

NO NEW TAXATION THIS YEAR, SAYS PROV. SECY-TREASURER TO HOUSE

Government Could Balance Budget This Year by Following Example of Other Provinces in Taxing Incomes --- Do Not Intend Doing So --- Straight Forward Statement by Hon. C. T. Richard.

Unless there is an increased revenue from unexpected sources, the budget will not be balanced this year, Hon. C. T. Richard, Provincial Secretary-Treasurer told the Legislature yesterday afternoon. The budget could be balanced if the government wished to do so regardless of the consequences.

This could be done by resorting to new taxation especially on incomes, as has been done in other provinces. But there will be no taxation except it be of a very minor character and limited application. Our industries are expanding and any new taxation of a substantial nature at the present time might retard that return to prosperity.

Hon. Mr. Richard addressing the Legislature yesterday afternoon said:

Called upon for the second time to give account of the stewardship of this Government in so far as regards financial matters and to present to this House the requirements for the coming year, I feel the heavy responsibility which rests upon me. I know however, that you appreciate that presenting a Budget during these strenuous times is not an easy task, and I am also confident that in the debate which will follow, criticism may be strongly voiced and heated arguments may arise, yet in the end the good fellowship which has always existed in this House shall remain unchanged.

Our ranks have been broken since we last met and an empty chair serves to remind us of the uncertainty of life. I had but a short acquaintance with Stewart E. Durling, the late member for York, but in that short period I had learned to recognize him as a man of sterling qualities, devoted no less to his friends than to the duties which he so admirably performed.

Another stalwart figure in public life in the person of Honourable P. J. Veniot also passed to the great beyond. He was of the rugged type, full of ardour, a man who loved the struggle of life, but who would always lend a helping hand to those who could not stand the strain of that struggle. To the families of these departed distinguished citizens, I wish to extend my sincere sympathy.

During the past year this Government pursued in a broader way the policies inaugurated in the first year of office with a view towards the betterment of conditions and the expansion of the major industries of the Province, especially lumbering, agriculture and fishing, the more seriously affected. The results have been most gratifying. The depression which has been sweeping this vast Dominion left its mark within our own borders and left wounds which at one time were believed incurable. Our people, with the indomitable energy and courage, characteristic of them in times of stress, suffered patiently, ever hopeful of returning prosperity. The past year has witnessed the gradual lifting of the dark clouds of depression as one industry after another began to spring from the lethargy which had enveloped them all. And today activities in these same industries have almost reached the level of normalcy.

Lumbering

Perhaps no brighter part of the picture of improved conditions in this Province can be found than in the Lumbering industry. Stagnant for so many years, especially in the northern part of the Province where it was the means of livelihood for so many, this giant suddenly awoke and day by day brighter prospects indicate that this industry, which at one time was considered the most stable, is now growing to the major importance which it formerly occupied. Greater demand and better prices have been an important factor in this revival. Not only has this been beneficial to our own people in affording employment, but it will also contribute largely to our Provincial revenue, for this particular industry was at one time one of our largest revenue producers. It is also gratifying to note that not only have our pulp mills resumed full capacity production, but greater stimulus has been given to the development of the hard wood industry, which in the past did not receive the attention which it should have. Sensing the revival of this industry and again as a measure to relieve unemployment the Government took steps in 1935 to construct a Provincial Highway linking the Miramichi River with the Tobique district. This undertaking contributed largely to the relief of the unemployed in the Miramichi district and tapped a source of lumber which in the past was practically inaccessible. The wisdom of the

opening of the Plaster Rock-Miramichi Highway is being more appreciated every day. One operator after another is moving to this new territory which, previous to the opening of this new highway, was unexplored and unprofitable. The construction of this highway is continuing to give employment to the much afflicted district of the Miramichi.

Criticism may be levelled at the Government for the construction of this highway, but of what use is dormant wealth when this Province is so much in need of development for the livelihood of its own people? Already lumbering operations are being carried on along this new highway and in a few years' time, it is to be hoped that several mills will give employment to thousands of people, and at the same time the Province will be receiving substantial revenues from operations carried on in this undeveloped territory.

Critics may also talk of conservation of forest reserves but true conservation does not consist merely in allowing our own Crown Lands to remain idle, but in wise exploitation with proper precautionary methods. Those who criticize the cost of construction of this highway have only to figure out, the new fields of endeavors which may be opened to the benefit of the Province and eventually critics of this project will be the first to praise the Government for having boldly, it may be said, but wisely, initiated this road construction. The people of this Province should realize that the Miramichi district and the whole north shore have for years contributed through the Crown Lands enormous revenues to the Treasury of the Province and when these districts became more acutely afflicted by unemployment than any other part of the Province, then it was only justice that some assistance of some kind should have been extended in order to relieve the situation. Other undertakings have been carried out in other parts of the Province which were not more sorely in need, and the people of the Miramichi district may rest assured that in the fulfillment of the pledges made by this administration, their plight will not be overlooked.

By making improvements to the branch roads the Government also assisted the farmers and new settlers, providing them with better means of transportation in order to market their pulpwood and lumber, trucking by motor today having reached such a stage that these products may be hauled economically for long distances.

This Government also substituted creosoted wood in the construction of road culverts and bridges, where heretofore corrugated pipes, imported from other Provinces, had been used. By so doing this administration gave employment to many persons, as upwards of 2,500,000 feet of hardwood was cut in the Province during the past year for this purpose. Relations between employer and employees, particularly in the lumbering industry, were not lost sight of by this Government, and a Fair Wage Officer was appointed, who is co-operation with the Forest Operations Commission brought about a better understanding between them.

Agriculture

During the depression, agriculture, from which so many of our people derived a livelihood, reached a point where products became practically unsaleable and the purchasing power of a vast majority was materially decreased. Production, therefore, began to lag, for the farmer could not continue to produce without profit. In this industry also it is most gratifying to note the marked improvement which has taken place during the last year. Potential production is one objective of the Government, but quality, as well as marketing methods, are receiving particular attention, for whether in domestic or foreign markets, we have to measure up against keen competitors. Much credit may be given to the field work done by officials of the Department of Agriculture in promoting the production of quality goods, suitable for existing markets and also in opening new markets which give the farmer new outlets for his products. Personally, there is perhaps no other Department than that of Agriculture where I am more happy to see an increase year by year for services. To my mind, this particular industry has been sadly neglected, for only a semblance of assistance and encouragement has been given in the past. The field work, therefore, of officials of the Department of Agriculture, though becoming more expensive every year is showing gratifying results. Proof of this may be found in the figures which will shortly be released by the Department showing

that in the year 1936 the total production of creamery butter reached the grand total of 3,484,780 pounds, an increase of 801,744 pounds over 1935. Cheese products amounted to 419,026 pounds, as compared with 274,132 pounds in 1935. Our Province stood sixth in the value of field crops in 1936, with a total valuation of \$20,214,000 and we made the greatest gain in field crop in 1936, a gain of 39 per cent. or \$5,672,000.

I think we can point with pride to these results and the people of New Brunswick, stirred by the Government in power, are becoming conscious that it is possible to increase the yearly wealth that may be produced from the soil. When we realize that available data reveals that this Province imports millions of dollars worth of foodstuffs, which could be



HON. C. T. RICHARD
Provincial Secretary-Treasurer

produced from our own soil, we cannot therefore fail to see the great possibilities which exist in this Province. The Department of Agriculture is no longer a mere adjunct, kept for the purpose of our being able to say that we have such a Department, as was done in the past. Revitalized as it is now by the addition of new services, by the inauguration of progressive policies, by concentrated field work of education the future of agriculture indeed should be one marked with ever increasing progress. It is therefore with no hesitation, nor apology, that we offer in this year's estimates an amount in excess of that expended last year.

Credit Unions and Adult Education

While dealing with the subject of agriculture it is only proper at this time that I should speak about two co-relative subjects which during the last few months have occupied, to some extent, the attention of the officials of the Department of Agriculture. I refer to Credit Unions and Adult Education.

The organization of Credit Unions and Study groups for Adult Education has been undertaken by the Government under an Act to provide for the Organization of Co-Operative Savings and Credit Societies, passed at our previous session of the Legislature and, judging from the success already attained, we have every reason to believe that this endeavor will greatly promote the initiative, enterprise and self-reliance of the people of the Province. We have studied the principle, the purpose and functioning of similar societies established in the sister Province of Nova Scotia, where such Credit Unions and Adult Education, through study groups emanating therefrom have taken several localities out of actual poverty and off the dole. If the response already given to this movement is any guide, we feel that the success achieved in Nova Scotia will be repeated in this Province.

Old Age Pensions

During the last fiscal year, as an implementation of its pre-election promise, and following the announcement made during the last session, this Government brought into force the Old Age Pensions Act, and during the month of July began the distribution of pension cheques to some 9,000 pensioners in this Province. No more beneficial move could have been initiated by the Government. This assistance contributed largely to the relief of suffering amongst the poor people and to the lightening of the burden which had heretofore been borne, in many cases, by the Municipalities. Immediately upon the distribution of this pension the Province became entitled to over a million dollars contribution from the Federal Government and today there is being distributed throughout the Province, a sum in excess of \$1,500,000 yearly towards the upkeep and maintenance of our aged who qualify under the Act.

The testimony of the day is toward Social Reforms and the Old Age Pensions Act is one of the first moves in that direction. Today no aged person, having reached the age of 70 years, and meeting the necessary requirements of the Act, need be in want. Our share of the payment of Old Age Pensions, together with organization and administration costs, meant to the Province, during the past year, the sum of \$210,494.38, a heavy additional burden on the Treasury, very materially affecting our balance sheet as shown at the end of

the fiscal year. On this item alone the Government will this year have to budget for a cost to the Province of \$465,000.

Let those who criticize and emphasize particularly our deficit bear in mind that this much needed and beneficent assistance has been inaugurated at an enormous cost to the Province, and let them also bear in mind that notwithstanding the specific promise of the late administration to grant the Old Age Pension, a pledge which they did not see fit to keep, they showed, during the last year of their administration a deficit of \$703,116.84. They also criticize because the full pension of \$20.00 per month is not granted in all cases. They say they would generously give a full instead of a half loaf. What irony! They, who twice promised and yet would not even let drop the crumbs while they feasted.

Free School Books

Another pre-election pledge of this administration, that of supplying free school books, has become a reality during the last fiscal year and the Government by that single act contributed the sum of \$65,626 towards relieving the burden on the parents of this Province. No more welcome move again could have been initiated, especially for poor parents, the great majority of whom for the past few years had been faced with unemployment. This contribution on the part of the Government assured these same parents that their children's education would be secure and uninterrupted. Let that contribution by this Government again be considered by those who criticize that budgets are not being balanced or that large expenditures are being made. The late administration had, in 1930, promised Free School Books. What was their contribution towards that item during the previous year? \$5,359 in 1929 as compared with \$65,626 paid by this Government during the last fiscal year. The promise of Free

School Books in 1930 was again pigeon-holed to gather dust, but their own deficit of 1931 was \$780,505. Let those who again speak of deficits keep that one in mind also.

Our critics again following the same attitude which they adopt towards Old Age Pensions would extend in their generosity Free School Books to the higher grades, but after making so many promises, without fulfilling same, the public has become aware of the quality of their generosity.

Our opponents may question the jurisdiction of our decisions, they may question the promptness with which we initiated the policies which we advocated, but in Old Age Pensions and Free School Books alone, they have the absolute proof of our sincerity when we pledged ourselves to bend every effort to contribute to the banishment of poverty from this land thus bringing a greater measure of happiness to the people of our Province.

Perhaps one of the most beneficial and commendable policies of the Government directly relieving the unemployment situation and, with the same stroke increasing tangibly the assets of the Province, was the expansion of aid to new settlers in the "Back to the Land" movement, already resulting in several firmly established new colonies, particularly in the Counties of Gloucester, Restigouche, Madawaska, Northumberland, Sunbury and Kent with a start made in most of the other counties of the Province bringing about, in the near future, a self-supporting population hitherto belonging to the class of unemployed and relieving urban and rural municipalities of considerable direct relief burden.

The spirit and courage of the pioneer of old, who sought at great personal sacrifice to carve for himself and family a home out of the green

forest, is still a prevalent characteristic of the people of this Province, and the demand for settlement lots is increasing yearly. This demand was much more accentuated during the last few years, due to the lack of employment and to the desire of those on relief to resort to the soil in order to become self-supporting. Although I do not propose to go into detail of the activities of the colonization branch, yet in order to demonstrate that the people of this Province are land-minded, permit me to point out that during the year 1936, 10,064 enquiries, concerning land settlement, were made to the Department. The Government early recognized that if colonization in this Province was to be made a success, some definite policy must be adopted, a policy which would embrace the proper choice of settlers, land suitable for cultivation, necessary assistance to the new settler in his establishment on the soil and in his initial efforts, and proper supervision of those efforts so that the settler might be guided along the path that might ensure eventually his becoming self-supporting. With this object in view large tracts of land, previously inspected, were selected so that new settlers might be grouped into communities where they might become immediately in possession of proper schools for their children, where they might have the advantage of postal service and where community efforts might be so co-ordinated that a spirit of co-operation would stimulate them to make their new surroundings the embryo of a prospective prosperous community. To guide their efforts, as well as to prevent serious forest fires, which might have meant disaster to these settlements, inspectors were appointed who continually supervised their activities and the results obtained far exceeded our expectation. Permit me to cite one case in order to show you what has

been achieved so far along these lines. In November 1935 some one hundred destitute families, devoid almost entirely of any worldly goods, families who had been on relief rolls since the inception of relief, were settled in Allardville East in Gloucester County. They came from different parts of the County and Province and when they arrived on the first snows of winter there was not even a trail of what is now known as Allardville East. Yet, within a few months, they were all properly housed, they were tackling the green forest and clearing land and in the fall of 1936 they had sufficiently cleared land to take advantage of the Land Clearing Bonus and received several thousand dollars in that respect and a great many had, after the crop season, sufficient vegetables and garden produce for their own use for the winter. You can thus see that these settlements are growing overnight, and that our colonization policy has contributed in a large measure to the solution of the unemployment problem and its resultant demoralizing ally, direct relief.

I have been dealing with the activities of the Government in the primary industries of the Province and have shown how these activities have contributed largely to stimulate these industries. I could go on citing many other steps taken to show how the Government aided these industries, such as aid to fishermen, where by the fishing industry was assisted in a very material way, how seeds were distributed to help new settlers and needy farmers. I could show in many other ways the helping hand which the Government extended to those eager to give new life to open up once more the avenues of employment. But I cannot trespass on the time of this House and I must proceed to other subjects of a different (Continued on Page Seven)



These Homes Depend on Each Other

TAKE a row of homes in any street — your own, for instance. You chat across the hedge about roses or tomatoes, but it probably doesn't occur to you that each of your neighbors helps to pay your rent or taxes, and to buy the food, furniture, clothing and other things that make life worth living.

The man next door may work in an automobile plant. On the other side of you live men employed in paint and rubber factories. Across the street are a baker, a railwayman, the foreman of a textile mill, a steel plant superintendent, a shoe salesman and a theatre employee.

We Again Remind You

... that the automotive industry not only in itself is an important unit in the business life of Canada, but that the manufacturing of cars and trucks entails the purchase of finished and raw materials from many other industries. Anything that would retard orders from automobile manufacturers would seriously affect many other important company payrolls.

What affects one, affects all. Should the automobile plant shut down or curtail production, the steel, rubber, paint, glass, textile and numerous other industries will suffer, too. The railways will have less freight to haul. Stores, restaurants, theatres will feel the pinch. There will be less money in circulation.

A thriving automotive industry is therefore vital to the welfare of all. The security of any one man's job depends not only on the industry of which he is a part, but on the prosperity of industry as a whole.

AUTOMOTIVE INDUSTRIES OF CANADA



For statistical and further information about this industry, write to Automotive Industries, 1006 Lumsden Building, Toronto.