

THE PROVINCE IN SOUND POSITION

Budget Brought Down In the Legislature by Hon. Dr. Hetherington

A Substantial Surplus Predicted for the Ensuing Year—A Big Increase in the Territorial Revenue—Cut in Public Works Expenditures—A Clear and Able Exposition of Provincial Finances.

Yesterday was budget day in the Legislative Assembly and as usual there was a full House and crowded galleries when Hon. Dr. Hetherington, Provincial Secretary-Treasurer, rose to present his annual financial statement. He began speaking shortly after four o'clock, and it took him a little more than an hour to complete his task. It was Hon. Dr. Hetherington's third budget speech, and it goes without saying that he eclipsed all previous efforts. He was in good voice, had his matter well arranged and was followed by both House and galleries with intense interest. While matters coming within the scope of a budget speech combine to make rather a dry subject, this does not apply to Hon. Dr. Hetherington's effort of yesterday. He painted a rosy picture of the financial position of the province and while admitting that the expenditure and public debt had been increased, he declared that New Brunswick was sound to the core and that there was no occasion for any "whispers of death" so far as this province was concerned. He spoke fluently and well and there was a ring of sincerity all through his speech. Particularly timely was his reference to prohibition, and the excellent work being carried out by the Department of Public Health. The Provincial Secretary was warmly congratulated by members on both sides at the conclusion of his able address.

Mr. Flewelling of Charlotte, who has been appointed chief financial critic of the opposition for this session only, moved the adjournment of the debate which was made the order of the day for this afternoon.

Assembly Chamber, March 25, 1924.
The House met at three o'clock.
MR. HAYES presented the report of the Committee on Corporations.
MR. YOUNG gave notice of enquiry for Friday next as the removal of John R. Kelly of Manguerville from the office of game warden.

HON. MR. BYRNE introduced a bill to authorize cities, towns and villages to collect interest on overdue taxes. He explained that under the bill the councils would have power by resolution to charge interest at the rate of half of one per cent per month on all taxes due and remaining unpaid.

HON. MR. VENIOT introduced a bill to provide for permanent bridges and other works of a permanent character. He explained that since the close of the fiscal year there had been an expenditure of \$58,000 and \$150,000 would be required to complete work at present under contract. The bill asked for a further appropriation of \$200,000 making a total of \$400,000. That was \$100,000 less than had been asked in the previous year. He would have a full explanation to make when the bill came up in committee.

HON. BYRNE introduced a bill to make uniform the law relating to life insurance contracts. He explained that the legislation was sought on recommendation of the committee on the uniformity of laws. They had similar acts on the statute books of the western provinces and also in Ontario. The bill would be applicable to new contracts and also to contracts already in force.

MR. FLEWELLING wanted to know if the legislation was being promoted by the insurance companies.

HON. MR. BYRNE said that he had had correspondence with insurance men but not in regard to the bill. So far as he was aware he believed that the insurance companies were desirous of having the legislation of the different provinces relating to life insurance as near uniform as possible.

HON. MR. MERSEREAU on behalf of Hon. Mr. Michaud, presented the petition of Fraser Companies' Limited, praying for the passage of a bill to enable them to maintain piers and sorting works in the St. John River. Mr. FOSTER gave notice that he would move for the suspension of the rule to permit of the introduction of a bill to provide for the licensing of bankrupt sales in the city of St. John.

HON. MR. HETHERINGTON presented a message from His Honor the Lieutenant-Governor, submitting the estimates of receipts and expenditures for the ensuing year, and moved that such message and estimates, together with that portion of His Honor's speech relating to the same, be referred to the Committee of Supply.

The estimates will be found on another page of this issue.

HON. MR. HETHERINGTON, on rising to move the House into Committee of Supply, said: It has again become my duty to lay before you the budget for the current year. I will not say "pleasure" for it has been some time since the contemplation of a Budget, whether household, business or governmental, could be truthfully described as an act of pleasure—only stern duty and uncompromising necessity forces one to so painful a task.

I regret to announce that his Budget is no exception to the present day order of budgets—its virtue as a bearer of glad tidings is purely negative—it might be worse. We perhaps should be grateful for even that modest balance on the debit side of the ledger, for this has been a year in

for the aftermath of a lighted cigarette carelessly dropped, a camp fire left to smoulder, a brush heap burned at the wrong time, or some equally thoughtless and apparently inconsequential act.

A Perennial Plant.
So much for the calamities of the year. I can think of no other of outstanding importance unless it might be the Valley Railroad, and that is a perennial plant that blooms in every budget and puts to rout every surplus that shows itself above the ground. We are gradually becoming accustomed to it, but there is always the possibility that like the Irishman and the hanging, we may die in the process.

I said so much about economy in my budget last year that I hesitate to approach that subject again lest by too much reiteration my appeal loses force. It would appear, however, that the country is waking up to the necessity of retrenchment and a severe pruning of what ever appear to be personal expenses. There is a story, not very new, of a man who complained to his friend who was a bachelor about the extravagant demands of his wife, "the first of the month," he said "she asked me for \$100. In less than a week she asked for fifty and last night when I came home she asked me for another hundred." "What does she do with all that money?" asked his sympathetic bachelor friend. "She don't do nothing with it, was the emphatic, if ungrammatical reply. "I don't give her none." It is some such preventative



HON. DR. HETHERINGTON
Provincial Secretary-Treasurer.

measure as this that will have to be adopted by governments.

Bonds Sell Well.

We have really been very fortunate here in New Brunswick, for although we are a comparatively small province, not thickly settled, our people for the most part engaged in fishing, farming, and lumbering, with climatic conditions not especially favorable for farming, nor soil conditions either, except in a few favored sections, we nevertheless are of good reputation in the investment market and our bonds sell at a rate equal to, if not higher than, those of any other province.

If happiness and contentment are measure dby comparison, as is the accepted theory, while we may not draw upon our own past experience perhaps for a unit of measure, we can look about us, at Ontario, say, and was complacent. Ontario announces a deficit of \$15,000,000, the contribution of the foremost economists of the day—the Farmer Government—to the history of finance. The Farmer Party still functions here and there but in Ontario it is only hitting on one cylinder. While as a political organization I will forbear either to criticize or to praise it, for either would entail mental reservations, for the farmers themselves in the simple following of their calling, in the fields, or the orchard, or the dairy, I have immense respect. They are carrying on them out indispensable business of the acre, or of any age, past, present or to come. They are engaged in the business of providing food for mankind, a business that will never languish or die a natural death, and without which no other enterprise that is sustained by human activity can survive. It is therefore obvious that we must all ways have farmers, and to that end that we may have better farmers here in New Brunswick, and that they may have the advantage of such specified knowledge as the Experimental Station here in Fredericton and our own department of agriculture has been able to garner from years of labor and experience. The government has built a school just outside of Fredericton to which our boys and girls can come for short courses in the various branches of farming and home making. It is a wonderfully well equipped building and we are proud of it, and we hope and believe that the work carried on there will be an inspiration to many boys and girls, and that there they may get a new vision that will make the business of farming appear as it is one of the most interesting and desirable enterprises in which they can engage.

The Liquor Revenue.
You will observe that the revenue

from the Liquor Commission amounts to \$440,237. It is a very substantial contribution to our revenue, and it would appear to speak for itself. It perhaps is not wise or courteous to cross-examine those, who like the Greeks of old, came bearing gifts. One cannot but reflect, however, that there must have been a deal of sickness in the province in the last year of which the Health Department has not been made cognizant. There is a good deal being said about prohibition these days, both for and against. Theoretically, I do not myself believe that there is any argument against it which has not serious flaws. That may appear to be a somewhat negative assertion. The factor that the most radical prohibitionists do not take into account is human nature, and human nature is so complex in its makeup that the enforcing of a law that has so many points of contact is a most difficult and delicate task. The argument most frequently put forward by the freeborn citizen who feels that he is unduly hampered, not being a drunkard, and needing no law to keep him within bounds—is that his personal liberty is being interfered with. You hear a good deal of that from our neighbors across the line. I spent five or six weeks there quite recently and I never saw anybody's personal liberty interfered with. It seems to be the fashion over there to carry a small silver flask so shaped to fit the contours of the body. These flasks seem to be much in evidence around the big hotels of Boston, New York and Chicago. I would suggest to those who seem to think the law is violated in this province take a trip to the United States and see how things are done. Well the ten commandments might be said to deprive a man of a good deal of freedom of action, but we accept them and acknowledge their virtue and their justice, and in our feeble way, try to live up to them. I do not know how they were received by the populace when they were first enacted, but we do not question their wisdom today. What our conscientious objector really means is that his personal comfort is being interfered with. His argument is a purely selfish one and not so weighty as it would appear. He really does not mean to translate liberty into purely alcoholic terms; he is only peeved, and like a spoiled child, he does not want his toys taken away from him. Then we have the man who believes in prohibition but mainly for the other fellow. He is a humanitarian, but like his liberty-loving brother, he will side-step the law a bit in his own behalf and not feel any very severe pang of conscience at that, although in all other respects he is a law abiding citizen and probably goes to church on Sunday. Then we have a great host of men who complain that Prohibition forces them into becoming law breakers although what the motive power is that thus incites them to unlawful practices they fail to elucidate. They would like some change brought about in the Act that would permit them to acquire stimulation lawfully and without calling in the family doctor. This class covers the majority of men who do suffer a pang of conscience when it comes to violating the law, but enough of a pang to absolutely keep them from doing it as the occasion arises.

The Health Department.

From prohibition to the Department of Health is but a step, and it is my opinion that no department that comes under the direction of the government calls for less justification than does this—it justifies itself. The performances and achievements of a people must be largely gauged by the measure of health that is theirs. It is not sentiment or philanthropy, or a desire to create pay rolls that induces governments to maintain health departments, but the simple rendering of what is due to humanity, coupled with considerable economic foresight. In the safeguarding of the health of men, women and children, a department of health renders service that they cannot render for themselves. It controls conditions and surroundings that they are helpless to combat against individually. It reaches out and enforces regulations and health governing laws, often resented and sometimes actively opposed, because of ignorance, misunderstanding or merely the lack of scientific knowledge or of thought on the part of the layman—but firmly and wisely enforcing them with no other motive than that of protecting and preserving human life and maintaining human efficiency to its highest degree, all of which, taken collectively, makes for a healthy, normal, happy and prosperous national life. You might think I got this from the Hon. Minister of Health, but it is my own view.

Receipts and Expenditures.

I propose to deal for a short time with the receipts and expenditures of the province for the past fiscal year ended 31st October, 1923. It is unnecessary at this time to go through the whole mass of figures contained in the report of the Comptroller General, but instead will touch upon the important items, leaving the small items for discussion when the House is in committee of supply. While we had estimated a total revenue of \$3,203,825 there was collected the sum of \$3,445,878, or \$242,000 more. The chief sources of revenue were:—

The Dominion Subsidy and interest \$ 666,765.76
Territorial Revenue 1,069,295.16
Net Profits N. B. Liquor Commission 440,237.12
Motor Vehicle Fees 384,278.88
Fees, Provincial Secretary's Department 25,109.05
Taxes Incorporated Companies 249,801.00
Liquor Exporters Tax 135,940.12
Amusements 90,155.23
Succession duties 134,370.47

Striking Comparisons

It is only by comparisons that the efforts of this Government in the collection of the revenues can be clearly shown, so that, I have taken the record of the last five years of our friends opposite along with a like term of the present government for that purpose.

Territorial revenue collected:
ed 5 years 1912 to 1916 \$ 2,710,605
Compared with Territorial revenue collected 5 years 1919 to 1923 5,545,540
or \$2,834,935 more collected by the present government.

Motor Vehicle fees collected 5 years 1912 to 1916 96,487
Compared with Motor Vehicle fees collected 5 years 1919 to 1923 1,264,083
or \$1,168,596 more collected by the present government.

Taxes, Incorporated Companies collected 5 years 1912 to 1916 255,910
Compared with Taxes, Incorporated Companies collected 5 years 1919 to 1923 819,035
or \$563,125 more collected by the present government.

Another comparison—
Succession duties collected 5 years 1912 to 1916, inclusive 336,159
Compared with Succession duties collected 5 years 1919 to 1923, inclusive 715,622
or \$319,463 more collected by the present government.

The total revenue collected 5 years 1912 to 1916 inclusive 7,596,443
Compared with revenue collected 5 years 1919 to 1923 inclusive 14,882,677
or \$7,286,228 more collected by this government.

flourish without customers and the customers are largely furnished by our respected and respectable so called upper classes. When prohibition was under discussion it was our wont to urge it as a measure that would be of untold benefit to the poor, alleviating much misery and suffering and degradation among them. Then when we got it and found its rule irksome, we again became greatly concerned about the poor. We discovered that it was a grave mistake, almost an act of inhumanity, to deprive them of the beer and light wines to which they had been accustomed. Heaven only knows what we would do without the poor. And yet the aforesaid poor were of themselves making no particular fuss about the matter at all. We had bestowed prohibition upon them and they had accepted it, like a visit from the Health Department, without enthusiasm but without undue protest. They have benefited from it as we foresee that they would and they are not today the clientele that keeps the bootlegger in business. And so the difficulty about prohibition would not seem to be the law, imperfect though it is, nor the bootlegger who could not supply if there was not a demand, but with us who do not want to be jolted out of our accustomed and comfortable ways and are a bit rebellious and refractory about it all. No great reform has ever been inaugurated without some social upheaval, perhaps the extent of the upheaval is a measure by which to estimate the need of the reform. These are deep waters that no ordinary mariner can expect to navigate.

Profits on liquor we estimated \$250,000 and received \$190,237.12 in excess of that amount.

It may be of interest to you to know that while the profits of the Liquor Commission were only \$440,237 there was paid to the Dominion Government Customs Department by us the enormous sum of \$716,234. This tax along with the sales and income tax, is altogether too heavy a tax for the people of this province to bear and is injuring trade and commerce. The tax levy should be greatly reduced by the Dominion authorities if progress is to be maintained.

For the fiscal year ended 31st March, 1923, the Federal Income taxes collected in New Brunswick amounted to \$1,023,466. I agree with the stand taken by several of the provinces against the usurpation by the Dominion Government of the provincial rights to taxation. The levy upon incomes by them has greatly impaired the power to raise the necessary revenues by His Majesty's Provincial Governments for provincial use.

Motor Vehicle fees collected amounted to \$374,278.88, or \$15,721 less than the estimate, \$46,195.77 of that amount was earmarked for road patrol and the balance, \$328,083 was set aside to pay interest and sinking funds on \$3,250,000 road debentures issued for secondary trunk road purposes and expenses of the provincial garage.

Expenditure for 1923.

Turning to the expenditure of 1923 as compared with the estimates of that year, as shown on page 274 of the Public Accounts, we find that the total estimated expenditure of \$3,202,000 was exceeded by the sum of \$506,984, chiefly on account of flood damage which took \$233,000. Forest fire fighting \$52,000, Trunk Road Patrol \$11,000 and Education \$21,587. I must submit that the foregoing overexpenditures were justifiable in the public interest. The road and bridge situation immediately after the flood was indeed a serious one. Traffic in all directions throughout the province and particularly in the central sections was suspended for a time. Much credit is due the Minister of Public Works and his staff for the way they prosecuted the work of reconstruction without causing serious delay. Fighting forest fires is a costly operation but absolutely necessary, no economy can be accomplished therein. Much valuable timber was saved by the expenditure.

The Patrol System.

The road patrol appropriation of \$150,000 was over-expended \$11,017.08 and I feel sure you will agree with me that it is real economy and business like to maintain the trunk roads on which so much public money has been expended. The results of the patrol system have been marvelous in the preservation of the road bed. This service will be continued and extended in the future.

The over-expenditure on Education no person will object to, as it is not a controllable item—that is the charges are fixed by law and must be paid. While dealing with this subject, I wish to refer to some of the criticisms heard in respect to our school system, which is considered second to none. As time rolls on, however, improvement is necessary in all systems, and no doubt there is some justification in the criticism made. Home study is found fault with. The Chief Superintendent of Education states in his annual report as follows: "No home study should be required in the lowest grades, and few home exercises in any grade below the High School." I agree with him. The system of written examinations is felt by many to be a hardship on the young pupils. The Superintendent of Education states in regard to this as follows "That there should be semi-annual but they should not require further

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