

Premier Stewart

(Continued from page 1)

which was intended. But we have had various occasions in the history of our Province, especially in St. John's County, where no jurists were required, and in future there will be a saving on account of the passing of that Act. That item, which amounts to about \$4,000, we do not anticipate any saving in that year of the Court which took place in Charlottetown in January, Hilary Term as it is called. Unusually long, I might say it was a term of unprecedented length. The Court was sitting and hearing jury cases for about a month. During that time twenty jurymen were called every day, receiving two shillings or more a day, together with mileage; so that, on account of the unprecedented length of term, the expenditures have already been so great proportionately that we cannot hope, under five terms still to come, to be able to effect any saving last year in that item, as far as the other large items of this department are concerned. We are in connection with the control and management of public buildings; really in effect administered by the Department of Public Works, but for this year they are classified with the administration of Justice. The maintenance of the three Court Houses and Jails we have only kept within the estimates, we have kept down to the average of expenditure of previous years, and that notwithstanding the fact that we found some of our buildings requiring repairs which we have effected. I may say in some of these cases, notably the Georgetown Court House, the repairs cost more than they should have done because they had been neglected too long; at another they would not have cost so much money. But in spite of this and of the fact that we have had an unusually large number of prisoners, we managed to come through, as I have stated, with our expenditures fully down to the average of previous years. I do not know that there are any further items which I need detail in connection with that department.

Agriculture

The expenditure for 1924 in connection with the Department of Agriculture aggregated, in round figures, \$38,000. In the preceding year the expenditure in connection with this Department averaged roughly around \$30,000. You will remember, as I explained last year in this House, that we were deprived of a source of revenue from the Federal Government which was used to this great saving so far as provincial revenue generally was concerned. We received over \$3,000 a year from the Federal Government for agricultural education, and so much latitude was permitted to the Department in the disposal of this grant that it was used in practically every item of expenditure. We have had, this year for the first time for many years, to get along without this grant, so that in place of expending \$60,000 or more in this department, we have confined our expenditures to the sum of \$38,000, or pretty nearly one-half of what had been expended in previous years. And I am glad to state that practically all the activities of this department have been carried on as fully and as efficiently as in previous years when there was very much more expenditure. I might refer to some of these activities in detail. Exhibitions, which cost this Province annually about \$10,000, have been as fully provided for as heretofore; all the exhibitions received their grants and I believe that in point of quality, and from every other standpoint, they have been just as successful as in previous years. Another very important branch which was fully kept up was the School Fairs. I do not know that there is any more valuable line of educationally work carried on by the Department of Agriculture, or that could be carried on. Indeed, if I were to choose between the exhibitions and the school fairs as factors of benefit and usefulness, I would certainly choose the school fairs. These school fairs during the past year have probably been more successful than in any previous year. It is good to see that such a useful institution is increasing in value from year to year. The Short Courses have also been carried on. During the past two or three years these short courses were conducted, but at a somewhat greater length. In the Technical School, the Technical School this year has been closed. I want to say that the Government has no apology to make for closing this institution. It was run during the season of 1923 and the spring of 1924; that is, for one term after this Government took office. It was allowed to be carried on in exactly the same way as in previous years, with the same staff and the same facilities, and very careful observation was made of the work done. The Government decided, after having made observation during that term, that the amount of money expended on the upkeep and carrying on of that school was not justified; that the Province could not afford it, and that if short courses

were to be continued—and we believed they were a splendid thing—they must be carried on more economically and more in keeping with the finances of the Province. Consequently we returned to the system that had been in vogue some years before the Technical School was carried on in the Agricultural Hall; partly there, and partly in Prince of Wales College, very much more economically and I believe just as successfully. Short courses were given here in agricultural subjects as heretofore, in carpenter work, and blacksmithing, and courses given in Prince of Wales College in English and other subjects which had previously been taught in the Technical School, so that on the whole I think the work done in connection with the short courses was very successful, and was carried on very much more economically than in previous years. Another very important branch of activity in connection with Agriculture, the Women's Institutes, received last year the same support as before. I do not need to speak about the splendid services rendered by the Women's Institutes throughout this Province; those institutes received the same supervision as heretofore and the same grants were given. Animal Clubs for boys have also been carried on, and these are increasing from year to year. Last year they received the usual support, financially and otherwise, and they are now in a more flourishing condition, perhaps, than ever before. As to the coming year, we cannot hope to carry on these activities and keep them up to the standard of efficiency that is necessary if they are to be carried on at all, with an amount of money very much less, if any, than was expended on them last year; so that the estimates for the Department of Agriculture for the coming year will be about the same as last year. It is the intention to keep up these activities because we believe they are useful and because the Province gets value for the money expended.

Increased Educational Expenditures

Now I am coming to what is perhaps the largest spending department in connection with the Government of this Province. I refer to Education. It is a department in which the expenditures have increased I might almost say alarmingly during the last ten years. In 1914 the expenditure for education was \$157,000; in 1919, five years later, it was \$187,000; and in 1924, after another period of five years, it had increased to \$280,000—almost double the amount in ten years. I may say that in most of the items the expenditure had not been increased; there was a slight increase two or three years ago to provide for the salaries of the professors of Prince of Wales College, but the aggregate of that as compared with the total expenditures in connection with that department was very small. The great increase had been made in the payment of teachers' salaries. In 1923, thirteen months ago, the salaries were paid to the teachers in order to bring the payments up to the end of the fiscal year. Last year the nominal amount of twelve months' salaries was paid. The proportionate increase last year over the year before, by taking it as a whole, would be about \$4,000. We trust that this expenditure has now reached its peak; I believe it has. The cause of the increase in teachers' salaries is, of course, the fact that teachers are much more plentiful than during the war period, and a larger proportion of teachers of the higher grades have been engaged, and consequently required larger amounts by way of salary. As I said before, and I make no apology for repeating it again, we do not begrudge whatever money is necessary to spend on this most important branch. There is not anything more important, more vital, to the interests and future of this Province than the education of our young people. But I doubt if we are receiving the value we should receive for the money we are expending. I am not saying this in a fault-finding way. No blame should be placed upon our teachers. Our young men and women engaged in this profession are probably doing as good work as they ever did. But the fault lies in the haphazard, heterogeneous way in which our country schools have been scattered over this Province; built without any rhyme or reason; built without any system. I am free to say that in the past pupils have entered too largely into the educational problem of our Province. Perhaps one political party is as much to blame as the other; but the fact remains that too many school houses have been built where they should not have been built and the result today is the large proportion of our country schools with a small number of pupils—so small that the amount payable is not justified. I repeat, it is not the fault of the teachers. They would be very much better off, and happier, with double the number of pupils; but the difficulty is, the pupils are not there. Part of the trouble is due, as I said, to the fact that schools have been built where they should not have been built; but another cause is our loss of population; the fact that our juvenile population is not increasing. We have not nearly so many pupils now in the agricultural districts, as we had thirty years ago; but nevertheless we have more

schools. In 1894 there were only sixty-one schools in this Province with an average daily attendance of fifteen or under; in 1924 there were one hundred and sixty, which shows just how the small schools are increasing proportionately. A situation is developing which will have to be dealt with in this Province very soon; and the sooner the better.

Consolidation of Small Schools

The only remedy, I believe, in sight—and I think everyone will agree with me in this—is some measure of consolidation, and that matter is receiving attention not only here but in many parts of Canada and the United States. Manitoba, in its report of a special commission on education, published within the last few months, deals with the problem and speaks of the necessity of enlarging the district unit, the opinion of the committee being that they have too many small units. Many of the States are dealing with the matter along this line with a view to increasing the size of the municipal unit; and I believe that is what we will have to come to in this Province. I may say that during the past few months we have had our school inspectors report to the Government upon certain districts where they believe consolidation, in some measure, at least, could be carried out successfully—each inspector having made a report, outlining certain areas. But the great difficulty in this matter is the attitude of the people, the ratepayers themselves, in very many of our districts. There is a desire, whether reasonable or not, to hold on to the small district schools. I suppose it is natural to hold on as long as possible, but we can readily see the advantages of the other system. We would have the advantage of better school buildings, better school equipment, grading of our pupils which would tend to produce a class of teachers, more or less specialists in their particular grades; so that apart from the financial saving altogether, there is no question about the importance to this Province of a move in that direction. As I said, we have the reports of these inspectors; we intend to follow this up by a campaign during the present summer, for in matters of this kind we must have behind us the moral sentiment of all our right-thinking people, the people who are really interested in education. Without that support no Government can go very far in such an undertaking.

With respect to Prince of Wales College the Government has been able to establish commercial classes through the assistance of the technical grant given by the Federal Department of Labor. An arrangement is made, a general arrangement which extends to every province in Canada, by which that Department will pay one-half of certain expenditures made for technical education. It has been arranged that this commercial course will be considered as technical education. The course will be held over two years and will be optional; students entering the college may decide whether they will take the commercial course or the course heretofore provided, leading to a university course. I believe it will be of very great benefit to many young men who wish to get all one side of a practical nature that they can receive, and yet who do not wish to follow along the line of a university or higher education. This has been established without additional cost, because some of the professors of the college will teach the subjects, and consequently are not receiving any grant. That will at least offset the extra expense of the necessary equipment which this Province will have to supply.

Public Works

The next department, which I purpose to deal with very briefly, is the Department of Public Works. And I wish to say, at the risk of being criticised by my hon. friends for boasting or eulogizing—I am not saying it in that way, but in all fairness and sincerity—that this Government has the good fortune to have a Minister of Public Works—the department which comes in closer contact than any other with the people—a man of special business ability and energy; a man who since he entered upon his duties has not spared himself; a man who is able to give where it is necessary, and who is always prepared to help to the line in the interests of the Department over which he presides and of the Province at large. (Applause.) When this Government took charge they found a rather chaotic condition in connection with the Department of Public Works. My hon. friends admit that the late Government devoted themselves almost exclusively to the construction of what are termed permanent highways, and so fully were they engaged with these that they had not given attention to the ordinary public roads of the Province. As a result, when this Government took charge they found that the ordinary roads had been left very largely to take care of themselves. The bridges and culverts were in a most dilapidated and disreputable condition. They had been treated to a system of patching and repairs over a period of four years, so that they had become almost impassable. Upon that condition, in the fall of 1923, shortly after this Government took power, came that tremendous storm which we all remember and which completely destroyed those dilapidated structures, where structures of a more permanent character, had they existed, would probably have lived the storm out. Those two conditions, one upon the other, created a situation which required a man of perhaps more than ordinary ability to deal with, and as you know, Mr. Speaker, that this condition has been remedied to a very large extent. A great deal of work has been done during the past year in the construction of permanent culverts and bridges throughout the Province, and I am pleased to say that the ordinary roads have received more attention. In the month of October, before the fall conditions set in which injured the roads, we never had in the history of the Province the public highways in more satisfactory shape than they were at that time. (Applause.) I may also point out that during the previous year, under the last Government, the average expenditure in the Department of Public Works in connection with ordinary public work was \$120,000; last year the expenditure was \$107,000, yet we have achieved, notwithstanding that reduction, the excellent results to which I have referred. (Applause.)

Highway Improvement. I did not intend at first to say anything with regard to highways, because that will be dealt with extensively by my hon. friend the Minister, but a great deal has been said on the floor of this House with regard to our policy in this matter. We have been charged with being pledge-breakers, and I would like to deal with that for a few moments. I would like to make a comparison, if nothing else, for the sake of illustration. In 1919 we had the floor of this House with this matter of highway improvement, during the time of the Arsenault Government, when a policy was inaugurated and preparations were made to carry it out. It was just before the elections of 1919 and the policy of the Arsenault Government was very clearly defined. Under that policy it was to be expended, as far as possible, for building up the low-lying places, for the building of culverts and bridges, and for building, in as permanent a manner as possible, the approaches to the larger centres, the principal towns and the city. During the session of that year and the election campaign that followed, what was the attitude of my hon. friends who afterwards obtained power? They condemned this scheme en toto. They even went so far as to call it an "infernal scheme." They spent a great deal of time in passing a great deal of paper in showing how deeply this Province would be plunged in debt if this scheme were entered upon.

After they obtained power in 1919 did they continue to repudiate that policy? Did they turn down the offer of the Dominion Government as a highway aid? During the first session of the House they proceeded to adopt the very scheme which they had condemned in such unmeasured terms, and if my hon. friends will undertake to examine the resolution passed during the summer of 1920 in connection with the State providing for the borrowing of this money, they will find that the terms of that resolution are the very terms of the Arsenault policy which they had previously condemned. But that policy was not carried out by my hon. friends, because when the work was actually entered upon attention was given to building up low lying places, bridges, concrete culverts, or approaches to the larger centres of population. That is exactly what we objected to; a great deal of time and money was wasted on laboriously building up elevated clay roads.

In 1920, when the policy we are following is as close as we can get to the policy of the Arsenault Government when first enunciated and which has been upheld by the Conservative party ever since. (Applause.) The policy of the Liberal party, on the contrary, has veered in the meantime to every point on the compass, except the one of compromise-breakers; if we must descend to that childish and inane practice of calling names, then who should call names first? (Applause.) In the departments of Provincial Treasurer and Executive Council there is little to remark upon. The expenditures are normally fully within the estimates and fully down to the average level of former years. The item of interest might be interesting. I find that in 1920, the first year of Liberal rule, the amount of interest paid was \$65,497. (I am not now referring to the interest paid on the money borrowed for highway improvement, but to the interest paid on the ordinary debt of the Province.) In the year 1924, after four years of Liberal rule, the interest had increased to \$69,000, or an increase during that period of over \$3,500. Will my hon. friends wonder at the problem in arithmetic from that, and tell us whether they have not increased the debt of the Province?

Falconwood

Another large spending department is that of Falconwood, which is really under the direction, so far as the financial end of it is concerned, of the Department of Public Works. I am sorry to say that in this individual item we have exceeded the estimates by some \$4,000 or \$5,000. But on the other hand, it is over \$20,000 more than the preceding year, and over \$11,000 below the average of the four previous years. (Applause.) This saving was effected in spite of the fact, which I mentioned to this House last year, that we found conditions none too good there. We found a condition of neglect so far as upkeep was concerned. We found some of the boilers burned out, which necessitated considerable extraordinary repairs, and during the past year of 1924, we have done necessary and important repairs to the building and to the heating equipment; and I am pleased to say that we have an absolutely adequate supply of water, and of the very best quality. There is another condition, which perhaps might be considered, and which has been receiving the very serious consideration of the Trustees Board of this institution. I refer to over-crowding at Falconwood. The matter is not new; it has been reported on by Grand Jurors and the Province is well aware of it. The question remains how the problem shall be approached and dealt with. The obvious suggestion, of course, is that an addition should be built. That would entail a large expenditure, an expenditure which would without question add considerably to the permanent debt of the Province, and before entering upon a step of that kind, the Board considered it was necessary to give this matter very careful and very full attention. We find a condition there which perhaps might be ameliorated to some extent. It has been said that the number of patients in Falconwood is an index of the increase in insanity throughout the Province. I do not think that is so. I am rather inclined to the belief that it is an indication of the greater tendency of our people to send those unfortunate members of their family who are in that condition to this institution. Now we have a number of patients who are in a chronic condition; they are in a condition where treatment will not make any improvement, and still they are quite harmless. Patients of that class, both the medical superintendent and the trustees believe, might very well be kept where they would be cared for just as well. Quite a number of those have been non-paying patients, and by carrying out that policy the institution might be and could be sufficiently relieved of its congestion without the expense of building up anything new, which, as I said, would add to the financial burden which this Province has already to bear.

The problem of the non-paying patients at Falconwood was referred to by myself last year and also by the Leader of the Opposition. During the session that year I spent several days in the institution, going over the list of those patients, obtaining what particulars I could from their records, and communicating with their families. Up to the present we have not obtained the success we hoped for. We have made little progress, but my hon. friend the Leader of the Opposition knows how difficult it is to collect those debts. It will require a great deal of follow-up work, in a matter of this kind which has been neglected so long where patients have been in for years without paying anything, and where in many cases the patients responsible for placing them there have left the Province. It will require a great deal of time and patience before we can make very great progress in the way of increasing our revenue from Falconwood Hospital.

A Comparison in Expenditure.

Those, Mr. Speaker, are the principal large items of expenditure. The others are not so far as the aggregate amount is concerned, and are fairly uniform from year to year, and I shall not take up the details of them. I will make, however, one or two general comparisons between the expenditure as a whole this year and previous years. First I will take, for the sake of uniformity, the year 1920, and compare it with the year 1924, because 1920 was the last full year that our predecessors were in office, and the same would apply to 1924 in regard to the activities of this Government. In 1924 our expenditures, in round numbers, were \$700,000. In 1920 the total expenditures were \$620,000, an increase of 12.9 per cent. In 1920, roughly speaking, we find that there was \$68,000 more spent than in 1920, in the Department of Education for the payment of teachers' salaries, an uncontrollable expenditure brought about by the legislation of 1920. Deducting that, and thus placing the two years on a level as to the regular expenditures we are concerned, we find that \$28,000 less was expended in 1924 than in 1920. (Applause.) I do not think that I need say anything as regards the comparative efficiency of the public services during the two periods. That is a matter which is within the knowledge of this House and of the people of this Province. Following the same comparison, between the years 1924 and 1921, I find the difference in favor of 1924 to be \$24,000. So far, therefore, as comparative expenditures are concerned, I do not think that Government has done anything extraordinary, having carried on, as I said before, with a loss of revenue in one department alone of nearly \$30,000. We omitted the increase in the educational department, we have been carrying on with over \$20,000 less that was required and expended in the years 1920 and 1921.

I wish to deal with some matters in connection with the revenue of this Province. I find that in 1920 the total revenue collected was \$706,000. In 1924 it was \$676,000; in other words, there was \$30,000 less revenue in 1924 than in 1920. Where did the Liberals in 1920 get the increased revenue? The first item I find is from the Prohibition law. They obtained in 1920 \$7,000 more than this Government received in 1924. The balance is made up of arrears of tax taxes which they collected, which became due under legislation passed by the previous Government. Now, as you will note, the revenues have decreased in some respects during the past year. There was quite a material decrease in succession duties. That, of course, is a result of the decrease in the source of revenue; it depends very largely on the number of wealthy people who died during the year, and upon whose estate a succession duty could be levied. There has been a decrease in the bank tax, a principal reason being that one of the banks operating here withdrew their business from this Province. Formerly this Province received revenue from two Express Companies. They are both gone; the revenue from that source has entirely disappeared. One of those was absorbed by the other, and the latter was taken over by the Federal Government, Department of Railways. And there are other items of revenue in which there has been a decrease. I am free to say that we have not attained to our expectations in the collection of taxes under the Personal Property and the Income Taxation Act. There may be several reasons for that; one, I believe, is owing to the existing hard times and the consequent shrinkage of incomes. But apart from that, after a year's experience with

The Gasoline Tax

I do not think it is necessary for me to deal with that matter any further. There is just one more item in connection with revenue which I wish to mention at a few moments, and that is the Gasoline Tax. That tax, as you know, was introduced a year ago. It was a new Act. The only experience there had been with it in Canada previously was in the provinces of Quebec and Alberta. We are very pleased to say that the Act has worked out most satisfactory and that the revenue obtained therefrom exceeded what we expected. As you know, Mr. Speaker, the revenue derived from that tax will be applied to the upkeep of the highways upon which the cars run which use the gasoline taxable under the provisions of the Act. So far as the expenditure of the revenue derived from the tax is concerned, and the maintenance work upon the highways, I will leave that to be dealt with by my hon. friend the Minister of Public Works in whose department it is administered. I wish now to deal generally with matters of finance. It has been said that this Government during the past year has had a deficit of over \$23,000 to \$25,000 or more. I would like to deal with that statement by pointing out what I think is the true picture of the matter. I have often said in this House before, and I wish to be consistent, that so far as I am concerned I place very little value upon those apparent surpluses and deficits. They are very largely the result of the way in which figures may be manipulated. This deficit arrived at by comparing what I have called a part of the revenue of the Province and standing over against that all the current expenditures. Now a part, and a very large part, of the debt of this Province is in the form of debentures. I do not think it is necessary for me to enter into an explanation of the nature of a debenture. As you know, it is simply a loan upon security; I might describe it as a somewhat glorified promissory note. It is a paper security given for the borrowing of money over a term of years, the security providing that the money will be repaid within a specified term of years at the rate of interest also being specified therein. Over a million dollars of the debt of this Province has been borrowed and secured in this way. The Province has given what I might term its promissory notes in varying amounts in varying times to cover this total debenture indebtedness. When the due date of these several debentures arrive it will be necessary for the Province to pay them off, or to make some provision for doing so. Those debentures are only issued by the Province on the authority

Sinking Fund

I have said that these amounts placed in the sinking fund are invested and bear interest; but all (Continued on Page 8)

of this Legislature expressed in Acts or Statutes, in which is specified the aggregate of the loans the term of years and the rate of interest. By virtue of the same Act or Statute it is provided that the Province shall lay by every year during the term of the debentures a certain amount of money, so that when the time comes for paying them off, there will be provision in the public treasury for repayment—in just the same manner as if you or I borrowed on a promissory note which, if we did not make provision by setting aside some money from time to time for its payment within the specified period, might place us in a very embarrassing position. That is how we stand in connection with our debenture debt. Every year a certain amount of money is placed in what we call a sinking fund to pay off these debentures when they become due, and that money comes out of the revenue of the Province. Part of the sinking fund is provided to take care of debentures made for what might be termed ordinary loans, and some for the purpose of paying the debentures recently made for the carrying on of highway improvement. But the entire sinking fund, whether derived from automobile fees, from general revenue or from special source, and whether it be applied to the paying off of ordinary loan debentures or highway improvement debentures, must, in some way or other, come out of the revenues of the Province. Last year there was set aside in that way some \$26,000 to pay off these debentures. Part of that came out of automobile fees, part from other sources. These amounts were placed in the sinking fund. If you or I were to set aside money to meet a promissory note, we might place it in the bank or lend it out ourselves where it would earn a greater amount of interest, provided that we could get it back within the necessary time. In the same way, the Provincial Government, in dealing with these amounts instead of leaving them idle, invests them in some security where they will be earning money in the meantime. The interest which those securities earn belong to the Province and is just as much a part of the revenue as the money which you or I would earn if we loaned out our own money. This mortgage of other security and the interest, it would be correct to say, is a part of our yearly income, and in the same way as the money which comes in from the interest on the sinking funds set aside to meet our debentures is part of the revenue of the Province. As I said, the items amounted in all to something over \$23,000. Taking that and adding it to the other revenue of the Province, we find that this Province has not a deficit for the year, but that it has had a small surplus. (Applause.)

Prohibition Enforcement.

Another matter which we have heard something about in connection with the collection of revenue, and which I purpose to deal with for a few minutes, is the operation of the Prohibition Act. A great many charges have been made against the Government in respect to this. The amount of \$4,000 was paid into the treasury during 1924 from the receipts of the Prohibition Commission, and apparently this Government is condemned for receiving that money, and it is said that on that account the sale of intoxicating liquor in this Province has been increased. Those statements are not correct. I may say at the outset that it does not lie in the mouths of our hon. friends to make statements of that kind in view of their own record. As I said before, they received in 1920 from this very source, in the corresponding year of their period of power, \$51,100, and in the next year, 1921, they received from that source and from the taxation placed upon wholesale houses dealing in liquor, \$49,500. Yet they will condemn this Government because we have taken from the Prohibition Commission the lesser sum of \$4,000! We have in those two years, 1920 and 1921, the largest receipts from this source. In 1922 and 1923 the receipts had decreased until in the latter year they only amounted to \$14,000. Will my hon. friends undertake to say that the source of that revenue had dried up; that there was less liquor being sold and consumed during 1922 and 1923 than in the two previous years? I do not think they will be so ready to say that. Was it because the law was more strictly enforced in those years 1922-23? I will answer that question, and I will answer it in the negative. In 1924 there was a much larger number of convictions and prosecutions under the Prohibition Act than in any previous year since that Act was placed on the Statute books of this Province. We had the same officers, and those officers were operating under a Commission composed of some of the best business men in the Province; men of the highest integrity

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