



Birds of a feather flock together, as the saying goes. And how should you be other than a traitor that you be friends with traitors?

FRECKLES

Now is the Time to Get Rid of These Ugly Spots

There's no longer the slightest need of feeling ashamed of your freckles, as Othine—double strength—is guaranteed to remove these homely spots.

FOR SALE

I handsome quartered oak buffet, 1 solid walnut bedroom suite, marble tops, 1 kitchen range, almost new, in first class order.

DOMINION OF CANADA

Province of Prince Edward Island IN THE SURROGATE COURT

IN RE ESTATE of Wellington L. McLaren, late of Cardigan in King's County in the said Province, deceased, Intestate.

MORTGAGE SALE

There will be sold by Public Auction on Tuesday, the sixth day of May, A. D., 1924 at the hour of eleven o'clock in the forenoon in front of the County Court House in Souris in King's County in Prince Edward Island ALL THAT TRACT piece of parcel of land situate lying and being at Souris River, on Lot or Township Number Forty-five, in King's County, in Prince Edward Island, bounded and described as follows, that is to say: Bounded on the South by Souris River; on the West by lands of Moses Gaudet and Peter Lyons; on the North by farms fronting on the Souris Line Road and on the East by land of Patrick Malone, James A. McCormack and the said Charles D. McKinnon containing Eighty acres of land a little or less.

FARM FOR SALE

One of the best 50 acre farms on P. E. Island at Emerald Jet, adjoining one of the best shipping stations on the Island, few yards from stores, school, and cheese factory, 18 acres for seed potatoes, 9 room house, frost proof cellar, large barn with cement stables, pigery, poultry, machine house all in first class repair; also new store 24 ft. square with glass front.

Tenders For Hotel

Property in Charlottetown Sealed Tenders addressed to the undersigned will be received up to and on Thursday, the 10th day of April, A. D., 1924, at twelve o'clock noon, for the property on the corner of Great George and Dorchester Streets, Charlottetown, known as the "Davies Hotel" and having 29 bedrooms, 2 bathrooms and 3 toilet rooms.

BARRED ROCKS

Hatching Eggs—selected high producing flock. Bred to pedigree cockerels. Setting of fifteen eggs \$1.50.

THE FINANCIAL QUESTION

I am not going into details of this outside audit. It has been tabled in the House, and I have already referred generally to the reasons why it was necessary. It showed that the present debt of this Province is \$1,575,154.50. That is made up in different ways and I want to deal with this for a short time. In the first place, it is made up of debentures to the amount of \$1,090,708.41.

LIBERAL-CONSERVATIVE GOVERNMENT MAKES A GOOD START

(Continued From Page One)

the year 1919, as it had been in previous years. But strangely enough, it was only up to September, when the Liberals took over the reins of Government. And that period, from September to the end of the year, has remained unaudited, so far as an outside audit is concerned.

During the session of 1920 the Public Accounts Committee took cognizance of this omission. They took the only course open to them; they asked the Provincial Auditor to make an audit along the lines previously followed by the External Auditor. In compliance with that request and in the course of his duties, under examination by the Public Accounts Committee, the Provincial Auditor prepared and completed that statement, which was presented to the Public Accounts Committee, and is on record on the journals of this House. And it is from that source that I obtained the figures from which I have just quoted.

Let us take these figures for the whole eight year period. When the Liberal Conservative Government came in, the liabilities were \$1,008,000; and when they went out, according to this audit, they were \$1,721,000, or an increase in eight years of \$713,000. You may say that is not a very good showing; but we must remember the facts I have already stated in regard to the outbreak of the Great War. That is probably a better record than could be shown by any Government in any civilized country during that period. (Applause.)

WHO INCREASED THE LIABILITIES?

We have reached the period of 1919, and we have another four year period, ending the 31st of December, 1923. If we look to the same source of information, the external audit made up to December 31, 1923, we will find, during that four year period, while our friends were in power—those gentlemen who have cried out against the increase of liabilities by the Conservatives—that the liabilities of this Province had increased and passed the million and a half mark, and reached \$1,575,000. In other words, that during their four year period, they had increased the liabilities of the Province \$454,000, or an average of as much in one year as the Conservatives in eight years. And these are the persons who say that the Conservatives are responsible for the liabilities of the Province at the present time! (Applause.)

There is another way in which this matter may be looked at. In some respects the liabilities of the Province may be only a relative term. When a man in business incurs liabilities and creates assets that over-balance his liabilities, we speak favorably of his financial condition. If, on the other hand, he has created liabilities and in doing so has not produced assets, then we describe his financial condition in another way. Let us apply that rule to the periods of government concerning which I have spoken, and let us analyze the records of the two parties, and see which of those parties has produced during their respective terms of office the greater amount of assets in proportion to the liabilities incurred. I shall not go back beyond 1911; I shall take the eight year period of Conservative government and compare it with the more recent four year period of Liberal government. During the eight year period of Conservative government, that Government spent on permanent works; works constructed in this Province consisting of steel bridges and other permanent structures, during the years 1911 to 1919, the sum of \$293,000, and in doing so they increased liabilities to the amount of \$113,000. Subtract the latter figures and you will get the amount which the Conservatives were to the good in the eight year period,—nearly \$200,000.

Let us apply the same principle to the four year period of Liberal rule. As I have said, the net increase of liabilities during that time was \$450,000. They say, "But look at our permanent roads, four hundred miles of them!" I think they have recently modified that term and they now call them "improved" roads. These are practically all the permanent works claimed by our friends during the last four years. In addition, they have expended on capital account during that period, \$36,700. I wonder how much of that \$450,000 which they borrowed for road work, in addition to what they expended the first year out of current revenue, is represented today by permanent works—by assets which are available and valuable to this Province. I will refer later to these improved clay roads; but those who have travelled them during the last four years, and compared the stretches, mile after mile, built up elaborately in the beginning, with the condition of these same roads today, where they have in many cases gone back to the state in which they were before they were touched; whoever has examined these temporary clay roads, which have none of the elements of stability or permanency, and compared them with the comparatively small area of permanent work in the building up of swamps, reduction of hills and building of concrete culverts, must come to the conclusion that a very small part indeed of the expenditure on highways in the last four years—which represented the only expenditure claimed to be for permanent works—can be spoken of as an asset to this Province today. I think I am making a just estimate when I say fifty per cent at the very outside.

Taking the two periods and comparing them, you have on one side a "plus" quantity, a credit balance of assets during the eight year period of Conservative rule; while during the last four years of Liberal rule you have a debit balance. I do not think it necessary to go into that matter further. It seems to me that it must be very apparent to everyone who gives it a fair consideration at all, that when our friends made the statement that the Liberal Conservative party have been largely responsible for the liabilities of this Province, they are simply covering up their own defects. (Applause.)

BEATING NO BIG DRUM

Perhaps we owe an apology for the manner in which we proceeded on coming into office in 1923. We made no demonstrations; we did not beat the Big Drum; we did not throw out any Smoke Screen! Enough of that was done when our friends came into power to suffice for the next century. (Laughter and applause.) We found a condition to which I will refer later. We felt that we were taking the reins of power when two-thirds of the year had gone by; we were taking over the government when the road had been mapped and charted for us for the year. We felt that we were assuming power as trustees of the Government that had charted and laid out that road and it was our duty to follow out the year in that capacity. That we have endeavored to do. Our friends cannot very well complain of that attitude, because the same argument and the same reason was put forward by them four years ago. The estimate for expenditure had been laid out, the policy for the year had been entered upon, and we simply had to carry along in the path marked out for us up to the 31st of December last. And on the 31st of December, as I have already stated, the report of the Provincial Auditor shows that the deficit for the year, speaking in round numbers, was \$186,000; and the External Auditor's report shows that the increase in the liabilities for the year was about \$220,000.

But there were certain things that we were faced with which we felt in duty bound to remedy if we performed the duty of trustees in equity and fairness. The boast has been made by our predecessors that they were an economical Government. Perhaps we may give them credit for that in some respects. There are different kinds of economy. If economy means to starve the public service, to refuse to pay the honest bills of the Government in order that a surplus may be had at the end of the year, then I say that perhaps the Bell Government is entitled to be called economical, because that is the condition we found on coming into office.

MARY McCORMACK

2295-4-Fri-14. Assignee

FARM FOR SALE

One of the best 50 acre farms on P. E. Island at Emerald Jet, adjoining one of the best shipping stations on the Island, few yards from stores, school, and cheese factory, 18 acres for seed potatoes, 9 room house, frost proof cellar, large barn with cement stables, pigery, poultry, machine house all in first class repair; also new store 24 ft. square with glass front.

THE EXTERNAL AUDIT

We made no demonstration about these things. We did not follow the example set before us four years ago; but we took another course; we did something that they did not do. We had the finances of this Province audited by an external auditor. We did that for one reason which might be considered lightly by my hon. friends; it might not be appreciated by them; and that first reason was this, that we promised the electorate we would do it. (Applause.) And we have honestly endeavored to carry out our promise. We have been criticised, and I suppose we will be again, because we went beyond the confines of this Province for an auditor. I suppose they would have been as severe in their criticism had we taken an auditor within this Province. We do not hope, and we shall not attempt, to satisfy our friends in this matter. (Laughter.) Yet we will be able to quote a precedent which should satisfy even our predecessors in office. In New Brunswick a Liberal Government came into power a few years ago, when the Hon. Mr. Foster became Premier. One of his first acts was to have an external and independent audit made. He might have taken an auditor from New Brunswick. It is no disparagement to this Province to say that he would have had a much wider range of choosing them than we had here, in that larger province; but he did not do that; he went to the great province of Quebec; to the large city of Montreal and secured the services of Waterhouse & Company, chartered accountants. We have no apology to make for taking the course that we did. We obtained the services of a man recommended as highly as possible, in the first place by the banking institution which has been the banking institution of this Province for many years, the Bank of Montreal; recommended by the Canadian Credit Men's Trust Association; and he was personally recommended to myself by Premier Veniot, of New Brunswick.

We have been criticized in regard to the cost of this audit. Up to the present time it is shown that this amounts to \$25,000. In 1920 it cost \$400,000 to have an outside audit performed by two gentlemen of this Province, who made an audit that should have been done six months before and which was of little value. I do not criticize these gentlemen, but how much time did they spend on their work? How thoroughly was their audit performed? They naturally did as they were told. There are some recommendations which were made in the audit recently completed which I consider cannot be measured in dollars and cents in value to this Province.

THE FINANCIAL QUESTION

I am not going into details of this outside audit. It has been tabled in the House, and I have already referred generally to the reasons why it was necessary. It showed that the present debt of this Province is \$1,575,154.50. That is made up in different ways and I want to deal with this for a short time. In the first place, it is made up of debentures to the amount of \$1,090,708.41.

INEXCUSABLE NEGLIGENCE AT FALCONWOOD

I will give one or two instances of this. We have recently had a report of the splendid conditions at Falconwood Hospital. The Falconwood institution, as you know, is one of the biggest spending departments of the Provincial Government. It costs a great deal of money, and we have recently heard the boast of the splendid conditions in which this Government found the institution. Well, in certain ways we did find Falconwood Hospital in good order. We found that part in good order which is managed by the officials who are there, and who perform their duties well no matter what Government is in power; but where it came to the general upkeep, to matters which rested upon the Government to perform or neglect, we found NOT performance but NEGLIGENCE. One of the departments of that institution which costs the greatest expenditure is the plant which provides the heat and power. It is a large and elaborate and expensive plant, the central part of that plant being three large steam boilers. What was the condition in which we found them? I have taken the trouble to get a written report from the engineer in charge at that time; this report can be produced if necessary, and it is to this effect:—One of those boilers was completely out of order and during the early part of the season had been completely burned out by neglect. Another of them was leaky, and so inefficient that the inspector had to reduce the steam pressure so low that it was absolutely useless for anything but heating purposes—no steam available for power purposes. The whole plant was being run on one boiler that was known to be not in the best condition, that was in continuous use and had to bear the whole burden of supplying power to the institution, when it was liable to break down any minute. You will understand the seriousness of the situation at the institution if such a thing should happen. We came into power in September and found that facing us. Not only would there be no heat in case of an accident to this one boiler in use, but there would be no light, and no water, because the whole system depends on that plant.

Two boilers were installed and paid for by this Government. In addition there was a great deal of necessary brick-laying. Practically all the walls of that building which contains the heating plant had to be rebuilt. Very expensive steam-fitting had to be done; expensive valves and other necessities had to be purchased, all because of the "economical" manner in which our predecessors had carried on the government—because they had failed to remember that old and tried axiom of domestic economy, that "a stitch in time saves nine." (Applause.)

THE CONDITION OF THE PROVINCIAL BUILDING

Let me cite another instance,—one of several. In this very Provincial Building we received a report from their janitor (appointed under the Liberal Government) that the building was not in a condition to go through the winter, it was so badly in need of repair. We had the building examined, and the report we received confirmed the janitor's report. The building was in such a condition that if allowed to continue it would be permanently injured. What a condition for over a century, to fall into that dilapidated state for want of necessary repairs! All these things had to be done, and they cost more money because they had been neglected in order to provide a "surplus" in 1923—if possible. (Applause.)

It will be said, and it has been said, that of course the Liberal Conservative Government are responsible for the deficit of 1923. In view of these facts as I have stated them, that the revenue and expenditure were both provided for us, and under the conditions I have outlined, and which we found more or less in every department, I submit that the responsibility for this deficit must rest where it belongs, on the Government who left the conditions as we found them and framed the policy of revenue and expenditure for the year 1923.

Then there is another matter which I will just refer to in passing. These expenditures which I have mentioned came to us as the legacy from our predecessors, as part of their policy. But there was another extraordinary expenditure which I have had occasion to mention before on the floor of this House and to which my hon. friend the leader of the Opposition took occasion to refer in a strangely light vein. I refer to the storm of last October. Whatever view my hon. friend may take of that storm, our people in this Province who suffered by destruction of private property, as the Government suffered by destruction of public property, will not be disposed to take this matter as a joke. They know the almost unprecedented effects of the destruction caused by that terrible storm. It came in the Fall when it was difficult to make repairs, but this Government found itself in the position where it was absolutely necessary to make at least temporary repairs, and make them quickly, in order that the Fall trade and traffic might be taken care of. These repairs, the urgently necessary part of them, are now done, but they added of course to the expenditure of the year. That expenditure was carefully and economically managed; it was necessary; it was unavoidable; and I want to pay this tribute to my hon. colleague in office, that during that strenuous time the Commissioner of Public Works did not spare himself. He travelled from one end of this Province to the other; he spent days and weeks on the road, visiting every point and personally inspecting the repairs.

We made no demonstration about these things. We did not follow the example set before us four years ago; but we took another course; we did something that they did not do. We had the finances of this Province audited by an external auditor. We did that for one reason which might be considered lightly by my hon. friends; it might not be appreciated by them; and that first reason was this, that we promised the electorate we would do it. (Applause.) And we have honestly endeavored to carry out our promise. We have been criticised, and I suppose we will be again, because we went beyond the confines of this Province for an auditor. I suppose they would have been as severe in their criticism had we taken an auditor within this Province. We do not hope, and we shall not attempt, to satisfy our friends in this matter. (Laughter.) Yet we will be able to quote a precedent which should satisfy even our predecessors in office. In New Brunswick a Liberal Government came into power a few years ago, when the Hon. Mr. Foster became Premier. One of his first acts was to have an external and independent audit made. He might have taken an auditor from New Brunswick. It is no disparagement to this Province to say that he would have had a much wider range of choosing them than we had here, in that larger province; but he did not do that; he went to the great province of Quebec; to the large city of Montreal and secured the services of Waterhouse & Company, chartered accountants. We have no apology to make for taking the course that we did. We obtained the services of a man recommended as highly as possible, in the first place by the banking institution which has been the banking institution of this Province for many years, the Bank of Montreal; recommended by the Canadian Credit Men's Trust Association; and he was personally recommended to myself by Premier Veniot, of New Brunswick.

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Trico Kellogg's Bran—restores health after 12 years of intense suffering

Mr. Firth writes that he suffered for 12 years from constipation and his friend for 10 years—a total of 22 years' suffering permanently relieved by Kellogg's Bran, cooked and krumbled.

Dear Sirs: For 12 years I had been troubled with indigestion caused mostly by constipation. Until about a year ago, I would suffer from 4 to 20 weeks at a time. I happened to see your Krumbled Bran in a store, purchased a package and got almost immediate relief. I am still eating the Krumbled Bran every day. The most wonderful results obtained with your Krumbled Bran I will now relate. A gentleman who has been taking medicine for about 10 years for constipation could not find anything to give him relief. Three weeks ago I advised him to try Krumbled Bran, as I had told him what wonderful results I had gotten from it. The gentleman in question purchased a box, and he told me that for the first time in ten years he is regular without taking medicine. Yours for success, William Firth, Jr. (Address on Request.)

I do not suppose I need explain in detail what we understand by debentures. I will classify the other debts while I am dealing with this subject.

In debentures,—\$1,090,708.41. In short loans, on call—\$307,828.97. In bank over-draft,—\$322,708.00.

We owe over a million dollars on debentures; these are very largely secured debts on the Province, as the mortgage is a secured debt on a man's farm. We wish to raise an amount of money, and issue bonds for the amount we require, payable in ten, fifteen, twenty or thirty years as the case may be, from the time of issue, and bearing interest at a certain rate in the meantime. We have in all eleven issues of these bonds, aggregating the amount I have just mentioned.

These bonds were issued at different periods. During the past four years there were quite a number issued. The first was for \$125,000; another for \$175,000; and a third for \$150,000, making a total of \$450,000 for highway improvement purposes. I want to explain that these bonds are all issued under and by the authority of Acts of this Legislature, which gives authority for borrowing the money and providing the term upon which they are to be borrowed; the rate of interest, and also making specific provision for the repayment of these loans; that each year, from Current Revenue, there shall be set aside a certain sum to be invested in securities and bear interest, so that when the borrowing period has expired and the principal must be paid back there will be sufficient money accruing to meet that indebtedness. You can very well understand the necessity for that. Take our own private business. Suppose a man borrows \$100.00 by means of a mortgage, on a term of years. If he makes no provision for the re-payment of the principal, even though he pays up the interest every year, we can all quite understand the serious position in which that borrower is placed when the term of the mortgage expires. And so it is with a country. If no provision were made to meet the principal, the Province would find itself in the serious position, that the loan would have to be paid and the Government would have to go on the market and find the money the best way it could, to meet that loan.

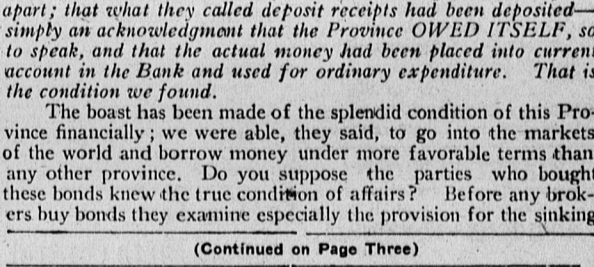
In order to prevent this condition of affairs, the provision is made by statute that the money shall be set apart—a certain sum each year, to meet these borrowings when they fall due and this is what constitutes the Sinking Fund. All these statutes make provision for the sinking funds, and I do not think that any statute making such provision is so binding as the statute of 1920, passed by our predecessors, which provided for the payment of the debenture bonds issued for highway expenditure, and under which these three debentures have been borrowed. That statute explicitly provides that the sum set aside each year shall be invested in securities.

SINKING FUNDS REPLACED

We all remember the boasting of our friends that this money was not costing the Province anything which was being expended for highway improvement because the sinking fund was being provided for out of the auto license fees, which they always claimed were not part of the regular revenue at all, though we always contended differently. We would naturally expect, with that statute so binding, so clear, so explicit, and back of that all their boasting of the funding of the auto license fees of the money to repay those loans, that those sinking funds would have been adequately provided for. We would expect to find absolute security. But what did we find? We found that nothing was actually set apart; that what they called deposit receipts had been deposited—simply an acknowledgment that the Province OWED ITSELF, so to speak, and that the actual money had been placed into current account in the Bank and used for ordinary expenditure. That is the condition we found.

The boast has been made of the splendid condition of this Province financially; we were able, they said, to go into the markets of the world and borrow money under more favorable terms than any other province. Do you suppose the parties who bought these bonds knew the true condition of affairs? Before any brokers buy bonds they examine especially the provision for the sinking

(Continued on Page Three)



The Finishing Touch

to the dainty luncheon table is the plate of Christie's Biscuits. Your grocer can show you an amazing variety—every one of them not only tasty but entirely wholesome, because of the absolute purity of its ingredients.

Over 400 varieties to choose from

Christie's Biscuits

There's a Christie Biscuit For Every Taste