

## MASTERLY SPEECH BY HON. MR. BAXTER IN CLOSING THE BUDGET DEBATE

(Continued from Page 3.)  
in their places. We did not go out hunting for a leader of a Farmers' Party to come in and take charge of Hydro, but we did go into the Liberal party when we thought it possessed a man who would be valuable to the province of New Brunswick. In other words we did not buy a political opponent, but we did invite the services of a distinguished and a capable man, and we had no light party politics to interfere with our choice!

### Concerning Taxes.

I wish to say just a word or two about Taxes.

My hon. friend says he finds nothing about taxing telephone companies. He will get satisfaction before we get through with our budget proposals.

I might explain that we found that we did not have all the information that was requisite in order to get a comprehensive scheme. We have been getting more details with regard, not only to telephone companies, but other things, and while we have set out certain sources of revenue, we propose to expand them.

These taxes are to be considered as extraordinary taxes to meet an extraordinary condition. It is not the intention of the Government that they shall be permanent. In multiplying the tax on banks by three we are going far beyond any system of taxation, any rate of levy made in other province of the Dominion.

It is not desirable that it continue. It is necessary to have it, and the Bank is in a position to distribute taxation perhaps as well as any institution. The desire and aim of that government is to get in all possible sources of revenue, to husband our expenditures, and if we are assisted as we hope we shall be by the C. N. R., giving us a reasonable amount of taxes and by the Dominion government taking off our shoulders the burden of the Valley Railway Railway, by means of these things, and by means of getting more money out of the lumber industry just when, and as it can afford to contribute more money, we hope to procure a balancing of the budget so as to throw very little (and perhaps no) strain upon the people of the province of New Brunswick.

My hon. friend, however, must not forget that practically every day something is creeping in in the matter of another obligation to be borne. I gave the interest charge—the interest and sinking fund charge, which cannot be reduced—amounting to \$1,980,289. It will soon be above the \$2,000,000 mark, because of obligations incurred that are in no way attributable to my hon. friends. Before this session closes we shall have to ask for an amount—a legitimate expenditure in connection with Valley Railway. I think it was in 1917 or 1918 that the Hon. Mr. Foster being then Premier found it necessary to get rails. It was time and time again difficult to get and the Northern N. B. & Seaboard Railway offered to provide them. An order was passed enabling the province to take up these rails and deliver them to the order of the Valley Railway. The arrangement was that these rails should be replaced when needed or paid for. The N. B. & S. are asking now for their rails or the money. They have a right to do so. The amount needed will probably be \$200,000 and we must pay it—it is equitable and right. It is no reproach to the hon. gentlemen opposite that that liability is there. It is no discredit to us, it is simply one of those things that have to be taken care of. We will have to pay interest for that money and the interest charge will amount to a considerable sum. Where will we get the revenue? I believe for capital expenditure on the Valley Railway for which the Dominion Government is not responsible we will require \$200,000 more. So there will be \$400,000 to be taken care of. I am speaking of information which will be given you in a few days. I think the statements quoted are absolutely correct.

Valley Railway Claim.  
MR. VENIOT—Isn't that a matter of interpretation as between capital and revenue?

HON. MR. BAXTER—I am told by Mr. Holyoke that there is \$200,000 that the Valley Railway has spent and it has controlled itself. Then the Dominion Government has a set of claims against the Valley Railway I do not know to what figures the extent.

MR. VENIOT—\$250,000.  
HON. MR. BAXTER—I was speaking to Mr. Rand and we arranged to put the matter off until I can attend to it, we are not denying the liability. This \$200,000 is something we are absolutely liable for I know I have the entire sympathy of my hon. friends with reference to this beautiful white elephant.

MR. VENIOT—You have.  
HON. MR. BAXTER—I do not

think my hon. friend ever enjoyed a trip of that railway.

MR. VENIOT—I never controlled that elephant.

### Problems to Face.

HON. MR. BAXTER, continuing, said: I think, Mr. Speaker, I said enough to show that this government has quite enough to face in the way of annual charges taking very nearly 50 per cent. of its possible revenue, without our having an additional charge of interest upon interest. We dare not allow the snowball to grow. For years I have heard the talk on the hustings of this province, and I said to myself that the end of this thing would be some form of taxation, some more direct demand upon the pockets of the people of this province. The hour has struck when it cannot be avoided. It is not necessary that any particular body of men as individuals should be in the seats of power, but it is necessary that what ever mode of men constitute the government, they should face public questions fearlessly, courageously and honestly. And that is what the present Government is trying to do.

We have already outlined that the people will be called upon to make up in some form the difference between the absolutely necessary expenditure and the total amount of revenue which we can possibly get from the usual sources in the past.

The burden as I see it will not be great if proper and reasonable economy is practiced. Neither will it be everlasting. I believe that in a few years we can walk through the forest and emerge again into comparative financial sunlight.

### Direct Taxation.

The longer that is postponed the more irremediably we will be lost in bad finance, nor is our experience singular. I am afraid that the people of the province when they first heard of the proposal that this government had made, assumed that something had happened which was unique on the North American continent. British Columbia has for some time been doing the same thing we are talking about—I think the only one of the provinces of Canada. But, sir, it will be a revelation to the people of this province to realize that there is, scarcely a state in the United States of America which has not years ago, and is not today, resorting to some direct levy upon the people of the particular state. It will surprise you to learn that our next neighbor, the State of Maine, makes a levy of some five or six million dollars upon her people. (I am speaking from a financial report issued by the Department of Commerce at Washington.) It averages \$6.50 for each inhabitant of the State of Maine, special taxes .50 cents more, which make a total of \$7.50. Apply the \$6.50 to the population of New Brunswick and we would have a revenue from a direct levy of about two and a half millions instead of between six and seven hundred thousand. I will confine myself to statistics of the New England States:—

### Some Statistics.

For New Hampshire the levy is \$5.35 per head; Vermont the levy is \$8.66 per head; Massachusetts the levy is \$4.28 per head; Rhode Island the levy is \$2.92 per head; Connecticut the levy is .99 per head.

So long as governments attempt to imitate every form of beneficial expenditure, which they see elsewhere, so long as governments yield to any and every demand which comes from any section of the country, for help from the public chest; so long as governments forget the old homely way of spending something less, however little, something less than our income; just so sure will come the day of financial reckoning, and the people must bear the burden which they would rather escape. But, Sir, the question today for the people of New Brunswick is that they shall realize that this Government passed on no tax and passed no burden upon them. The burden which they must bear in some form is the accumulated result of the expenditures, if not the extravagances of preceding governments. And of those administrations the last one, which in eight years developed a debt greater than all preceding New Brunswick history had brought upon the province, is the one which is responsible above all others for the privations which the people of New Brunswick must now undergo.

### The Last Blessing.

This tax, be it large or be it small (and we will make it as small as can be done) this tax is the last word, the last blessing from the regime of our predecessors upon a people who contemplated their squandering apparently with satisfaction. The more our predecessors spent, the more the people apparently applauded, and if they had not shocked the people with their evident determination to run into

a deeper financial venture than any government had ever attempted before, and on highly short notice, they might be reigning still.

### A Day of Reckoning.

The people are apparently pleased with a government of that calibre; the people are not likely to be pleased with a government which had to muster up courage to tell them that that day is past and that the day of reckoning has come.

But there is one thing that New Brunswick must know, and it shall be made as plain as printer's ink can make it—and that is that the responsibility for any action which must be taken at the present time is a responsibility of our immediate predecessors and not our own.

### The First Division

The vote on the Amendment to the motion to go into supply being called, the House divided as follows: Messrs Veniot, Dysart, Michaud, Davis, Niles, Doucet, Bordage, Lordon, Leger, and Richard voted "Yea" (10).

Hon. Mr. Baxter, Hon. Mr. Richards, Hon. Mr. Leger, Hon. Mr. Smith, Hon. Mr. Taylor, Hon. Mr. Reilly and Messrs. Dickson, Wood, Holmes, Dougan, Peck, Squires, Guptill, Brooks, Heckbert, Moore, Diotte, Evans, Harrison, Melville, Scott, Grant, Taylor, Lord, Lavoie, Mackenzie, Agar, Oulton, Siddall, Smith (Kings), Smith (Carleton), Atkinson and Lewis, voted "Nay" (33).

Hon. Mr. Tilley and Mr. Violette were paired.

The motion to go into Supply was carried by the same vote reversed.

The Speaker left the Chair, and the House went into Committee with Mr. Squires in the Chair. The Chairman read the Motion and that part of His Honour's speech which referred to Supply, and the Committee agreeing, it was reported to the House.

HON. MR. LEGERE moved that Supply be granted to His Majesty.

The House again resolved itself into Committee, with Mr. Squires in the Chair, to consider the matter, and on the vote being passed, it was reported, and adopted by the House.

HON. MR. LEGERE moved that the House immediately resolve itself into Committee to consider the ways and Means of granting Supply to His Majesty.

The House again went into Committee, with Mr. Squires in the Chair.

HON. MR. BAXTER said that with the concurrence of the Leader of the Opposition and the unanimous consent of the House the method of voting on the different items would be slightly changed. Instead of voting a blank amount and then voting to fill in the blank, the Committee would consider each item as it was called, the Members being given all the time they wished to discuss it and then the amount would be passed by a single vote.

All the items under Legislation and the Department of the Attorney General were passed.

### Agricultural Estimates.

The Agricultural estimates provoked some discussion. Hon. Mr. Smith explained that the increase in the amount granted to Agricultural Societies was because the subsidy paid last year to the Maritime Farmer was dropped, and the amount given directly to the Societies, whose members could now arrange for their subscriptions themselves. In this connection, he said that a number of the French speaking delegates at the Farmers' and Dairymen's meeting last January requested that reports on Agricultural matters should be published in French. They were to give him a report on what they wanted and if possible he would act on their suggestions. He would call the attention of the Committee that by reorganization in the Department a saving was this year being effected in connection with the supervision of Agricultural Societies of about \$2,000.00. He also said that this year there would be no estimate asked to provide a car for the Minister. Mr. Veniot suggested this was mistaken economy, and that the Province was big enough and generous enough to supply the Minister of Agriculture with a car. At the request of Mr. Smith (Kings) some of the agricultural items were allowed to stand so that the Committee might at a later date further discuss agricultural affairs. Mr. Smith (Carleton) felt that the Minister would this year get sufficient experience with his appropriation to enable him to much improve his Department for another year, and suggested that co-operation with the Federal Department of Agriculture would assist in avoiding duplication of effort. Mr. Guptill brought before the Committee the urgent need of some attention being given the fishermen of the Province and assistance rendered in the preparation and marketing of their catch. There was untold wealth in our fisheries if export markets could be found for the product. Hon. Mr. Smith said that his Department, through Mr. J. A. Murray, would do everything possible in that direction, and he suggested Mr. Guptill confer with that gentleman.

Committee rose at 6 o'clock to resume at 8.

### Evening Sitting.

House resumed at 8 o'clock, and went into Committee of Supply with Mr. Squires in the Chair.

Consideration of the estimates of the Department of Agriculture was continued.

On the item of Beekeeping, the Minister explained that a change might be made to reduce expenses after he had an opportunity of looking into the matter.

On the item of district representatives, the Minister said that a vacancy had occurred in Westmorland, and had been filled by the appointment of A. J. Gaudet, who would have charge of French districts in the Province.

On the item of Elementary Agricultural Education, the Minister in answer to Mr. Smith (Kings) said that it was hoped to open the Agricultural School at Sussex next year.

### No Grants This Year.

On the item of Exhibitions, Mr. Taylor (Sunbury) wanted to know the reason for making tents outside the Province. Hon. Mr. Smith said the

Maritime Winter Fair was contributed to by the three Provinces and it was considered that New Brunswick should also make a grant.

MR. HARRISON said he noticed there was no vote for the Saint John Exhibition and he wished to know why it had not been included under "Exhibitions."

HON. MR. SMITH said the reason was in the interests of economy. They were placing all the Provincial Exhibitions on the same basis. There had been no grants to any this year.

### Lands and Mines.

Estimates in connection with the Department of Lands and Mines were next taken up and there was considerable discussion in reference to the use of the Diamond Drill. Mr. Taylor (Sunbury) asked the Minister for information regarding the item of \$2,300.00 and how the work in connection with the drill was carried on.

HON. MR. RICHARDS said that the operator engaged in connection with the drill was Mr. Parks, who lived near Saint John. He had been retained by the Department at a salary of \$100 a month. The information he got from the Department was that it was better to continue Mr. Parks in the service rather than to take chances on getting an inexperienced man when the drill was required for use. The Minister said they had been trying to use Mr. Parks at other work when he was not engaged in operating the drill, and though some arrangement of this kind would eventually be made. At the present time he received his salary whether the drill was in use or not.

MR. TAYLOR said he never knew the Province had a diamond drill until he came to Fredericton.

MR. VENIOT said the drill had been used to considerable extent in different parts of the Province. There was an application from Gloucester at the present time for the use of the drill in that County, where it was believed they had important coal deposits.

MR. SMITH (Carleton) said there was good prospects for the use of the diamond drill in his County the coming summer, and it was his opinion it could be used to advantage in developing the minerals of this Province. The mineral life of the Province had been too long neglected in his opinion. The Government could very well spend a little money in the development of minerals.

HON. MR. RICHARDS informed the Members that if they knew where the drill could be used for the benefit of any locality, the Department would be glad to co-operate with them at any time.

MR. EVANS said if the Province was going to put money into diamond drill work the field of operations should be located by a geologist.

### Game Protection.

On the item of \$50,000.00 for Game Warden, etc., Mr. Taylor (Sunbury) asked why the increase in the estimate.

HON. MR. RICHARDS said the amount last year in the estimates was \$30,000.00 but \$45,363.00 was spent. A distribution of the items under this heading accounted largely for the increase to \$50,000.00 this year. It was possible there would be a slight increase for game protection this year, due to the hard winter and the late spring. Demands were made from all parts of the Province for better game protection. The \$50,000.00 would not be spent unless absolutely necessary.

Messrs. Veniot, Peck and Taylor continued the discussion and reference was made by Mr. Taylor to the fishing of black salmon on the Cain's River, which he thought was contrary to the laws of the country.

MR. VENIOT asked about wild cats, whether the number appeared to be on the increase or decrease.

HON. MR. RICHARDS said the number being killed was on the increase.

The Committee rose and reported progress and further consideration of granting Supply to His Majesty was made the Order of the Day for tomorrow.

HON. MR. BAXTER introduced a Bill to amend the Rates and Taxes Act, 1924. It was given first reading.

MR. VENIOT gave notice of inquiry for Monday next.

House adjourned at 9.30 p. m.

### MIXTURE SANDWICHES.

One-fourth pound boiled ham, 1 hard-boiled egg, 1-2 small bottle olives, 1-2 can of sweet pimentos; put through chopper to grind finely; then mix with mayonnaise dressing. This can be doubled or trebled according to the numbers of sandwiches to be made.

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