

THE OPPOSITION LEADER
SPEAKS ON THE BUDGET

(Continued From Page 3.)
fused to come to the assistance in time of distress.
The House resumed at eight o'clock.
Evening Sitting.

MR. VENIOT, resuming, said there were other means besides stumping of increasing the revenue. He had mentioned a few and he would guess that there was no reason why the trust companies should be exempt from increase. The C. N. R. telegraph and express companies were independent of the railway and of the government and should be taxed. Last year it had been practically decided that the C. N. R. itself should pay municipal and provincial tax, and the revenue to the province from that source was estimated at from \$80,000 to \$100,000. He was not speaking from a party standpoint, but he would not mention this matter, but he really wanted to see the province get the revenue.

Suggested Methods.
There was also no reason why additional taxes should not be had from the Canadian Pacific and other railways. \$20,000 might be had in that way. Extra provincial corporations doing business in the province should pay an increase of from \$16,000 to \$20,000. Succession duties were lower in New Brunswick than elsewhere and could be increased so as to yield from \$20,000 to \$50,000 more than at present. He would refer once more to the promises of economy which the government had made when in opposition. They had apparently thrown these to the winds for their estimated expenditure was half a million more than the estimate of 1925. That did not look much like economy. If the government kept faith with the people by carrying out their pledges to the country they must either retrench or plainly say that they find the expenditure necessary and not extravagant as they supposed and could not cut it down. He would suggest some ways that retrenchment might be made. If, as suggested a few years ago by the Premier the provincial secretary's office was abolished there would be a saving of \$12,000. If the minister of health was abolished there would be another saving of \$12,000. If, as the minister of agriculture had suggested when he was in opposition, the officials in the department of agriculture were reduced, \$25,000 might be saved there. If, as the minister of lands and mines had suggested the forestry branch of his department were abolished, another \$25,000 might be saved. If there was a reduction in the number of game wardens and sealers as advocated by the minister of public works, there would be a great saving. But in this connection what did we find. This government had increased the number of wardens from 53 to 102, with the result that the Game Laws are being violated more flagrantly than ever before. This might have been foreseen, because some of the biggest poachers and most disreputable characters in the province had been appointed. It had been claimed by members of the government when in opposition that the department of public works was overmanned and if their recommendations were carried out there would be a saving of from \$15,000 to \$25,000 there. However from his experience as head of that department he thought the new minister would find it pretty difficult to decrease his staff. The inside service in that department was the best in Canada. The officials were efficient and faithful. The new minister could depend on them and he hoped they would be retained as long as they did their duty. Then he believed that the rate of stumping should be increased to provide additional revenue, and he again referred to the opinions expressed by members of the government when in opposition in regard to the stumping rates in the past.

Water Powers.
It was apparently the settled policy of the government that all our water powers should be developed by private ownership. This was indicated by three bills now before the House for private hydro development. These private corporations should pay the province for the water they got. He outlined the Quebec system whereby the province provided storage dams for development and sold the water for so much per horse power. Grand Falls power should pay into the revenue of the province. The late government had been accused of spending money without parliamentary sanction, but what was the first act of the new government? They did precisely the same thing and spent something like half a million dollars without any authority. If it was wrong for the old government what made it right for the new, especially when they were making foolish expenditures in October merely to help their political friends at Ottawa.

HON. MR. STEWART interjected that he (Veniot) knew that \$750,000 was due men who worked for the old government and there was not a dollar in the treasury to pay them, when the new government came in.
MR. VENIOT replied that it was not that work he referred to, but what was done in October.
Legacy of Debt.
Continuing, he went back to the legacy of debt left to the province in 1917. On taking office the Foster-Veniot government found a lot of interest left unpaid, also that some of the sinking funds had been placed in current revenue and a tremendous amount of floating indebtedness, which had to be taken care of. He dilated on the iniquity of misplacing sinking funds and depreciating the value of the bonds.

HON. MR. BAXTER said that the movement of that time had done no such thing. Some official might have entered the amount in the wrong account, but the government certainly knew nothing about it.

MR. VENIOT replied that the condition as stated was found, the records would prove it and he defied contradiction.

Analysis of Debt.
A great deal had been said about the public debt and who was responsible for it. He would give a full and detailed statement of the increase in the public debt since 1917: In 1908 the bonded debt of the province was \$5,834,523; at the end of 1916 it was \$15,059,591, but the books did not show the true state of affairs because a floating indebtedness was being carried of about \$1,025,000. This really left the debt at \$16,084,591 of which \$5,950,000 was for Valley Railway construction. The Foster-Veniot government assumed power in 1917 and issued bonds as follows:

In 1917	
Permanent bridges	\$ 419,000
Perm. Roads, auto fund	400,000
	\$ 819,000

In 1918	
Permanent bridges	\$1,000
Floating debt	789,000
Permanent bridges	210,000
Perm. Roads, auto fund	300,000
Jordan Sanitarium	16,500
	\$1,397,500

In 1919	
Valley Ry. construction	\$ 450,000
Permanent bridges	550,000
Perm. Roads, Auto fund	450,000
O'Connor property	7,000
Jordan Sanitarium	9,003
	\$1,466,003

In 1920	
Valley Ry. Construction	\$1,000,000
Perm. Roads, Auto fund	800,000
Perm. Roads, Federal aid	300,000
Permanent bridges	700,000
Smallpox	30,000
Limestone Quarry	10,000
	\$2,840,000

In 1921	
Hydro, Musquash	\$1,000,000
Perm. Roads, Federal aid	750,000
Perm. Roads, auto fund	400,000
Permanent bridges	600,000
Valley Ry. Interest 1920	252,000
Valley Ry. Construction	250,000
Boy's Industrial Home	30,000
Merrithew Building	6,500
	\$3,288,500

In 1922	
Hydro, Musquash	\$1,000,000
Roads, Federal aid	350,000
Roads, auto fund	300,000
Valley Ry. Interest	240,000
Permanent bridges	500,000
Floating Debt	300,000
	\$3,190,000

In 1923	
Hydro, Musquash	\$ 800,000
Roads, Federal aid	350,000
Roads, auto fund	300,000
Valley Ry. Interest	260,000
U. N. B.	50,000
Hydro, Musquash	250,000
	\$2,010,000

In 1924	
Permanent bridges	\$ 500,000
Roads, auto fund	300,000
Hydro, Musquash	250,000
Roads, Federal aid	500,000
Permanent bridges	400,000
Valley Ry. Interest	261,000
Provincial Hospital	25,737
	\$2,236,737

Total Bonds issued by Foster-Veniot Government to end of 1924, \$17,247,741.

GALLEY SIX SoH&y set(Zsa mollot
For 1925 the province was obligated as follows:
Expended on capital account for roads, bonds to issue for same\$1,612,171
Expended on bridges, bonds to issue 88,675
Bonds to issue for U. N. B. and Vocational Buildings 54,441
Valley Railway and Ordinary deficit 756,583
Hydro deficit on depreciation account 55,505
Other deficits accumulated greater part of which was for damage floods 1923 329,859
Hydro overdraft 231,578
These amounts added to the debt at the end of 1924 make a total as at the end of 1925 of \$35,336,156.

Of the bond issues made by the Veniot government from 1917 to the end of 1925, including bonds to be issued for unprovided capital expenditures, deficits, etc., the previous government was directly and indirectly responsible for the following:
Valley Railway Construction\$1,702,000
Valley Railway deficits 1,543,288
Floating indebtedness 1916 1,025,000
Total\$4,270,000
This left the late government directly responsible for an increased debt of \$15,369,591, which included everything in the shape of bond issues to meet unprovided capital expenditure on roads and bridges grants to the University of New Brunswick and Vocational Education buildings, deficits and overdrafts on account of Musquash, and deficits chargeable to ordinary revenue account. The government in power from 1908 to 1917 was responsible for an increased debt of \$13,495,356, and during all their term they only provided \$208,040 by sinking fund to meet this increase clear of what accumulated during that period in the Crown land sinking fund. During the regime of the Foster-Veniot government they provided by sinking fund clear of Crown land sinking fund, the handsome sum of \$1,425,459, exclusive of Musquash.

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Revenue Increased.
In 1909 under the then government the revenue was \$1,259,826 while the public debt was \$5,834,523. In 1916 their last year the revenue was \$1,580,419, an increase in revenue of only about 25 per cent. The debt at that date, including their floated indebtedness but not their full liability for the Valley Railway, was \$16,084,591, an increase in the debt of about 150 per cent, while the increase in revenue was only about 25 per cent. In 1917 when the Foster-Veniot government came in, the revenue was \$1,580,419, and the public debt \$15,878,591, not including the floated indebtedness! In 1925, the gross debt was \$34,243,605 and in this was included \$4,270,288, indirect liability of the former government. Taking the total gross debt as above given it would show an increase between 1917 and the end of 1925 of about 102 per cent, while the increase in the revenue during the same period was 125 per cent, and of this increase of 102 per cent, the Foster-Veniot government was only responsible for an increase of about 90 per cent.

The interest charges at the end of 1925 were made up as follows:—
Valley Railway\$ 331,078
Motor Vehicle fund 179,815
N. B. Hydro 190,870
On other bonds 876,470
\$1,578,232
The interest on motor vehicle fund and on hydro, \$370,000 should be deducted because it did not come out of ordinary revenue, but had an earning power sufficient to pay interest and sinking fund and this left \$1,207,548 including Valley Railway interest, to come out of ordinary revenue. Of this latter amount the Foster-Veniot government was only responsible for \$345,548 while the previous Government was responsible for \$862,000.

Redemption of Debt.
The following figures would show how the Foster-Veniot Government had reduced the debt of the Province during their regime by paying off so much each year as provided for by law. It was done in two ways by redemption through sinking funds and by taking up bonds known as "Registered Stock" and "Valley Railway" bonds. These bonds were offered for sale in London at a great reduction in 1916 but the then Government did not take advantage of it however the offer was still open when the Foster Veniot Government came in and no time was lost in buying them in at 74 which reduced the Valley Railway debt by \$538,009 and the Registered stock liability by some \$126,273. These redemptions and sales resulted in a gross reduction of the bonded debt between 1917 and 1925 of \$1,541,514.

The Public Debt.
What position did the province occupy today with regard to the public debt? Our gross debt at the end of 1925, including obligations of all kinds, was \$35,374,728. Against this sum we had the following to our credit: Valley Railway cash, \$265,976; Deposit at Ottawa \$529,299; Sinking Fund, \$2,230,707. Total \$3,029,982. Leaving a net debt of \$32,348,746. Against this debt we had \$3,237,083 invested in Musquash. This large sum was earning its own way without a cent being charged against ordinary revenue. At most it could be considered a trust fund and would never be a debt burden. This would leave a direct responsibility upon the province of \$24,111,663 and if the Valley Railway should be taken over by the federal government the province would be relieved of a direct liability of about \$7,000,000. This would leave a net debt of \$17,000,000. As the Foster-Veniot government claimed while in opposition that they could run the province without increasing the debt, it can readily be seen that they had practically fulfilled their promise. Notwithstanding this gratifying showing that government also had greatly increased the annual expenditure on education, agriculture, public health, ordinary roads and bridges.

Musquash Development.
Before concluding his remarks he wished to refer to Musquash was justifying itself, yet his friends opposite had said it was not a success. The deficits of Musquash were disappearing and would continue to disappear.

Before leaving the debate he would touch on some arguments used by the members and would show they had used figures extravagantly. He could not allow some statements made by the junior member for St. John to pass unchallenged. In the election campaign he, as well as his colleagues had said there was a difference of \$107,000 between the expenditures and receipts that could not be accounted for in the Comptroller's report. He would point out that interest charges on auto funds were something under \$200,000 and not over \$400,000, as had been stated by Mr. Harrison. He hoped he had been misquoted in the press because his statement was not correct. He could review many more statements of this character but would not take up the time of the House. He wished briefly to refer to statements by Mr. Lord. He had made certain statements in connection with a certain superintendent of supervisors in Charlotte. Those statements had already been made on the floors of the House. Those accounts were before the Public Accounts Committee and the Chief Road Engineer and the Auditor were before the Committee and explained them. If there had been anything wrong he did not want it covered up. In the administration of his department he was not conscious of any wrong doing and he would defy anybody to put their hand on anything to show wilful wrong doing. He did discover wrong in some outside officials and they were punished. If the hon.

gentleman for Charlotte felt there was anything wrong it was his duty to make a charge before the Public Accounts Committee and he would assist him in every way in the investigation. He could assure him there had been no wrong doing, and he would ask Mr. Lord to have the courage of his convictions and prefer charges if he thought there was.

In closing he assured the House that he had been sincere in his remarks and his references to conditions in the past and at the present time had been made as he saw them.

Debate Adjourned.
HON. MR. STEWART moved the adjournment of the debate which was made the order of the day for tomorrow at three o'clock.

HON. MR. REILLY submitted the report of the Standing Rules Committee.
The House then went into Committee, with Mr. Peck in the Chair. The following bills were taken into consideration: an Act to amend the City of Moncton Assessment Act; a bill fixing the valuation of the Wilson Box Company in the County of Saint John; a bill relating to the Town of Woodstock; a bill fixing the valuation of Taylor & White, West Saint John.

Upon the committee rising the bills were reported to the House, ordered to be engrossed to read a third time tomorrow.

The house again went into committee with Mr. Squires in the chair. The following bills were considered: An Act to provide for the payment of an annuity to Jessie McLeod; an Act to incorporate the Trustees of the Endowment Fund of the University of New Brunswick. The committee rose and reported the bills to the House and the bills engrossed to be read a third time tomorrow. The House again went into committee, with Mr. Siddall in the chair and took up the following bills. An Act to amend the Municipalities Act; An Act to incorporate the South West Log Driving Company; A bill to amend the building laws of the City of Fredericton; A bill to authorize the City of Fredericton to issue debentures; A bill to confirm an agreement between the New Brunswick Power Company, County of St. John; an Act to authorize the Town of Sussex to issue bonds; an Act relating to permanent streets and sidewalks in the Parish of Lancaster. The committee rose and reported the bills to the House. They were engrossed and to be read a third time tomorrow.
Adjourned at 12 o'clock.

SEE SICK.
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Grow homesick for waves rolling high,
When all that he needs is to look round and see
The permanent waves going by?

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