maritimes have been giving this matter further consideration and are most anxious that such a conference should be held. I suppose it is impossible now to have it before the sessions of our several Legislatures. Would the month of May be a suitable time? I would be very glad to have an expression of your opinion. I think you will remember that yourself and Mr. Taschereau agreed that you would call this conference when the time was arranged. Yours faithfully, J. D. STEWART.

At the last inter-provincial conference, I think in 1917 or 1918, a resolution was passed that future conferences should be called upon the joint request of the Premiers of Quebec and Ontario. That is why, when I had the conference with the two of them at Quebec, in October 1923 I put that matter to them. I have a reply back, dated Jan. 3rd, 1924, from Premier Ferguson:—

Dear Mr. Stewart: I quite well remember the understanding at Quebec that there should be some further inter-provincial conference arranged, and the month of May, as you suggest, would be satisfactory to me if the arrangements were made for about the first of May.

Prompted by your letter, I am writing Mr. Taschereau today asking him for his view, and suggesting that we call such a conference together. Yours faithfully, G. H. FERGUSON.

Again in March I wrote:— March 11th, 1924 My dear Premier Ferguson: While I am very loath to trouble you during your session, I am anxious to know as definitely as possible whether or not we can count on an inter-provincial conference in May coming.

We are just now entering upon our legislative session here and a definite knowledge on this matter would be valuable to me. Yours faithfully, J. D. STEWART.

I have his reply, March 14th, the same year:— My dear Mr. Stewart: I have before me your letter of the 11th instant. I am very much interested in the proposed inter-provincial conference. I am writing the various Prime Ministers to get their views upon the subject, and asking them what matters they suggest that would be brought before such a conference. I hope to be able to arrange it in the early part of May, as you will remember that is the date we tentatively agreed upon, should such a conference be arranged. I hope that you will have a very successful session. Yours faithfully, G. H. FERGUSON.

That conference did not materialize. It was put off until the fall, and I wrote again on October 1st with regard to it:— My dear Mr. Ferguson: Without appearing troublesome I would like again to mention the proposed inter-provincial conference. You will remember that we had some previous correspondence in this matter and that you were good enough to say that you would "take the lead in having the conference called this autumn. There are quite a number of matters which I think would be very profitably dealt with.

"Railway taxation is another subject; also a clearer definition of the line of demarcation between Federal and Provincial powers of taxation." I think I have established the statement I made to begin with. (Loud applause.) What I do claim credit for is the calling of

I know that the matter of Railway taxation has been engaging the attention of the Federal Department of Railways and an inter-provincial conference has been proposed in that connection. I would be very glad to hear from you concerning the whole matter at your convenience. (With kindest personal regards. Yours faithfully, J. D. STEWART.

Further Action By Premier Stewart. There, you see, the matter was mentioned again with regard to Railway taxation. So the correspondence goes on, until finally it was dropped because of the inability or refusal of one of the other Premiers to attend.

Mr. Saunders Corrected. My hon. friend has made another charge: that in the brief which I presented to the Federal Government at Ottawa no mention is made of Railway taxation. Of course I may say, in extenuation of my hon. friend, that he did not know the facts. Otherwise, I am sure he would not have made that statement, because the matter of Railway taxation was absolutely and finally disposed of during the conference. That brief which he referred to was not prepared, not a word of it was written, until the inter-provincial conference was called and the matter of Railway Taxation disposed of. Why should I put an item in my brief which had already been decided and where we had the absolute promise of the money? (Applause.) My colleagues, Messrs. Aasenault and Pope, will bear me out when I say that immediately after the conference was over and the promise was received, we began to prepare the brief to be presented to the Federal Government from our material and from the research work I did while I was at Ottawa. I do not think there is very much more that I can say on this subject. You know the history of the matter. I think my hon. friend gives me great credit for appointing the Duncan Commission. Let us look briefly at the circumstances. Why did the Federal Government appoint this Commission? Why did they not appoint the Commission earlier? Was there anything that happened in the Maritime Provinces by which the conditions requiring amelioration were precipitated? Were the conditions gradually growing worse? We know that in the Province of Nova Scotia they had been growing worse for thirty years, and that the Liberal Government had done nothing to keep up the accumulation of those grievances that brought the matter to a head. Nova Scotia and New Brunswick, like Prince Edward Island, had been under Liberal rule from 1919 to 1923. The conditions then required amelioration, as greatly as they did subsequently, but no such thing was done by these Provincial Governments and nothing was done by the Liberal Government at Ottawa. They showed no interest whatever in Maritime matters.

Conservative Pressure. What happened? There was a great storm in the Maritime Provinces. And what resulted from that storm? The result was the sending to Ottawa of a solid body of Conservatives from Nova Scotia and New Brunswick and the election of three Conservative Governments in the Maritime Provinces. (Applause.) What does that show? One thing it showed very clearly, that the people were sick and tired of Liberal misrule and that they were looking to the Conservatives to bring about the necessary reforms.

What brought about these reforms? Simply this:—the insistence in season and out of season, of that solid Maritime phalanx in the House of Commons, until they simply drove the Liberal Government to take the action which they did. (Applause.) It is very recent history. We have all read the speeches delivered in the House of Commons by those Conservative representatives. We remember how on every occasion those matters of Maritime Rights were interjected until, in the Provincial campaigns and knowing another Federal election would come shortly, the Liberal Government at Ottawa were practically driven to take some step to ameliorate the conditions, just as my hon. friends were driven in this Province to raise the teachers' salaries.

MR. SAUNDERS: You couldn't be driven when you were there. PREMIER STEWART: We took the first step. But there was this difference between the teachers of this Province had some faith in us and they were willing to wait. They didn't wait long for you; they knew you too well! (Laughter and applause.) I was speaking about the causes which led up to the appointment of the Duncan Commission when my hon. friend interrupted me. I think it is very near to every reading and thinking person just why the Commission was appointed. My hon. friend said that just when the Prime Minister came to Halifax in 1925 and asked that famous question, "What are Maritime rights?" he did so in order to answer it. But did he give the same answer that the Duncan Commission gave in their report? I would like my hon. friend to ponder over that.

Praise to Commissioners. As he said, the Duncan report was made; and I have nothing but admiration for all the members of the Commission. It is not necessary for me to make any statement in this House with regard to the report. It is a masterpiece of logic and common sense, and it is a masterpiece of logic and common sense, and it is a masterpiece of logic and common sense.

As a result of that correspondence Premier Ferguson began to consult the other Provincial Premiers in regard to the proposed conference, and it finally ended in the conference being called. I do not think it is necessary that I should continue reading all this correspondence. However, I had a telegram from Premier Ferguson during the short time he was here, showing his immense ability, his wonderful power of penetration, all the solid qualities of a business man and of an able lawyer which enabled him in such a short time to get a proper insight into the conditions here and to suggest such a complete remedy.

I also cannot heartily in my hon. friend's case about Mr. Cyrus McGibbon. It is shown himself a true Islander. We all warmly admired him and knew that he was one of our great Islanders abroad. But he has added greatly

to his fame by his hard work and fair-minded support of this Province during the time he was acting on that Commission. (Applause.) I am not going to make any remark about the form or matter of my brief presented before the Commission. The facts and arguments presented are open to examination. I have only this to say, that whatever ability I may possess I put into the preparation of that report. The important thing is that we got our presentation before the Commission and that we had men who had the ability and the fair-mindedness to recommend the things we needed in these Maritime Provinces; the things which, if implemented, will put these Provinces "on the Map" and will put us on the road to that prosperity which we desperately look for within Confederation.

I do not think I need take up very much of the time of the House in referring to the other matters discussed by the Leader of the Opposition. He spoke of Agriculture, and complained of there being no "advanced legislation." I do not know of any very advanced legislation enacted by his party when in power along the lines of agriculture. I do not know that this Province requires "advanced" legislation, whatever he may mean by that; terms, I think what the Department of Agriculture requires here, just as other departments of the Government, in its sane, steady administration; and that, I submit, we have had. I think the best evidence of this is the present condition of our Province. I do not think that at any time in our history have the farmers been so prosperous, so contented, so satisfied, with their condition as at the present time. Why should we, with a condition of that kind, begin putting through revolutionary advanced legislations? (Applause.)

Practical short courses My hon. friend has again gone into the subject of the Technical School. I think I might very well apply that favorite term of his,—"chestnuts"—to that; he has gone over the subject so often. He knows very well that the Liberal Government at Ottawa has handed so highly discontinued the grant for agricultural education. But apart from that altogether I think I voice the sentiments of the farming population of this Province when I say that we do not want an institution here of such an elaborate nature, with such an expenditure as was necessary to keep up the Technical School. I think what they want is practical training, and it is generally admitted now by everyone who takes an interest in the matter that the training most valuable to the sons of our farmers is the training that can be given by means of short courses. These we may carry on, and with a considerable degree of success.

Reference was made by my hon. friend to the splendid carpenter work done in that institution. If he had attended the closing of the Short Courses held here a few days ago, he would have seen just as good work, and with very much less expense to the Province. (He also spoke of the \$2,000 dairy plant that was at the Technical School, and asked about its present condition. I may tell him that these things are in perfectly safe keeping. If he wishes to know about them he knows the method to follow. He may put a question on the Order Paper and I trust the information will be satisfactory even to him.)

As for his concern that our dairy products will decline in quality under the present policy of the Department of Agriculture, we have this statement from what I believe to be a very competent authority: The years following the operation of the Dairy School were the years we had the lowest percentage of No. 1 cheese and butter in the Island, we ever had, about 50 per cent.

Progress in Dairying That is the statement of a gentleman whose opinion, I think, would be placed very much higher than the opinion of my hon. friend. (Applause.) As a matter of fact, while we had for some three years the use of that Dairy School we had no outward evidence of advance at all; but now that we have been three years without it, we have succeeded in obtaining the enviable position of being first in Canada with regard to butter, and, as my hon. friend says himself, second with regard to quality of cheese production. Fortunately we have a very competent dairy instructor, perhaps the most competent man in Canada; a man who has proven his worth and value in the two or three years he has been here; and that man, instead of frittering away his time in a Technical School, goes around from factory to factory and gives the farmers his lessons and shows him just what to do on the spot. That is the reason why this year we have raised the quality to such perfection in our production of butter and cheese.

I do not think there were very many other faults that my hon. friend attempted to find with regard to Agriculture. He spent some time in boasting about the Falconwood herd. But that did not come about by "advanced legislation." I will not spend any time in dealing with his financial criticism, because that will come up in the Budget debate. However, he has returned to the fox-ming industry, and he has rather criticised the mover of the Resolution for making any reference to it. He denied that the Government was entitled to any credit for establishing the experiment station. He said that we dropped the matter, and that the Association had to come to our rescue. That is not correct. We put the amount asked for in the Estimates and we were prepared to put it through; but the Association for

the purpose came to us and volunteered to relieve this Province of that expenditure. Would you like to estimate its length if we turned them down and expend the money of the Province if we did not need to? If we did that he would be the first to rise to his feet in criticism of our action. I am not going to deal with these other "old chestnuts" of his—paying bills of the Bell Government, making contributions to the former Lieutenant Governor; because we have heard these things so often and they have been answered so often that I would be ashamed to waste the time of this House with further reference to them.



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