

The Legislature Likely To go Into Committee of Supply This Afternoon

**Premier Tilley Will Be the Last Speaker—Leader
Dysart Interested in Bill relating to Port Royal
Pulp and Paper Co.—Tried Unsuccessfully To
Have It Re-committed—Has Notice of Motion
re Railway Amalgamation—Several Speakers
Heard Yesterday.**

It now seems certain that the long drawn out debate on the budget and the amendment moved by Mr. Dysart Opposition Leader, will be brought to a close this afternoon, with a speech by Premier Tilley. The amendment moved by Mr. Dysart will, of course, be voted down and the motion having been disposed of, the House will at once resolve itself into committee to grant supply to His Majesty. There will likely be an evening sitting and a large number of items disposed of.

Leader Dysart started quite a breeze yesterday when he moved to have a bill agreed to on Tuesday referred back to the Committee for further consideration. The bill in question was to do with a bank guarantee to the Port Royal Pulp and Paper Company. The opinion seemed to prevail on the government side of the House that the Opposition Leader wished to embark on a fishing expedition, therefore his motion was not given much encouragement, in fact it was voted down.

More Speakers
The budget debate was continued yesterday afternoon by Mr. Diotte of Restigouche, Messrs. Gill, Anderson and Tweedie, of Northumberland and Mr. Siddall, of Westmorland. Mr. Diotte does not often take up the time of the House, but he always has something of interest to say and never fails to put the House in good humor. He spoke only ten minutes yesterday and kept the House convulsed with laughter from the time he rose until he sat down.

Mr. Dysart yesterday gave notice of motion of a resolution on Railway amalgamation.

At the evening sitting a bill to amend and consolidate the Motor Vehicle Act, was put through the Committee stage with some amendment.

Assembly Chamber.

March 14th, 1934.

The House met at 3 p.m. The following bills were read a third time: to fix the valuation of the Provincial Wood Products, Limited; to authorize the City and County of Saint John to guarantee a loan of the Port Royal Pulp and Paper Company, Limited, and the Parish of Simonds Building Act.

Mr. Dysart's Motion

MR. DYSART moved that the bill authorizing the municipality of the city and county of Saint John to guarantee a loan to the Port Royal Pulp and Paper Company be not now read a third time, but referred back to the Committee of the Whole.

On the motion being put it was declared lost.

MR. DYSART said he was not in the House yesterday when this bill was given a second reading and there were some aspects of it he wanted to look into. Therefore with the concurrence of the House he would like to have it reconsidered.

HON. MR. TILLEY said he did not know what further information was wanted in reference to this bill. It had been fully explained before the Municipalities Committee and Mr. Richard (Gloucester) had gone very fully into it. He thought all possible information had been given at that time. He would be glad, however, to give the leader of the opposition and the House any further information if an intimation were given as to just what was desired.

MR. DYSART said he would like the bill referred back in order to get further enlightenment for all the members of the House.

Premier Objects

HON. MR. TILLEY said that the bill had been very fully considered by the Municipalities Committee and the leader of the opposition was not present. Neither was he present at the committee of the Whole, when the bill went through yesterday. The whole principle of the bill had been explained. If the leader of the opposition would give some idea, as to whether it was proposed to move an amendment to it or as to just what particular information he desired, he (Tilley) would favourably consider having the bill referred back.

MR. DYSART said his reason was that no general information in regard to the bill had been given to all the members of the House. There were certain aspects of it they wished to discuss.

HON. MR. TILLEY said this bill had gone through the regular course and had been discussed in detail in committee and after being reported to the House had been passed by the Committee of the Whole. If the hon. gentleman had an amendment to make he would certainly concede to his request and allow the bill to be reconsidered.

Mr. Richard's Views

MR. RICHARD (Gloucester) said it was true this bill had been discussed before the Municipalities Committee but the information given there had not been given to the House. The members were entitled to know just how much guarantee the province had for the obligation assumed in connection with the Port Royal Pulp and Paper Company and he thought this information should be given by the government.

Nothing To Hold Back

HON. MR. TILLEY said there was nothing on the government side of the House to hold back in connection with the bill. He thought he had fully explained the transaction when this bill was introduced. Three enquiries had been made by the opposition as to where the Nashwaak Pulp and Paper mill was located and these had been answered. This property had been purchased by the Port Royal Pulp and Paper Company and some years ago the mill had been closed down. Mr. LaCroix, a Liberal member at Ottawa, was the head of the company and they had paid for the property \$240,000—\$40,000 in cash and a mortgage given for \$200,000. New machinery and equipment had been installed. The company paid off \$50,000, leaving still due \$120,000 on the first mortgage. Last fall the company found themselves short of funds and reported they would have to shut down, throwing out of employment some 210 men. It was stated that the mill would close on the first of December and remain closed until they could ship their pulp out by steamer.

Hon. Mr. Tilley said this situation had been brought to his attention and after he had failed to get the bank to advance a loan to the company he made a proposal to the municipality of Saint John that the government and municipality jointly guarantee the company's accounts at the bank for \$120,000 in order to carry on this operation during the winter. As collateral for the guarantee they took bonds of the company to the extent of \$120,000, which were held in trust. Last winter the company issued bonds for \$200,000—\$80,000 of these were sold the balance of \$120,000 went into the bank. If the mill closed tomorrow, he said, and they were forced to fore close there was \$200,000 against the mill. The guarantee given by the government and municipality had no connection with the \$80,000 bonds sold. He considered that they had ample security for the guarantee given. They had the building, machinery and all the freehold as well as all the stationary, assets of the company. What he asked, could be better in the way of helping unemployment than to assist industries in this way. The company was making substantial profits and could reduce the amount of the loan from time to time if desired. Hon. gentlemen opposite claimed that the government should try to get industries going and that, he said, was just what the government was trying to do. It could not be said there was any politics in this transaction as the head of the Port Royal Pulp and Paper Company was a Liberal member of the parliament at Ottawa. The government had no apology to make for that kind of a guarantee to assist in industry to relieve the unemployment situation. There was nothing the government would not show the opposition in connection with this guarantee.

Some Discussion

MR. TWEEDIE asked if in the event of the mill closing down there would be sufficient assets to pay off the mortgage and the guarantee.

HON. MR. TILLEY said he had been told by Mr. LaCroix that he had recently been offered \$700,000 for the entire plant.

MR. TWEEDIE thought if it was fair to guarantee such an industry at Saint John it was also fair to give a similar guarantee to a mill on the Miramichi. If such were done he thought the Frasers might be induced to operate their mill on the North Shore.

Well Secured

HON. MR. TILLEY said they had absolute security for the advance that had been made to the Port Royal Pulp and Paper Company. With regard to a similar guarantee in Northumberland, he said unfortunately that fine old county was in financial difficulties. Today, Northumberland's current liabilities were nearly \$180,000 and the stores there had refused to give credit for unemployment relief. The government had yielded to the request of the municipality of Northumberland for an emergency advance of \$2,500. The mayors of the towns of Chatham and Newcastle, the warden of the county and others had laid the situation in Northumberland before the government and in order to prevent that county from going into liquidation, the government had taken the municipality's bonds at 5 per cent. and had given them credit at the bank for \$180,000. The government had taken this course to help out the county which had been unable to sell its bonds. Reading from the report of P. S. Ross and Sons, Chartered Accountants, which had been submitted to the government, Hon. Mr. Tilley said it was shown that only 29 per cent of the taxes had been collected last year, and the government, realizing the serious financial situation in that county, had assumed re-

sponsibility of giving the municipality a sufficient credit to carry on. In view of what the government had done in Northumberland he (Tilley) could not see how the members for that county could criticize what had been done for a going concern in St. John in order to prevent a large number of men being thrown out of employment.

MR. TWEEDIE said they had been trying to get the government to do something to improve conditions in Northumberland for some time. They had every reason to expect some assistance could be given them. The county could not get back to its normal condition without assistance.

The Fraser Companies

HON. MR. TILLEY gave in considerable detail what action he had taken in order to get the Fraser mill started on the Miramichi and he added that they were not yet through with the International Paper Company in regard to the establishment of mills in that section. In connection with his negotiations with the Fraser Company Limited, he would read the following letter which he had just received:

Fraser Companies, Limited,
Edmundston, N. B.
March 13, 1934.

Premier L. P. D. Tilley,
Government of New Brunswick,
Fredericton, N. B.
My Dear Premier:

This will confirm the result of our conversation of yesterday regarding the extremely difficult situation existing on the Miramichi watershed and, particularly, in Northumberland County.

We have given careful consideration to your repeated demands that additional employment be provided and have endeavored to work out a programme through which we can contribute towards the relief of the present emergency and at the same time lay a foundation for a continued and growing industrial activity in that district. To be of permanent value this programme must, of course, take into consideration the protection and conservation of the forest.

We believe that we can undertake the regular annual production of 25,000,000 feet of lumber at our Nelson Saw Mill together with 25,000 cords of pulpwood from that district. This programme to commence by the production of pulpwood during the coming summer and the production of logs during the coming fall and winter. If, during the following season, it is still necessary to provide extra employment, the Nelson Saw Mill will be operated for three shifts each day. In order to provide employment for the workmen resident in the town of Chatham, we will undertake to provide, without cost, transportation to and from the mill at Nelson.

We sincerely trust that your persistent efforts, during the last few years, towards the relief of this situation will be effective. Yours very truly,

K. S. MacLachlan,
President.

HON. MR. TILLEY, continuing, said the estimates from the Crown Lands Department was that it would not be wise or safe in the interest of the conservation of our forest to cut in the territory in question more than 57,000,000 feet of lumber annually or more than 75,000 cords of pulpwood. To cut more than that in any one year would deplete the forests.

Not Satisfied

MR. DYSART said it seemed strange that the negotiations and letters spoken of by the Premier had accomplished so little, in having a mill operated on the Miramichi; and he attributed what had been done in this connection to the persistent efforts made by the members of Northumberland to arouse the government to some action. Notwithstanding the explanation given by the Prime Minister, the action taken with regard to the Port Royal Pulp and Paper as had been represented it seemed strange to him that the bank would want a guarantee.

An Honest Effort

HON. MR. STEWART said as the Minister from the North Shore he has taken some interest in the mills in

that section generally. With the Premier he had sat in with the Frasers and an honest effort had been made to have the mill on the Miramichi operated. To say that the government should have given the same guarantee to the mill on the Miramichi as to the Port Royal Pulp and Paper mill at Saint John did not represent the true situation. The Port Royal Pulp and Paper Company mill was a modern, well-equipped plant, while the Miramichi mill was somewhat antiquated and in need of repair. The advances given to the Port Royal Pulp and Paper mill were only for the purpose of keeping it operating and it not only gave employment to men at Saint John, but many others along the Saint John River and in Charlotte County and elsewhere. Every member of the government realized the necessity of reviving some system of industry on the North Shore. They had been making every honest effort to assist Northumberland County in every way possible.

MR. ANDERSON did not quite agree with the Premier that a larger cut of lumber and pulpwood than had been mentioned would deplete the forests in that section.

Mr. Scott's Views

MR. SCOTT said the Port Royal Pulp and Paper Company, in order to supply the pulp they required this year, would probably give employment to 2,500 men in different places. He, himself, found difficulty in getting men to work in the woods as so many of them were now being direct relief they did not seem anxious to work.

The following bills were read a second time, to amend the Provincial Loans Act; respecting control of municipalities; to amend the Municipal Debentures Act; to amend the Conditional Sales Act.

More Enquiries

Notices of enquiry were given as follows:

MR. PIRIE with respect to the purchase of a gravel pit from Mrs. Alice I. Simpson.

MR. TWEEDIE as to what was the general rate of stumpage on all classes of timber and wood cut on Crown Lands in the years 1928 to 1933, inclusive; with reference to quantities of softwood saw logs and softwood logs used for pulpwood cut on limits held by the Montreal Trust Company in trust for the New Brunswick International Paper Company and lands held by other trust companies in trust; also as to whether

the Minister of Public Works has a verbal agreement with W. S. Montgomery in reference to storage of crushed stone.

MR. DYSART as to how many gravel pits had been purchased by the government during the years 1926 to 1934.

Liquor Control Board

MR. DYSART, rising to make a motion, enquired if the government would not arrange to have the accounts of the Liquor Control Board brought before the Public Accounts committee. The public interest, he said, considered the large sums paid for salaries and expenses by the Board demanded that the details of these accounts be looked into. The province had an interest in the profits that were made by the Board, which profits were contingent upon expenses.

HON. MR. LEGER said unless the law constituting the Board was amended, it did not seem possible to meet the Hon. Member's request. He (Dysart) would remember that when the Act was under discussion, he (Leger) had strongly urged that the accounts of the Liquor Control Board should be handled in the same way as those of a department of government, and if he remembered rightly the leader of the opposition and some of his supporters at that time took the opposite view.

Notice of Resolution

MR. DYSART said he had no recollection of having taken such a stand; at any rate he now thought the Act should be amended so that the Board's accounts could come before the public accounts committee. He then gave notice that he would move on Tuesday next the following resolution:—

"Resolved that in the opinion of this House the amalgamation of the two national railways systems would constitute a violation of the constitutional rights of New Brunswick and be detrimental to the interests of her people and the Government of this Province should oppose every move in that direction and should demand that the original status of the Intercolonial be restored with control at Moncton."

MR. DIOTTE

MR. DIOTTE continuing the debate on the motion to go into supply and the amendment thereto, said unlike some hon. members unfortunately he had no one to write out his speech. He was not going to come to the defence of the government in this debate, for he felt the front row was well able to

(Continued on Page Six)

Sun Life Assurance Company of Canada

THE report of the Company for 1933 is one of consistent and constructive progress. Its achievements enhance the impressive record of public service it has rendered during the sixty-three years of its existence.

In 1933, as in the preceding three years, people generally experienced exceptional anxiety, the result of incomes being either impaired or entirely cut off. At such a time the unfailing aid and security of life insurance proved of very great value.

In this service the Sun Life Company bore a worthy share. During the year it paid out (exclusive of policy loans) nearly \$100,000,000 to policyholders and beneficiaries. Similarly, during the four years of depression it has paid out over \$380,000,000.

Notwithstanding these substantial payments, the Company, during the same four-year period, increased its assets by \$55,000,000—its insurances in force by over \$307,000,000.

Sixty-third Annual Report—1933

ASSURANCES IN FORCE, December 31, 1933	\$2,770,453,871
The large amount, the accumulating estates of nearly a million Sun Life policyholders, will become payable to them or their dependents during this generation—a stabilizing factor of great social and economic value.	
NEW ASSURANCES PAID FOR	216,567,441
INCOME	152,235,821
DISBURSEMENTS	127,505,801
EXCESS OF INCOME OVER DISBURSEMENTS	24,730,020
PAYMENTS TO POLICYHOLDERS AND BENEFICIARIES:	
During the year 1933	97,457,059
Since Organization	800,170,033
ASSETS	624,146,035
Bonds: government, municipal, public utility and others; stocks, preferred and common; loans on mortgages; real estate; loans on Company policies; cash in banks, and other assets.	
LIABILITIES	609,965,832
Almost nine-tenths of this sum represents the policy reserve—the amount set aside to guarantee all policy payments as they become due.	
PAID-UP CAPITAL (\$2,000,000) and balance at credit of shareholders' account	\$3,342,547
RESERVE for depreciation—in mortgages and real estate	4,885,904
SURPLUS	5,951,752
	\$14,180,203

The valuation of bonds and stocks has been made on the basis prescribed for all companies by the Insurance Department of the Dominion of Canada and in conformity with the basis authorized by the Departments of Insurance of the various provinces of Canada. Policy liabilities have been valued by the full net level premium method, a standard more exacting than required under the stringent provisions of the Dominion Insurance Act.

Sun Life Assurance Company of Canada.