

and should only be varied with the approval of all the Provinces interested.

The question of railway rates in the Maritime Provinces so important to all commercial pursuits and having so great an influence upon the cost of living was brought to the attention of the Government during the recess and a representative has been in attendance at several conferences, obtaining such information and preparing such arguments as may assist to safeguard the interests of business and the people of New Brunswick generally when this question comes up for final decision before the Board of Railway Commissioners.

When authority was given in 1912 for the guaranteeing of \$4,250,000 Bonds for the construction of the Valley Railway and when further authority for the issuing of the Bonds by the Province was given from time to time for the same purpose, it was understood that the railway would be a part of the Transcontinental system and it was estimated that the revenue therefrom, under the agreement with the Federal Government, would be sufficient to pay the interest upon the Bonds and establish a sinking fund. The expectation that export traffic would find an outlet through the Port of Saint John by passing over this line has not materialized. Consequently the estimated receipts have fallen far short of the requirements to pay the interest. The Province has, as a result of this, been called upon to pay large sums in interest for which no provision has been made. I have therefore to advise you that a measure will be introduced to fund the amounts already advanced to meet the interest upon the Bonds issued in connection with the construction of this railway. My Government will ask you to consider how best to make the necessary provision for this expenditure in the future.

In accordance with the provisions of Section 202 of the Intoxicating Liquor Act of 1916, electors of the Province were given an opportunity to express their opinion for or against the retention of this measure. The result of the referendum which was held on July 10th, 1920, will be laid upon the table of the House.

Territorial revenues during the last year were exceptionally good and are further evidence of the vigilance attending the administration of the Crown Lands of the Province. Stumpage rates have been increased and a revenue of about a million and a half of dollars from the Crown Assets of the Province is something that even the most sanguine public man of New Brunswick never anticipated.

Legislation looking towards the suppression, investigation and prevention of fires will be introduced. Fires cause an economic waste and the replacement of property as destroyed adds materially to the economic problem. Through this proposed legislation it is hoped to bring this important matter more prominently before our people and to invite the co-operation of the municipal authorities towards the adoption of fire prevention methods.

The success attending two large provincial loans during the year is indicative of the splendid financial standing of New Brunswick in the money markets and the high value of its securities. The revenues of the Province have been buoyant but the prevailing high cost of labour and materials and the demand for an expensive programme to meet the public needs caused a large increase in expenditure. Any additional outlay based upon popular demand must be very carefully considered in view of higher interest charges and the larger sums required to pay increased annual obligations on new and refunded bond issues.

You will be asked to consider amendments to the Motor Vehicle and Highway Acts, further amendments to the Schools Act and to the Act Respecting the Provincial Hospital for Nervous Diseases, also the consolidation of the Game Act, the County Court Act and of the law relating to Partnership.

I have directed the accounts of Income and Expenditure for the past year as well as a Statement of the Receipts and Payments of the current year up to the opening of the present Session to be laid before you.

Estimates of the probable Income and Expenditure for the current year will be submitted to you and I believe you will find that the estimates of Expenditure have been prepared with a due regard to economy and the requirements of the public service.

In conclusion I desire to assure you of my confidence in your patriotism and zeal for the public good and to express the hope that your deliberations will inure to the welfare and prosperity of the Province.