

Hon. Mr. Tilley Replies To Opposition Leader

Continues Debate on the Address in the Legislature—Explains His Attitude on the Liquor Problem—The Old Government Accused of Extravagance—His Views on Hydro Development.

Hon. L. P. D. Tilley, President of the Executive Council, continued the debate on the Address in the Legislature yesterday afternoon. While his speech was not lengthy he dealt with many of the points raised by opposition leader in his speech of Tuesday, and made out a strong case for the Government. The president of the executive council, while still a young man in appearance at any rate, is one of the veterans of the House. He was well supplied with material yesterday and made a most forcible presentation of the case of the Government. It is needless to say that his speech delighted the government following in the House and was frequently punctuated with applause.

Hon. J. E. Michaud, a former member of the government, followed Hon. Mr. Tilley, holding forth until six o'clock. He spoke well, as he always does, and was given a most attentive hearing.

Hon. B. Frank Smith, a former minister of public works, who returned to the House this session after an absence of five years, moved the adjournment of the debate at six o'clock and has the floor this afternoon. Hon. Mr. Dysart will likely follow the member for Carleton.

Yesterday being the birthday of St. Patrick, Ireland's patron saint, members on both sides wore a sprig of shamrock in honor of the occasion. As many of the members wished to attend a concert in the Opera House no evening sitting was held.

The Official Report.

Assembly Chamber,
March 17th, 1926
The House met at three o'clock.

MR. GUPTILL submitted the first report of the Contingencies Committee.

MR. MCKENZIE presented a bill to amend an Act relating to the Town of St. Stephen.

HON. MR. LEGER presented a bill to amend the Company's Act.

HON. MR. REILLY presented a bill to authorize the Board of School Trustees of Moncton to issue debentures.

HON. MR. ROBINSON presented a bill to amend the Marysville Incorporation Act; also a bill to incorporate St. Andrew Presbyterian Church, Fredericton.

HON. MR. BAXTER, with the unanimous consent of the House, moved, seconded by Mr. Veniot, "This House expresses its deep sympathy with Mr. Akerley Holmes, member for the county of Northumberland and, in the distressing loss he has sustained by the death of his wife."

HON. MR. STEWART asked for leave of absence for Mr. Diotte until Tuesday next.

HON. MR. TILLEY.

HON. MR. TILLEY, in continuing the debate on the Address, first congratulated the Speaker on his elevation to the highest position in the gift of this Legislature, who must have felt in his election as a member of the Legislature he was following in the footsteps of his respected father, who so well served in this Legislature from 1890 to 1899. Mr. Tilley said that the most essential question for consideration by the House was the financial position of the Province. In 1911 the capital debt of the province was \$6,719,978; in 1921 it had grown to over \$23,000,000. The increase in population during that period was only twelve percent, and this showed a very serious situation. But this was not the worst of the story. Let the period since the late government came into power from 1917 to 1925 be taken. Reading the figures in detail he showed the annual increase of from one to two millions each year, until the financial statement of the past year showed that the capital debt of this province had been increased by \$17,500,000 in nine years the government was in power, or an increase of almost two millions of dollars for each and every year. If the hon. leader of the opposition wanted to know what turned him out of office this financial question was one of the principal reasons, but not the only one. The hon. gentleman (Veniot) was largely personally responsible for this increase in debt, as would be shown in the accounts of the past year, when in his own department of public works he over-expended above his own estimates \$458,708.30. No wonder the present government found a deficit at the end of the fiscal year upon current account of nearly half a million dollars.

Interest Payments.

To show the seriousness of the province's financial position the increase in interest payments was very striking. On 1917 the interest paid was less than half a million dollars; in 1925 it had grown to \$1,141,248. This was a nice bequest to leave to an incoming government. Was it any wonder that every thinking man said that it was time to call a halt. The present government certainly had grave problems before them, largely due to the wasteful administration of their predecessors.

Grand Falls Power.

In his speech last evening the leader of the opposition had devoted over an hour of his time to the Grand Falls situation in an endeavour to vindicate the action of his government in regard to contracts made with the International Paper Company. He trusted he would not weary the House if he discussed in some detail that contract signed by the late government. As a matter of fact there were several contracts. There was contract A between the Grand Falls Company, Limited, the International Paper Company and the New Electric Power Commission, the latter really meaning the government of New Brunswick. Contract A stated that over one half the capital stock of the Grand Falls Company was owned by the In-

ternational Paper Company, in fact the first named was really the International Paper Company. Under this contract the Grand Falls Company agreed to sell to the New Brunswick Power Commission all their right, title and interest, water power privileges and franchise at or near Grand Falls for the price \$1,200,000 with interest at 5½ percent from the first of November, 1925, payment to be made when power was first generated at Grand Falls. All taxes and carrying charges to be paid by the purchaser. The selling company to deliver the deeds to the National Trust Company to be held in trust pending the fulfilment of agreement and the province to deliver its bonds to the same trust company. The International Paper Company was to co-operate with the Power Commission, but at the latter's expense, in acquiring property franchise and flowage rights in the State of Maine and at or near Glasier Lake. The Power Commission were given power under this agreement to generate power on or before July 31st, 1935. Surely, said Hon. Mr. Tilley, this clause was proof of the incorrectness of the statement made by his hon. friend yesterday when he said that no flowage or other rights in the State of Maine were involved in the contract.

A Contract Criticized.

Then there was agreement B—a contract between the New Brunswick Power Commission and the International Paper Company. One of the paragraphs in this contract read: "When power is first generated at Grand Falls, the Power Commission will enter into a contract with the Paper Company whereby the Commission will bind itself to reserve as below specified and to sell to the Paper Company in case the Paper Company shall desire to purchase the same, for delivery and use in New Brunswick, primary power from the initial development at said Grand Falls in the block of either 10,000 or 14,000 horse power as the Paper Company may elect." He wanted to draw the attention of members to that important paragraph. Here was an undertaking on behalf of the International Paper Company to take from ten to fourteen thousand horse power, but the International Paper Company did not have to take this because the contract provided only "in case the Paper Company shall desire to purchase the same." What security did the province have that the Company would take any power. No wonder the Premier and members of the government thought this contract should be annulled. There was also a further clause in the contract which said the International Paper Company might take ten percent more or less than the quantity stated, the said Company to have from six to twelve months to elect if it desired to take the same, and should only be called upon to pay for the proposition used in that period.

Price Left Open.

There was another clause in the contract through which holes could be shot from every side. It read as follows:—"The terms of such contract, the provisions for its renewal, the price of the power, and the other provisions of such contract, shall be such as are determined to the satisfaction of the parties hereto." It will be noted that the price of the power is left open, and then we have a further clause stating "provided that the price for said power shall not in any case be higher than the price being paid by any consumer of a like class for primary power delivered or to be delivered at the same place or at different places." That clause was certainly sufficient to please the International Paper Company, and where did it leave the province after spending millions on millions of dollars in this great undertaking. It left us in a position where, if the Paper Company thought the cost of power was too high they were not compelled to take any.

Subsidiary Contracts.

The leader of the opposition before the election had promised the distribution of power for large and small users throughout the province. He would like to ask what was the value of such a promise in view of the following clause:—"If from time to time there is available for use in grinding wood any primary power generated at Grand Falls in addition

to the above mentioned block, outside of the requirements of the Bathurst Company, Limited, the Power Commission would not sell or dispose of the same without first giving the Paper Company an opportunity to purchase the same as herein provided." In other words this contract which had been referred to by the leader of the opposition, as designed to protect the rights and privileges of the people of New Brunswick, tied the water power of Grand Falls up to the International Paper Company, which Company had the right at its option, if applied for, to take up all the power generated at Grand Falls, except a certain amount reserved for the Bathurst Company. Where would the people get a single horse power, said Mr. Tilley, without the consent of the International Paper Company? He wished also to refer to two subsidiary contracts also entered into by the late government between the New Brunswick Electric Power Commission and the Bangor and Aroostook Railway Company, which pledged the province to indemnify the said railway for all damages caused by the backing up of the waters of the Saint John river for thirty-two miles above Grand Falls, and for all damages to the railway company and its bridges. Here was another unknown liability bequeathed to the province by the late government. Just as they had gone into the Musquash proposition without any rights to the lands involved, and in regard to which there was a claim against the province of three quarters of a million dollars, so they had been going into this much larger proposition without any knowledge, without any forethought or provision for the liability involved.

A Camouflage.

The other subsidiary contract was between the New Brunswick Electric Power Commission and the Saint John Lumber Company of Portland, Maine, whereby this province was made responsible for all damages of whatever nature and description caused by raising and maintaining the level of the Saint John river to the main level of 430 as shown on the joint Waterways Commission plan. These damages to include, but not to be limited to, damages to mill and appurtenances, piling groans, holding grounds, etc., etc. Was it any wonder, he would repeat, that this government as soon as it came into power refused to carry out the terms of a contract of such a nature, entered into by a government who were trying to use such contract under the camouflage of cheap power for the people, when at the same time it had tied itself up under the contract with the International Paper Company, who would have practically exclusive control of all the power in Grand Falls should the said Company decide to use the same.

A Real Statesman.

The terms and conditions of the new contract would be presented to the House by the Hon. Premier when he was prepared to do so, and he felt that when the people of New Brunswick understood and appreciated the terms they would acclaim the Premier as a real statesman. By cancelling the old contract and making a new and business-like arrangement a calamity had been avoided and the people of New Brunswick would long remember the action taken by the Premier and this government in safe-guarding their rights.

The Liquor Problem.

The leader of the opposition had devoted some attention to his (Tilley's) stand in regard to government control. In this regard he had at least been consistent. When previously in this House he had voted against the prohibition law as he did not believe it was in the best interests of the province. Then for a time he had kept quiet on the matter to see how the law would work out. He held himself to be as much interested in the cause of temperance as the most ardent prohibitionist. Unlike some members of the late government he did not try to straddle on both sides of the fence. He would like to ask the leader of the opposition whether he was in favor or not of government control. He would not say. No! He was endeavoring to make political capital against the government by encouraging the Temperance Alliance to make additional demands. He (Tilley) had never been afraid to state where he stood, and at the nomination proceedings in Saint John he had made the statement that he believed government control was better for the moral uplift of this country than the present prohibitory Act. Some of the members of the previous government had also stated their position clearly, as witness Hon. Mr. Magee in the session of 1924, whose remarks might be found at page 128 of the synoptic report. Mr. Scully, of Saint John, was another prominent opposition supporter who expressed his desire for a liquor law in New Brunswick similar to the Quebec law.

Some Wet Goods.

With the history of his own administration in regard to prohibition it did not lay in the mouth of the leader of the opposition to criticize this government for the non-enforcement of prohibition. A glance at the public accounts for 1924 would show the stocks which were carried by the Liquor Commission, such as Frontenac Ale, Ready's Beverages and immense quantities of Gin and even Cocktails, none of which would likely be used to any large extent for purposes legally prescribed under the Act.

In concluding he would refer briefly to a matter that came under his notice evidencing the lack of ordinary business principles in the conduct of public business by the late government. When the new bridge was built across the Falls at Saint John some

years ago, the Government had to move some houses and retained the ownership of them. On May 15th, 1923, a lease was executed to Charles A. Donald, signed by P. J. Veniot, letting these several houses for a rental of \$100 per year for ten years, with the option or renewal for another ten years. The rental Mr. Donald received for these houses were \$992 a year. Adding the cost of insurance, water and upkeep to the \$100 it would be found that Mr. Donald, through the beneficence of Mr. Veniot would obtain a clear profit in the twenty years which the lease was to run of over \$12,000.

Immigration.

Referring to immigration the leader of the opposition had stated that two delegates had been sent last year to Europe, it would be interesting to know what their trip cost and how many immigrants they brought before any credit was given the late government. Speaking for himself he did not believe in immigration except of people who would bona fide work on the farms. He did not want to see men come to add to the men who were walking our streets. This Government had by encouraging large industries opened the way to employment for many more men than at present and so were paving the way for increased prosperity, which of itself would bring immigrants.

Implication Untrue.

During his speech yesterday the Leader of the Opposition had implied that when there were only two French members in the Legislature, these members did not get much courtesy from the majority. He thought that Mr. Dugal, one of the members referred to, would be the first to say that the implication was untrue. When Mr. Dugal wished to speak in French, a motion was unanimously passed by the House allowing him to do so.

The Leader of the Opposition had devoted much time, energy and gesture to decrying the raising of racial and religious questions in last year's campaign and blamed it all on the party supporting the present Government. He would like to say most strongly that this was a fault of which the party led by Hon. Mr. Veniot were at least equally guilty and it was to be deplored no matter by whom it was raised. A survey of the present Government did not show this party was intolerant, as evidence the Chairman of the Hydro Commission, the Provincial Secretary and the Speaker of the House. No warmer friend of the French speaking people of the Province existed then Premier Baxter. It was unkind and unfair to attribute ulterior motives to Hon. Mr. Baxter when he so eulogistically referred to our French population at the Saint John convention last year.

Unique Criticism.

The Leader of the Opposition had been quite unique in his criticism of the personnel of the Government, whether he was serious or jocular was not clear, but he would like to refer to his colleagues in all seriousness and commend the Premier for his choice.

In securing Hon. Mr. Reilly for chairman of the Hydro Commission he had secured a man of outstanding integrity and great business ability, as evidenced by his presence on some directorates of large business institutions. He was especially qualified for the position he held. The Minister of Health was a leader in his profession, beloved by all who knew him and honored and respected by everyone, the electors of Charlotte would give him a seat in this House as long as he wanted it. The Minister of Agriculture was a practical outstanding man in his community an intelligent and up to date farmer of long legislative experience admirably qualified for his position.

Hard Working Minister.

The Minister of Public Works was at his post day and night giving splendid service to the people. His character and honesty were unimpeachable and he was held in highest respect by all classes.

The Minister of Lands and Mines was a gentleman too well known in this community to need any certificate. His sterling character and business ability were well recognized and his Department was already feeling the benefit of his services.

The Provincial Secretary had been termed the fifth wheel of the coach, and he wanted to tell the House that the fifth wheel on any of the standard cars today was the one inside, the steering wheel, and by it the Hon. gentleman would guide the government car out of the mud in which the late Government had left it.

Then in the Premier the province had a man who was a real statesman, ranking high in whatever field he was placed, well qualified to serve in the best interests of the Province, to bring about sound and honest government and progressive administration. If, as was believed, he could stop the bonding habit and reduce the public debt, when his time came to retire his memory would long be cherished by the people whose cause he had espoused.

As to the President of the Council, his native modesty, said Hon. Mr. Tilley, forbade his making any remarks.

Mr. Michaud's Speech.

MR. MICHAUD congratulated the Speaker on his selection as Speaker of the House. He believed in conferring this honor upon him the Premier first had in mind recognition of his ability for the position, and also recognition of the interest taken by the young men of this province in public matters. He would also congratulate the mover and seconder of the Address. The Speech by the mover was above the ordinary on similar occasions since he had come into the House. In congratulating the seconder he would say that he had accomplished a very difficult task very well indeed. If the President of the Council had not delivered the obituary of the Premier he wished also to congratulate him. He and his hon. friend might not agree politically, but they could agree that the Premier's example showed that this province had something good to offer to young men who wished to work and give their service

to the country. He would not forget to say a word about those who had been called away by Death. He wished to refer particularly to the late Mr. Flewelling. He had had business and social relations with him and their political differences had never interfered with those relations. Today he wished to pay a tribute to his memory.

Continuing, Mr. Michaud said he was speaking in a different capacity today from what he had been accustomed, and under somewhat of a handicap. It was the duty of the opposition to criticize and the present government had not been in office long enough to do anything very bad, and also the program submitted to the House gave them very little to think about.

Provincial Finances.

The President of the Council had given his understanding of the financial condition of the province today. He had said that the debt had been increased by sixteen or seventeen millions of dollars by the former government, and he had given a comparison as between the increase of the debt and the increase of the population of the province. He did not think that was a fair basis of comparison. Out of the seventeen million increase charged against the old government he (Michaud) had picked out about fourteen million that had had to be spent to meet public demands. For instance, there was a great increase in the traffic in this province during the last ten years, and the old government had to provide improved highways to take care of that. The old government was not responsible for the debt increase incurred in connection with the construction of the Valley Railway and the interest, and sinking fund that had to be provided for that liability. Then there was the item of four million which the province borrowed to meet the requirements of the highways in order to take advantage of the federal grant. There was also an item of four million for permanent bridges. That was a policy of the former government and a practice they had to follow. The old government had to meet the situation as it existed then and the present government would have to meet the same today. There was no other way of providing permanent bridges and roads except by bonding the province.

In the matter of hydro they had to bond the province for the construction of Musquash. A sinking fund had to be provided for all these bonds, and this had to come out of ordinary revenue. He hoped that conditions in the future would be such that it would not be necessary to further bond the province.

Grand Falls Project.

He was not now prepared to discuss the Grand Falls project, because they had not yet sufficient information on the subject. He did not believe that the criticism of the President of the Council in reference to the contracts made by the late government was to be taken seriously. The President of the Council compared the purchasing of the rights in connection with the development of Grand Falls with the construction at Musquash. He had condemned the late government for not obtaining all the rights in connection with Musquash before starting the proposition, and he had condemned them for acquiring all the rights in connection with Grand Falls before commencement.

His hon. friend had referred to the contract with the International Paper Company, and to the fact that they had tried to secure the co-operation of the company for the purchase of the rights in the State of Maine.

The New Brunswick Power Commission, in seeking the co-operation of the Paper Company, considered they could assist them in purchasing rights in a foreign country, and that was why that provision was put in the contract. The Commission had considered it right to give the Paper Company option on a certain amount of power, as his hon. friend had said they were not bound to take it. Neither was the government bound to sell it. His hon. friend had claimed that they had not reserved enough for our industries.


The late government had been criticized for not having a market for the power, and today they were blamed because they had not reserved enough for the demands of this province. Whether Grand Falls was developed by private corporations or by the province, he wanted it developed immediately, in order that they might have the power to keep within our bounds industries looking towards New Brunswick.

Subsidiary Contracts.

His hon. friend had criticized subsidiary contracts whereby the government had agreed to pay damages to the Bangor & Aroostook Ry and to the Saint John River Lumber Company. The Commission had been allowed to use the waters of the St. John River provided they made provision for the protection of property that would be affected by the Grand Falls development. They were benefiting by the experience of others and tried to protect both the interests of the province and the rights of others. He hoped the work would be done to the best advantage of the province and its citizens, and all those who wanted to come and invest capital to provide work for our people.

His hon. friend had referred to prohibition. He (Tilley) had been in the House in 1917 and would remember that he (Michaud) had expressed his views on prohibition at that time. People were at liberty to differ on the question as to whether prohibition was the best means of promoting temperance. He would say that at least one-third of the people of this province could not subscribe to this law of prohibition. He quoted some authorities to show the wide difference of opinion on the temperance question, and temperance to be a virtue should be practiced by everyone. The one-third of the people of this province who could not subscribe to the principle of prohibition, were simply bidden (Continued on Page Five.)

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STC 8-26

BIG VOLUME OF WATER WAS USED ON FIRE

Moncton, March 17—Some idea of the volume of water which is required to quench a fire, such as this city experienced last night and this morning when the Barker Block was so badly damaged, was given out today by City Engineer J. D. MacBeath. More than 10,000 barrels of water were poured on the flames in the seven hours and forty-five minutes the fire machines were pumping. This was at the rate of about 1,000 gallons a minute or more than 400,000 gallons in all.

THUGS ROB A BANGOR WOMAN

Bangor, Me., March 17—Police are combing the city for two young thugs who knocked down and robbed Mrs. Patrick Kelley, wife of a railroad laborer, of her handbag containing about \$1.100 in money and several valuable rings, on Sunday night, while she was on the way to visit a sick friend. The money represented the family savings for some time. Mrs. Kelley had no faith in banks, she said, and had carried it with her for many years. Boys of the neighborhood who knew of Mrs. Kelley's habits are suspected but no arrests have been made.

OPPOSED TO A TAX ON MAIL ORDER HOUSES

Fredericton Jct., March 17—At a special meeting of Agricultural Society 116 called Saturday night to consider the Retail Merchant's Association's request for a provincial tax on mail order houses. A resolution was passed and ordered sent to the Provincial Government and to the local members protesting against any such tax. The secretary was also instructed to rent the hall for moving pictures on certain conditions.

Horse Dealer—What type of horse are you lookin' for, miss?

Fair Customer—What would you advise to match a dark blue coat and tan breeches?

Notice of Legislation.

Notice is hereby given that application will be made at the next Session of the Legislative Assembly of the Province of New Brunswick for the passing of an Act to revive, continue, consolidate and amend the Act of Assembly 44 Victoria (1881), Chapter 69, entitled "An Act to Incorporate the Southwest River Driving Company," and Amendments thereto; to re-enact and continue, subject to change and amendment, the rights, privileges, powers, franchises, responsibilities and liabilities granted to or imposed upon the said Company and its stockholders by the said Act and Amendments thereto, and to make provision for the driving of pulpwood and other logs and lumber, and the fixing of the tolls therefor.

Dated at Fredericton this 25th day of January A. D. 1926.

McLELLAN & HUGHES,
Solicitors.