Hon. Dr. MacMillan In Debate On The Budget

Every phase of public expenditure was touched upon in the Legislature on Monday afternoon and evening by Hon. Dr. W. J. P. MacMillan, leader of the Opposition, in the course of his speech in the Budget Debate.

By claiming a $663,916 surplus for the present year the Provincial Treasurer had only succeeded in making the situation of this Province ridiculous, Dr. MacMillan said. He had taken only current account figures, thereby misrepresenting the true position. The most important thing in any Budget should be an accurate statement of the financial standing.

Dr. MacMillan quoted from Canadian Press reports of Mr Hughes' speech, in which the current account surplus was featured while there were no figures to show the actual debt or liability of the Province. "The assumption is that this Island is prosperous that we are going to have a big surplus this year," he said. 'How does that coincide with the increased taxes we have been asked to impose at this session?"

Misplaced Item

He noted that in order to build up the surplus on current account an item of $96,000 for vocational education had been placed under capital expenditure. How could this be justified? It was always thought that any capital account would at least outlive the term of the borrowing.

The total revenue estimated for next year, Dr. MacMillan noted, is $4,819,000 and the total expenditure $5,907,000. This left a debt of over a million dollars, which was the true picture of the Government's financing for the year ending March 31, 1948. In order to make a better showing the Provincial Treasurer had left out capital expenditure of $1,892,370. "So we are going to have a surplus of $633,916 on the one hand and we are going to go into debt to the tune of a million and a quarter dollars on the other? My hon. friend ought to have a little better estimate of the intelligence of the people of this Province, than to think that they will accept such a statement. Unfortunately he has broadcast it all over Canada, placing us in a false position.

"Even his figures for last year were not correct. He had a total expenditure of $4,727,200 and a total revenue of $4,148,452. This left a deficit of $578,000 before deducting sinking funds of $330,000. or a total net debt last year of $248,786.

"All my hon. friend needs to do is look at the comparative statement of liabilities over the past few years. In 1942 the total liabilities were $9,302,000. In 1943-4 they were $9,123,000. In 1944-5 the liabilities were $9,676 and in 1945-46 the Public Accounts show that they were $10,421,000. Today, according to the Liberal press, the net provincial debt is $11,100,000.

In other words, in the five years since 1942 there has been a debt increase of one and three-quarter million dollars.

Huge Annual Increase

"This is a yearly increase in debt of $360,000, so that our financial condition is very far from being satisfactory, as the Provincial Treasurer sought to show by his fictitious surplus' on ordinary account estimated for the present year.

"This brings us back to the bargain at Ottawa, in which Prince Edward Island did not get enough to carry on its domestic housekeeping properly. The Premier admitted that his minimum demand was for $3,056,000, and the final answer he got from the Minister of Finance at Ottawa was, "You are not going to get any more than what we have offered; you have been treated generously."

The hon. member from Bedeque (Hon. Mr. Wright) had stated that on a percapita basis we are receiving much less, comparatively, than we were before. Dr. MacMillan agreed with this statement. Under the new agreement, according to Mr. Wright, we received $6 more than the average percapita subsidy of $18; but we previously received three times the percapita subsidy of the other Provinces because of our lack of natural resources and for other special reasons. That meant that on the basis of $18 per capita average we should be receiving $54 per capita subsidy.

Mr. Francis: "Those figures are based on suppositions."

Dr. MacMillan: "There is no supposition about those figures; and if there is they come from your own Government."

Continuing, Dr. MacMillan scored Government members and supporters for not supporting the Conservative amendment to the Tax Agreement Bill regarding subsidy claims under the Duncan and White Commissions, which were statutory payments and should never have been lumped into a tax agreement. The amendments were turned down on a straight party vote.

He cited from the Halifax Liberal press in this connection quoting the contention of Premier Angus Macdonald for the full payment of these subsidy rewards, and the offer of Prime Minister Mackenzie King to pay 30 per cent as a setoff to certain concessions given the Western Provinces. He also cited from the report of the Rowell-Sirois Commission, emphasizing the vital principle of fiscal need in the relationship between the Provinces and the Dominion.

Burdensome Taxes

He had previously estimated, Dr. MacMillan said, that over the period of the wartime tax agreement the Dominion received six and a half million dollars in taxes from this Province. This estimate was really too low. He had not taken into account the amusement taxes, the electrical tax, nor the 8 per cent sales tax. The latter tax alone, according to a financial authority formerly in the employ of the Provincial Government, means $2,000,000 a year to the Federal Government. The same authority estimates the other taxes at another $2,500,000. He estimates the Federal gasoline tax at $125,000 last year, the luxury tax at $300,000. Even the postage tax is a big item and according to the Winnipeg Free Press, leading Liberal newspaper in the West, should be reduced in view of the $13,000,000 surplus shown last year by the Postal Department. The estimate of the Government employee to whom he referred was that on all Federal taxes this Province pays $63 per capita and on freight $40 per capita.

Dr. MacMillan quoted from the Nova Scotia Premier's budget speech dealing with Federal taxes on domestic electricity, amusements and pari-mutuels which Nova Scotia claimed should be left to the Provinces.

Lost In The Shuffle

Reviewing the tax agreement with this Province Dr. MacMillan noted that the $40,000 formerly paid to Prince Edward Island by the Canadian National Railways has disappeared from the Public Accounts. It had been "lost in the shuffle." He went on to contrast this treatment with the handouts received by the Prairie Provinces in the way of annual subsidies in respect to natural resources. Then when the resources were handed over to these Provinces, they were allowed to keep their subsidies too. Prime Minister Mackenzie King, however, was prepared to cut 70 per cent off our White Commission award, to which we were entitled by statute. At 5 per cent the White Commission award represented $5,500,000 to our credit at Ottawa, but Mr. King proposed to cut off $3,000,000 from this Province, contrary to statute.

The Maritime Provinces as partners in Confederation had a claim on the natural resources which have gone to the Western Provinces, and from which we have received no benefit. Dr. MacMillan quoted in this connection from the minority report of the late Chief Justice Mathieson as a member of the White Commission, in which he predicted that failure to observe the principle of fiscal need was leading to a condition of "grave unrest not free from the danger of Canadian disunity." It was a coincidence that at that time of Chief Justice Mathieson's death, this condition of disunity has become apparent between the Dominion Government and the dissenting Provinces. This was due chiefly to the Dominion's refusal to relinquish wartime taxation. Its course if unchecked will eventually result in the Provinces becoming mere wards of the Dominion, Dr. MacMillan declared.

Hon. Mr. Wright asked if, in view of the fact that three of the Provinces refused to sign the new agreement, the Opposition leader thought the Federal Government should not make agreements with the other provinces individually.

Dr. MacMillan: "Decidedly not on the terms that have been put through."

Mr. Wright: "You think that no agreement should be made at all?"

Dr. MacMillan: "They took advantage of the poverty of the smaller Provinces, just as a horse-trader takes so much boot with a bargain. You had to take this offer in order to exist."

Hon. Mr. Hughes: "Did British Columbia make a bad bargain too?"

Dr. MacMillan: "They got more than you did."

Mr. Hughes: "Premier Hart got $21 per capita and we got $24."

Dr. MacMillan: "And he got $8,000,000 of debt wiped out. Saskatchewan got $44,000,000 of arrears and millions of dollars of interest. What did Manitoba want? $8,000,000 too. What did you get."

Mr. Hughes: "$24 per capita."

Dr. MacMillan: "You couldn't even get that iniquitous $9,000 charge on the Hillsboro Bridge wiped out."

Mr. Hughes: "You didn't either."

Dr. MacMillan: "I was not making this bargain." He went on to quote from Nova Scotia and Ontario papers in criticism of the Dominion Government's attitude toward the Provinces.

In the case of one of the editors quoted. Mr. Francis asked if this gentleman had any personal experience as a legislator, or was he just talking of what he knew nothing about?

Dr. MacMillan: "You don't believe in the power of the press. You are something like your leader. He slights even this own press. I have always understood that the press is a great organ of public opinion in this country. Because a man has not sat in the Legislature does not mean that he is not fit to be a newspaper editor, or able to write intelligently on the subject. A man who gets up in these days to criticize the press is not in line with public opinion."

No Assurance

Dr. MacMillan read from the Speech from the Throne the clauses dealing with social security plans in the event of agreements being reached between the Dominion and the Provinces. "What hope," he asked, "has the Premier of seeing that day come? These social security and investment proposals are of intense interest to all the people, more especially in the smaller Provinces, because we are away below the common level of Canada. But where is there any assurance that any agreement will be reached on these subjects?"

He went on to quote from a recent magazine article by Hon. C. G. Power, former Minister of Defense for Air in the King Government, on the manner in which the Liberal party has recanted its principles of oldtime Liberalism. Certainly, he added, the party had not shown much Liberal principle in dealing with the smaller Provinces.

Mr. Francis: "Does the leader of the Opposition claim that had Mr. Bracken and the Conservatives been in power when this agreement was made, you would have got more?"

Dr. MacMillan: "Decidedly. Had Mr. Bracken been in power we would have got justice."

Mr. Francis: "Why did he put an article in the paper that we were getting too much?"

Dr. MacMillan: "He made no statement of the kind. He said Prince Edward Island got more on a per capita basis but no one minded that because little Prince Edward Island was entitled to special consideration." (Applause).

Dr. MacMillan also quoted from paragraph 11 in the Speech from the Throne, the promise to "reduce taxes." How, he asked, had this promise been implemented? It was a serious thing to put a misstatement in His Honour's Speech.

Mr. Eugene Cullen asked if it was in order, during the Budget debate, to refer back to the Speech from the Throne.

Dr. MacMillan maintained he was entitled to this latitude in the Budget debate.

Premier Jones: "I don't think it is in order to take a paragraph from the Speech from the Throne and discuss it as if it were a motion. It is never done."

Dr. MacMillan: "Is that so? That is something new. You want to cut off discussion now. This paragraph is a promissory note on behalf of the Government of this Province, and the first action of my hon. friends has been to repudiate it. They started in to increase taxation notwithstanding this pledge to reduce taxes. On top of that we have the Provincial Treasurer broadcasting throughout this country that we are going to have a surplus of $666,000 when he knows that if his plans carry through we will have at least an increase of a million dollars in debt."

Hon. Mr. Hughes: "That statement is not correct."

Dr. MacMillan: "Then your estimates are not correct. You budgeted for a debt of over a million dollars."

Mr. Hughes: "I am budgeting for a surplus of $660,000."

Dr. MacMillan: "On ordinary account,—which does not mean a thing."

Mr. Hughes: "It is the only thing that means anything."

Mr. Hughes' Contention

Dr. MacMillan maintained that capital account must be taken into the picture. He cited the case of a man with a small balance in one bank, and a big overdraft in another. This Government came into power with a debt of $9,302,000. They now show a debt of $11,100,000, and they are budgeting for another million dollars of debt. "That is what alarms everyone who has any concern for the future of this Province. Why don't you tell the people the real facts?"

Mr. Hughes: "I have told them."

Dr. MacMillan: "It is not correct."

Mr. Hughes: "When a member makes a statement in this House he is entitled to have the statement taken at is face. I demand that the leader of the Opposition take my statement at its face."

Dr. MacMillan: "I was asking my hon. friend why he didn't tell the people about the real financial position of the Province. He never said a word about the actual debt of the Province."

Mr. Hughes: "The leader of the Opposition made the statement that what I said was inaccurate and incorrect and untrue, therefore I demand that it be retracted."

Dr. MacMillan: "It is untrue so far as its dealing with the finances is concerned. I am dealing with your figures. If you can show me that your Budget speech was a true and accurate picture of this Province's financial standing, then you have a retraction coming."

Mr. Hughes: "There are none so blind as those who don't want to see."

Dr. MacMillan: "I guess that applies to my hon. friend when he begins to doubt the records of his own Government, and transfers things out of ordinary account into capital account to show a fictitious surplus."

Mr. Hughes: "Did you ever have a surplus on ordinary account when you were in power, yourself?"

Dr. MacMillan: "We didn't get $500,000 of liquor revenue when we were in power. In four years we collected $100,000, and people told us we were rum-sellers then."

Mr. Hughes: "How much did you spend on health?"

Dr. MacMillan: "We didn't do what you did, violate a statute of this Province imposing a health tax, which you misappropriated to ordinary revenue."

Premier Jones: "We have listened to that so often we are tired of it."

Statute Ignored

Dr. MacMillan quoted from the provisions of the Health Tax on liquor and tobacco, passed in 1941, which provides that the tax revenue be spent "for the purpose of defraying additional expenditure incurred in the provincial health services and particularly in providing facilities for combating tuberculosis" and that the money shall be paid into the account of the Health Minister, not to the Provincial Treasurer as is ordinarily the case.

Premier Jones: "What do you say,—that we didn't spend it?"

Dr. MacMillan: "I say you didn't fulfill the provisions of this statute."

Premier Jones: "You say we didn't spend it?"

Dr. MacMillan: "You would spend everything you get your hands on. Of ccurse you spent it. —but you spent it as ordinary revenue."

Premier Jones: "We will show you the figures this time. They satisfy us."

Dr. MacMillan: "Your record on extra mural treatment of tuberculosis is a record of which you ought to be ashamed. $18,000 was spent last year. You are budgeting for $25,000 this year, and in this Reconstruction Committee report they were asking for $36,000."

Hon. Mr. Barbour: "Did you ever ask for payment to be made to any particular person for extra mural treatment in the last year that was not paid?"

Dr. MacMillan: "I don't ask for any payments for any special person, but I know of cases that you didn't pay enough to."

Mr. Barbour: "Did you notify us?"

Dr. MacMillan: "At every session of this House I have brought it up."

General Gov't. Increases

Continuing, Dr. MacMillan said he noted there were increases in every department of Government expenditure. When the Government took office the debt was $9,312,000. Today it is over $11,000,000 and "still going strong." Increases in liabilities were $178,000 in 1943-44; $552,000 in 1944-45; $745,000 in 1945-46; and $678,000 in 1946-47.

In general government, when the Conservatives were in power in 1932, the expenditure was $93,000; in 1933 it was $95,000; in 1934 $96,000; in 1936 $106,000; in 1937, $116,000; in 1938, $118,000; in 1939, $106,000; in 1940, $117,000; in 1941, $118,000; in 1942, $115,000. Then, when the present Government got into power, it increased in 1943-44 to $142,000, a jump of $27,000 in one year in this item. In 1944-45 it was $143,000; in 1945-46, $177,000, another jump of $30,000. "In other words, in their three years the expenses of general government increased by $62,000."

In departmental offices the expenditure in 1941 was $42,000; in 1942 it was $87,000; in 1943, $89,000; and in 1945-46 it increased to $103,000.

Falconwood management was another place where huge increases were shown. The expenditure last year was $190,000. In 1941 it was $130,000. When the Conservatives were in power it was $96,000. This year the estimates are for $200,100. In this connection Dr. MacMillan cited a statement made by the present Minister of Public Works, Mr. Barbour, in 1938, maintaining that out of an expenditure of $119,000 at Falconwood at that time the Government should have been able to save $20,000 or more. He also quoted from statements made in the Legislature by the present Premier, Mr. Jones, and Provincial Treasurer, Mr. Hughes, strongly condemning the policy of drifting into more and more debt. He also quoted Hon. J. A. Campbell with reference to extravagance at Falconwood Farm.

Hon. Mr. Campbell said that was under the old system of trustees. He understood the trustees had no more responsibility out there now.

Dr. MacMillan: "Do I understand my hon. friend correctly, that the Falconwood trustees have no responsibility in regard to the Farm?"

Mr. Campbell: "That is what I would like to find out."

Dr. MacMillan: "So would I. But you take the report of Falconwood and you will find the trustees listed there."

Mr. Campbell: "I know they are listed there but they have no responsibility so far as I can make out."

Dr. MacMillan: "So far as I am concerned they are still responsible. There has been no legislation to the contrary." He went on to quote Premier Jones' comments, back in 1938, on the money that could be saved at Falconwood Farm by proper management.

Premier Jones: "That criticism was just among ourselves. There were no Tories present."

Dr. MacMillan, citing from last year's reports, showed that thousands of dollars had been spent on food purchases, on a 300-acre farm that should be self supporting.

He went on to commend the speech of Hon. Mr. Stewart in the Draft Address debate, in which the Minister had reviewed all the activities of this department.

A Headless Department

Continuing the debate on Monday evening, he dealt in detail with Falconwood expenditures, also with the requirements of the medical Superintendent, Dr Murchison and the great need for up-to-date treatment facilities. He urged that a Charlottetown doctor be appointed to look after the Infirmary patients, leaving Dr. Murchison free to devote himself to the mental patients.

He recalled that the Government's advisory Reconstruction Committee had recommended that Falconwood might be managed by a Commission, under the Department of Health.

Hon. Mr. Barbour: "Falconwood is under the Department of Health now."

Dr. MacMillan: "I think with a change as important as that this Legislature was entitled to some information. You are not running a secret society, are you? It is news to me. So the Department of Health is now responsible for Falconwood, is that it?"

Mr. Barbour: "Yes."

Dr. MacMillan: "And who is the Minister of Health."

(No answer).

Dr. MacMillan: "There is no Minister of Health, so Falconwood Hospital is set adrift. It is controlled by no one."

Dr. MacMillan stressed particularly the need of a convalescent ward and a medical treatment centre, as recommended for the past five years by Dr. Murchison. He was disappointed to note that no occupational therapist had been appointed. This was one place where there should be qualified assistants.

He approved of the proposal to make this Province a disease free potato area, if it could be managed.

Rural Electrification

One important item — that of Rural Electrification—did not appear in the Estimates at all, Dr. MacMillan said. He recalled the resounding schemes enunciated by Premier Jones in connection with Petitcodiac and Shipshaw in this connection, also the text of the correspondence tabled between Mr. Ainsworth, manager at the Maritime Electric plant, and the Premier. He charged the Premier with being very tardy in his handling of this matter.

The situation regarding electric light and power in Charlottetown is still very far from satisfactory, he pointed out. He did not know who was to blame, but according to Mr. Ainsworth's letters the company had to wait in vain for a statement of Government policy.

Premier Jones: "Do you think anybody was stopping them from ordering the equipment up to that time?"

Dr. MacMillan: "No, but I think when you got that first letter you should have answered it, at once."

Premier Jones: "What would you have done?"

Dr. MacMillan: "I would have answered it the next day."

Premier Jones: "What would you have said?"

Dr. MacMillan: "I would have said a lot less than you said, because you were buoying up the hopes of the people that rural electrification was just around the corner. Yet got power to expropriate the Summerside light and power plant, and it was understood that you were going ahead on a Province-wide scale. Now you seem to have abandoned the whole thing. This is another evidence that the agreement you made with Ottawa is not satisfactory. It is one of the things that has got to go by the board."

Dr. MacMillan also scored the Premier for discourtesy to the old Utilities Commission, the members of which did not know they had been fired until they read it in the papers. He had no objection to the personnel of the new commission. Referring to one of its members, Mr. L.B. MacMillan, he said he hoped this long services as Deputy Minister of Public Works would be properly recognized.

Car Ferry

Dr. MacMillan touched on the car ferry delay and the manner in which the Dominion Government had sidestepped its responsibility in the matter of exorbitant ferry truck rates. He recalled how in his own time as Premier a reduction in auto rates had been obtained direct from the Minister of Railways.

Premier Jones: "Why didn't you settle it for trucks at that time?"

Dr. MacMillan: "There were no trucks at that time. I couldn't look forward ten or fifteen years. But if I had been in your position I would settle it. Why didn't you point that out to the Transport Minister?"

Continuing, he expressed the hope that with the new car ferry we will have a new paved road to Borden, as well as the bridge to York Point.

Premier Jones: "You went that too, do you?"

Dr. MacMillan: "Why shouldn't there be a bridge there? It is the direct route. All the other Provinces are getting something and we are getting nothing but taxes."

Premier Jones maintained that the other Provinces were not getting bridges.

Dr. MacMillan called attention to an item for Christmas bonuses, $510 in the Public Works Department.

Mr. Barbour said that was principally for attendants at Falconwood.

Dr. MacMillan said he had no objection if this bonus was given to officials who had been in the service a great number of years. "It might help to keep them quiet when they see novices coming into the departments and getting paid on a much higher basis."

He called attention to an item of $25 for "Printing Christmas cards" in the Public Works Department, and said there should be some explanation.

He emphasized the greater proportion of road gravelling done in Prince County during the past two years, and twitted the Minister on his attention to the districts in which the by-elections had been held.

Increased Grants

Dr. MacMillan commended the increased grants to hospitals and for teachers' salaries. The $50,000 grant for assistance to rural schools, he thought, should not appear in capital account.

He dealt at some length with health problems, particularly with regard to mental diseases, tuberculosis and cancer.

While commending the Government for enlarging the Sanatorium, he said the veterinary laboratory should not have been placed there, as they were doing post-mortem examinations on animals and the offensive odor was not a desirable thing at all.

Premier Jones: "That was the reason we built the wing."

Dr. MacMillan: "That laboratory should be somewhere else."

He commended the $6,000 grant for a cancer clinic, and told of the need of such a centre.

He stressed that in the field of health and education the Dominion Government should be coming to the aid of the Province to a much greater extent.

He scored the employment at the taxpayers' expense of a Liberal organizer in Prince County during the recent byelections, and showed from answers tabled in the Legislature that this man had even been able to get priority on the purchase of a new car.

Premier Jones said this man required a car for the purpose for which he was employed.

Dr. MacMillan: "You didn't have to hire him at all."

Premier Jones: "When you think he was up there at the election he was putting up signs and things like that on the road."

Dr. MacMillan: "He was putting up a lot of signs! (Laughter). The Premier himself was breaking the law when he went into the polls and introduced himself. He had no business there at all."

Premier Jones: "The only poll I was in I was watching the ballots counted after the poll was closed."

Dr. MacMillan scored the appointment of a "contact man" at Ottawa by the Premier, claiming that the duly elected members and Senators were there for that purpose.

He also questioned the item of three or four thousands of dollars for a "multigraph department," which simply meant that the Government was in a position to turn out its own propaganda.

In conclusion he touched on the fiasco of having no Attorney General in the Legislature, despite the fact that six byelections had been held since his appointment to that position.

CHAMP LOG CUTTER

IROQUOIS FALLS, Ont. — (CP) —Adelphe Blanchette, native of Courcelle, Que., employed near here as a railroad cutter, thinks he is a champion of sorts. Over a three-year period, he has cut on the average 175 logs or 600 cords a day.

CITY OF TOMBS

Kerch is called Russia's Pompeii because of its many tombs and relics.

H. J. M..ON

OPTOMETRIST

Fitting and Supplying Glasses Etc.

Montague P. E. I.

Office Hours 10 to 12 A M 2 to 5 P M

Holidays etc. by appointment

Office Connected With Drug Store

at HOLMAN'S---

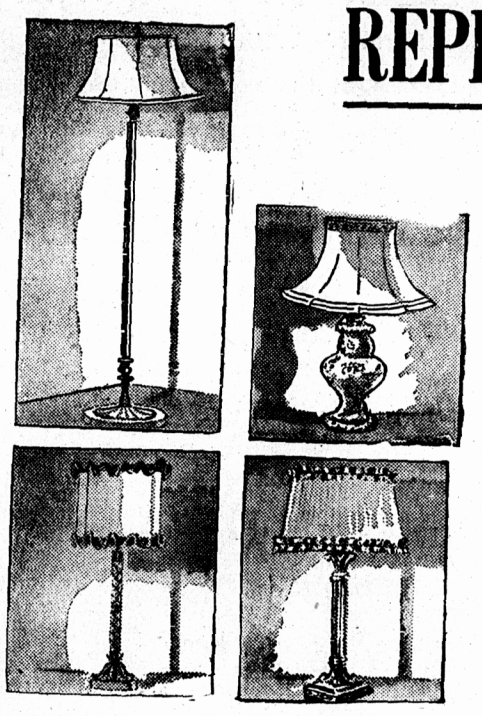
Another Exciting

SALE OF LAMPS

FOR ONE WEEK ONLY

REPEATED BY POPULAR REQUEST

Dozens and Dozens of Smart New Lamps In This Clearance



SAVE 20% to 50% ON EVERY LAMP

If you did not take advantage of our last Sale of Lamps; here is your opportunity to buy your Lamp needs at Exceptional Savings. Every Lamp has been reduced to clear . . . Savings range from 20 per cent to 50 per cent.

Come in tomorrow and save on a new Lamp or two.

The Lamp You Need Is Here!

Boudoir Lamps Table Lamps Desk Lamps
Bridge Lamps Tri-Lite Lamps Bed Lamps

SHOP NOW -- Sale Ends Saturday, April 19th

HOLMAN'S 2 BIG STORES SUMMERSIDE & CHARLOTTETOWN

Guaranteed Satisfaction Since 1857

WHETHER YOU FLY

For Business Or Pleasure

Whether you Fly to P.E.I. Points or the Mainland.

Whether you wish to learn to Fly or wish to be flown.

CALL

PAUL'S FLYING SERVICE

Phone 1800-3 Hangar A

Airport, Charlottetown

Excellent Instructors; experienced pilots.