

HON. J. A. LEGER BROUGHT DOWN THE BUDGET IN THE HOUSE

(Continued from page two)

have a deficit for the five years of \$473,272.81, whilst the late administration had a net deficit of \$2,225,974.30.

Proceeding to the consideration of the general statement of expenditures, for the fiscal year, we invite the attention of the House to the different items.

And, the first item to come under our observation is the interest account which, due to savings on refunding, is less than the estimates by \$25,510.54.

Interest Important

Mr. Speaker, it is well to understand that all interest is chargeable to ordinary account. The more money spent on capital account, whether it is in the form of road construction, buildings, and other undertakings of a capital nature necessitating the borrowing of money, then, the greater the amount of interest.

Progress is always in need of new capital; and, if it were possible to measure, by accurate standard, the benefits that the people have derived from the construction of roads and the other undertakings of this government, it would easily be seen that the profits, bestowed upon the people, without monetary consideration in return, have been more than commensurate to the expenditures.

So, whilst the expansion may some time work to detriment of the interest account, it produces nevertheless a profit to the people.

We are pleased, to announce that on the 1st day of September, last, we obtained a reduction of interest from the hands of $\frac{1}{4}$ of 1 per cent, with a similar reduction on the first day of October, last, making now the interest payable at 5 per cent.

Made Good Loans

Since our last budget, we have twice entered the money market, for long term bonds, offering, in April 12th, \$4,250,000.00 four and three quarter debentures which, by competitive tender, cost the Province 4.92 per cent, admittedly and generally regarded as a highly successful sale under the then existing money market conditions.

As, \$1,750,000 of the issue was a refund of an issue on which the Province had, for the last ten years, paid interest at the rate of 6.25 per cent; it follows that during the ten years, or the duration of these bonds, the Province will save annually the substantial amount of \$23,275, or nearly a quarter of a million in the ten years.

The second sale of \$2,650,000 long term debentures, bearing interest at 4 3/4, was made on the 25th of August, and was for the Normal School Building, Provincial Hospital and Permanent Roads.

Bonds At A Premium

We were extremely pleased to announce, that, for the first time in many years, our Province had sold its bonds at a premium, receiving on the issue \$34,135.

The Province further negotiated a renewal of \$4,745,000 treasury bills maturing in London, in May last, at an interest cost to the Province, including all charges, of 3.75 per cent, thus effecting a saving of 1.18 per cent below the then current bond interest rate, or a total saving of \$55,991.

In sum, Mr. Speaker, all our debentures sales, during the year were very satisfactory, evidencing, not only the high rating of New Brunswick Bonds in the financial world, but, that the Government had studiously taken advantage of the money market, at the opportune time, and paying by so doing, over one hundred thousand dollars.

After all, Mr. Speaker, there is, in this mode of financing, the greatest possibility of losing or saving money, depending on the proper study of the market, the amount, the duration, the terms of the loan, and many other conflicting issues.

Very Successful

As all our debentures sales compared very favorably with the sale of similar securities, made in the same market, and as the press and the investment bankers have generally commended them in laudable terms, we repeat that our funding operations have been eminently successful.

Legislation has an over expenditure of \$891.90. The Department of Attorney-General has an over expenditure of \$12,258.65.

Considering the numerous demands, even from remote sections of the Province, for a police protection commensurate to the populous centres, it is pleasing to note that the expenditures of that department were maintained at practically the same level as last year.

The Police Force

The provincial police, criticized by our opponents as unwarranted and officious, is, all the same, rendering valuable and now appreciative services. Public opinion has it so much in confidence, today, that the possible effective criticisms of the future will have to be directed against the individual member of, and not against the force as such.

Here again, the sagacity of the Government, in the creation of a police force, has obtained the appreciation of a grateful public.

The Department of Agriculture, not a revenue producing department, has a revenue in excess of estimates of \$4,637.50, and an under expenditure of \$18,093.00. The expenditure of the last fiscal year exceeded those of 1925 by \$124,831.20, with accrued advantages in proportion to the increased expenditures.

The Department of Lands and Mines has an over-expenditure of \$65,520.14 and an under-revenue of \$15,608.89, due largely to the diminution of the timber cut or Crown

Land, making a difference in the estimates of \$81,126.94.

A Game Refuge

The public may be interested to note that, this year, a fifth game refuge has been established, known as the Bantalar Game Refuge, in York. The policy of establishing sanctuaries, where game and fur bearing animals may breed and increase in number, so as to restock the wild life of the Province, as well as the conserving and replenishing of our rivers and lakes with fish, is very commendable and has received the constant attention of the Minister of Lands and Mines.

The Department of Public Works has an over-expenditure of \$527,332.14, but it shows, over the estimates, the substantial augmentation in revenue of \$40,856.47, due to the increased collections from gasoline tax.

Road Expenditures

The road problem, on account of the rapidly increasing motor vehicular traffic, has created such a pressing need that in the past five years, no less than \$21,488,582.00 has been spent upon road construction and maintenance.

Year	Permanent Roads	Ordinary Roads	Road Patrol	Road Mun. Taxes
1926	1,348,132	\$ 221,641	\$ 251,558	\$ 68,811
1927	1,541,818	239,469	259,361	72,875
1928	3,145,366	505,073	351,309	84,589
1929	4,618,358	512,128	577,594	112,145
1930	6,096,353	791,728	587,791	55,648
	\$16,750,062	\$2,320,039	\$2,027,413	\$391,068

During the same years the Public Works Department reconstructed, improved and maintained the following mileage of roads:

Year	Reconstructed	Improved	Under Patrol
1926	540	700	1500
1927	660	600	1540
1928	1070	1350	1700
1929	1313	1516	2012
1930	1402	1890	2397
	4985	6056	

Made Large Demands

Mr. Speaker, the construction and maintenance of roads have necessarily made large demands upon the Provincial Treasury; demands which may be justified, not only by the increased revenue from automobile licenses and gasoline tax; by the benefits accrued to the people, in making it possible for them to reach by motor every section of the Province; by the constantly increasing tourist trade, becoming an important and lucrative benefit; but, also by the studied violation of the people whose pronounced attitude left no choice to the Government.

And although criticism in that respect, of the pursued policy of the Government, would be a direct condemnation of the preference of the people, still, the Government prefers to assert that in ameliorating the highways, it is building the province.

To justify that view, it suffices to cast a retrospective glance upon the Province of some years ago, to find, as it were, through the lack of proper travelling facilities, the remoteness of the different centres, the one from the others; the great distance, in point of time, from the village to the nearest village; and the long hours of travel of the farmer to reach his market.

Yes, Mr. Speaker, the want of easy communication is not only an element of stagnation in agriculture, commerce and industry, but, it is also an impediment to all social relations as well as a hindrance to the welfare and happiness of the people.

A Material Change

The road programme pursued by the Government, for the last five years, has made a material change in the then before existing conditions. Not only have the main highway arteries been constructed, but, every section of the Province has had an equitable distribution of road money. The object of the Government has been to connect every resident, rural and urban, by means of a good easy system of communication.

The figures, just quoted, of roads constructed, improved and maintained, give us a clear idea of the transformation and almost incredible progress accomplished, in the building of the highways, during the five years of our administration.

The Public Health

The Department of Health has an under-expenditure of \$4,524.70, but, it has an under-revenue of \$508.78.

Mr. Speaker, we all appreciate the economic value of the human life, and by analyzing the expenditure of his Department, it will be realized that honest efforts, in proportion to our means, are being made for the prevention and cure of diseases throughout the Province.

The Honourable the Minister of Health is to be congratulated for the close supervision of sanitation of the Province; and he could repeat with appropriateness, the glorious words of the pre-eminent French scientist, Pasteur: "Nous avons reculé de quelques lieues les frontières de la mort". We have pressed back the advanced line of the Frontier of Death.

The Department of Education has an over-expenditure of \$6,281.90, and an under-revenue of \$7,940.48.

In the Department of Provincial Secretary-Treasurer, the expenditures were exceeded by \$24,666.85, and the revenues were \$88,235.23 less than the estimates, due to a falling off, or over one hundred thousand dollars, in Succession Duty.

Free School Books

The chief expenditures are the grants for free school books for the

whole of primary education.

We would like to invite the close co-operation of the parents, the school secretaries and the teachers, to see that the regulations of the school books department be fairly followed; so that the children receive all, but not more books than they are reasonably entitled to, under the regulations.

The Department might well exercise a close but ineffective supervision, unless it has the concurrence of those who are concerned under the regulations.

The New Brunswick Liquor Control Board has a revenue of \$44,303.08, more than the estimated amount of \$1,500,000.00.

Although the revenue seems high, still, it works out in about the same proportion, by population, as in the other Provinces; taking into account, by population, as in the other Provinces; taking into account, all the different considerations that enter into the matter, such as prices, tourists, and the other agencies productive of revenue.

Is Well Enforced

We again have the presumption to say, that the Liquor Act has been rigidly enforced; and certainly better than in the decade under prohibition.

The Executive Council has an over-expenditure of \$71.55 more than the estimates.

Provincial Hospital has an over-

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expenditure of \$24,275.95 and a greater revenue of \$2,163.21.

Jordan Memorial Sanatorium has an over-expenditure of \$7,918.80, and an under-revenue of \$2,581.54.

Boy's Industrial Home has an under expenditure of \$1,778.94, but, it has a revenue less than the estimates of \$8,759.38.

In Good Condition

Mr. Speaker, we venture to assert that all the Provincial Institutions are, today, kept in a particularly good condition; and, the inmates therein are well maintained and admirably cared for, without, however, infringing any of the rules of economy, which prevail here as in all the other Departments.

In fact, Mr. Speaker, the foremost policy of this Government is the practice of economy; not the kind that leads to parsimony and the starving of the public services, but an economy commensurate with efficiency.

And, although we may have had a perhaps excusable deficit, this year, we do not intend to fund it, as was practiced under late administration, nor to make it a habit, but rather to adhere strictly to our policy of balancing our budgets.

It is an elementary principle, with financial institutions, hence with Government, that current expenditures must be met by current revenues, interests on indebtedness, from income and debt redemption, from surpluses, otherwise, disaster is sure to overtake the institution that will disprize this principle.

The Estimates

The form of presentation of the estimates of expenditures and revenues, for the coming year, is similar, in basis, to that of the last fiscal year. Therefore, the estimated Income and Expenditure which has been distributed to the members of this House reveal the full scope of the proposed financial transactions for the ensuing year.

Anticipated revenue aggregate \$ 6,302,821.00
Whilst estimated expenditures aggregate 6,740,694.00
Or an unbalanced budget with a deficit of 437,873.00

Although, we are estimating a deficit, yet, considering every opportunity to turn inactivity into activity, unemployment into employment, and depression in business into better times; with their reluctance here, we are in hope to close the fiscal year with a real surplus.

Capital Expenditures

Mr. Speaker, let us turn now our attention to the other branch of our Finance; the Capital Expenditures.

The following Capital Expenditures, for the purposes following have been made

N. B. Electric Commission	29,715.00
Deficit	476,872.50
Permanent Bridges	6,096,357.68
Permanent Road	178,947.94
Prov. Forestry, Mineralogy and Library Buildings	209,205.83
Provincial Hospital	635,129.27
Deficit on Ordinary Accounts, 1930	204,243.00
Provincial Normal School	6,297.28
St. John and Quebec Railway	946.78

LESS
Net increase in Sinking Funds \$ 349,868.22
Bonds Redeemed 483,006.66

Net increase \$ 7,003,940.40
The highest capital expenditure was naturally made for permanent roads.

It may be well to remind the House that the Capital Expenditure for roads under our administration, is limited to what the surplus money received from

Motor licenses and gasoline tax can fund, after providing for administration, interest and sufficient sinking fund to retire the bonds at maturity.

For instance, to provide for all debentures issued for road purposes since 1917, required \$1,217,010; but, the revenue from the two indicated sources was \$1,525,806.06 or \$254,796.00 more than the requirement.

Hence, we start the fiscal year with sufficient credit, available for future funding for road purposes, to fund over \$4,000,000.00.

The Best Policy

Under such condition, and under the present economic situation, would a curtailment of road construction have been desirable or justifiable?

Will the opposition continue to argue, that the fund available and set aside for road construction should have been left idle, particularly, at a time when the roads needed construction and improvement, and the people of the Province, all the work that the Government could possibly provide for them?

So much for our Capital expenditure on roads; and the concern of the Government for the welfare of the people, despite the criticisms and disapproval of the opposition.

The Public Debt

It will be remembered that the net debt stood at \$32,197,029.00 when we accepted power in 1925. It is now \$40,240.14; we, therefore, have an increase of \$8,043,481.14, money borrowed on capital account, to make possible the following investments, during our regime:

Saint John and Quebec Railway	244,884.78
New Brunswick Electric Power Commission	586,520.29
Permanent Bridges	1,715,536.88
Permanent Roads	16,750,063.09
Vocational Buildings	94,631.19
Campbellton and Saint Leonard Highway	125,362.72
Road Machinery	34,277.76
Provincial Building	130,000.00
Saint John	678,622.44
Provincial Hospital, addition	20,000.00
Jordan Memorial Sanatorium	9,220.00
Woodstock Cold Storage, assumed	200,000.00
British Canadian Packing Company, assumed	341,095.57
Prov. Forestry, Mineralogy and Library buildings	6,297.28
Provincial Museum	204,243.00
Prov. Normal School	
	\$21,140,755.00

Deducting Investments for Saint John and Quebec Railway and New Brunswick Electric Power Commission; leaves a total amount of \$20,309,350.93

So, whilst Mr. Speaker the debt is larger by \$8,043,481.14, the Province is richer by \$20,309,350.93, represented in the above investments.

The Sinking Fund

Yet, this is not the end of the testimony. In 1925, there was a sinking fund of \$2,230,707.76 for a debt of \$32,197,029. In 1931, there is a sinking fund of \$4,808,015.41 for a debt of \$40,240.520; or an augmentation of \$2,577,307.65 in sinking funds. In other words, we have set aside \$2,677,307.65, for a debt of \$32,197,029.

If these be true, where is the student of Finance, where is the man, where is even the alarmist who will argue that our financial situation and the position of the Province is not better than it was in 1925?

As we have demonstrated, last year, the debt may be greater, yet, the financial status may be improved.

When a Government had adequate assets representing its liabilities; when enough provisions are made yearly to retire its debts, and when the depreciation is maintained out of the ordinary revenue, as is the case under our administration, then there is no augmentation of liability.

Ernest Builders

Mr. Speaker, we have the pretension, supported by public opinion, to be a Government endowed with sagacity, composed of men of vision, experienced the past, hopeful of the future; earnest and true builders in the present, having always in mind the future, and all that the future means to the people of this Province; and when you examine, in detail, our capital expenditures and the mass of the works accomplished, you see therein the building up of our Province and the gradual development of our resources, for tomorrow and for always. In other words, if we wish to develop the Province, to open up its resources, we must be prepared to invest today, to reap in the future.

And whilst, Mr. Speaker, we are elevating the edifice of the Province, we are, also, providing, out of the current revenue, sufficient sinking funds to meet the liabilities, thereby occasioned, within the life-time of the present generation, so that we cannot be taxed as poor egoistic architects.

Again this year, we have set aside a sinking fund of \$662,179.52, or over 2 per cent of the bonded debt. This amount, set aside yearly and invested at interest at 4 per cent, payable semi-annually, is sufficient to liquidate the funded debt in about 27 years or at the expiration of the bonds now being issued.

A Wise Move

So that, Mr. Speaker, by doing so, by increasing the rate in sinking funds four fold, as has been done during our administration, we have lessened by more than half the duration of the life of the bonded indebtedness; a most wonderful consequence of sound financing.

The causeless alarmists can take reassurance and confide in a Government, who acts with precision and calculation, knowing well the available capabilities of the finances. It seems desirable that we should be thoroughly informed in these matters, so that we may not criticise our own Province without justification or on the basis of mistaken information.

Mr. Speaker, judging from the past, one can almost foretell the criticisms of the opposition; one can hear them describing the condition of life, in one or two particular sections of the Province; and ascribing from thence, the same condition to the rest, as if the conclusion from the particular to the general was within the rules of logic.

A Rosy Picture

One can hear them repeat that the Provincial Secretary-Treasurer has drawn upon his imagination to paint a rosy picture. Well, Mr. Speaker, was the Moncton "Transcript" drawing upon its imagination when it printed, in its editorial of August 12th, last; "The Maritime Provinces, today, are enjoying a degree of prosperity that is not known elsewhere in Canada, and probably not anywhere in the United States."

Was Mr. John E. Langdon the Eastern Editor of the "Financial Post" all informed, when he wrote, in the issue of November 6th: "Considering the various gainful activities of the Province as a whole, it can be said that New Brunswick is in sound shape. With one exception, there is no depression in any district or area."

Was Sir James Woods, Vice-President of the Imperial Bank of Canada, non-observant, when presenting his report to the Bank on the 26th day of November, he said: "The economic situation of the Maritimes could probably be best described by the phrase, 'definite and fairly general improvement.'"

In The Maritimes

Was the Moncton "Times" just wanting to please, when in its Editorial of December 1st, it published: "It is the unanimous opinion of all firms doing any considerable volume of business in these Provinces (Maritime Provinces) that they are relatively the most prosperous sections of the Dominion?"

Mr. Speaker, other and numerous quotations could have been cited along the same line, but, enough has been said to justify our general observation; and it will take quite a bit of drawing from the imagination of the Opposition to pull down what has been accomplished.

What seems to be necessary, at the present time, is to devote our energy to provincial up-building, to make ourselves equal to the task of improving the economic conditions of our Province, and particularly to avoid mental depression.

The Time to Prepare

After all, the time to prepare for prosperity is when conditions do not appear to be good. It admittedly takes courage, determination and vision to maintain enthusiasm for organization and work, when, apparent disappointments and reverses are encountered, but these are to be expected, and they should not dishearten us any more when they dispirited our ancestors when hardships were met to be surmounted.

Amplified Justified

We notice, with satisfaction, that the business men are organizing and preparing to take advantage of any change which will improve and increase demand. And why not? Do not the general economic conditions of our Province, compared with the other Provinces, amply justify an optimistic spirit? Have we not a potent asset in the intelligence, in the love for work and in the courage of our people? If to this, we add, our good business fields, our varied and progressive industries, our large varieties of products, our rich agricultural soil, our healthy climate, our latent and patent resources, our many opportunities, will we not have, at once, a preconception of the revival of prosperity that these contributory elements are bound to produce?

A Summing Up

The Government, in the measure of its resources, will continue to co-operate, to improve conditions and accelerate progress.

The expenditures, on the social service, will be maintained to assist the worker, at the expense of the Province, in meeting the divers burdens and especially unemployment.

The encouragement of greater tourist travel and the extension of the electric facilities will continue the aim of the Government.

The Government desires to urge, and it will, itself assist to encourage greater agricultural and industrial expansion by removing the obstacles for its extension.

Additional assistance will also be given to the development of our other primary industries such as mining, forestry and fishing, in order to add new vitality to our economic life and help to balance the seasonal demand for labor.

With the increased attention devoted to agricultural and industrial pursuits, to the problems of marketing and distribution; we have the hope of rendering our Province more productive and of maintaining more people on the land.

In a word, the Government will continue to administer the affairs wisely, to work faithfully and well for the people; and with these sentiments ever present in our mind, I move, Mr. Speaker, that you do now leave the Chair and that the House resolve itself into a Committee of the Supply to be granted to His Majesty.

MR. MICHAUD moved the adjournment of the debate.

HON. MR. LEGER moved that Supply be made the Order of the Day for tomorrow.

HON. MR. BAXTER submitted the annual report of the New Brunswick Electric Power Commission.

MR. MICHAUD moved that an order of the House be made for the submission of all correspondence and documents between the Federal Government and the Government of New Brunswick in regard to unemployment.

HON. MR. STEWART said that all correspondence had already been laid on the table of the House, so far as his department was concerned.

MR. MICHAUD said this order called for not only correspondence with the Public Works Department, but for all preliminary correspondence and agreements that might have been made.

HON. MR. BAXTER said that negotiations between the two govern-

ments were mainly carried on between the Minister of Labor at Ottawa and the Minister of Lands and Mines and Minister of Public Works in person. He (Baxter) might have a letter or two in his files which he would be glad to submit.

HON. MR. TAYLOR said he had one or two telegrams in his department which he would be glad to furnish.

MR. MICHAUD said in view of the statements made by the members