

## SIX MEMBERS TOOK PART IN THE BUDGET DEBATE IN HOUSE TUESDAY

(Continued from Page 5)

sold at forty cents a gallon, and that was under the former administration. The federal government had appointed a commission to inquire into the cost of distribution and the result had been the imposition of an import tax. That tax had been imposed for the protection of the Canadian refiners, and he wished to say that he was not in agreement with such a policy. He had recently seen a financial report of the Standard Oil Company of New Jersey, which showed that neither that concern nor its subsidiaries had made any profit, or if they did it was a very small one. The Imperial Oil Company, of Canada, however appeared to be an exception, and the parent company seemed to derive practically all its dividends from the profits of that subsidiary. He believed that the right to tax gasoline should be left to the provinces as under present conditions it was nothing more than protection to industrial life. Mention had been made of the establishment of a pulp industry in Saint John and it had been stated that oil was to be used as fuel. It was due altogether to a high tariff on gasoline that the refineries were able to make a profit. It had been said that the Saint John plant was the only one in Canada that had installed an oil-burning system. That was not correct, as it was well known that there were other industries burning oil in competition with coal and increasing their manufacturing costs.

### Marketing Board

He was pleased to note that there was legislation before the House to establish a marketing board for natural products. He believed that to be a step in the right direction, and would offer a suggestion that when the board started to function it would set up some kind of an agency to handle such commodities as butter and eggs, at times when the market was overstocked and have them placed in cold storage until there was a recovery.

### Insurance

He had in his hand a copy of the Toronto Saturday Night which contained an editorial dealing with the question of insurance, and pointing out that the provinces of Ontario, Quebec and British Columbia had refused to surrender their rights to the federal authorities with regard to that matter. He hoped the Hon. Premier would see to it that the rights of the province were safeguarded with respect to the question of insurance. It had been stated that \$14,000,000 went out of the province every year for the payment of insurance premiums. He did not think that was a desirable condition of affairs, and he hoped the Hon. Premier would see that there was adequate protection in the future.

### Has Done Well

He was sure that all hon. members were well aware of the fact that it required money to carry on the various public services of the province, and considering the limited revenue at their disposal, it was a cause for wonder to him how the government had carried on so well. Less than two years ago he and his hon. friend from Queens (Evans) had visited Ottawa in an effort to see if it was not possible for the mines at Minto to supply as much coal to the C.N.R. as was obtained in the province of Nova Scotia. They had asked for nothing except the privilege of doing business on a business basis. He was sure all were familiar with the Duncan Report and also with the pact of Confederation. He would point out that two years after union had been consummated Nova Scotia was back to Ottawa looking for money and got it. Since that time, they had gone back eleven times in quest of further assistance. In the Quebec house at the present time there was being debated a resolution which set forth that all federal money given to the provinces should pass through provincial hands, as the people of the province were the best judges as to what was needed. He did not propose to question the legality of the sales tax or the income tax, the proceeds of which were now going to the federal treasury.

### Discrimination

With respect to the freight rates on coal, he wished to point out that the product of a Nova Scotia mine was hauled by rail through New Brunswick for one-half the price charged upon Minto coal. As an illustration, it was ninety miles from Minto to Woodstock and two hundred and sixty miles from Springhill, Nova Scotia, to that town, yet the charge on coal from Minto was \$1.80 per ton, the same rate as was charged for hauling coal from Springhill. The rates from Minto to Bathurst was \$1.20 per ton, but coal from Springhill was hauled to that town for \$.80 per ton. To haul coal from Minto to Campbellton the charge was \$1.50 per ton, and from Springhill to Campbellton \$1.40 per ton. Altogether there was used in New Brunswick 300,000 tons of Nova Scotia coal per year, which meant a loss to the country of \$600,000. He did not contend that the railways were charging too much, but was inclined to think that the rate given to the Nova Scotia mines was a survival of the old days of political expediency. The result was that it was costing \$600,000 a year to handle Nova Scotia coal in New Brunswick.

### Unfair Treatment

The federal records went to show that the Nova Scotia coal industry had been assisted by the public treasury to the extent of two million dollars. They had the Maritime Freight Rates' Act which was a result of the report of the Duncan Commission. One member of that commission he would remind the House, was from the Old Country; another from Nova Scotia, and the third from Prince Edward Island, and their findings showed Nova Scotia to be in a preferred position. One result was the maritime freight rates Act, was costing the

country eight million dollars a year, seventy per cent of which went to Nova Scotia. The fact that Nova Scotians were the largest shippers and had the longest haul showed that the result could not be otherwise. There were three coal companies in Nova Scotia which owned small lines of railway and they actually got the benefit of the twenty per cent reduction in freight rates for hauling coal on their own lines to the seaboard.

### Ottawa Subsidies

With regard to the production of coke, a bonus of 50 cents per ton was being paid. He was not advocating a coke industry in New Brunswick, but felt that it would be just as reasonable for the federal government to bonus pulpwood that went into the production of paper as it was to bonus coal entering into the production of steel. The report of the Comptroller-General showed that New Brunswick received in subsidies from Ottawa each year the sum of \$1,297,387.46 including an item of \$150,000, in lieu of export tax. There was also an item of \$600,000 given as an extra subsidy or stop-gap so that the people would remain quiet. Nova Scotia received from Ottawa in subsidies \$1,530,246 or \$260,000, more than New Brunswick from that source. In addition to that, Nova Scotia received as assistance to transportation during the year \$7,000,000, more from the federal treasury than was paid to New Brunswick. He would like to know the reason for such discrimination. Was it because they started going back to Ottawa in 1869 and continued going back ever since? When the name of Nova Scotia got in bad at the federal capital they hitched up with New Brunswick and Prince Edward Island on the question of maritime rights. He hoped that the Hon. Premier would impress upon the Ottawa authorities that New Brunswick was entitled to more money than it had been receiving in the past.

### North Shore Government

He had been amused to hear his hon. friends opposite refer to the present administration as a "South Shore Government." He would call attention to what happened when his hon. friends opposite assumed the reins of power in 1917. Why they selected two cabinet ministers from Victoria county, two from Gloucester county, one from Northumberland, and a speaker from Restigouche, and another minister from Westmorland; that certainly was not a south shore government. He believed when his hon. friends opposite, who were looking into the future, took office about the year 1945 naturally his hon. friend (Dysart) would be the premier, but nobody seemed to know just where his associate, Mr. McNair, would find a seat, unless Victoria County could be given three members. His hon. friend (Niles) having established himself as a financier would be the provincial secretary-treasurer, and his friend (Doucet) of Gloucester would be minister of colonization, and the hon. member for Northumberland (Anderson) minister of conscience.

In conclusion, he congratulated the hon. President of the Council (Cockburn) on his elevation to cabinet rank, and referred to the Hon. Premier as an able leader who had been indefatigable in his efforts to advance the interests of the province and follow in the footsteps of his highly honored father.

### MR. BORDAGE

MR. BORDAGE, continuing the debate, said in discussing this important subject that was called a budget, he wished to support the utterances of his opposition colleagues and to make such remarks as he saw fit against the present administration. Hon. members had been sent here to represent different constituencies, to assist in guiding the destinies of the Province and to relieve the taxpayers as far as possible. In the Kent County Council there had been a man who represented his parish for some twenty years and was so opposed to any measures that would increase taxation that he was termed the "watch dog" of the treasury. He felt it was the duties of members in this House to guard the provincial treasury.

### An Able Speech

The Provincial Secretary had delivered his speech in an able manner, notable for its length, optimism and hope, but had he continued longer he would have left but few friends. The important question, he considered, was what should be done to balance this year's budget. The Province must pay its way and that could not be done by words; not by increasing taxation but by adopting economy and retrenchment. Business men had had so to do, and now that there were signs of recovery in business, that recovery could only continue if public burdens were made as light as possible. The promise of balanced budgets was not sufficient to ensure prosperity. Expenditures must be pruned so that there will be ample revenue to pay them, and this was not easy because interest on the debt took 60 per cent of the revenue.

### Colonization

Colonization and agriculture were all important to future prosperity, and encouragement must be given our young men to establish themselves on new farms. Hon. members did not realize the hardships of the new settlers. To take up a new farm required courage, and we should raise our hats to the young men who did so. In the parish of Acadieville there were 12 young men applying for lots, and he was glad to say the Minister of Lands and Mines had promised his best consideration to their case. He (Bordage) thought that these and other young men should have help by way of bonus to enable them to clear their land and get established. Last year he noted that the government had spent \$51,000 on the British family settlement scheme, while only \$12,814, was spent on our native colonists. He

thought our own people were entitled to at least equality with immigrants. He condemned the situation that working men found themselves in in lumber operations, coming out of the woods as they did without money enough to pay for meals on their way home. In Quebec and Nova Scotia men were better treated, getting as much as \$1.50 per cord for cutting pulpwood and \$35.00 per month. Why could not the lumbermen of New Brunswick do the same.

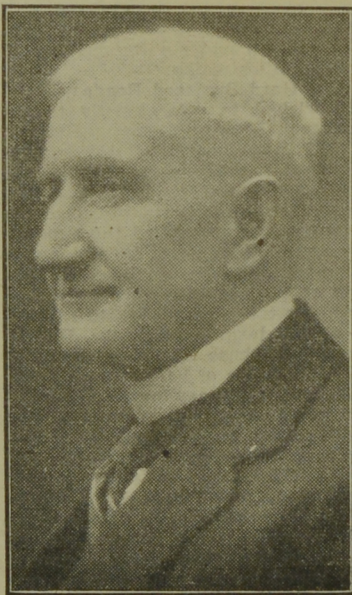
He would like to know when the report of the commission on Education was to be implemented. The members of the commission as well as the people were anxious to know what the government intended to do with the report. He regretted to see that the estimate for education was less this year than last.

### Alleged Unfairness

He wished to warn the Minister of Public Works that the expenditure of his department was not being fairly distributed. There were too many favorites, and a great deal of the relief money went to them rather than to the actual needy ones. He hoped when the government embarked on its project of paved roads that Kent County would get some consideration, and under financial conditions it present existing in the Province he did not consider the time opportune to start work on paved roads. Such roads would benefit only the automobilists, and the money spent on them would go largely outside the Province. He thought it would be better to spend more money on agriculture, and in finding markets for farm produce and fish. He favored sending men who knew their business to open up markets in other countries, but not on pleasure trips. He remembered a few years ago the Hon. Premier had gone to Trinidad and other places to open up markets and when he came back he reported on the pleasant trip he had had, but thus far the markets he opened up had not materialized. New Brunswick farmers could produce a high quality of products and were entitled to a satisfactory market.

### MR. AGAR

MR. AGAR said it was a matter for congratulation that the members of this House were assembled another year to do their best in administering the affairs of the Province in a manner which they considered to be in the best interest of the people. During the budget debate much criticism had been heard with regard to the debt of the Province. The Provincial Secretary-Treasurer, he thought, in his presentation of the budget had so clearly explained the different matters that we could understand what our financial position was today. We knew that the net debt was \$47,000,000, and the gross debt was \$60,000,000. In making a comparison in the record of this



MILES E. AGAR, M.L.A.  
Who Took Part in the Budget Debate Yesterday

government with that of the previous government he considered that the present administration had conducted the affairs of the province very well indeed under the conditions that had prevailed in the last few years. Members on the government side of the House were charged with being very loyal in their support to the administration and he was glad to say that they were very pleased with the way the affairs of the Province had been conducted.

### Sinking Fund

Previous to 1925 the debt had been growing very rapidly, without a sinking fund sufficient to take care of maturing liabilities being established. Under the former government the net debt had reached the amount of more than thirty-two millions, but the gross debt was much larger and there was no adequate adequate provision being made to take care of it in the way of a sinking fund.

### Grand Falls

It seemed impossible, he said, to get through a debate without resurrecting Grand Falls. In his opinion it was a good thing we had gotten rid of the burden that would have been imposed on the Province by the development on that project as had been proposed by the old government. If the old government had been permitted to develop Grand Falls without having a market for the power developed what a plight the Province would have been in. The agreement that had been with the International Paper Company did not bind that company to take any power and the ultimate result might have been that the government would have been glad to give the white elephant to the company in order to provide employment. The lumber industry had fallen down a few years ago. Now, he was glad to say, it was showing signs of improvement.

### Situation Met

When the present government came

into power there was a cry to put the roads in condition to meet the demands of the increasing use of automobiles and the increasing tourist traffic. The government had met that situation. They had made good roads and straight roads and it was a matter of pride that they were in the fine condition they were today. Notwithstanding the criticism of the government with respect to its expenditures and the deficit, he heard opposition members complaining that more money had not been spent in their respective counties. The gentleman who had just sat down had complained along that line.

Complaint had been made by opposition members that the government was not spending enough on education, but it must be remembered that with all the burdens placed on the shoulders of the people, due regard must be given to expenditures on education as well as other services. It was a question in his mind if we had not gone a bit wild on education, and he felt we should not be stampeded on what should be spent here and there on that Department.

### Had Helped Out

The construction of roads by the present government had had a very beneficial effect throughout the Province and had helped very materially to carry us over the period of depression for which we had not been prepared.

The matter of Maritime rights had been dealt with quite extensively and there now seemed to be a feeling that this question would be solved to some extent. As long as we could get a large part of the trade of the country passing over our railways and through our ports, it would seem that our condition might be considered to be no worse here than in some other more favored provinces.

### Changed Conditions

In connection with the movement for increased allowances for our Province from Ottawa he recalled that at the time of Confederation the indemnities fixed for the Maritime Provinces was very low. The terms were based largely on the income that might be derived from tariffs. To illustrate how the expenditure of the Dominion had increased since 1878, he recalled that in the election of 1878 the late Sir Leonard Tilley, in criticizing the MacKenzie government

of that day, declared that the government should carry on with a budget of nineteen millions and that under no circumstances should it exceed twenty-four millions. In 1894 the budget had increased to forty millions. Sir Richard Cartwright at that time, attacking the government on the increased expenditures, declared it was outrageous that the people should be taxed forty millions of dollars for carrying on the affairs of the Dominion. When Sir Wilfred Laurier came into power in 1896 the budget had increased to one hundred and twenty-eight millions. If the revenues had grown so enormously since Confederation, he considered that these Maritime Provinces had a good case for larger allowances.

### Many Difficulties

This government, he said, had had a great many difficulties to contend with. There had been increased demands for the public services straining the sources of revenue to the limit and during the years of depression it had been a difficult matter to meet all the requirements without incurring deficits.

During the period of depression the situation had been made much worse by the bank contractions and the withdrawing of money from business. An agitation had been going on that there was too much concentration of capital and mass production. Massed capital meant mass production; mass production meant mass unemployment and discontent. He saw some hope in the establishment of a central bank which might have the effect of loosening up in the money market. Bankers, he said, had a duty to perform for the country. They should be protected to a certain extent, but they should not have a monopoly of the money; it was not in the interests of good government.

Dealing with the increased debt under the present government, Mr. Agar showed that the sinking fund had been increased from \$2,290,707.76 in 1925 to \$6,731,428.65 in 1933, an increase of \$4,440,720.89.

### Did Good Work

The present government had provided more money for hospitals and universities, built a new Normal School, contributed to Vocational schools, enlarged the Provincial Hospital at Saint John, established the New Brunswick museum and assisted

other public services, all of which had been a heavy drain on the finances of the Province. The government had, in fact, been looking after the public services in a large way and had been endeavoring to meet all reasonable demands made upon it.

### The Power Contract

In connection with the contract the City of Saint John had with the New Brunswick Electric Power Commission, he pointed out that Saint John had not driven an unfair bargain with the commission. As a result of the agitation in Saint in consequence of the high rates which the people were called upon to pay the New Brunswick Power Company, the development of Musquash had been undertaken and this turned out to the advantage of Saint John, which was offered the contract at 1.2 cents and which they accepted. He made this explanation to dispel any impression that might have been received from the statement made by the Chairman of the N. B. Electric Power Commission this afternoon.

The debate was continued by Mr. Doucet, who at 11:15 o'clock moved the adjournment.

Mr. Dysart gave Notice of Enquiry. Mr. Doucet gave Notice of Enquiry. Mr. Downey gave Notice of Enquiry. Adjourned at 11:15 p.m.

### PHILIP BROOKS RETORT

Phillips Brooks, the famous Episcopal divine, was traveling through the west in the interest of abolition, which cause he fervently espoused. Several clergymen were fellow passengers on the train, and one of them remarked:

"You're working against the south, aren't you? Why don't you go down there and see how things really are?"

"You gentlemen are working against hell, aren't you?" was the quick retort.

Maybe it is old, but do you know a new one that is better?

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