

Whatever the truth may be about
love, there is certainly friendship at
first sight.

The real need for satisfaction is
something that we can hold and that
holds us.

Morning Guardian, Founded 1857.
Charlottetown Guardian Two Cents.

CHARLOTTETOWN, CANADA, SATURDAY, APRIL 25, 1931

16 PAGES

Annual Subscriptions Delivered \$5.00,
By Mail Canada (incl. U.S.) \$6.50.

Debt Of Province Increased By \$758,994 Under Mismanagement Of Lea Govt.

Alarming Situation Revealed In Analysis Of Public Accounts By The Leader Of The Opposition

Lea Government's Boasted Surplus Vanishes and Gives Place to Deficit on Current Account of \$32,882 and Increased Liabilities of \$234,581. Its Juggling of Figures, Extravagance In Public Works and Other Departments, Neglect of Pre-election Promises Re Prohibition Enforcement and Inability to Formulate Any Plan for Raising Much Needed Revenue for the Province, Exposed By The Hon. J. D. Stewart In Convincing Speech In Budget Debate.

Following is the speech delivered by the Hon. J. D. Stewart, K.C., Leader of the Opposition, in the Budget Debate in the Provincial Legislature. Mr. Stewart began his speech on Tuesday evening, April 21st. He said: Mr. Speaker:

"I am very sorry indeed that I am not able to offer my congratulations to the Prime Minister upon the delivery of his Budget. As a matter of personal courtesy I should be delighted to do so; but after all, he is simply speaking as the mouthpiece of a Government to which I am in opposition both with regard to its policy and its method of dealing with public affairs.

There is another reason, however, for which I cannot congratulate him. His budget speech may be described in a few words by saying that it was simply a tirade against one newspaper. That is perhaps the principal reason why I cannot offer him my compliments on this occasion. Of course, I realize just what my hon. friend is facing. The difficult task is assigned to him of defending the policy of this Government during the past four years. What a difficult thing it is to make out anything of a good case, with a general election looming in the near future! It is so easy, when one is facing a task of that kind, to find some excuse for drifting into even an attack upon a newspaper.

All At Sea

In trying to follow my hon. friend through the maze of figures which he quoted this evening, I was reminded of the story of a young and experienced midshipman who had been given permission by his captain to "shoot the sun," or in other words to ascertain, by means of the proper instrument, the longitude and altitude of the ship while at sea. The midshipman made his observations, endeavored to calculate the ship's position from the figures he obtained, and then submitted the results to his superior officer. The captain studied this result thoughtfully for a while, then called the youngster over to him, and said solemnly: "Young man, take off your hat." "Why?" asked the surprised novice. "Because," was the reply, "according to the figures you have arrived at, this ship is now in the centre of Westminster Abbey." (Laughter.)

I do not think that my hon. friend's calculations will ever bring him into Westminster Abbey; but I am afraid if he is allowed to remain in power for the next four years this Province, financially, will be in a position very much worse than that ship in the story. (Applause.)

The hour is now late, and as I have a great many matters to deal with I shall now move the adjournment of the debate.

More than that, he was dealing with perhaps the most important subject that could be dealt with in this House, introducing the most important resolution of the session; and it was a most improper thing, and showed very bad taste, that he should take that opportunity of attacking a newspaper upon what was largely a personal matter. He went very far; and in my opinion, Mr. Speaker, he disclosed by that attack that he is a man who should not be in public life. Because a man who cannot take these things as they come without showing such rancor as my hon. friend showed last night, I think it is better, both for himself and for the public, that he should not be in public life.

Mr. Lea's Rancor

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Astounding Suggestion

He made the remark, for instance, that if the person who wrote certain editorials in The Guardian was living some distance South of this country, "something" would "happen" to him. I take it he meant that the writer would be lynched. Can one imagine a Prime Minister of a Province of Canada making a speech of that kind in all seriousness and earnestness? Is that the proper example to set to the public thought of this Province? I do not think I need follow that any further; but I do say this, that the time in making an important motion of the kind now before the House should not be occupied with any personal matter such as that. It should be settled in some other way.

Why All the Fuss?

Now why all this fuss? Why all this attack? It seemed to have begun with the tabling of the Public Accounts and of certain editorials or articles appearing in The Guardian with regard to the Public Accounts. Then followed, what of course we would expect, contrary assertions in The Patriot. We have had many of these assertions. For my part I have never occupied much of the time of

this House in defending myself from newspaper criticism. But my hon. friends on this occasion made a great fuss, and the Patriot endeavored to show that there was a surplus. That was the whole trouble.

But that was not the end of it. A more serious matter was the attitude taken by the Public Accounts Committee of this House, which did a most improper thing. We found tabling on our desks last night, what purported to be a report of the Public Accounts Committee. The report was in two parts, Chapter 1 and Chapter 2, apparently, and it is signed "B. W. LePage, chairman Finance Committee."

Improper Procedure

To whom is that report addressed? To the members of the Legislative Assembly; the most improper thing I have ever seen done in all my experience in this House. My hon. friends apparently are not aware of their duties. Do they not know that there is a proper way of submitting reports to this House? That every committee should submit its report by a motion addressed to the Speaker? Have they not been in the House long enough to know that the rules are there to be observed?

Here we have a report circulated surreptitiously among the members. And what is it about? They had, it seems, an investigation. They took evidence. I suppose they were within their rights in doing so; but the curious thing about the evidence is that it first came out in The Patriot newspaper. It did not appear in The Guardian. Apparently The Guardian did not receive notice of that sitting and was not invited to attend it.

However, as I said, they took certain evidence. I have observed lately that the gentleman who was the chairman of that committee has apparently been qualifying himself along legal lines, and he was evidently experimenting on this occasion because he conducted the examination. But the curious part of his examination is that he was giving most of the evidence himself and his witnesses were only agreeing with him. (Laughter.) Or at least sometimes they seemed to be agreeing with him!

The witnesses were the auditors. Now, Mr. Speaker, doesn't it seem to you that this was a farcical procedure. The auditors prepared this audit; they were brought in as witnesses, and a great spurge was made because they gave evidence that they believed their own report to be correct! Wouldn't we expect that? Did they need to come in and swear to that? They surely believed it to be correct or they would not have made it.

Here we have a pamphlet published, I suppose, at the public expense, circulated surreptitiously and what has it accomplished?

And then, to finish the chapter,

we have this exhibition, if I may so call it, of the leader of the House last night in his attack upon The Guardian.

Much Smoke—Also Fire

Let us consider, for a moment, just what all this fuss is about. It is an old saying that I have heard many times since I was a lad, and I suppose most people have heard it, that wherever there is smoke there is fire. We have had a lot of smoke here, beginning with the Patriot and ending with the Premier, and bringing in no less a gentleman than the hon. member from Rustico. There certainly has been plenty of smoke. Let us look for a moment and see whether we cannot find some fire.

Extraordinary Revenues

For some years past we have been receiving some extraordinary revenues. Some years ago we put a tax on motor vehicles, or rather a license charge. We also put a tax on gasoline. These added two new sources of revenue. Now a point that is worth noting with regard to these sources of revenue is that they raise, so to speak, mortgaged by statutes of this Province. Statutes were passed providing that certain payments would be made out of these sources of revenue, and those revenues were tied up; they were trusted in the hands of the Government. The Government simply held those funds, not as ordinary revenue but as trust funds. We had begun to borrow money and under the Bell Government the first Acts were passed trusting the revenue from automobile license fees for a certain purpose, namely, for paying the interest and sinking fund on certain bonds. The same thing afterwards applied to the gasoline tax; so that both of those sources of revenue were mortgaged and were in the hands of the Government only as trustee.

Now revenue, as I have always understood the term, is money collected from the people for the purpose of carrying on government. We have those moneys here from gasoline and motor vehicle receipts; they are not provincial revenue; they are not in the hands of the government for revenue purposes. Therefore it was a most improper thing to have placed them in the Public Accounts this year in the list of general revenue. It is not good accounting and it is clearly unjustifiable and improper.

Federal Payments

There is another source of revenue to which I might refer. Some years ago, before any of us were in this House, the Dominion Government made an agreement and passed a statute by which they provided a certain amount of money to the Province for agricultural education. Under those statutes the Province received from the Federal Government certain moneys. Now I submit, Mr. Speaker, that those moneys were not revenues of this Province, be-

cause an arrangement was made, and an agreement drawn up in writing between the two governments, as to how that money was to be used. This Government could not expend that money for any purpose except the purpose for which it was allocated in the written agreement. Those moneys also were trusted in the hands of this Government and could not be put in the general revenues of the Province. So closely was that policy observed by former governments, that the Matheson Government, which was in power when the agreement was made, refused entirely to submit to this House and to the people a statement of how those moneys were expended, because they said it was a matter in which they were simply acting as trustees for the Dominion Government, and it was for the Dominion Government, which gave the money, to submit its report to the people and not this Government at all.

The same thing applies to the technical grant. I say that these moneys do not form any part of the public revenue of this Province. The money is simply in the hands of this Government to use as the Dominion Government directs. Yet these moneys, for the first time this year, were put in the revenue and expenditure columns as being part of the general revenue and expenditure of the Province.

This method might be intelligible to those who had been instructed to follow the columns, because on the expenditure side we find charged up the amount of those moneys that are used in the different departments, and so they would form the same balance, provided they were all put in. But I submit that if any of those moneys that were included on the revenue side were not balanced on the expenditure side, then they were improperly placed there and they will not form a part of the balance which goes to make up the accounts and to show whether there was a deficit or a surplus.

IMPROPER ACCOUNTING

I submit, Mr. Speaker, that there are at least two items there that are improperly included among the revenue. I refer first to page 19 of Part 1 of the Public Accounts, dealing with revenue under motor vehicles and gasoline tax. We have here the net revenue under the Motor Vehicle Act, \$138,710. The amount that is carried into the list of revenues on page 6 is larger than that; it is \$145,995. The difference is made up of certain expenses which are included and to which I do not take any exception.

Referring back to page 19, we find: "To one year's interest on highway bonds \$54,373." I am not objecting to that, except, of course, to the whole method of book-keeping to which I have already referred, because they have covered it by an entry in the columns on page 7.

To the next item, however, I do take objection. That is: "To transfer to highway sinking fund account, \$21,250." That does not appear. It is not a cross entry and it has no right to be there at all because it is not current revenue. It is simply a transfer to the highway sinking fund account and as it is no part of the revenue of the Province it has no right to appear in the current revenue account.

Should Not Be Touched

Where does this money go? Does it go into the revenue? Of course it does not. It is taken to provide a sinking fund. Surely nobody will contend that the money that is put into sinking fund is a part of general revenue. What becomes of it? An investment is made; bonds or some other investment is sought out and the money is placed in that investment and it remains there until the time has come for paying off the bond issue. In the meantime it is held by the Government as a trustee for that purpose. I submit that if an individual trustee interfered with funds of that kind he would be committing a crime. That money is placed there by law for a specific

Other Liabilities

My hon. friends admit that the Province has gone in debt to the amount of \$234,581. That is what the Public Accounts show. I am not going to debate that; but there we have the general net result of their financing for the past year—a deficit of \$32,882 on ordinary account and an increase in the debt of the Province of \$234,581.

But that is not all. I may say that my hon. friend the Minister of Public Works could tell us quite a bit

purpose and it is a violation of the law if it is made to form any part of revenue.

There was a time when so-called I. O. U.'s were used, when the money was never properly set aside but was left in the current revenue and used there. But that time has passed and today this Province is living up to its own laws so far as that is concerned, and therefore that money does not go into current revenue but is invested at once. It is not for the use of this Government at all until it is finally used for the purpose of paying off the bonds for which it was set aside by an Act of this Province.

Therefore I maintain that this \$21,250 is included improperly in the revenue and it cannot form a part of the surplus which has been boasted about and over which all this fuss and smoke has arisen! So there, to begin with, is just a little fire! (Applause.)

More Improper Accounting

Take the other amount found on the same page, the sinking fund derived from gasoline tax, \$8,500. The same argument which I have already applied to revenue under the Motor Vehicle Act applies with the same force to this item.

These two amounts total \$29,750, which I submit are improperly entered as revenue of this Province under the heading "Total Ordinary Revenue." Not one dollar of these amounts is ordinary revenue of the Province and cannot properly be shown as such.

But that is not all. We have ordinary debentures, and for those ordinary debentures we have to provide out of our current revenue. We have statutes passed which provide that every year while those debentures are outstanding we must set aside from our current revenue a certain percentage which will accumulate until finally there is a sufficient amount saved in that way to pay off that particular mortgage.

THE LAW VIOLATED

Last year we set aside \$18,515.50 for ordinary debenture purposes. That money had to come out of current revenue in order to comply with the laws of the Province. Yet I notice that that has not been done this year. Instead of being taken out of ordinary revenue, it is put down below the line. After the ordinary expenditure is totalled and added up a balance is struck and their imaginary surplus is arrived at. Then they charge this debenture amount at the bottom of the page. I submit that this money must come out of

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