

NEW BRUNSWICK IS NOW IN A SOUND FINANCIAL POSITION

(Continued From Page Two.)

Our elation over the rapid progress of agriculture and of the pulp and paper industry, must not make us forget the old established enterprises of the province which have widened their activities and are experiencing materially better times; and the new ones which have come to share their progress. All play a very important part in the community life of the province.

It is easier today to obtain funds for investment in Maritime industries or Maritime utilities than perhaps at any time during the last quarter of a century.

Building Conditions

The programme of construction work has been well maintained and has proven a very important factor in the employment situation which has been infinitely better than has been the case for some time past. In fact building conditions never were better and skilled labor is very busy. Retail trade is showing unusual life; wholesale trade is unprecedently active; collections remain satisfactory; business mortality has decreased; and production in leading industries, in general, continues to show a larger volume. In sum, we have just closed the most successful year in New Brunswick in the existence of the present generation, and we trust that all homes have felt the improved condition.

In the Gold Area

For the first time in many years, Roger Babson has put the Maritime Provinces in gold. "Both New Brunswick and Nova Scotia," says he, "have shown so sustained an increase in general business conditions that we have entered them as gold areas on the Babson's sales map for the first time in many years."

In the mineral field, although we are merely at the beginning of our investigation work, we have gone far enough to disprove the tenacious adage, adhered to by all former governments, "that New Brunswick possessed no mineral wealth of great importance." We have gone far enough to establish a keen interest in the development of various properties and to prove that our province is singularly rich in antimony, copper, dolomite, gypsum, iron, tungsten and zinc.

A Stable Industry

Our coal mining, though small, compared to Nova Scotia, yet is a stable industry supplying a very good quality of industrial fuel for railways, manufacturing plants and domestic purposes. It is even in use in the provincial buildings in spite of the opinion of former governments.

We have also extensive beds of oil shale, gas and oil wells, potash, salt, limestones, suitable for pulp and paper making purposes, granite and grindstones.

Mr. Speaker, we will say nothing of the latest mineral possibilities, nor will we try to exhaust the list of the apparent minerals, but simply name enough to establish that with the present alert co-operation of the Department of Lands and Mines, the annual value of the Province's mineral production which is now about two millions, will be greatly increased and that the province will take an enviable position among the best mineral producing provinces of the Dominion.

Yes, Mr. Speaker, New Brunswick is a province of almost boundless possibilities; nature has endowed it with the means of success and well managed industries should reap great rewards. Nowhere in Canada can the hunter find a better and more accessible place to shoot big game or the fisherman to try for salmon with the fly.

Inland Industries

Although our inland fisheries through the efforts of the present Minister, are very progressive, both from the revenue standpoint as well as from the publicity emanating from them, our shore fishermen on the other hand are patiently awaiting further action from the report of the Commission on Fisheries.

In the meantime, however, they have made energetic endeavors to expand their markets; to improve processing, transportation and cold storage facilities with the result of an improved trade. We do not mean by this that there is no room for improvement nor that the Federal Government has perhaps given them all the assistance they deserved consistent with their needs and with the benefits granted to other lines of endeavors. The calling of the fishermen is a hard and hazardous one and support extended in that direction will be well received. We feel, however, that the Dominion is well studying the whole industry and that as a result of their research work much improvement will result.

Scenic Attractions

If we refer to the tourist traffic of the year, it is to show that holiday makers have continued to be attracted, year after year, in greater proportion as the Province became better known by its varied scenery; the charms of its lakes and rivers, hills and valleys, pleasant camping sites and the proverbial cordiality of the people. Those who have come will come again.

The acquaintanceship which this traffic facilitates, tends to strengthen the bonds of friendship between the provinces or with the States by eliminating misunderstanding, effecting closer friendship and clearing away all grounds of distrust and doubt. And so, Mr. Speaker, this negligible traffic increased 38 per cent. the first year of our regime, 76 per cent. the second year and 33 per cent. again this year with an always corresponding increased revenue, said to be now fifteen millions to the province.

In no other part of Canada has there been, since this government came into power, as great a proportionate increase in the importance of the tourist trade as in New Brunswick.

Thus, concluding our remarks on the social, agricultural, economic and industrial life of the province, we say, without hesitation that we have attained the prosperity hoped for, and say, whether it may be attributed to our efforts, with the splendid co-operation of the people, or not—we might be given the credit of some direction, in some lines at least—the fact remains just the same, the long displayed prosperity, unknown under former governments, has come to New Brunswick and during the yet young existence of the present government.

Provincial Finances

If I have delayed the introduction of the subject of the finances properly speaking, of the province, it is not because the story I have to tell is not worthy of the greatest commendation.

Last year, with some hesitation, we estimated a surplus of \$16,212.91, the first time that a New Brunswick government had faced the Legislature with a real estimated surplus. I am proud and happy to announce that our expectations have been more than realized; instead of the amount estimated, we have reached the magnificent surplus of \$198,209.36, after paying the Valley Railway deficit, by far the largest in the history of the Province. This result has been rendered possible by care, reasonable diligence, prudence and a revenue built up to \$5,785,619.38, also the largest in our history. This is what we had hoped for; what the people needed; and what has been achieved.

A Great Achievement

History will reveal that the first of our administration saw the prospective deficit of over half a million cut down

REVENUE		EXPENDITURE	
Estimated	Actual	Estimated	Actual
\$1,266,765.00	\$1,266,765.76	\$1,673,358.00	\$1,668,201.35
2,200.00	3,631.73	72,912.00	71,262.68
1,183,000.00	1,285,379.38	41,425.00	44,955.75
16,260.00	16,980.00	204,309.16	187,725.13
10,000.00	10,105.79	247,693.53	258,629.81
3,700.00	3,443.07	987,195.00	1,336,060.69
49,875.00	50,230.69	111,635.00	119,728.12
853,378.00	1,046,943.51	423,875.59	513,644.39
		108,906.00	107,837.12
		222,654.00	338,074.41
		9,700.00	10,195.41
550,000.00	880,241.24	195,000.00	203,034.78
123,000.00	122,565.36	100,000.00	108,133.46
60,000.00	64,075.72	40,000.00	43,377.00
12,260.00	15,835.70	20,052.00	21,672.49
650,000.00	744,622.95	548,461.00	
320,000.00	274,388.33	7,050.00	
\$5,100,439.00	\$5,785,619.38	\$5,084,266.00	\$5,587,410.02

Total expenditures including deficit on the St. John and Quebec Railway, of \$257,807.07 were \$5,587,410.02.

Surplus on ordinary revenue including Valley Railway, \$198,209.36.

Interest on the Public Debt, including Valley Railway was \$5,156.65 less than the estimate.

The Department of Attorney General has an over expenditure of \$3,530.75.

to \$61,523.44, including the Valley Railway, a feat of the greatest magnitude. Last year, with the great praise of everybody, we excelled the previous year, by announcing a surplus of \$15,792.64, the first real surplus, said to be in the history of the province. And again, the large surplus of this year proves, beyond the shadow of a doubt that we are in finance as in the other activities showing a constant and progressively pronounced improvement.

As the year advanced, we further proportioned the expenditures to the revenues; and the different services were further subsidized as the needs presented themselves, so that the estimated expenditures of \$5,084,226.09 were increased to \$5,586,834.02, shown in detail as over-expenditures in the following table of Revenue and Expenditure.

Departmental Expenditures

Department of Lands and Mines has an over expenditure of \$10,936.23, but it has a revenue in excess of estimates of \$102,379.98.

The Department of Public Works has an over expenditure of \$348,865.09 but it has a revenue, in excess of estimates of \$47,117.17, including motor vehicles fees and gasoline tax.

The Department of Public Health has an over expenditure of \$8,093.12 and a revenue more than estimates of \$105.97. This does not include the sum of \$40,000.00 voted last year, appearing as an additional expense, in excess of any grant by any government previously voted, to repress the regretful loss caused by tuberculosis, to long temporized, but which this government has decided to suppress, as far as science and our means can provide.

The Department of Education has an over-expenditure of \$19,769.99 and an under revenue of \$211.93.

The Department of Provincial Secretary-Treasurer has an over expenditure of \$115,420.75, but a revenue of \$193,570.51 in excess of estimates.

The excess expenditure, in the Department of the Provincial Secretary, is accounted for by the new policy of free text books for the whole of primary education inaugurated during the year.

A Burden Removed

This is the preferential treatment, adopted by the late administration, has by this sweeping enactment been eliminated and from henceforth, over thirty thousand scholars, excluded by the non-feasance of the late administration, have obtained their rights and their parents relieved of a heavy burden.

Large and small families are placed on exactly the same footing and will no longer dread the school book expenditures. And why should it not be so? As long as education in New Brunswick will be recognized as a community and national matter, why should not the same community spirit extend to include the school books? This, as in other matters, the government had the courage to do and the Charlottetown Guardian congratulated it in these terms: "It speaks well, not only for the government, but

for the financial position of the province, and we congratulate the Baxter government on their initiative and the sound business ability which enables them to carry out this program."

The New Brunswick Liquor Control Board has a revenue of \$330,241.24 more than estimated.

Executive Council has an expenditure of \$495.41 more than estimated.

The enforcement of the Liquor Control Act and the activities of the Provincial Police have cost \$200,732.59 and produced a revenue of \$38,050.51 or a net most of \$162,682.08.

Provincial Hospital has an over expenditure of \$8,034.78 and an under revenue of \$434.64.

Jordan Memorial Sanatorium has an over expenditure of \$8,133.46, but a revenue of \$4,075.72 in excess of estimates.

Boys Industrial Home has an over expenditure of \$1,620.49 but a revenue of \$3,575.70 in excess of estimates.

A Steady Improvement

We have demonstrated that the government has not only given full significance to the appropriation voted by parliament, notwithstanding the new policies inaugurated during the year, but that there has been a steady improvement of revenue owing to efficient, economic and business like administration.

To transfer in three years without added taxation, a deficit of over three quarters of a million to a surplus of \$198,209.36 and provide nearly one million and a half more than provided then, for the different public services and sinking funds is a financial accomplishment such that even the opponents should say: "Inclinez-vous, c'est le pragmatisme."

We have kept house without going into debt, having saved in three years \$152,478.58, whilst our opponents, during the last three years of their administration went over a million and a half in debt. Although, healthy financing should always show a surplus, our aim, so far, has not been to present a huge surplus, but rather to dispense the money coming into the Treasury for the public benefit.

Having proven that we have been able to administer the affairs without

during the life of the roads, but because it is a sound investment, returning dividends which, although not measured in cash, are nevertheless real. Dividends accruing from contentment; from easy and rapid transportation; from less wear and tear; and from increased revenue derived from tourist traffic.

Roads are Good

We further believe that we have rendered our roads as safe to the travelling public as those of any province in Canada or any adjoining state; so that, when our road building program will be further advanced, when we will have the indispensable ensemble, we will put the polish that the good artist always reserves for the last, and our roads will be the best because we started them right.

The addition to Provincial Hospital was rendered necessary by the constantly increasing number of patients. The installation of a sprinkler system in the older institution at a cost of \$110,464.00 for the protection of the inmates therein, will bring a sigh of relief from their relatives and friends and will take away from those in charge the anxiety of a possible fire so far prevented by a kind Providence who does not always protest culpable neglect. And here again will be seen the fostering care of the present administration.

Debt Redemption

Mr. Speaker, there is another matter on which this government has had the utmost concern; the retirement of the debt. With this in view, we added one half of one per cent. to the general sinking fund; under the motor vehicle licence fees to retire at maturity the debentures issued for roads and, provided with a sinking fund the bonds maturing with no sinking funds; so that in the financial sense, we are no longer going into debt.

The total sinking fund at the end of the year was \$3,557,326.21 an increase of \$543,389.41 over last year; always bearing in mind that we redeemed bonds for \$125,506.66 during the year.

Our surplus of \$198,209.36 has also been applied on debt reduction.

After all the only effectual way of retiring a debt is by the surplus of revenue over expenditure. A debt is only paid by the profits realized.

Safe Policy

Without again referring to the economical, financial and industrial condition in which we found the province, I ask the question. Before entering a greater attention to debt retirement is it not better to encourage agriculture, to build up the industries, to construct the roads and to lessen the burdens of the taxpayers, so that they may prosper and enjoy a greater welfare? If we can do this, if we can make our people happy and prosperous without adding bonded deficits to our obligations, and bonding only for substantial additions and improvements which become an asset, easily reducible to cash, instead of a burden; will this be not better than hindering the progress by starving the services? We feel, Mr. Speaker, that this province will prosper in so far as its people will thrive; and an annual reduction of taxation is also a reduction of the debt of the people.

People Benefited.

We have, in many ways, brought benefits to the people; and, when the government will be further advanced in the improvement of industries, betterment of conditions, enrichment of the people, we promise you a plan of greater retirement of debt which will be both effective and not burdensome.

Closely allied to public debts, are the refunding operations. On this phase of finance also in spite of the indifference of the Municipal bond market and the relatively low bids, we were able to maintain our high position amongst the provinces.

On the refunding issue of \$2,275,000 maturing in December last, on which we had in 1925 made a saving from a previous administration of 72 per cent. we refunded the same bonds, less \$10,000.00 paid out of sinking funds without the usual refunding costs, without cost to the province and at a further saving of .02 per cent.

But, Mr. Speaker, this transaction, the private sale of bonds, with such results is objected to, on principle by our friends opposite. Might we ask what principle, where is it to be found either in practice in theory or in law? Certainly not in the laws, in the theories nor in the practices of the Dominion or the other provinces? We will go further and we will say, not in the laws, in the theories nor in the practice of this province.

History Reread.

It is good to re-read history. And in re-reading this history what do we find? We find that our friends opposite practiced exactly what they object to now. We find that a government of which both the mover and seconder of the amendment voted down by the House, last week, were the ardent supporters in the House, the Foster Government, sold the bonds of the province at a private sale to a firm of brokers. History does not reveal that the mover and the seconder objected to the principle then. Is this change of attitude of my learned friends simply because of the change of administration? Consistency thou art a jewel!

Bond Sale

Mr. Speaker, there is only one principle involved in the sale of bonds, viz: to make the best sale possible in the best and surest interests of the province. This is what we have always endeavored to do and the government should be congratulated upon the success attained in financing its requirements during a time when money was at a high rate of interest without any loss whatever, but on the other hand a gain in many respects.

There are times when it is not advisable to seek from an unfavorable market all the needed funds, nor to offer more than the market will absorb. The alternative, is short term financing. And there again the greatest caution must be observed, so as

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Estimates of Receipts And Expenditures of the Province for Year 1929

ESTIMATED REVENUE 1929

DOMINION OF CANADA:			
Annual Subsidy and allowance	\$1,266,765.76	\$1,266,766.00	
DEPARTMENT OF AGRICULTURE:			
Miscellaneous Receipts	3,681.78	8,425.00	
DEPARTMENT OF ATTORNEY GENERAL:			
Provincial Police, Fines, etc.		50,000.00	
DEPARTMENT OF PUBLIC HEALTH:			
Laboratory Fees, etc.	10,105.79	14,100.00	
DEPARTMENT OF EDUCATION:			
Miscellaneous Receipts	3,443.07	3,400.00	
Vocational Education—Grant from Dom. Govt.	50,280.69	52,225.00	
DEPARTMENT OF PUBLIC WORKS:			
Miscellaneous Receipts	100.00	100.00	
Provincial Building, St. John, Rent	16,880.00	17,000.00	
DEPARTMENT OF LANDS AND MINES:			
Stampage	848,808.38	760,000.00	
Royalties	28,078.40	29,000.00	
Wild Land Tax	56,443.49	56,000.00	
Forest Fire Tax	33,507.20	33,500.00	
Fishing Licenses and Leases	102,697.25	100,000.00	
Timber License Renewals	85,144.00	85,000.00	
Timber License Sales	4,501.00	4,000.00	
Game, Pelt Licenses, Royalty on Fur	58,420.95	60,000.00	
Mining Licenses and Leases	4,885.61	4,500.00	
Miscellaneous—Orders of Survey Land Leases, Transfer Timber Lands, etc.	62,893.70	22,000.00	
Total	\$1,285,879.98	\$1,154,000.00	

DEPARTMENT OF PROV. SEC.-TREAS.:			
Marriage Licenses	8,706.50	8,000.00	
Letters Patent	11,190.00	7,100.00	
Commissions	370.00	400.00	
Moving Picture Fees	12,190.93	12,000.00	
License Travelling Shows	1,070.00	400.00	
Total	\$33,527.43	\$27,900.00	

Taxes Incorporated Companies—			
Banks	29,458.26	31,900.00	
Trust and Loan Companies	2,700.00	2,700.00	
Fire Insurance Companies	42,514.41	42,500.00	
Life Insurance Companies	64,699.64	64,000.00	
Accident, Guarantee and other Insurance	9,036.72	9,000.00	
Express Companies	2,595.00	2,595.00	
Telephone Companies	3,465.13	3,400.00	
Street Railway Companies	35,676.51	35,000.00	
Extra Provincial Corporations	1,368.56	1,368.00	
Railway Companies	32,839.22	32,000.00	
Filing Annual Returns	177,220.00	177,220.00	
Total	\$20,827.39	\$20,800.00	

Total	\$422,390.84	\$422,483.00	
Amusement Admission Tax			
King's Printer	62,674.09	62,000.00	
Private and Local Bills	8,767.25	8,000.00	
Probate Court Fund	4,070.00	4,000.00	
Supreme Court Fund	36,042.34	36,000.00	
Succession Duties	3,671.79	3,500.00	
Interest Received	412,749.01	325,000.00	
School Books	15,153.16	15,000.00	
Factory Inspection	33,358.43	35,000.00	
Railway Earnings (Southampton)	1,514.37	1,500.00	
Rent Reversible Falls Bridge	1,510.77	1,500.00	
Sale Securities Act	4,000.00	4,000.00	
Water Power Privileges	356.31	350.00	
Miscellaneous Receipts	3,665.66	3,665.00	
Motor Carrier Board	891.43	150.00	
Total	\$2,705.63	\$2,700.00	

Total	\$591,030.24	\$502,265.00	
N. B. LIQUOR CONTROL BOARD			
PROVINCIAL PROHIBITION ACT (1916)	880,241.24	1,200,000.00	
PROVINCIAL HOSPITAL	299.50		
JORDAN MEMORIAL SANATORIUM	122,565.36	120,000.00	
BOYS' INDUSTRIAL HOME	64,075.72	65,000.00	
MOTOR VEHICLE FEES	15,835.70	12,000.00	
GASOLINE TAX	744,622.95	700,000.00	
Total	274,388.33	400,000.00	
Grand Totals	\$2,102,028.80	\$2,497,030.00	
Grand Totals	\$5,785,619.38	\$6,009,694.00	

ESTIMATED EXPENDITURE 1929

PUBLIC DEBT:			
Interest	\$1,420,799.35	\$1,459,271.00	
Sinking Fund	247,402.00	250,182.00	
Total	1,668,201.35	1,709,453.00	

LEGISLATION:			
Legislative Assembly	69,324.02	69,912.00	
Librarian, Books and Insurance	937.80	975.00	
Legislation, Uniformity of	1,000.85	600.00	
Total	71,262.67	71,487.00	

DEPARTMENT OF ATTORNEY GENERAL:			
Departmental Salaries and Expenses	6,726.04		7,800.00
Administration of Justice	38,229.71		37,490.00
Succession Duty Expenses	1,048.15		1,275.00
Provincial Police			210,000.00