

FRENZIED FINANCING OF THE LOCAL GOVERNMENT

Hon. C. W. Robinson Opposition Leader Dissects the Auditor General's Statement—Some Facts Which Should Have the Serious Consideration of New Brunswick Tax Payers.

(By Hon. C. W. Robinson.)

A comparison of the Auditor General's report on New Brunswick finances for the past year with that of former years does not show any radical change or difference. There is a steady growth in both receipts and expenditures, and there is an apparent small surplus of the ordinary items of rather insignificant proportions.

No matter how buoyant the revenue, it is all used, and the Auditor has to be a skillful bookkeeper to keep a small balance on the right side.

There is, of course, the usual large addition to the debt of the province in the expenditure upon permanent bridges of \$354,877.53, the cleaning up of the old N. B. Coal & Railway overdraft, \$67,192.60, the contribution to the Belgian Relief, \$27,456.54, and three or four small items, making in all \$456,393.

The revenue has been good, but we cannot expect so large an income for the coming year without the imposition of new taxes. The territorial revenue was increased during the past year by the high prices prevailing a year ago, but the present year's output of lumber will no doubt be much reduced and the stumpage income smaller than last year.

The receipts from succession duties made a record and were more than double the average receipts from this source. This amount was \$155,191.63, while the average of the past six years was only \$61,000 in round numbers.

The interest charges amounted to \$335,637.40 and with the addition to the debt and the higher rate of interest paid upon recent issues of bonds, this amount will be greatly increased in the future.

The total debt of the province as shown for 1914 was nearly \$8,000,000, and the net debt \$5,596,669.02. The last year's operations will swell this total by about another half million dollars, making the apparent net debt now over \$6,000,000, and the gross debt eight and a half million dollars. In addition to this we must remember the indirect debt or the various amounts of guaranteed bonds upon which the province is liable, as shown by page A34 of the Auditor General's report for 1915. This amounts to \$5,407,521.56. So we see that the total liability of our province today, adding in the additions during the past fiscal year, is in round numbers \$14,000,000.

PROVINCE PAYS THE INTEREST.

The Auditor's statement recently published, gives no information as to how much of the interest on these guaranteed bonds the province has already been called upon to pay, though we know that a year ago the province was paying interest on some of the guaranteed debt, such as the Woodstock Cold Storage Company's bonds and the Southampton Railway bonds. We must conclude that there is something yet to be disclosed in this regard, and it will be interesting to know the true facts concerning these matters.

The various sinking funds of the province are supposed to be invested and to be increasing yearly by the interest receipts. There are now supposed sinking funds to the extent of about one million dollars, about half of which is made up by the Crown Land Sinking Fund. This large amount should, and no doubt does, produce a revenue of over \$30,000 a year, but no account of it is given in the accounts recently published. Possibly a large portion of it has passed the sinking state and is now sunk in the Consolidated Fund, existing only in imagination. However, some revenue must be accruing somewhere on this account, and it would be fairly good financing to show it in the statement annually published.

The main sources of revenue are two, the Dominion subsidies and the Territorial revenues, and of these two the Dominion subsidies still holds the premier place. This amount is fixed every ten years, according to the census. At present the yearly amount is \$637,976.16, and this amount will not change until after the census of 1921, when eighty cents per head will be allowed on any increase in population over 1911.

In this connection it would seem that the province was very badly served both at Fredericton and Ottawa, when the recent readjustments between the Dominion and the provinces took place, since the advent of the Borden administration.

MASTERLY INACTIVITY.

The Dominion Government, in a generous mood, showered territorial grants and money grants upon many of the other provinces with a lavish hand, while our province received no consideration worth mentioning. Never was a better opportunity afforded us and never did a government exhibit a more masterly inactivity and deplorable carelessness with regard to provincial interests.

The territorial revenue reached the respectable sum of \$591,905.14, the largest in the history of the province. The output of lumber is keeping up well. An occasional increase in the rate of stumpage has helped to swell this revenue. A gradual rise in the selling price of lumber has further stimulated production and encouraged lumbermen to erect large modern mills in different parts of the province. Remote sections formerly considered inaccessible are now reached by the lumbermen, and the result has been gratifying to the government. Some improvement in the management of this source of revenue has been brought about from time to time by the different governments, but out methods are still very crude and unsatisfactory. When a member of the Legislature assists in the successful attempt to deprive the province of stumpage justly due, something must be wrong. How many other members of the Legislature are interested in the lumber business? With the power of patronage in their hands, are they always careful to see that the province is paid its full stumpage? Scapegoats are rather popular means of relieving a bad situation without improving conditions.

Comparing the different sources of revenue for the last two years, there appears to be a general increase showing an all round healthy state in business activities of the province.

Territorial revenue increased \$37,544.13. Fees Provincial Secretary's Office increased \$986. Taxes on companies increased \$1,781.30.

Private and local bills increased \$165.01. Succession duties increased \$135,083.08. This was of course phenomenal and not likely to be maintained, as the mortality among rich men was abnormally high during the past year.

The King's printer has not done as well as usual, and the receipts from this source decreased \$567.80. Receipts from school book vendors decreased \$417.99. The total receipts from this source, \$16,824.18, are not a profit, as the cost of this branch of service was \$20,448.84. Probate court fees, \$18,013.12, show an increase of \$1,525.58. This is the result of the sale of probate stamps for the purpose of paying salaries of judges and registrars, and the amount paid out for the year was \$13,457.37. The surplus is allowed to go into the Consolidated Fund for use in the general business. It is a tax upon estates in addition to the succession duties taxes.

The Provincial Hospital at St. John shows increased receipts of \$3,543.08 and decreased expenditure of \$349.15. Very good. It cost \$28,593.19 to collect \$44,383.75 on account of liquor licenses, and the previous year in this connection it cost \$26,906.90 to collect \$44,088.36.

In the seed wheat transaction it cost \$10,169.72 to collect \$5,570. While the financial results in this matter were not quite satisfactory to the Government, let us hope the experiment may have had some beneficial results which may yet be discovered.

(Continued on page three.)

THE CITY COUNCIL IN REGULAR MONTHLY SESSION

Scott Act Receipts to be Carried Over to the C. T. Act Fund in Future—Annual Reports Adopted.

The January meeting of the City Council took place last night and as usual, was marked by the presentation of annual reports. The outstanding feature of the meeting was the decision reached after some opposition to have the Canada Temperance Act receipts carried over to the C.T.A. fund of 1916 instead of being merged in the Administration of Justice account as has been customary in the past. Ald. Lemont brought up the matter and his motion was carried four to two. This decision will necessitate some changes in civic book-keeping and is likely to cause an over-expenditure in the Justice Department unless some rearrangement is made.

There was not a large attendance at the meeting. Those present were Mayor Mitchell, Ald. Reid, Ald. Lemont, Ald. Wilkinson, Ald. Baxter, Ald. Everett and Ald. Barker.

AUDITOR'S REPORT.

The auditor's report on monthly expenditures was passed as follows:

Water	\$1,463.40
Sewerage	38.17
Sewerage construction	10.70
House connections	50.69
Roads and streets	90.02
Public works	197.86
Street lighting	846.95
Fire	190.32
Administration of Justice	579.65
Canada Temperance Act	1.50
City Hall	104.92
Municipal Home	147.00
Market and Scales	11.00
Wharves	49.75
Contingent	40.63
Total	\$3,822.56

MUNICIPAL HOME.

Ald. Baxter reported an expenditure of \$232.58 in the Municipal Home department. On his motion a cheque for \$200 was ordered to issue in favor of Commissioner Niles.

Ald. Reid reported as follows on tax collections for December and the corresponding month of 1914:

December, 1914	\$ 908.98
December, 1915	1,491.50

FINANCIAL STATEMENT.

Ald. Reid submitted the financial statement for the year ending December 31. Commenting on the statement Ald. Reid said that the city had kept within bounds better than in former years. This report will be found elsewhere in this paper.

STREET LIGHTING REPORT.

Ald. Everett reported on behalf of the Street Lighting Department, presenting the annual report of Supt. Davidson. The report stated that the plant was in fair condition with the exception of the small engine. Lights in the streets number 167, classified as follows:—60 arcs, 51 five lamp clusters, 47 single tungstens, 9 tungstens in the station. The report mentioned that an auxiliary plant would be a marked improvement. The project to extend the system to Victoria street on Maryland Hill and other new streets and to place additional lights in the centre of certain blocks would be \$800.

The report was received and ordered to be inserted in the blue book.

Ald. Lemont, chairman of the Street Lighting Committee, speaking to the report, stated that the matter of making the necessary extensions was important and should be considered by the next council.

FIRE CHIEF'S REPORT.

Ald. Wilkinson presented the an-

ual report of the chief of the Fire Department, H. C. Rutter. On his motion the report was received and ordered to be printed in pamphlet form.

The Sir Howard Douglas Chapter, Daughters of the Empire, through Ald. Wilkinson, thanked the council for the free use of the City Opera House for the lecture by Mons. Andre.

CANADA TEMPERANCE ACT.

Ald. Lemont brought up the matter of the Canada Temperance Act account, stating that according to Dominion statistic receipts from the Canada Temperance Act must be kept separate from any other and used for no other purpose than the enforcement of the Act. He moved that the balance to the credit of the C.T.A. account December 31 be not transferred to the Administration of Justice account but be carried over to the 1916 C.T.A. account.

Ald. Reid objected that such an action would be nonsense. It would be just as necessary to charge part of the policemen's salaries up to the C.T.A.

Ald. Lemont replied that such should be done but had not in the past. The books showed nothing of what was paid out on the C.T.A. account.

Ald. Reid said that half of the policemen's salaries should be charged up to the C.T.A. if a separate fund was to be kept.

Ald. Everett suggested that with the new year a separate account might be kept for the C.T.A.

Ald. Reid said that nine-tenths of the expenditure on the police should be charged to the C.T.A. account for if there was no liquor there would be necessity for no more than one police man in the city.

Ald. Everett remarked that if \$3,700 from the C.T.A. were taken from the Administration of Justice account he did not see where the chairman of the Administration of Justice Department would come out.

The motion was carried, four to two, the vote standing as follows:

Yea—Lemont, Everett, Barker, Bad-

ter.

Nay—Wilkinson, Reid.

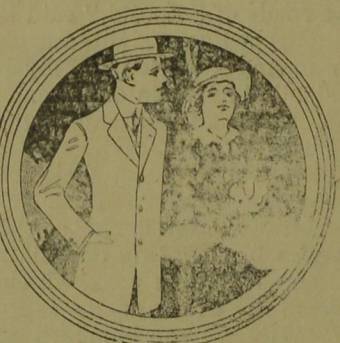
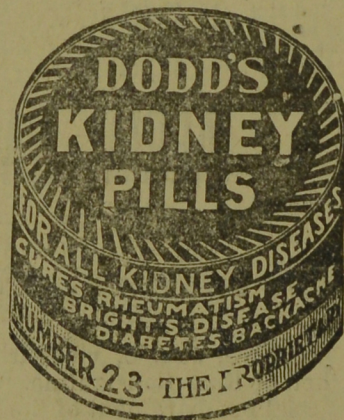
Leave of absence for Ald. Osborne, now in England with the 55th Battalion, was further extended.

The council then adjourned.

SIR J. SIMON'S RESIGNATION

OFFICIALLY ANNOUNCED

London, Jan. 4.—Announcement was made in the House of Commons today of the resignation of Sir John Simon, Secretary of State for Home Affairs.

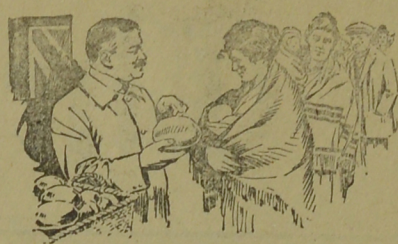


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so generously contributed in the British Empire and the United States, the neutral Belgian Relief Commission has imported enough wheat, flour and other foods to feed the whole nation so far. The great majority of the 7,000,000 Belgians left in the country have been able to pay for their daily allowance of bread—but a steadily growing number have no money left.

Unless we are willing to let these hundreds of thousands of women, children and old men starve, they must be fed at the expense of the Belgian Relief Fund. To make this possible someone must contribute nearly \$3,000,000 a month—every month—all this winter!

No people under the Allied Flags are as well able to contribute generously as we Canadians! No cause has ever been more deserving of help! In the name of Justice and Humanity—for the sake of our own self-respect—let us give all we can to help our martyred Allies!

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A NEW YEAR'S MESSAGE

Many thanks for your patronage of the past twelve-month, and we trust to merit a continuance of your favor during the coming year.

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