

CHARGES

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Province, that should have gone into public works, education and other services, and sent to the money lenders in Toronto to pay for the money squandered by the late Liberal administration during their four years of office.

Liberal Negligence

At the time the Liberals were in power, continued Mr. Sharp, money was fairly cheap in Canada and those borrowings could have been funded at 4 1/2 per cent. But the Government was satisfied instead to pay 5 per cent interest on the money to the Bank of Montreal.

Other Activities

Continuing, Mr. Sharp referred to excellent work done in improvement of public health service by the Minister of that department.

He then dealt briefly with the activities of the Agricultural Department, referring to the action taken by the Government in requesting that fox pelts be placed on the agricultural stabilization list as announced in the Rhodes Budget, he said the Government had also got in touch with the Fox Breeders Association in Summerside and they have wired every fox breeder organization in Canada to have them send a similar request to Ottawa.

Mr. Sharp: "They didn't want the people to know that they owed a debt of a million and a quarter dollars, during the election. Wasn't that it?"

Mr. LePage: "They wouldn't know." Voices: "Oh, oh!" (Laughter).

Proceeding, Mr. Sharp said the Government had to proceed immediately with the construction of Prince of Wales College, and they found this big overdraft of \$1,250,000 at the Bank of Montreal in addition to the amount borrowed by their predecessors from the Royal Bank for unemployment relief. It was necessary to secure funds for the College and the Government was forced to come to terms with the Bank of Montreal.

Mr. LePage: "The Province held up!"

Hon. Mr. Sharp: "We had to go on the market and sell the bonds in order to reduce the Bank of Montreal overdraft to the point where we could still finance the building of the College."

Mr. LePage: "Were you asked to reduce the entire million?"

Hon. Mr. Sharp: "He told us we would have to materially reduce our overdraft. That was the situation. Our friends now in Opposition were prepared to carry that overdraft in the Bank when they could have made one-half of one per cent by funding it, simply because they wanted to keep the people of this Province in the dark at that particular time. Now who is to blame that the Province had later to go on the market and pay six per cent interest?" (Applause).

Mr. LePage: "You are."

Hon. Mr. Sharp: "I will leave that to the people."

PUBLIC WORKS

Mr. Sharp next dealt with Public Works expenditures and Opposition criticism in connection therewith. He compared the expenditures under both Liberal and Conservative administrations, emphasizing the savings effected last year as evidenced in the Public Accounts. The capital expenditure in 1932 was \$86,579 as against \$248,000 in 1930, the last full year of Liberal administration.

Mr. LePage: "No, no. The ordinary expenditure is what you judge a Government by, and you expended \$144,000 more than we did."

Hon. Mr. Sharp: "No."

Hon. Mr. MacLean: "\$155,000 less." (Applause).

Road Graveling

Continuing, Mr. Sharp maintained that the Liberals had improved the highways, but at a very heavy cost to the taxpayers. They had imported all their gravel with the exception of a small amount in 1931, from Nova Scotia and New Brunswick. Those provinces and the Canadian National Railway got the money, and we got only the gravel. In 1923 this material cost \$63,745, or \$2,887 per mile.

Mr. LePage: "But that was real gravel."

Hon. Mr. Sharp: "In 1923 they gravelled 4 1/4 miles at a cost of \$10,512, or an average cost of \$2,412 per mile. In 1930 they gravelled 77 miles at \$122,343, or an average cost of \$1,587 per mile. The election year we will not take because it was part of yours and part of ours. But in 1932, our first full year, we gravelled 40 miles with local gravel purchased in this Province at an expenditure of \$15,615.40 or \$390.33 per mile. That is the extravagance that is complained of by my hon. friends."

Mr. LePage: "You just top-dressed the roads."

Hon. Mr. Sharp: "\$390 per mile every reason to expect that the

as against \$2,870 per mile. Those are the figures." (Applause).

Mr. T. A. Campbell: "How much was done over twice?"

Hon. Mr. Sharp: "We did some of yours over the second time." (Laughter).

Mr. LePage: "You couldn't find yours."

Mr. LePage: "The hens ate it."

Hon. Mr. Sharp: "We can afford to do ours over six times at that price that you paid." (Applause).

Mr. LePage: "It will need it." (Laughter).

Maritime Provinces will receive fair and equitable consideration. It was, however, most unfortunate that the Liberal Government did not press the unique opportunity it had when in power.

Mr. T. A. Campbell: "May I ask my hon. friend if he is correctly reported as having told the people of Second Prince that the Hon. J. D. Stewart was returned as Premier the claims of the Island would be implemented without further delay?"

Hon. Mr. Sharp: "The claims would be presented. I could not speak for the Government at Ottawa."

Admittedly, Mr. Sharp concluded, the administration had made mistakes. But they should be judged by their sincerity of purpose and the work they had actually accomplished. It has been the aim of the Government to interpret correctly the wishes of the people of the Province, and they would continue in this endeavor so long as they remained in office. (Applause).

MR. J. P. MCINTYRE

Following Mr. Sharp in the debate on Thursday evening, Mr. J. P. McIntyre, ex-Minister of Public Works in the Liberal Government, tendered elaborately ironical congratulations to the Government speakers on the logic of their arguments. He could find in their remarks, however, no reason why the budget could not be pared down to meet the serious financial condition of the Province. True, the Government is estimating for a surplus of over four thousand dollars, but Mr. McIntyre predicted there would be a big deficit.

In the Public Works department there had been no responsible head last year. The present Minister was not responsible, but the fact remained that the department had spent \$311,000 of ordinary revenue, or \$57,000 more than was budgeted for. The saving effected at Falconwood last year was due to the smaller bill for coal, as the Liberals had provided the coal in 1930 that was used in 1931.

Hon. Dr. MacMillan: "What did you do that for?"

Mr. McIntyre: "We did it to help you fellows out and I think you needed it."

The Government, he maintained, had overrun its estimates "in every department." The only surplus they had was in the School Supply. The manager they had taken out of the School Supply and placed at the head of the Government, because he was a better financier than the leader.

Hon. Dr. MacMillan: "I say we overrun our estimates in every department. What about the department of Public Health and the department of Justice?"

Mr. McIntyre: "You were a little under the estimates in them, I admit. But you spent \$644,458 more than you budgeted for last year. You budgeted for \$1,365,465 and you spent \$2,014,922."

Hon. Dr. MacMillan: "But we had to pay for your debt."

Mr. LePage: "That is not in the funded debt at all."

Hon. Dr. MacMillan: "Read the second last item, at the bottom of the page."

Mr. McIntyre: "That doesn't come into it at all."

Hon. Dr. MacMillan: "Just read it."

Mr. McIntyre proceeded without "reading it." He dealt at considerable length with the bank overdraft which according to the External Auditor's report amounted to \$1,257,841. The treasury overdraft at the Bank of Montreal was only \$883,518. If it was greater than that at the end of the year, the Conservatives were responsible. Moreover, the Liberal government had inherited a portion of the overdraft when they took office in 1927. So that there were three parts to the overdraft. "The first end and the last end of it was yours. Just the middle was ours," declared the ex-Minister.

Hon. Dr. MacMillan: "But the middle was like yourself; the biggest part of all." (Laughter).

Continuing, Mr. McIntyre insisted that the Government had spent \$144,000 more than their predecessors in ordinary expenditure, comparing the years 1930 and 1932.

Hon. Dr. MacMillan: "Put your unemployment relief in, and where will you be? You are leaving that out of your reckoning."

Mr. LePage: "If you put it in it wouldn't bring it up to yours."

Mr. T. A. Campbell: "It is in." Voices: "The leader of the Opposition says it isn't."

Despite the plank of no increase in taxation in the Conservative policy, Mr. McIntyre continued, this Government had raised the gasoline tax two cents on farmers and fishermen.

Hon. Dr. MacMillan: "We didn't raise the gasoline tax at all."

Mr. McIntyre: "What was your

Act for that you passed the other day?"

Hon. Dr. MacMillan: "To pay expense of administration."

Mr. McIntyre maintained that since the Government had budgeted for \$200,000 from gasoline tax this year, an increase of \$50,000 or \$60,000 more than last year, it must mean an increase in taxation.

Continuing, he criticised Prince of Wales College as not being "so up to date" as Government members had maintained. The plastering on the building, he maintained, was much inferior to the plastering on the new Prince Edward Island Hospital.

Road Graveling

Taking up the subject of road graveling, Mr. McIntyre declared the Public Works Minister was incorrect in saying that no gravel had been imported from Nova Scotia or New Brunswick during the year.

Hon. Mr. Sharp: "My reference was to gravel for graveling roads. I thought I made that clear."

Mr. McIntyre: "Did the Warren people sell any gravel to the Government?"

Hon. Mr. Sharp: "Yes."

Mr. McIntyre: "Then you bought from the Warren people and didn't patronize the local people."

Hon. Mr. Sharp: "We purchased all the gravel that we used for graveling roads in the Province." Continuing, he enumerated the local pits from which the gravel was taken. The only gravel purchased from the Warren firm had been a few carloads for hard surfacing purposes. That material was screened gravel with absolutely no sand, and was used for purposes for which the local gravel could not be used.

Mr. McIntyre: "That was 100 per cent gravel?"

Hon. Mr. Sharp: "Yes."

Mr. McIntyre maintained it was incorrect to say that the Liberals had not used any Island gravel. He repeated the explanation he had given in the Legislature on other occasions, that at the time the graveling policy was introduced it was impossible to obtain Island gravel and that arrangements had to be made to obtain the material from outside sources. In their last year, however, some local gravel had been used. This gravel was not, he maintained, good road making material. It was not even 50 per cent gravel. It was not screened. The 100 per cent imported gravel was still visible on the roads, whereas he did not think any of the gravel placed in 1931 would be visible today.

Voices: "Not under the snow."

Education

Reverting again to government expenditures, he asked why the Estimates should be higher than in former years, when prices of everything are lower.

Hon. Dr. MacMillan: "A larger public service."

Mr. McIntyre: "My words must be coming true. My hon. friend is broadening out. He is beginning to realize that the more he has the more it will cost."

Hon. Dr. MacMillan: "Would you advise cutting down on Education?"

Mr. McIntyre: "Well, it is reported in the papers that they are reducing the professors at Dalhousie and making them do more work, and letting some of the professors go."

Hon. Dr. MacMillan: "Do you think when professors are teaching thirty periods a week that they are not working hard enough?"

Mr. McIntyre: "How many men work hard all day and don't receive a dollar, but go behind."

Hon. Dr. MacMillan: "That is your attitude to Education?"

Mr. McIntyre proceeded to compare expenditures and revenue over the past several years. Today, he maintained, people are asked to pay more taxes with less money at their disposal. It should be the other way about. The Conservatives in their election platform had promised not to raise taxes, yet they had put a gasoline tax on farmers and fishermen. They would, he predicted, have trouble when they faced the people.

Hon. Dr. MacMillan: "You needn't worry about having trouble with your platform!"

Mr. McIntyre: "We didn't need a platform because our record was behind us." (Laughter).

Continuing, Mr. McIntyre charged "gross extravagance" in purchasing plans for Falconwood Hospital which, he predicted, might never be used. He was informed by a "well-known contractor" that the west wing of the old building could be repaired and that a roof could be put on the building for \$100,000.

At 11 p.m. Mr. McIntyre moved the adjournment of the debate.

Minister's Statement for chapped skin

SKATERS

(Continued from Page 7)

Following is a summary of results in each event:

220 Yards Dash—Boys Open Record 23 sec. (James Rattenbury, W. K. S.).

1. James Rattenbury, West Kent. 2. Peter Campbell, Queen Square. 3. Everett Hughes, Kensington. Time—21 4-5 (new record).

220 Yards Dash—Girls 10 Years And Under Record 35 3-5 sec. Myrtle Hillier, Prince Street School.)

1. Joan Miller, Prince Street. 2. Reta Doucette, Rochford Square. 3. Eleanor MacKenzie, West Kent. Time—36 2-5 seconds.

220 Yards Dash—Boys 8 Years Old Record 34 Sec. (Ivan Smith Southport).

1. Billie Moreside Prince Street. 2. Bill Brehaut West Kent. 3. Earl McCourt Queen Square. Time—31 1-5 sec. (new record).

1-2 Mile—Boys 14 Years Old Record 142 (Jas. Rattenbury, W. K. S.).

1. Douglas Ramsay, West Kent. 2. Reggie Flannagan, Queen Square. 3. Sandy Lawson, West Kent. Time, 140 (new record).

1-4 Mile—Boys Open Record 47 2-5 sec. (Barton Crabbe, W. K. S.).

1. Jas. Rattenbury, West Kent. 2. Peter Campbell, Queen Square. 3. Barton Crabbe, West Kent. Time—44 sec. (new record).

220 Yards Dash—Boys 9 Years Record 30 4-5 sec. (Artie Wright, W. K. S.).

1. Fred McTague, Q. S. S. 2. Maurice Hennessey, Q. S. S. 3. Adam Peterson P. S. S. Time—30 4-5 seconds.

220 Yards Dash—Girls 11 And 12 Years Old Record 30 4-5 sec. (Annie Heninger, P. S. S.).

1. Thelma Taylor, P. S. S. 2. Anna Hughes, P. S. S. 3. Hilda McEachern, W. K. S. Time—31 1-5 seconds.

220 Yards Dash—Boys 10 Years Old Record 29 1-5 sec. (Artie Wright W. K. S.).

1. Percival Simmonds, W. K. S. 2. Allison Swan, Model School. 3. Herbert Murray, W. K. S. Time—29 3-5.

1-4 Mile Girls 13 and 14 Years Old Record 58 2-5 sec. (Edith Hume, P. S. S.).

1. Marion Cudmore, P. S. S. 2. Adelaide Sentner, W. K. S. 3. Hilda Blanchard, Rochford Sq. Time—102 2-5.

1-2 Mile Boys Open Record 139 4-5 sec. (Rowan Fitzgerald, W. K. S.).

1. Eldon Darrach, W. K. S. 2. Barton Crabbe, W. K. S. 3. Everett Hughes, Kensington. Time—135 4-5 sec. (new record).

1-2 Mile Boys, 16 Years Old Record 142 1-5. (Gordon Stewart W. K. S.).

1. Jas Rattenbury, W. K. S. 2. Peter Campbell, Q. S. S. 3. Clarence Steele S'Side. Time 139 3-5 (new record).

1-4 Mile Girls, 15 and 16 Years Old Record 82 sec. (Zilphia Linkletter, Summerside).

1. Edith Hume, P. S. S. 2. Frances Clawson, P. S. S. Time—51 4-5 sec. (new record).

1-2 Mile Boys 15 Years Old Record 142 (Barton Crabbe, W. K. S.).

1. Eldon Darrach, W. K. S. 2. Prentis Andrews, W. K. S. 3. Jack Leightner, Q. S. S. Time—139 (new record).

1-4 Mile Boys 13 Years Old 1. Elton Worth, W. K. S. 2. Harold Stewart, W. K. S. 3. Fred Dillon, Q. S. S. Time—52 4-5.

1 Mile Open Boys Record 337 (Rowan Fitzgerald, W. K. S.).

1. Eldon Darrach, W. K. S. 2. Peter Campbell, Q. S. S. 3. Jas. Rattenbury, W. K. S. Time—332 4-5 (new record).

1-4 Mile Boys, 12 Years Old Record 56 3-5 sec. (Ralph Kelly, Q. S. S.).

1. Jack Coyle, Q. S. S. 2. Arthur Perry, W. K. S. 3. Frances Matheson, W. K. S. Time—55 sec. (new record).

1-4 Mile, Boys 11 Years Record 55 sec. (Elton Worth, W. K. S.).

1. Artie Wright, W. K. S. 2. Horace Carmichael, P. S. S. 3. W. Trainor, Q. S. S. Time—55 1-5.

1-2 Mile Girls (Open) Record 159 (Zilphia Linkletter, Summerside).

1. Edith Hume, P. S. S. 2. Frances Clawson, P. S. S. 3. Adelaide Sentner, W. K. S. Time—204.

1 Mile Relay (Open) Record (P. W. C.). 1. Summers, de. 2. West Kent. 3. Kensington. The officials were—Referee, W. A. Leightner.

ANNUAL REPORT

(Continued from Page 1)

economic depression," says the official report. "The revenues of the railways, in common with those of other enterprises throughout the world, suffered such severe declines that the most strenuous efforts were required to cope with the situation. The necessity for drastic curtailment of expenditure was fully appreciated by the Canadian National System management, and strict economy was practised in all departments. The ratio of operating expenses to operating revenues was 96.34 in 1932 as compared with 99.41 in 1931.

Trend Downward Since 1929

"Since 1928, when an all-time peak in railway revenues in this country was touched, the trend of railway earnings has been steadily downward. In 1929 Canadian National Railways' gross revenues on the all-inclusive system showed a decline of \$13,053,649 from 1928; in 1930 the decline from the previous year amounted to \$48,264,281; 1931 saw a decline of \$50,462,939 from 1930, and in 1932 the decline was \$39,401,567 as compared with 1931. The total receipts in 1932 were \$161,103,594 as compared with \$312,286,031 in 1931, a decrease of \$151,182,437 or 48 per cent.

Reorganized to Meet Situation

"For every dollar which the Canadian National received in 1932, it received only 52 cents in 1932. To meet the situation, economies have been effected through the elimination of unprofitable services, the reduction and re-organization of the supervisory staff, closing of stations and office buildings, laying off a large number of employees, including many previously carried on part-time, and by such other measures as could be made effective without bearing too heavily upon the communities served.

"At the present time the staff is approximately 31 per cent below the 1929 level. The total payroll, on the other hand, is 39 per cent below the 1929 figure. The average number of employees and amount of compensation they received, from 1929 to 1932 inclusive, is as follows:—

Table with 3 columns: Year, Number of Employees, Compensation. Data for 1929, 1930, 1931, 1932.

"In addition to staff reductions, all employees of the system were subjected in 1932 to decreases in rates of pay. The economy effected by these decreases in rates of pay reduced the payroll account by more than \$10,000,000 per year. The supervisory payroll of the Canadian National System was considerably reduced during 1932 through the consolidation of operating districts and divisions; by the abolition of a number of positions, and by a general readjustment of salaries, so that the cost of supervision of the Canadian National system is currently at a level approximately 35 per cent below that of 1929.

Curtailment of Passenger Trains

"The elimination of a great many unprofitable passenger services has been brought about by a severe curtailment of passenger train miles. Some idea of the extent of these reductions may be gained by realizing that they are equivalent to wiping out practically one-third of the passenger train service operated in 1929.

"When the general upturn in business comes," continued Mr. Hungerford, "the Canadian National system will show, in increased net earnings and income, its power of recovery."

Revenues Show Decline

The revenues of the system in 1932, as compared with the previous year, showed the decline in revenues to be closely in conformity with the results on the more important railways of the North American continent. The decline in freight revenues amounted to \$28,236,631 (18.96 per cent). Passenger revenues were \$17,258,919, a decrease of \$9,940,817 (25.61 per cent). Express revenue was \$9,051,420, a decrease of \$1,975,827 (17.92 per cent). Telegraph revenue was \$3,676,339 a decrease of \$1,022,427 (21.76 per cent). Hotel operations showed a profit before taxes of

Gaundt. Inspectors—Fred Moore, Frank McDonald, Jack Sterns, Starter—William Halpenny, Finish Judges—T. W. L. Prowse, Jas. Coyle, S. F. Doyle, Gordon Hughes, Chief Clerk of Course—Jack Gordon, Assistants—Harold Gross, Grant Gregory, Ruben McDonald, J. P. Simmonds, Timers—W. A. Smith, Geo. H. O'Brien, L. McDonald, D. L. Leitcher, W. J. McDonald, L. Campbell, Announcer—Jack Leightner.

\$70,392 in 1932, as compared with a loss of \$79,690 in 1931. This result was achieved despite a decline of \$590,700 in gross revenue.

Operating Expenses

"Examination of the operating expenses," says the report, "shows the results of successive measures of economy. In 1929 operating expenses were reduced by \$751,401 as compared with 1928, and in 1930, by which time it was evident that the depression was not to be shortlived, operating expenses were reduced by \$26,692,739 from those of the previous year; in 1931 there was a reduction of \$29,489,433 from 1930 and in 1932 a further reduction of \$44,104,834 from the 1931 figures, the operating expenses of 1932 being \$101,000,000 under 1928.

"The reduction of \$44,104,834 or 22 per cent, in railway operating expenses in 1932, as compared with 1931, was divided as between labour \$27,257,959 or 61.80 per cent, and material and miscellaneous \$16,846,875 or 38.20 per cent. Despite the drastic economies put into effect, the operating efficiency of the Canadian National System was maintained. In general, the indices of operating efficiency, by which the larger railway systems gauge their performance, show few declines and generally show improvement.

CAPITAL EXPENDITURES

"Capital expenditures were severely curtailed and were limited to those which could not be avoided. Net capital expenditures during the last four years were:—1929, \$88,499,908; 1930, \$65,560,354; 1931, \$34,287,067 and for 1932, \$799,158. Retirements of equipment consisted of 61 locomotives, 2,729 freight cars, 78 passenger cars and 859 work equipment units.

"The original cost of this retired equipment was \$4,218,937 of which amount, \$3,475,898 was charged to the year's operating expenses and salvage value charged to material inventories were reduced by \$5,396,670.

The prices of commodities purchased by the railway were somewhat lower than in the previous year. Under the provisions of the Unemployment and Farm Relief the Company received in 1932, 1,918,091 ties which had been purchased by the Government."

No public financing was done by the Canadian National Railways during the year 1932, the report stated. During the year retirement of funded debt amounted to \$11,940,039.

Salary and Wage Negotiations

Dealing with salary and wage negotiations the report says: "The 10 per cent deduction applied by agreement to the running trades and railway telegraphers in December, 1931, was continued throughout 1932. During the year negotiations were carried on with various labor organizations leading to agreements for a reduction of 10 per cent in the basis rate of wages on Canadian lines. On May 1st, 1932, the reduced time plan of half day per week applicable to clerical forces, maintenance of way employees and other miscellaneous employees was cancelled, and the rates of pay of these employees made subject to a reduction of 10 per cent.

U. S. Lines of C. N. R.

"On the United States lines of the Canadian National, the Chicago agreement was put into effect on February 1st, 1932. This agreement called for a reduction of 10 per cent in the wages of all railway employees. During the year 1931, official salaries were reduced by 10 per cent, and in 1932 a survey was made of all salaried positions paying \$2,700 or more per year. A reduced salary scale was put into force, the percentage reduction being heavier in the higher paid positions. In addition, the reduced salaries were further made subject to a 5 per cent reduction."

The announcement of the death of Sir Henry Thornton was received by the Board of Directors at its meeting of March 14th, 1933. A resolution of deep regret on the part of the directors and of sympathy for the family of Sir Henry Thornton was passed.

After thanking all officers and employees for their loyal and efficient services during the past year, Mr. Hungerford recorded his appreciation of the service rendered to the company by the members of the Board of Directors. "Their work has been of a difficult character, and the efforts which they have put forward have been unsparring," he concluded.

There are about 1000 temples and monasteries cut in the natural rock cliffs of India.

CENTRAL GUARDIAN

This column is reserved for Queen's County news of local interest but advertising of a