

Masterly Speech by Hon. Mr. Baxter In Closing Debate on Address

Development of Grand Falls to be Carried on Without Cost to the Province—Contract Entered Into by Old Government Was Not Enforceable—4000 H. P. to be Reserved for the Use of the People—Province to be Repaid Money Expended on Surveys—Outside Capital to be Brought in to Develop Our Resources—The Prohibition Law Will be Enforced by the Government—Some Timely Advice to Prohibitionists.

The debate on the address in the Legislature, which has been going on from day to day since the House opened on March 11th, was concluded yesterday afternoon when the motion to adopt the address was carried without division. In all nine speeches were delivered those taking part being the mover and seconder, Mr. Brooks of Kings, Mr. Laviole of Northumberland, and Messrs. Veniot, Tilley, Michaud, Smith (Carleton), Doucet, Lord and Premier Baxter. Hon. Mr. Dysart, who was scheduled to speak yesterday for the opposition, was prevented from participating in the debate on account of illness.

Premier Baxter, who closed the debate, took the floor at 3.30 o'clock yesterday afternoon, and spoke for one hour and fifty minutes. He was heartily applauded by his supporters when he arose, on the order of the day being called. His speech was one of the ablest and most statesmanlike the House has listened to in many years. The Premier since he last occupied a seat in the House has seen four years of strenuous service in the Federal Parliament, and his experience there has broadened his views on public questions and elevated him to the first rank of statesmanship. He comes back to the Legislature as the leader of a strong government, and is prepared to give the best service that is in him to the people of his native province. His speech of yesterday was entirely free from bitterness and recrimination towards his opponents.

He spoke to crowded galleries and was given the closest attention. He was heartily applauded by his followers and not infrequently those in the gallery joined in it. It was a great speech and must have inspired all who listened to it. The Premier is determined to give New Brunswick a large place on the map than it now occupies and it looks as if success is going to crown his efforts.

Grand Falls Development.

As was to be expected Hon. Mr. Baxter devoted considerable attention to the Grand Falls development, and had no difficulty in making out a strong case in favor of the government's policy of private development under government control. He told the House that his government would develop the great water power at Grand Falls without the cost of a single dollar to the taxpayers of the province. He also pointed out that the development would mean the establishment of new industries in the province which would provide a market for the farmers, give employment to labor and boost the trade of wholesale and retail merchants.

The liquor problem naturally came in for some attention at the hands of the Premier. He said that the government would carry out its promise of law enforcement, but he did not hesitate to say that with the present high rate of duty on liquors, he did not think it was possible to suppress rum-running and bootlegging. He deplored the lack of effort on the part of temperance leaders to educate the people along the lines of a bribe.

The address was adopted without division and a committee was appointed to present the same to the Lieutenant Governor.

The Official Report.

Assembly Chamber,
March 23rd, 1926.

The House met at three o'clock. Bills to amend the Evidence Act, and for an Act respecting the assignment of book debts, were read a third time.

An Act relating to the Moncton Schools was read a second time.

HON. MR. REILLY submitted the report of the Standing Rules Committee, recommending that certain Acts pass and become law.

Notices of Inquiry for reply on Friday next were given by Mr. Veniot, Mr. Niles, Mr. Doucet, Mr. Davis, Mr. Richard, Mr. Bortage, Mr. Lordon and Mr. Michaud.

HON. MR. REILLY introduced bills relating to the Town of Moncton, and to amendments to the "City of Moncton Assessment Act, 1921."

HON. MR. TILLEY presented a petition from the city of Saint John to introduce an Act amending the St. John Assessment Act.

HON. MR. RICHARDS presented a petition from the School Trustees of Fredericton for an Act to enable them to purchase certain lands.

MR. AGAR presented a petition to introduce an Act enabling the refunding of a loan by the General Public Hospital St. John.

HON. MR. TILLEY presented a petition from the Trustees of the Portland Church re certain lands in the city of St. John.

MR. BROOKS presented a petition for an Act to authorize the town of Sussex to issue bonds.

MR. HARRISON presented a petition for an Act to fix the assessment valuation of C. H. Peters & Sons premises.

HON. DR. TAYLOR submitted the report of the Chief Medical Officer for 1925.

HON. MR. BAXTER moved that the time for introducing private bills be extended to the thirtieth of March.

PREMIER BAXTER.

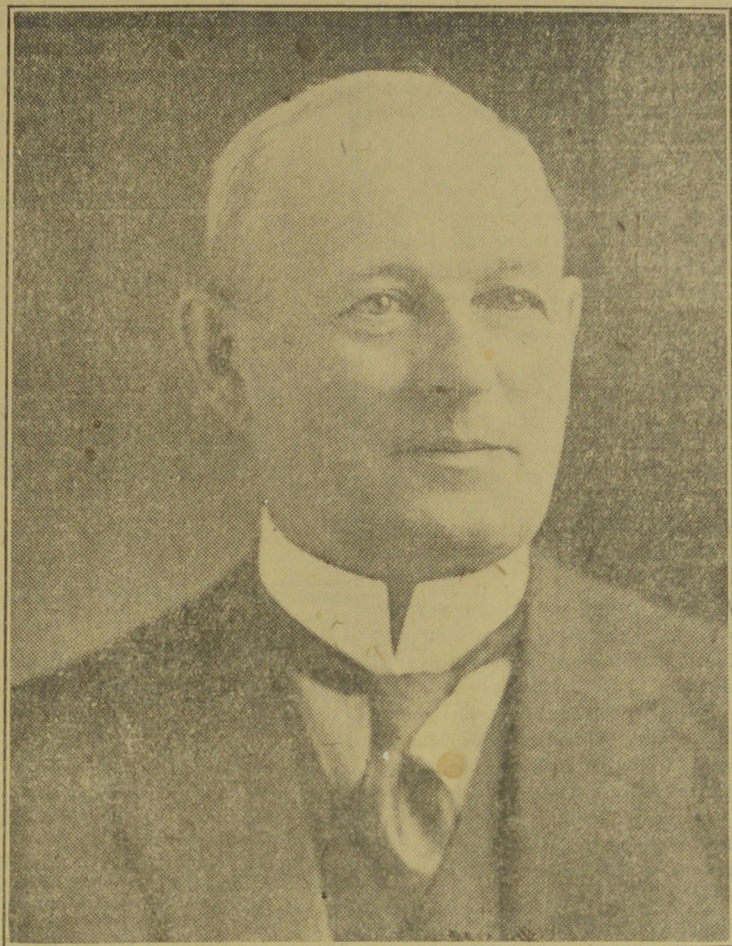
HON. MR. BAXTER, on rising to continue the debate on the Address, said he would fail in courtesy if he did not voice the regret of the House at the absence through illness of the hon. gentleman who was to have spoken in the debate this afternoon, and to hope that Hon. Mr. Dysart would soon recover.

He congratulated the Speaker who had been referred to as very youthful, but youth had its charm and he felt that in addition his innate courtesy would so impress both sides of the House that his work would be made pleasant and easy, and that his memories of his tenure of the Chair in after years would always be happy. In making a feeling reference to the deaths of the late members for St. Stephen-Milltown and Saint John county, he said their absence made a gap in this legislature that was a sad reminder of the transitory and evanescent character of every work in which we might engage. Quoting Kipling to show how the palaces of today were often built upon the ruins of palaces long forgotten in a by-gone age.

The little things we did and thought were permanent were after all but fit spoil for our successors to build upon, and while a contemplation of this fact made life sad, the splendid fellowship, the earnestness, and the honest purposes of the membership of this House made life worth living, and that it was worth while to build as best we could today.

High Level of Debate.

He congratulated the House on the splendid level of public life to which its membership attained, as represented on both sides. Such men as were around him could do much to build up and develop this province and there was much to be done. Our relations with the rest of the Dominion must be maintained and our place upheld. Unfortunately, Confederation had fallen somewhat so far as we were concerned from the conception of its founders. There seemed to be a spirit abroad looking for the advantages of each section without regard to the rights of other sections. In the Maritime Provinces our dream of Confederation had certainly not been realized. He did not claim this to be due to intentional neglect on the part of other parts of Canada, but rather on a lack of recognition of our problems and our needs. Much had been done by our business men and our newspapers to place our position before the rest of Canada; in other words, to sell the Maritime provinces to the other provinces. A good deal had been accomplished, but something yet remained to be done and this deserved our serious consideration. While some had expressed the view



HON. J. B. M. BAXTER, P.C., LL.D., K.C.,
Premier of New Brunswick.

that Confederation was a failure, he believed Confederation was not a failure and that secession would be a wrong course. He believed in the possibilities of a great and united Canada, and that if the various provinces fell apart into little isolated states.

Immigration.

It must always be our effort to teach the rest of the people of Canada how we can make and how they can help us to make our conditions better. It had been stated in the debate that nothing was said about immigration in His Honour's speech. This was not quite correct because reference was made to the enlargement of this work by the appointment of a man eminently fitted to help improve conditions in the province so that we might not only have immigration but more especially repatriation. We must, he said, work to get people looking that way instead of having people who were here looking elsewhere. Our immediate work would be to survey the resources and opportunities in New Brunswick. We must index them and be in a position so that the people who come to New Brunswick may be placed where they will have the best opportunity to prosper. It was to this end that the government had enlarged the immigration office and he believed the new appointee would be of great value in selling New Brunswick to outsiders. First there must be business opportunities and work provided; then workers would follow. In this effort the Dominion government must help us. The old idea of filling up the West, colonizing along the lines of our great railways to make them profitable, was right in its time, but the time has now come for the tide to flow back and give us an increase of population of business and markets for our products. In other words to give us that development for which we entered Confederation. He hoped that this effort on our part would not be a Party effort. He invited all members on both sides of the House to join in bringing a united influence to bear on our call for help.

Agriculture.

Agriculture, upon which the prosperity of the province so largely depended, would have the best attention of his government which would do all it could. Here he felt we had a special right to ask the Dominion for co-operation and assistance. We should not be exporters of raw products like hay, but should aim to sell the highest form of manufactured products, and to make those products of such standard quality that would insure them a reputation and demand on outside markets. We wanted our people here to develop their dairy and live stock products, and he would leave the details of this desirable work for the Minister of Agriculture to explain. First we must stand on our own feet and work with our own hands; take advantage of all our special advantages and opportunities and then ask for Dominion co-operation.

Transportation.

The transportation question loomed large. He saw that the new Minister of Railways stated that railway rates could not be lowered while a few months back the Railway Commission, on the other hand, said that rates must be reduced. He was not hopeless that these two divergent ideas could not be correlated. First we must understand that the cost of our railway systems must be met by the traffic of the country. They, therefore, should be treated as a unit. Undue competition should be eliminated and everything that went to make competitive prices, because there was no escape from the cost of railway operation by a people. If the railways could not pay of themselves the people must be made to pay the deficits. The divergent statements he had quoted were at variance with the policy of special help to special industries in

certain localities. Those industries that could afford it by reason of special advantages from located, etc., must pay higher rates on their commodities than those industries not so fully developed and not so well situated. There were certain basic industries that must have help. Coal should not pay the whole cost of its transportation, and other industries dependent on the use of coal should help make up the loss. This Legislature could not solve the transportation problem, but it could and should make its views known. The rate structure of Canada must be one of absolute fairness and developed in the interests of all parts of the country. We must ask the members of other provinces to sit in and help us in a spirit of fairness to find the remedy. The government as soon as it was formed, had taken this matter up. He had looked for evidence on the files of the department to show that the late government had moved in the matter, as claimed by the leader of the opposition but if the evidence was there he had been unable to find it. This government with that of Nova Scotia and of Prince Edward Island, would join in the presentation of the rates case before the Railway Commission at Moncton and such expense as was incurred would be paid.

Overseas Markets.

In the matter of markets he thought that everything possible should be done to place our products on overseas markets. We were favorably situated for a rate preference over the inland provinces and our dairy and live stock industries should take every advantage of that fact. We would ask for, and should receive, Dominion help to solve our export problems, and in every way help build up our agricultural industry which has perhaps greater enduring possibilities than any other.

Forest Wealth.

We had also our forest wealth. The lumber business was in a state of transition. The day of the sawmill for long lumber had practically gone and the export of this product was on the wane. He could remember in his youthful days the passing out of the great Maritime business of wooden ship building, caused by changing conditions. Conditions were changing in all industries, and we should not be walled the passing of the long lumber business, for it was better worth while to have our forest products made into the most highly manufactured forms possible. The production of pulp and better still, paper, gave much more work and much more money than the sale of the raw product. He felt that the province was becoming fully awakened to the necessity of getting everything possible out of our forest products. We had not very much else for basic industry. To be sure we had coal, but transportation costs helped to limit the market. We had the best limestone in the world, but the United States tariff prevented any large development. We had clay as well as lime, the basis of a great cement industry, but we could not hope for very much development there because the output of that product was in the hands of a great organization that controlled production. The manufacture of forest products was our best chance for an industrial development, a development which would bring business to our railways and our merchants, and furnish profitable labor.

The People's Choice.

Referring to results of the last election, he said he did not propose to dilate upon what caused the result. There had simply been an expression of the choice of the people, as between business judgment on the one hand and financial insanity on the other. Complaints had been made in the Debate as to canvasses, etc. He himself could make complaints, but did not think it worth while to do so. So far as any questions of race or creed were concerned, as lying at the door of this government, he thought the men who sat on the front benches of the government side of the House, were the best answer. Was there any unfairness to any man's race or creed in the selection of the members of the government, and he pledged himself that there would be no conscious unfairness to anyone by reason of their race, creed or location. He had been charged with being vague. He did not think that was true, and certainly when he had addressed a meeting at Grand Falls he had not been vague. He had told the people there just the same as he did elsewhere in the province that if successful he would annul the contract made by the former government and endeavor to find a solution that would bear less heavy on the province. The government had carried out the policy he had announced at Grand Falls and had succeeded in making an agreement for hydro development that would not impose one dollar of loss on the province of New Brunswick. The people of Grand Falls would see the dams built and the power works established. He now felt free to act as he wished in the discussion of this matter. In the past there had been altogether too much of insinuation and innuendo in regard to public matters. While the previous government had rushed into their contract only ten days before election he would make no insinuations. So far as our investigations have gone there was no trace of anything improper or dishonorable in the action of the late government. He had nothing derogatory to say. No mean scandal to drag forth, and he claimed the same immunity from improper suggestions or slanderous assertions when his government brought down their arrangement.

Public Ownership.

There was much talk about public ownership, but the choice of private or public ownership had not arisen in connection with Grand Falls, except many years ago, when the shore rights and location for power were sold out by a former government to a private company. That might or might not have been a mistake, and if this House ripped up every honest mistake made by its predecessors there would be no stability for any investment in this country. It was not wise to give even a hint that there was danger in making an honest investment of money. If our resources were to be developed we must get money from outside, and we must assure the people who place their money with us that it will be secure, that we will give British fair play to all investors. Grand Falls was put in the private ownership class, not by us, or by our immediate opponents, but by a government long ago. The Company had the right; what could we do? We could confiscate, but that was scarcely fair. Our opponents thought that they should buy and they offered \$1,200,000 for rights which we considered had no such value. To make that purchase would have imposed a cost of six or seven dollars upon each horse power developed. The amount was somewhat exaggerated and rather than discuss the value of the rights he had felt it was better to put pressure on the company that owned them to develop the power themselves. The contract made by the former government had not been drawn so it was enforceable. It provided that the province should pay \$1,200,000 and subordinate claim by bonds delivered to a Trust Company, but when it came to put the contract in operation the International Paper Company had many provisos. For instance it would have been possible that for a year and six months after the completion of the work the power would have been unsold. It provided that the company must have primary power, which apparently meant continuous power twenty-four hours per day. There was a difference between ordinary horse power and electrical horse power, for the latter meant that twelve hours per day power and twelve idle. Electrical horse power, capacity therefore, was quoted as twice that of ordinary horse power. The manufacture of pulp meant continuous power, and while Grand Falls had been quoted as having seventy-five thousand or even one hundred and fifty thousand horse power, actual flowage records showed that it might be as low as twenty-seven thousand horse power if that were continuous or primary power. He found that the former contract bound the province but not the International Paper Company, and it would have been idle to expect Grand Falls power to pay for its development if it were not put to work manufacturing pulp. In other words, if we were to get the full benefit of Grand Falls power it must be put to work to manufacture our forest products. And by the agreement soon to be presented, its use for this purpose was insured.

Jug Handled Agreement.

Quoting from the contract entered into by the late government, with the International Paper Company, obligating the province to the expenditure of millions of dollars for the development of Grand Falls, Hon. Mr. Baxter said when they tried to find out what the other side was bound to do, they got from one of the most eminent lawyers in Canada (the statement that it was too vague for enforcement, and they might have to resort to the Courts to find out what it really meant. That opinion bore out what he had always said about the contract. His hon. friends might ask who had given that opinion, and they had a right to know. That was the opinion of W. M. Tilley, K. C., of Toronto, one of the celebrated lawyers of Canada.

Mr. Acres' Opinion.

That was the legal standpoint, while from the standpoint of public ownership he quoted Mr. Acres, hydraulic engineer, to the effect that if certain information had not been withheld from him at the time, he would have never recommended the development of Grand Falls as he did to the late government. This was the language of the expert employed by the former government and whose advice was not taken on the crux of this important contract.

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In view of that surely the present government had been justified in repudiating the old contract and entering upon the present one.

Dealing further with the contract entered into by the late government he pointed out that there had been no negotiations with the Fraser companies to supply that concern with power although they had wanted it and had been carrying forward for years an enterprise which brought in millions of outside capital and gave employment to many men who otherwise would have gone elsewhere for a livelihood. Under the old contract the power was being reserved for two machines of the Bathurst Company's works but Mr. Angus McLean contended that he could develop power cheaper on the Nepisiguit than he could carry it from Grand Falls. The present government in dealing with the development of Grand Falls wanted to get in all three parties, the International Paper Company, Frasers and the Bathurst Company but difficulty was being found in getting sufficient power. Notwithstanding some statements which had been made the Frasers were prepared to pay \$20 per horse power at Grand Falls and that dispelled the idea that power could be developed there for \$12. That arrangement with Frasers should be convincing enough that this power could not be sold for less than \$20. In making their arrangements with the International Paper Company, they had reserved four thousand horse power for the use of the public of the province, or something more than fifty percent of the whole that could be got from Musquash. It would be seen, therefore, that the public rights had not been ignored in the arrangement for the development of Grand Falls. Others would have the right to get power for their industry.

Musquash Power.

He would not condemn Musquash, but he believed other streams in that vicinity could have been purchased and developed at less cost. What he would condemn about Musquash, however, was that with vastly less product than they said they had, they sold it for less than it cost. St. John and Moncton were not entitled to get their power below cost and had no right to seek charity from the rest of the people of the province in that regard. They ought to pay what the power cost to produce. Musquash had done good, but it should have done better, if the old Commission having charge of it had possessed the business acumen of the Commission by which that Government had replaced them. The Commission that had been appointed to succeed the old one had the confidence of the people of the province irrespective of party. Referring to the estimates of the Engineer in connection with Musquash, allowance had not been made for depreciation any honest govt. less that was going on. To guard against depreciation any honest government, or any sane company, would not fail to set aside a sum sufficient for depreciation and obsolescence. The day would come when the bonds of the province would have to be used for that mistake. He would call attention to what the operation of the International Paper Company and Frasers would mean to the province. These companies would establish mills of 200 ton capacity, using up vast quantities of our forest resources and giving employment to large numbers of our people. The policy of his government would bring to the province in two separate places those mills, one to be established by the Frasers and the others by the International Paper Company. No man could predict what was going to happen in ten or twenty years time in this province, with respect to the Pulp and Paper industry, neither could we tell as to the possibilities of development of power at Passamaquoddy. We did not know whether pulp or paper would be a certainty in ten or twenty years time.

Only One Contract.

The contract passed on to the present government had not taken in the Frasers and there was no definite contract with the Bathurst Company, elaving only a contract with the International Paper Company. If the government had gone into that contract and had this power thrown back upon them they would have to make it up just as they had to make up the Valley Railway deficit today. Under the present scheme they could give power to the people at the province without making a dollar of expenditure. The construction of this project was financed by bonds outside of the taxpayers of New Brunswick. If failure came, the people of (Continued on page 5.)

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