

## The Patriot's Volte Face

(Continued from page 1)

administration for failing to carry out its pre-election promise to participate in the King Government's old age pensions scheme, it assured its readers that the cost to this Province would be "around \$300,000 if not more." Now that it is politically expedient to minimize as much as possible the advantage of the Conservative policy by which the Federal Government would assume full cost of these pensions, the \$300,000 dwindles over night to \$100,000. Such a barefaced somersault is unprecedented even in Liberal election propaganda. The Patriot was in as good a position to make an accurate calculation last April as it is today. Here are the two statements made by our contemporary. We shall leave it for the electors to judge which was the most likely to be inspired by political considerations:

The Patriot  
April 14, 1930  
"According to the figures given in the Canada Year Book for 1929 the proportion per thousand of population of people seventy years of age and over in New Brunswick is 32.53, and in Prince Edward Island 39.24. This would give, roughly speaking, between five thousand and six thousand people in this Province of seventy years of age and over. IT IS DIFFICULT TO SAY HOW MANY OF THESE WOULD BE ELIGIBLE FOR PENSIONS. In New Brunswick nearly 40 per cent. of the 16,000 persons are eligible and the cost to the Province is nearly a million dollars. ASSUMING THAT 50 PER CENT. OF THE 5,000 IN PRINCE EDWARD ISLAND ARE ELIGIBLE AND THEY ARE BEING PAID THE SAME PROPORTION AS IN NEW BRUNSWICK, THE COST TO THE PROVINCE OF PRINCE EDWARD ISLAND WOULD BE AROUND \$300,000 A YEAR IF NOT MORE."

The Patriot  
April 15, 1930  
"We noticed that the Tory organ this morning quite characteristically misquotes us and tries to give the impression that that would be the total cost of old age pensions including the payment to be made by the Federal Government. The latter will pay fifty per cent. of these pensions so that if the figures for New Brunswick are applicable here in the same proportion."

The Patriot  
June 20, 1930  
"In that article written some months ago it is estimated that the cost to the province would be around \$300,000. This was based on the assumption that there were about five thousand persons in Prince Edward Island over the age of seventy and that about fifty per cent were eligible. "Since then we have given the matter further investigation and find from statistics that the proportion of persons eligible for pensions throughout Canada would be little over twenty per cent of those over the age of seventy. In Prince Edward Island, there is a high standard of prosperity than in any other province and it would be safe to place the figures at twenty per cent which would bring the number of eligible to about a thousand. Taking the average payments at around two hundred dollars a year for the payments range from \$140 to \$240. "This would mean an expenditure of \$200,000 for this Island, of which our share under the present plan in force would be \$100,000."

tion. THE TOTAL COST IN THIS PROVINCE WOULD BE \$600,000, \$300,000 BY THE FEDERAL GOVERNMENT AND \$300,000 BY THE PROVINCE."

### Will Solve Highway Problem

The Conservative Party in Parliament has stood consistently and energetically for Federal aid for highways, and a renewal of generous grants for this purpose.

In a statement to the electors, just published, Hon. W. A. Black and Felix P. Quinn, are definite and emphatic in this pledge—Federal aid for main trunk roads, in order that provincial money may be released for use on the secondary roads of the Province.

In his "keynote" speech at Winnipeg a few days ago, Hon. R. B. Bennett, in addition to his party's stand in Parliament on the question of Federal aid for highways, pledged "the establishment of a National Highways System."

Our own people do not have to be told how important this is. It was Sir Robert Borden who launched the great national plan of Federal aid for highways; and the failure of the present Dominion Government to continue those generous grants has been most discouraging.

For therein lies the solution of the problem of secondary roads in this Province. With adequate Federal contribution to the construction and maintenance of trunk roads, hundreds of thousands of dollars would be released to establish the kind of secondary roads our people require and deserve.

The day has gone when highways could be regarded as strictly provincial. The motor car, that modern means of rapid transit, has broken down provincial barriers, and the highways of this country today should be regarded quite as much a Federal as a provincial and municipal responsibility.

The Treasury at Ottawa has been overflowing for years, while the provinces, particularly the Maritimes, have been hard pressed to make both ends meet. The Federal Government has a DIRECT RESPONSIBILITY in this most important matter, and our own people are greatly heartened to know that one of the great parties in this Dominion is PLEDGED to this form of aid and relief.

### MR. KING'S VICIOUS PRINCIPLE

Speaking in Charlottetown on Saturday night, Premier Mackenzie King stated that he was "not averse" to consider the taking over of old age pensions as a Federal obligation. How does this statement tally with his statement in Parliament in 1929 that contributions by the Dominion Government to the Provinces for old age pensions was a "thoroughly vicious principle"? On that occasion he was asked to state his attitude. Would he say, as he said of federal grants for highway construction and agricultural training, that federal aid to the Provinces for old age pensions was a vicious principle? The Premier's reply, as reported in Hansard of that year, is given verbatim:

"MR. MACKENZIE KING: I think it is, yes. I HAVE COME TO THE CONCLUSION THAT IT IS A THOROUGHLY VICIOUS PRINCIPLE."

## THE SUBSIDY QUESTION

ONE OF THE MAIN ISSUES OF THE PRESENT FEDERAL ELECTION ACCORDING TO PREMIER MACKENZIE KING IS THE RECORD OF THE GOVERNMENT. HERE, IN CHRONOLOGICAL ORDER, IS THE RECORD OF BOTH GOVERNMENTS, FEDERAL AND PROVINCIAL, IN THE MATTER OF OUR CLAIMS FOR INCREASED SUBSIDY. LET THE ELECTORS JUDGE WHETHER THIS RECORD CAN BE RECONCILED WITH TRUTH AND SINCERITY, OR EVEN WITH COMMON SENSE:

The report of the Duncan Commission, recommending in addition to interim payments, "IMMEDIATE CONSIDERATION" of the WHOLE SUBJECT OF MARITIME SUBSIDY CLAIMS WITH A VIEW TO COMPLETE REVISION OF THE FINANCIAL ARRANGEMENTS AS BETWEEN THESE PROVINCES AND THE DOMINION GOVERNMENT, was submitted to the Mackenzie King Government in September, 1926. The interim payments were voted by Parliament in the following year:

In August, 1927, the Saunders Government took office in this Province. In November of the same year a Dominion-Provincial conference was held at Ottawa, at which the question of readjustment of provincial subsidies was discussed and favorable opinions expressed as to Prince Edward Island's right to a substantial increase.

In March, 1928, the following statement appeared in the Speech from the Throne at the opening of the Legislature:

"A conference was convened in Ottawa in the month of November last by the Dominion Government and the Governments of all the Provinces of Canada. As a result of this meeting the Dominion Government . . . is undertaking in the very near future to make a complete revision of the financial arrangements as recommended by the Duncan report. We confidently anticipate that when such a revision is made we will receive a very material increase in our subsidy."

#### MACKENZIE KING'S DENIAL

On February 18, 1929, nearly a year afterwards, Premier King, on the floor of the House of Commons, in reply to a query as to why, when the western provinces were being dealt with in the matter of subsidy claims the other provinces were ignored, said:

"FOR SOME REASON OR OTHER THE CLAIMS HAVE NOT BEEN PUT FORWARD BY THE PROVINCES."

One month later, (March 19, 1929), the following statement appeared in the Speech from the Throne at the opening of the Legislature:

"During the year my Government HAS BEEN VIGOROUSLY PRESSING OUR CLAIMS for a further increase in the subsidy which we receive from the Dominion, and has stressed the fact that in view of the apparent intention to transfer to the Western Provinces the natural resources within their boundaries, equitable treatment to all the Provinces would appear to call for some corresponding concessions to our own Province."

#### A DEFINITE PROMISE

On March 21, (two days later) in a letter to the Secretary of the Teachers' Federation, Premier Saunders wrote:

"AT A RECENT CONFERENCE IN OTTAWA, THE PRIME MINISTER AND THE MINISTER OF FINANCE AGREED TO ARRANGE FOR AN ACCOUNTING BETWEEN THE PROVINCES AND CANADA, AT WHICH TIME OUR PROVINCE WILL BE ENABLED TO MAKE A FURTHER DETAILED PRESENTATION OF OUR CLAIMS. THIS ACCOUNTING WILL TAKE PLACE NEXT FALL BEFORE A BOARD OF EXPERTS. We are hopeful that, after this Board will have submitted its findings to the Federal Government, we will receive a substantial increase in subsidy AT THE NEXT SESSION OF PARLIAMENT."

On March 25, four days later, Hon. J. D. Stewart, leader of the Opposition, placed on the order paper in the Legislature the following question:

1. Have there been any negotiations between the Government of this Province and that of Canada during the recess of this Legislature regarding the final adjustment of provincial subsidies, or with a view to obtaining additional subsidy for this Province.
2. Table all correspondence re same.

And the following reply was tabled by Premier Saunders, March 26th:

"The subject matter is still in process of negotiation and I do not consider it in the public interest to publish the correspondence at this time."

#### HON. MR. ROBB'S ASSURANCE

In October, 1929, (according to correspondence read by Premier Saunders in the Legislature during the session of 1930) Premier Saunders wrote to Hon. J. A. Robb, Minister of Finance, in part as follows:

"When I saw you in Ottawa last spring in company with Messrs. Sinclair, Jenkins and McLean, we discussed this matter (of readjustment of subsidy claims) AND YOU ADVISED ME TO COME TO OTTAWA THIS FALL AT WHICH TIME YOU WOULD APPOINT A COMMITTEE OF EXPERTS FROM YOUR DEPARTMENT TO HEAR OUR REPRESENTATIONS. In the House of Commons last session the Prime Minister in reply to a question as to why a final adjustment had not been made with the Provinces said that claims had not been presented by the latter. This statement of the Prime Minister has often been referred to by the Opposition members of our Legislature last session, and although I refused in reply to tabled questions to divulge all that had passed between the Federal and Provincial Governments on the subsidy question on the ground of public interest, in justice to myself and in view of the Prime Minister's statement, I announced the arrangement suggested by you, namely, that I was to go to Ottawa this fall and present our case before a committee of experts to be appointed by you. YOU FURTHER SUGGESTED LAST SPRING THAT THIS PROVINCE COME ALONE RATHER THAN IN CONJUNCTION WITH THE OTHER MARITIMES."

#### MORE CONFUSION

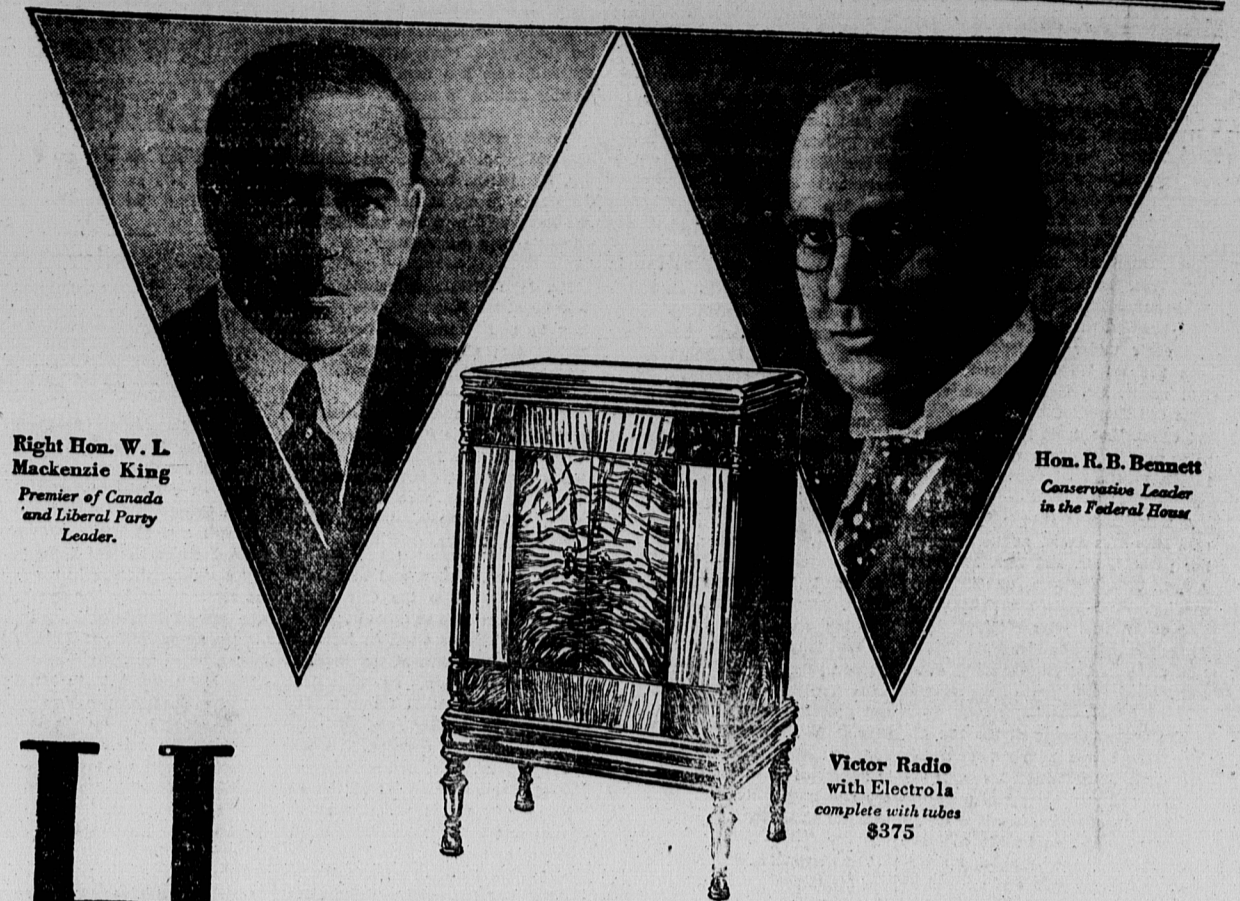
On January 25, 1930, following the return of Premier Saunders from Ottawa, the Patriot newspaper announced that a special audit board had been appointed and was now engaged in adjusting Island claims. A FEW DAYS LATER IT WAS ANNOUNCED THAT THE ADJUSTMENT WAS BEING MADE, NOT BY A SPECIAL BOARD BUT BY THE DOMINION BOARD OF AUDIT OF THE CLAIMS OF ALL THE MARITIME PROVINCES AND THAT THE REPORT OF THIS BOARD WOULD NECESSARILY BE PRELIMINARY TO AN INTER-PROVINCIAL CONFERENCE AND SUBSEQUENT RATIFICATION BY PARLIAMENT.

#### CONTRADICTORY CLAIMS

During the Session of 1930 two memorials on our subsidy claims were tabled in the Provincial Legislature. One, signed "Albert C. Saunders, Premier, Walter M. Lea, Minister of Agriculture, J. O. C. Campbell, Counsel" was for a subsidy claim of \$408,796.94. THE OTHER, ISSUED UNDER THE AUTHORITY OF "HON. W. M. LEA, ACTING PREMIER," WAS FOR A SUBSIDY CLAIM \$3,372,166.57 plus \$200,000 CASH PAYMENT FOR DAMAGES ARISING FROM EXPROPRIATION OF THE DALTON SANATORIUM AND FOR MAINTENANCE AND IMPROVEMENTS IN PUBLIC LANDS.

#### NO DELAY SUGGESTED

AT NO TIME SINCE THE SAUNDERS GOVERNMENT CAME INTO POWER WAS IT INTIMATED, EITHER BY PREMIER SAUNDERS OR ANY MEMBER OF THE PROVINCIAL OR FEDERAL GOVERNMENTS, THAT IT WOULD BE NECESSARY FOR THE MARITIME PROVINCES TO WAIT UNTIL THE CLAIMS OF THE WESTERN PROVINCES HAD BEEN SETTLED. On the contrary, it is obvious from the statements in the Speeches from the Throne in 1928 and 1929 that in accord with the recommendations of the Dun-



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can Commission, "immediate consideration" of the whole question of Maritime subsidy claims was expected. The interim subsidies were first paid to the Maritime Provinces in 1927. HAD PREMIER SAUNDERS BEEN INFORMED BY THE PRIME MINISTER IN THE FALL OF 1927 THAT IT WOULD BE ADVISABLE TO WAIT UNTIL THE QUESTION OF THE NATURAL RESOURCES OF THE WESTERN PROVINCES HAD BEEN DEALT WITH, HE WOULD CERTAINLY NOT HAVE INSERTED IN THE SPEECH FROM THE THRONE IN 1928 THAT "THE DOMINION GOVERNMENT . . . IS UNDERTAKING IN THE VERY NEAR FUTURE TO MAKE A COMPLETE REVISION OF THE FINANCIAL ARRANGEMENTS AS RECOMMENDED BY THE DUNCAN REPORT." YET EITHER PREMIER SAUNDERS HAD FULL KNOWLEDGE THAT THIS STATEMENT WAS ERRONEOUS AND MISLEADING AND THAT THE DOMINION GOVERNMENT HAD NO INTENTION OF DEALING WITH OUR SUBSIDY CLAIMS UNTIL THE WESTERN PROVINCES WERE SATISFIED, OR PREMIER MACKENZIE KING DELIBERATELY MISLED HIS AUDIENCE IN CHARLOTTETOWN WHEN ON JUNE 21 OF THIS YEAR, HE STATED:

"I remember AFTER WE HAD GIVEN THESE INTERIM GRANTS" (recommended by the Duncan Commission in 1926 and paid for the first time in 1927) "that the former Prime Minister of this Province, Mr. Saunders, came to Ottawa on two or three occasions and wanted Mr. Robb and myself to settle the financial terms so far as the Island was concerned there and then. I said: 'MR. SAUNDERS, DON'T PRESS US AT THIS TIME. You won't do as well in the end. . . We have dealt with the Maritime Provinces to begin with; let us now get settled with Manitoba, Saskatchewan, British Columbia and Alberta. When we get through with them and if as a result of those agreements something more should come to Prince Edward Island, you will be in a better position to see that something more is granted. You will then stand a better chance. HOWEVER, THE AUDIT BOARD WAS PUT TO WORK AT ONCE AND THE FINANCING OF THAT WORK OF NECESSITY HAS BEEN GOING ON EVER SINCE."

#### KING'S REMARKABLE STATEMENT

If this conversation between Premier Saunders and Premier King took place in 1927, or even in 1928, when the second annual in-

terim payment recommended by the Duncan Commission was made, WHY DID NOT MR. SAUNDERS ANNOUNCE THE PRIME MINISTER'S REFUSAL TO TREAT WITH HIM AT THAT TIME? WHY DID HE NOT ANNOUNCE THAT "THE AUDIT BOARD WAS PUT TO WORK AT ONCE ON THE FINANCING" FOLLOWING THAT CONVERSATION? Mr. Saunders was being hard pressed to excuse his failure to implement his promise to secure an early readjustment, AND HE WOULD GLADLY HAVE AVAILED HIMSELF OF SUCH AN ARGUMENT IF IT WERE TRUE. THE OBVIOUS ANSWER IS THAT NO SUCH CONVERSATION TOOK PLACE IN 1927 OR 1928.

Nor could it have taken place up to October 1929, when Mr. Saunders wrote to Hon. Mr. Robb reminding him of the advice given by the Finance Minister that the Province was to present its claim "alone" and that a board of experts would be appointed in the fall of that year. FOR UP TO THAT TIME THE CLAIMS OF THE WESTERN PROVINCES HAD NOT BEEN DISPOSED OF. If this mysterious conversation ever took place, it must have occurred sometime during the present year. But Premier King says it was when Mr. Saunders was pressing him for a settlement "there and then." And according to Mr. Saunders, HE BEGAN PRESSING FOR SUBSIDY SETTLEMENT AS SOON AS HE CAME INTO POWER IN 1927 AND HE CONTINUED INSISTENTLY TO PRESS UNTIL HE RESIGNED THE PREMIERSHIP A FEW MONTHS AGO.

#### INSULT TO INJURY

OBVIOUSLY, IF MR. SAUNDERS WAS SINCERE IN HIS STATEMENTS PREMIER KING WAS ANYTHING BUT SINCERE IN THE TRUMPED-UP EXCUSE WITH WHICH HE INSULTED THE INTELLIGENCE OF HIS AUDIENCE IN CHARLOTTETOWN ON JUNE 21. AND IN VIEW OF HIS EXTRAORDINARY STATEMENT AT BRANTFORD, ONTARIO, A FEW NIGHTS PREVIOUS THAT THE SUBSIDY CLAIMS OF THE MARITIME PROVINCES HAD BEEN SETTLED TO THE SATISFACTION OF ALL CONCERNED, THERE IS NO REASON TO ASSUME THAT HE HAS ANY MORE RESPECT FOR THE INTELLIGENCE OF THE ELECTORS IN OTHER PARTS OF CANADA.