

PROGRESS IN

(Continued from Page Four)

Money was cheap and men were idle. Furthermore there was a splendid opportunity to encourage increased tourist traffic to help pay for the roads. We put men to work and they earned wages to maintain themselves and their families.

Forest Operations

In addition to road building we pressed vigorously and successfully for increased forest operations. The result has been that the last season was the most productive and most profitable that the industry has known in years. And wages were established by the Forest Operations Commission to give the worker a fair return for his labor and sufficient earnings to care for dependents.

Private enterprise was also encouraged in every possible way. As old jobs were reopened and new ones created the ranks of the unemployed gradually thinned out.

A new drive was launched in agricultural communities to lift the hard-pressed farmer from his desperate position. He has been encouraged and assisted to improve production and organize marketing. Credit unions have been established to enable small communities to pool their resources and co-operative enterprises are being promoted.

Dole and Debt

In certain urban sections where it proved difficult to absorb all the unemployed rapidly, financial assistance was granted to defray the major portion of labor costs in public works that would not ordinarily be undertaken. We sought improvement while removing the evil. We sought to leave tangible assets with these communities to show for the expense.

That, in brief, has been our concrete programme.

And the result? When this government assumed office in 1935 there were 34 different counties, cities, towns and communities receiving cash from the provincial and federal governments to pay an unearned dividend to the idle. By their partial contribution these numerous municipal units, along with the province, were piling up debts they could not afford and which came precariously close to putting several in bankruptcy. Today that has been completely eliminated. There is no longer any unearned dole. And in less than half a dozen cents has it been necessary to make grants to assist local employment projects.

Results count. We have put men to work and they have built things that are useful and productive. The spirit of our people has been restored. No one familiar with conditions today as compared with those maintaining in 1935 will hesitate to admit that we acted wisely and steered a prudent course.

Our second objective, as I have said, was to restore the credit of the province and its component municipal units.

As to the municipalities, the termination of the dole automatically relieved them of heavy contributions. Alarming increases in capital debt, made doubly severe because of diminished revenues, were brought to an end.

Municipal Organization

A new department was set up charged with the responsibility, among other things, to assist in promoting sound municipal organization. It is fortunate that municipal bodies are composed of men with courage and a deep sense of responsibility. They were quick to co-operate. Today, I can say, the backward movement has been stopped. Municipalities, even the most seriously affected, are getting back on their feet and they are on the road to recovery.

As to the position of the province itself, there was no alternative but to balance receipts and expenditures. That was imperative in order to re-establish our credit, recover our prestige and restore stability and confidence.

When the present government came into office there had been recurring deficits year after year since 1929, aggregating four millions of dollars. In 1935 there was a deficit of \$703,117. After only two full years of office we have changed deficits into a surplus, completing the last fiscal year with a balance of more than \$29,000 of current receipts over current expenditures—the first surplus this province has enjoyed since the prosperous year of 1929.

The Surplus

Let me impress upon you that this surplus was accomplished without recourse to new taxation. It was accomplished without curtailment of the public services. On the contrary those services were enlarged and extended very substantially to serve the best interests of the people. But I shall have more to say about that later.

The surplus was made possible very largely by increased revenues from crown land operations which were stimulated by the government, and by larger yields from motor vehicle and gasoline revenues—a quick return from our hard-surfaced highway investment.

It was made possible, too, by a zealous and scrupulous supervision of expenditures. Our budget of expenditure for 1937 was exceeded by only one per cent of the total—a record, which I doubt, has ever been equalled.

The observation of The Financial Post, an independent critic, on this

phase of the situation is significant. Let me quote from the issue of January 15, last:

"The fact that expenditures were only one per cent higher than estimated indicates that the government is exercising firm budget control."

By way of illustration let me point out that in the department of Public Works, of which I have the honor to be the Minister, an estimated expenditure of \$1,198,924 was exceeded by less than a thousand dollars. Compare this record with an overexpenditure in that department of three hundred and ninety-seven thousand dollars in 1935, two hundred and fourteen thousand in 1934 and so on for years back.

An Investment

During the year our bonded debt was increased by \$9,126,000. Most of that was invested in hard-surfaced roads, and, as I have previously stated, that investment is already paying substantial dividends.

Those who profess alarm over this investment find it convenient to convey the impression that it represents a debt that has no compensating asset. By inference, at least, they suggest it is nothing more than an added burden on the taxpayer. The press generally and those familiar with business know differently and have liberally commended the government for its vision and courage.

That capital investment today is a revenue-producing asset and the income from it will increase as the years go by. Who today, in any part would wish for the return of the former dusty gravel highways? We have heard no complaints on that score. We have had no petitions or requests from any section that hard-surfaced roads should not be laid to replace the gravel roads.

When current contracts are completed in 1938, we will have eight hundred and sixty-nine miles of hard-surfaced highways including trunk roads through towns and villages—from Saint John to Edmundston through the Saint John River valley; from St. Stephen to Moncton, thence to the border of Nova Scotia and to the terminus of the Prince Edward Island ferry; from Moncton to the Quebec border on the north shore with the exception of a small gap in the Bathurst roads; and a large section of the road from Newcastle to Fredericton.

What a change that represents when one recalls the rough dusty gravelled highways which have been the cause of continuous complaint and loss of business.

Unbiased Opinion

The opinion of an outside observer is refreshing. I am going to quote you from an editorial in the Montreal Gazette. That paper cannot be accused of bias toward our government. In fact it is recognized as the leading Conservative organ in Canada. This is what the Montreal Gazette has to say:

"The public debt of the Province (that is New Brunswick) was increased last year by no less than \$9,125,978, but as a good deal of that borrowed money was spent, and is being spent, on the reconstruction of permanent, hard-surfaced roads, these expenditures may validly be regarded as an investment which will return dividends through increased tourist traffic."

The Gazette editorial continues:

"Visiting travellers last summer got some realization of the magnitude of the provincial government's improved highway programme, and when the road-builders' work has been done according to plans, New Brunswick will be more attractive than ever to the motoring tourist."

Now to continue the examination of our hard-surfaced road investment from a practical business viewpoint. Let it be borne in mind that the owners of more than thirty thousand motor vehicles were demanding, and rightly so, a type of road suitable to this modern traffic, to enable them to facilitate commerce and enjoy comforts which had been provided in the neighboring provinces. That was the paramount consideration. But beyond that there was the opportunity to bring increasing numbers of tourists into the province who will not only stimulate business for our merchants but will actually contribute directly to pay for these new improvements. Anyone who can conceive a more desirable business proposition and fortune awaiting him.

In answer to those biased critics who find it expedient for political purposes to misrepresent the facts, let me make a pertinent comparison.

In the years 1930 to 1935 inclusive, when the present opposition had charge of the administration of your affairs, the public debt of this province was increased by more than twenty-eight millions of dollars. Included in this tremendous capital load were four million dollars of accumulated deficits. In other words, for four millions of this increased capital debt we know definitely there is no asset and can be no hope of return. As for the balance of twenty-four millions of dollars I ask you to locate the assets. That was our futile problem, and we were bequeathed the task of financing that tremendous unprofitable load.

Contrast that picture with the profitable permanent road investment of the present government and the public will be quick to grasp the irony of the critics' position. The comparison effectively exposes their shallow deception, their brazen inconsistency and insincerity.

Winter Roads

It is timely, too, to make reference to the clearing of winter roads. We experimented with the proposition in the winter of 1935-36, extended it last year and still further extended the service this current winter. The main highways are now all open to traffic and many of the secondary roads. Public appreciation of this program is reflected in the increased traffic. Winter revenues from gasoline tax have increased beyond the cost of the service. There has been no increase in the burden on the general taxpayer. It is paid for by the traffic. And this is the basis of our policy.

A radical change has taken place in the credit position of this province since 1935. We are now paying our way, even in the face of enlarged and improved public services. And at the same time we are servicing the public debt. We can now look the world in the face and we command the respect and confidence of the people at large and particularly those who have their money invested in our bonds. Sound government will not be denied its just recognition.

Coincidentally with the restoration of our credit and the creation of employment in place of the dole, our energies were applied in another direction, which brings me to the third of our policies to restore prosperity, namely, to organize systematically our natural resources and encourage private initiative to inject new vigor into industry and business.

It was evident that road-building would not serve as a permanent cure for unemployment. As a necessary work it served immediate requirements in this respect but the future had to be considered. There was one answer and one only. Our basic industries must be made to produce in greater volume to provide new employment and an impetus must be given to secondary industries in order to avail ourselves of our full opportunity. With that logical conviction we proceeded to the task.

The agricultural industry engaged the greatest number of our people. We immediately set about to reorganize production and marketing. The programme was a comprehensive one. It will take years to complete. But already results are so apparent that the farmer looks upon a new and brighter horizon and with progressive development on the same scale he may contemplate a prosperity of which he had never dreamed.

The keynote of the correction of our defects and handicaps in agriculture is co-operation. The apparent solution is too large for the individual. As a first step we have planned the organization of credit unions to pool the resources of local groups. We have been encouraging the formation of co-operative bodies to unite

the skill and genius of individuals to a common purpose. That movement is going forward rapidly with the departments of education and agriculture joining forces in the enterprise. The movement has gathered such momentum that the basic problem is well on the way to solution.

Opportunities

While looking to the future we have not been neglectful of present opportunities. We sent a representative to South America, on our own initiative and at our own expense, to open a market for our seed potatoes. As a result, seventy thousand crates of certified seed stock were shipped to the Argentine in 1936 and in the current season this newly developed trade has mounted to five hundred and thirty thousand crates with prospects for still greater business in the future.

The benefits of that successful undertaking are not restricted to the potato belt but ramify throughout the entire province. Hundreds of thousands of crates had to be made to ship the potatoes, transportation services profited by the increased traffic. The Port of Saint John got new business. Labor found new earnings. Thirty thousand dollars, I am reliably informed, have been paid this year to port workers at Saint John for the handling of these potato cargoes.

One new potato starch plant has been built to convert culls into marketable products and there is immediate prospect of other industrial units using the potato as its raw material. It was just recently announced that the acreage to be planted in seed potatoes in 1938 shows an increase of fifty per cent over last year.

The old country provided a market for bacon hogs. We immediately sought to take advantage of that market. Through a system of bonusing we were able to prepare for market last year ten thousand high grade hogs, the largest local co-operative movement in history.

Time will not permit me to speak of the assistance and co-operation provided to improve crops, livestock and poultry. Enough has been said to indicate substantial accomplishments and that we are proceeding toward a sound, constructive and profitable objective.

As to our forest resources I may be brief. We insisted that crown land leases must be operated. Production of long lumber and pulpwood was vastly increased in consequence, providing new wealth and greater employment. That improved condition is reflected in one of the best lumbering years we have had for a long while and an increase of almost four hundred thousand dollars in crown land revenue.

Coal in York

Our mineral resources, long neglected, are now receiving attention. In the northern section of the province hundreds of thousands of dollars are being spent by private interests, encouraged by the government, to explore the commercial possibilities of mining precious minerals and, to be conservative, I can only say that prospects are very promising. Only recently rights have been granted to explore the coal deposits known to exist in York County. As to the outcome I can hazard no guess, but, at least, we are trying to find out where our potential wealth exists.

In co-operation with the Federal Government geological parties have been working in the province. What their efforts may reveal cannot yet be said. But here again we are trying to find new assets, new wealth new employment.

This province has a wealth of resources in its fisheries yet, speaking generally, the fishermen is in less favorable position than workers in other industries. While jurisdiction in this industry rests with federal authority we have not hesitated to co-operate to promote improvement. To that end we had a survey made and subsequently appointed a voluntary committee of very able gentlemen to propose a definite course of action to make the industry more profitable. That report has been completed and will receive immediate consideration.

This review of our industrial development programme has been necessarily brief and it does not take into account the private industry stimulated and enlarged by direct and indirect encouragement. It has, however, I hope, painted a picture which shows purpose and action.

Concurrent with our progressive policies, which I have already discussed we found a need for certain immediate social measures to give our people privileges to which we felt they were entitled. It was realized, too, that they could assist in relieving the pressure on the poor and unemployed. Which brings me to the fourth of our basic policies.

Old Age Pensions

As promptly as possible we provided pensions for the aged. We did not shrink from the obligation imposed upon the government of this province to furnish annually more than half a million dollars for the purpose. Today more than eleven thousand people are receiving the direct benefit, while indirectly it is relieving thousands of others upon whom these old folks had to depend and has lifted a heavy burden from the municipalities.

We have just recently begun to pay pensions to the blind an assistance which is well deserved. I am thankful that I took the opportunity to press vigorously for that pension at the interprovincial conference of 1936.

We have restored free school books. A previous Liberal Government had introduced the policy, a later Conservative administration repealed the legislation. We restored the system which we regarded as essential to the principle of impartial treatment and equal opportunity in the matter of education. We have kept cost to the minimum, however, by a sound business practice of continuing text books in service as long as they are usable. That practice serves another useful purpose, at the same time, by giving pupils a practical object lesson in thrift and economy.

The social needs of the time have been the motivating thought behind other improvements and extensions of the public service but enough has been said to demonstrate a sincere appreciation of our social problems and concrete, practical measures to solve them.

Up to this point I have been speaking solely in terms of our purely domestic economy. There is a wider sphere, however, which concerns our partnership with other provinces in Canada and our position in trading with export markets.

A new department was established to study and advise upon our outside connections. The benefits of that new service have already been made clear, some of which are known to the public but most of which, because of the character of the service, must be regarded as confidential. We may discuss freely matters which concern our government alone but when we are dealing with others there are conventions that must be respected.

Our policies in relation to federal association, as they have been disclosed to the public, have been sound and courageously regardless of the best interests of this province and consistent with national cohesion. I may add that representations affecting the position of this province in Canada were made to the federal government more than a year ago, which fact cannot be entirely dissociated with the appointment of the Rowell Commission. It would be improper, at the moment, to make further observation, except to give assurance of our fullest co-operation to facilitate the work of that Commission.

Finally may I add a word about the public services in general. In addition to services previously mentioned, we have made substantial and far-reaching improvements.

The Department of Education is in process of reorganizing our school system on a modern basis and particular emphasis is being placed upon adult education, a field of endeavour being undertaken for the first time in Canada as a work of the government.

Elsewhere the responsibility is assumed directly by universities.

We must direct: the education of our youth to a more definite purpose and we must keep both young and old constantly informed as to changing methods and changing conditions throughout the world. This is the general scheme and much has already been done, particularly in planning and in leadership training for field work. But of necessity evolution must be gradual.

Health services have been enlarged in numerous directions and I would draw to your attention, particularly, the methodical and effective manner in which the department dealt with the recent infantile paralysis outbreak.

Hon. Dr. Roberts

The benefits deriving from our health services today are due to the genius and untiring zeal of the late Hon. Dr. W. F. Roberts whose recent passing has occasioned such widespread regret. One can conceive no finer tribute to his memory than the monument he has built for himself. The principles and ideals he applied so successfully in this province are today duplicated in every province in Canada and in states beyond.

Modern business methods and mechanical equipment have been introduced into the treasury department to facilitate public business. A capable and widely experienced financial advisor has recently been appointed to assist in the completion of reorganization.

I trust that in this brief resume I have shown to your satisfaction that government programme during these two difficult years has not been a hit-or-miss proposition. I have endeavored to demonstrate to you how our various policies have been co-related and co-ordinated to the common purpose—to lift this province out of the rut and place it on the economic and social plane it is possible to achieve. Possible, I say, not only because of the natural resources and advantages we possess but also because of the proverbial capacity of our people to conquer adversity and overcome difficulties.

We have endeavored to bring about a set of conditions that will provide full scope for individual initiative and resourcefulness. My remarks to you tonight are designed to give you a clear view of our course—to encourage you to use every opportunity presented.

Our recovery has gathered momentum and the people of New Brunswick will not be stayed. A new spirit is apparent everywhere. Our people have awakened from their lethargy. Pulling, all together, and God willing, we shall yet boost this grand old Province to its place in the sun.

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