

Liberal Responsibility For Forced Bond Issue Charged By The Premier

Record Of Conservative Government Vigorously Defended In Speech By Premier MacMillan At Kings County Conservative Association Meeting.

"If the Lea Government, during the spring months of 1931 when the bond market was favorable, had reduced their overdraft at the Bank, which they were in duty bound to do, we would not have been faced with the difficulty of negotiating their bonds at the very worst period in the history of the bond market. They put us into that hole, and we had to get out of it. Now they want to shoulder the whole responsibility on us; but they are not going to do it. They did not issue bonds when the bond market was favorable because they did not want to draw the attention of the people to the fact that the finances were in such a mess."

Summing up, in the words above quoted, the Liberal responsibility for the million dollar bond issue which the Conservatives were forced to make at a rate of about six percent shortly after coming into office, Premier MacMillan, P. MacMillan, M. D., delivered a challenging speech on provincial matters at the annual meeting of the Kings County Conservative Association at Georgetown on Wednesday, and received enthusiastic applause from the meeting.

Lea Gov't Overdraft
When the Lea Government went out to power, the Premier changed, they did not have any great financial undertakings but they left an overdraft at the Bank of Montreal to the staggering amount of \$1,300,000. The Stewart Government did not have the statutory power to deal with it, but before the Legislature opened Falconwood Hospital and Prince of Wales College were destroyed by fire and they were faced with the problem of rebuilding immediately. The Bank stipulated that if they wanted an extension of credit they must reduce the overdraft. A bond issue was advised, the Bank suggesting that they and a group forming a syndicate should handle the issue. Later the Bank submitted an agreement to be signed. The terms were left in blank in the agreement, and the Government refused to sign. There the negotiations remained until the Government received a committee offer from another source, which they accepted. Before doing so, and while the offer was pending, they endeavored to make contact with the syndicate and asked for a bid. No answer was received. The Government then accepted the definite bid as the best obtainable. Later, one member of the syndicate recommended by the Bank admitted the Government had received a better price than we could have given.

Had the Lea Government kept its overdraft within proper limits, no such emergency would have arisen and the Province would not have been forced on the market at a time when rates were so high. The Premier declared the effort to make Liberal capital out of this transaction was simply an attempt to fool the people and cover up the Lea Government's inexcusable negligence of the financial situation during its administration.

Recent Bond Issues
Dealing with recent financing, the Premier pointed out that during the past year bonds to the extent of \$600,000 were issued, and these sales were the most favorable ever made in the history of the Province. Last summer an issue with a rate of 2.97, which was the best terms received in Canada up to that time by either a federal or provincial government. "You don't hear the Liberals talk about that," he added drily, amid loud applause.

The Government also has kept after the Bank and succeeded in obtaining two reductions in interest charges during the past six months, totalling one-half per cent, representing a substantial saving to the taxpayers in bank charges.

Opening Remarks
After first expressing his appreciation of the privilege of addressing the Kings County Conservative Association, the Premier referred feelingly to the loss sustained in the passing of the late Premier Stewart, and the Hon. Leonard MacNeill. He then reviewed the events leading up to his own appointment as head of the Government.

In the last federal campaign he had had the honor of speaking in support of Hon. Mr. Macdonald on several occasions, in Kings County. He was indeed sorry to hear that Mr. Macdonald contemplated retiring from public life, and hoped he could be persuaded to reconsider his decision. To Mr. Macdonald's energy, experience and ability, and to the loyal co-operation and assistance he had given the provincial government, the Premier paid warm tributes. His only regret was that Mr. Macdonald did not hold a portfolio in the Dominion Cabinet, a position which he would fill with credit and distinction.

Discussing the Stevens incident, Premier MacMillan said in his opinion on the Prime Minister had acted very properly in insisting on a retraction of the statements to which Mr. Stevens had committed the Government. His attitude in commenting on the evidence before the Mass Bureau Commission of which he himself was chairman, and while the inquiry was proceeding, was in-

excusable. The important point in this connection with this incident, however, is that the inquiry is being proceeded with, and the fullest opportunity will be given of hearing evidence from all concerned.

Tribute to Premier Bennett
This has been the attitude of the Prime Minister, to whose vigorous leadership the speaker referred eloquently. "In my opinion," he said, "it has been a godsend that there has been at the head of Canada in the last four years a man of the ability and common sense that the Rt. Hon. R. B. Bennett has displayed. I agree with Mr. Macdonald that it would have been the greatest misfortune if a man like Mr. Mackenzie King had been in charge. I think if many of our Liberal friends gave their honest opinion they would say the very same thing. There is evidence that no one can doubt with any reason: The League of Nations, which has under purview all the nations of the world and which should be the highest court, so far as giving an estimate of the standing of countries is concerned, has stated that Canada is coming out of this period of depression better, faster and more solidly than any other country in the world." (Applause.)



HON. W. J. P. MACMILLAN, M. D., Premier of Prince Edward Island

had to denounce him since he became Premier? Those are things that will work in the interest of the Conservative party before the election.

In Sound Position
"I believe there is enough common sense in the people of Canada to realize the great work that has been done in the past four years. We know there has been privation and suffering, but we also know that so far as this Province is concerned we are better off than any part of Canada. I know we are coming through it better, that our credit is higher, that our financial standing is sounder, than any other province of Canada." (Applause.)

Education
"If you take education, look where we stand. Look at the difficulties we encountered when we came into office—the destruction of Prince of Wales College and Normal School, and the necessity of building an institution that would satisfy the requirements of the present day and that would in some way provide for the future. This silly criticism that we scrapped the foundation of the old college and lost anywhere from \$25,000 to \$60,000—their estimates are very inconsistent on that point—what does it amount to? Why should we build on the old foundation which was unsuitable and unsound? The old building was too wide for its length. Why should we erect, as the principal seat of the educational system of this Province, a building that did not correspond to scientific methods and health requirements? We squandered no such sum of money as they claim. They do not look at the other side of the question. They do not give us credit for raising the institution to the status of a Junior College, which means the saving of hundreds of dollars annually to parents in college expense, and which enables their children to study here in Charlottetown rather than go abroad for that training which we are now able to give. They do not recognize this great library movement that has been developed

through the Province at the instrumentality of this Government. They do not give any recognition to the present government for the fact that the Minister of Education was the man who made all this possible with the co-operation of the Carnegie Corporation." (Applause.)

Wonderful Achievement
The Premier instanced the benefits thus accruing, in the Carnegie grant of \$75,000 for the establishment of a chair of Economics and Sociology at Prince of Wales College and St. Dunstan's University, and in the grant of \$60,000 for library demonstration for the first year, supplemented for a period of two or three years.

Falconwood Rebuilding
The Premier also referred to the rebuilding of the East Wing of Falconwood Hospital, where the women patients are provided for. The old Falconwood, built 27 years ago, had been thoroughly reconditioned and the male patients have been removed to this institution from the Sims building, where they were accommodated since the fire. The old Prince Edward Island Hospital was also taken over at a rental of \$1500 annually, and the infirmary inmates are now housed comfortably there, having been removed from the Caledonia Club rooms, which were most unsuitable.

Big Saving Effectuated
Proper store-house accommodation has been built at Falconwood and a competent man placed in charge. Everything that is purchased there is put under lock and key. "We have looked after that desperate leak that has always existed at Falconwood, and for the past two or three years we have been able to reduce the expenses at those institutions, which formerly ranged from \$105,000 to \$125,000, down to \$80,000—a saving of \$40,000. And we are going to make further savings because under the old system our coal bill was about \$25,000 and under our present system we will be able to save from \$5,000 to \$10,000 a year in our coal bill alone.

Old Age Pensions
The Premier then discussed Old Age Pensions legislation, which the Lea Government had promised but failed to implement, and which the Conservatives, in accord with their platform, had put into effect. "If we had not adopted this system we would have to pay a great deal more than we are now paying in indirect relief at the present time. If we expend \$30,000 from the provincial revenue and are able to bring in \$120,000 from Ottawa on account of an expenditure of that sum, I think you will acknowledge that it is good business. And it dispenses that amount of money among the poor of the Province, which is something worth while indeed." (Applause.)

Subsidy Claims Frustrated
"Both parties," continued the Premier, "have talked about our claims at Ottawa, but this Government has succeeded in getting some action." He charged the Saunders-Lea administration with having failed to make any serious effort in this connection, despite the fact that the Duncan Commission recommendations were made to the Mackenzie King Government four years before that government went out of office. "What attempt did they ever make to have the Duncan report fully implemented?" He asked. "I will tell you, out of the

mouth of the Prime Minister of Canada at that time. When asked on the floor of the House of Commons why there was never any effort made to fully implement the Duncan Commission findings, Mr. Mackenzie King replied that there had never been any demand for it (laughter). That is what happened under the Liberals.

"During our first years the late Premier was very insistent that we get a final decision. Our difficulty in our first two years of office was to get Nova Scotia and New Brunswick to agree with us. They said the time was not opportune; the depression was too heavy and we could not hope to obtain a favorable settlement. But we appeared before the Dominion Cabinet this present summer and presented our claims, individually and also with regard to the Maritime Provinces as a whole. The Premier of Nova Scotia represented his province, New Brunswick was represented by Premier Tilley and his Attorney General. They presented their case well, but I may say there was no case better presented to the Cabinet than the case for Prince Edward Island, which was presented by our own Attorney General, the Hon. Frank MacPherson." (Applause.)

Ottawa Takes Action
The Premier then dealt with the result of the claims presentation in the appointment of a Royal Commission, consisting of one member appointed by the Maritimes, one by the Federal Government, these members to make their own choice of a third. It was a matter of great satisfaction to him that he was able to convince the representatives of Nova Scotia and New Brunswick that the man who could best serve the interests of the Maritime Provinces, was the Hon. John A. McInneson, Chief Justice of Prince Edward Island. (Applause.)

Referring to the appointment of Sir Thomas White as chairman of the Commission, the Premier said: "I am very grateful to Sir Thomas White for the fact that he was able to convince the representatives of Nova Scotia and New Brunswick that the man who could best serve the interests of the Maritime Provinces, was the Hon. John A. McInneson, Chief Justice of Prince Edward Island. (Applause.)

Continuing, the Premier recalled that Sir Thomas White while in office, had advised that Canadian bonds should not be made payable in the United States. This advice was ignored when the King Government came into power, with the result that bonds were purchased largely in the States, the interest charges made payable in that country, and a great additional burden placed on the taxpayers of Canada. The White Commission, he pointed out, will make its report before the end of the next parliamentary session, and there is every reason to believe that a satisfactory adjustment of our subsidy claims as a result. "This is a matter," he added, "which we have always regarded as most important, and I am glad that the Government of this province, as represented by Mr. MacDonald, Mr. Myers and Mr. McLure, have been instrumental in getting this much progress made, that the Commission is now functioning."

Permanent Road Work
Commending the work of his colleague, Hon. G. Shelton Sharp, Minister of Public Works, the Premier reviewed the extensive road-making policy inaugurated during the past summer. The undertakings this year include about three miles of asphalt road at Southport, one mile at Hampton, one mile at Lowville, and one mile at Southport, as well as about eight miles of asphalt on the main Borden-Charlottetown highway in addition to two miles of concrete highway at Borden. The Federal Government paid entirely for the concrete work the sum of \$50,000. They are contributing largely to the asphalt highway and to the secondary roads and next year this policy will be pursued further with the object of completing a permanent road between Borden and the Provincial capital as soon as possible.

Gasoline Price Reduction
Another matter in which the Government successfully engaged was in obtaining a reduction in the cost of gasoline throughout the province. Nova Scotia did this, but they did it by a special tax which was a bad thing. New Brunswick was able to do it by a tax act which gave them special powers to negotiate. The Government of this Province had no statutory power and they handicapped in negotiating to that extent. Nevertheless, they succeeded in bringing the representatives of the principal oil companies together and in convincing them of the need of a reduction. These representatives had confidence in the Government and accepted their suggestion, with the result that the price of gasoline has been reduced by one and one-half cent per gallon. This means a saving of \$40,000 a year to the users of gasoline in the province. "If we have been able to get that by negotiating where we really did not have any power behind us, I think it is something for which we may justly claim a measure of credit." (Applause.)

Marketing Legislation
Speaking of the Natural Products Marketing Act, the Premier believed that the measure, given a proper chance, would be of much benefit where such products as seed potatoes and turnips were concerned. It is hoped by stricter adherence to standards of quality which the Marketing Board is laying down for the Provinces of Prince Edward Island, Nova Scotia, New Brunswick,

Quebec and Ontario that our producers will be able to get the highest possible price and that it will also be possible to eliminate unfair practices and destructive competition between the different selling agencies in this Province. "I think we will be able to say that that will not happen again, even if there is any suspicion of its happening in the past."

The Premier concluded by emphasizing the importance of organization in preparing for the next election contest, and by expressing his firm confidence in the prospects of a continuance of sound Conservative government, when the issues have been fully presented to the electors.

Pioneer Church Has Anniversary
(Canadian Press)
WINNIPEG, Nov. 8.—To a little stone building 15 miles north of here, worshippers from far and near hurried to answer the call to prayer on Sunday, Oct. 28. They trod paths well worn by pioneers who settled along the banks of the Red River nearly a century ago.

The old building showed signs of disintegration in 1931 and reconstruction of walls and roof was found necessary. In 1932 a fund was raised to restore the church to its original lines.

Postpones Fyling Suit Against Club
(C. P. By Guardian's Special Wire)
ST. LOUIS, Nov. 8.—The promised legal wars for the right to play hockey in St. Louis will not go on until tomorrow, as promised.

Frank Walnwright, owner of St. Louis Flyers of the American Hockey Association, said last week he would file a \$200,000 damage suit against St. Louis Eagles of the National Hockey League as soon as that club played a game here. The season opened for the Eagles tonight.

FUR DISPLAY

MONDAY and TUESDAY

November 11th and 12th

We take great pleasure in announcing that a representative of one of the largest Fur Houses in Montreal will be taking special orders at this store on Monday and Tuesday.

If you are planning on a new Fur, this will be an ideal opportunity for you to choose one of the newest styles as shown for the coming Winter Season.

S. A. McDonald

City Hospital Annual Tea And Bazaar
The annual high tea and bazaar in aid of the City Hospital, held in Holy Name Hall last Wednesday and Thursday evenings, was very successful, a large crowd of patrons enjoying a very appetizing meal.

The various booths were well patronized and added greatly to the financial success of the affair. An interesting feature was the drawing of the Hope Chest lottery on Thursday evening and the fortunate lady won a prize desired by all who saw the magnificent assortment of household linens and beautiful handmade contents of this real treasure chest.

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UPWARD TREND CONTINUING
(C. P. By Guardian's Special Wire)
WINNIPEG, Nov. 9.—Steady turnover in most lines with the upward trend of business continuing, is shown in the weekly trade report of the Canadian Credit Men's Trust Association issued here today.

Eastern Canada continues to lead in the volume of sales, the report shows, though the west also reports conditions improving with collections quite fair. Grocery and hardware lines continue to sell well in most centres.

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LeP. Shoe Co. Ltd.

Queen's County Conservative Association

Annual Meeting and Convention

The annual meeting of the Queen's County Conservative Association will be held in the Strand Theatre, Charlottetown, on Tuesday, Nov. 20th at 1 o'clock P. M. Election of officers for ensuing year and other matter of general business will be transacted.

Immediately following the annual meeting a Convention to nominate two candidates to contest Queen's County at the next Federal election will be held. Each polling division will be entitled to send five delegates to vote at this Convention and a full representation is requested. The meeting will be addressed by the present Federal members, Messrs. McLure and Myers and by Hon. Dr. W. J. P. MacMillan, Premier, and others.

J. J. MCDONALD
Vice-President

R. R. BELL
Secretary