

# Leger Budget Estimates Deficit Of \$489,203 For Year 1935

**Expects \$345,151 More Revenue Soon — No New Taxation This Year — Thank the Good Lord For That — Hint That New Increased Subsidy.**

The budget speech which was delivered in the Legislature yesterday afternoon by the Provincial Secretary-Treasurer had a very encouraging tone. An outline of the speech appeared in The Daily Mail yesterday. Today we give the details as near as our space will allow as we consider that the budget speech is one of the important announcements of the Legislative Session.

Hon. Mr. Leger in rising to present his Budget Speech, said:

Mr. Speaker:

The steady progress, in evidence, last year, when we presented our budget, has not only continued upward, but has exceeded our expectations.

That there has been a continuous improvement in economic activities is shown in the official production and trade returns, as well as in the private reports from various sources.

In fact, wherever one goes, whomsoever he meets, he hears but good news. They are, in a summary way: The rise in wholesale commodity prices; the factories making more goods; more people employed; the merchants making larger sales; transportation companies carrying more freights; the Bank clearings increasing; the financial institutions reporting better monetary conditions; the favorable trade balance for the last fiscal year; the better outlook in industry; the prices of some agricultural products increasing; the mines prospering; the production of forest products favorable; the newspapers up; the fisheries more active; etc.

All this, Mr. Speaker, is a matter for profound gratitude and relief.

But, what is encouraging, is the change of public psychology during the past months. As the whole tone of business and industry moved definitely upward, so the mental outlook of our population changed for the better.

If this welcome change has not, as yet, reflected itself in an important way, in our net provincial receipts, it is largely due to the fact, that a large part of our earnings are based upon past income.

So, Mr. Speaker, with the courage characteristic of our people, the advantages that we possess, the progress accomplished during the year we can go about our task with brighter hopes and more cheerful hearts; happy that we have emerged from a depression of unprecedented severity with our primary industries intact and proud that, through these critical years, the credit of the Province never faltered.

After these general observations, we will review the principal events of the past year, consider the present, study the future, by, in turn, directing our attention to the social, agricultural, economic, financial and industrial life of the Province.

We were exceedingly pleased to extend to their Excellencies, the Earl of Bessborough, Governor-General of Canada, and Lady Bessborough, a most hearty and sincere welcome during their visit, here, last Summer.

Since coming to Canada, the Earl and Countess of Bessborough have not only deeply ingratiated themselves in the hearts of the Canadian people, on account of their high and distinguished position and of the dignified manner in which they discharge the functions of that position, but, particularly on account of their social qualities and their many manifestations of interest in the welfare, future happiness and prosperity of Canada.

In this Province, we were profoundly touched by the pains taken by the Vice-Regal party to become acquainted with the beauty, the charm, the history and the resources of this interesting part of the Dominion. Interestingly, we say, for perhaps no other part of Canada can boast of a more devoted people to the British Crown composed, as it is, of the loyal British and no less loyal Acadians, united in a common history, welded and strengthened by racial traditions, working in a perfect unity and emulation towards the advancement of the Province and the preservation of the glorious traditions their Excellencies represent.

With such leading sentiments, it was natural to find our people assembled in Saint John, in the month of August last, to celebrate, in a glorious manner, the 150th anniversary of the official founding of our Province. To enumerate the different changes or activities which we call progress, that have taken place since that great event, does not enter into our charge, except perhaps to say that New Brunswick has fully justified its creation as a separate Province.

Later, when Confederation was formed, although we may have felt that we would be placed under certain handicaps, due to our geographical position, still, we were ever ready to overcome the difficulty by harder work. And, if and when we made demands, it was not from a selfish point of view, but to further our destiny as a member of the great family under conditions somewhat similar to the other members.

Our Province never wanted to be a burden to the other members, but to be ready at all times to assume its full share of the responsibilities and of the work needed to make Canada a greater, a better and a more prosperous Country.

And so, Mr. Speaker, when we decided to celebrate this great event it was to flatter ourselves, with a perhaps legitimate pride, that under equalized advantages, we could make this Province by the sea as prosperous as the rest of Canada. It was also to venerate the memory, fortitude and patriotic devotion of our ancestors of both origin who contributed equally to the grandeur and glory of our common heritage, and who are likewise both entitled to our reverence and admiration.

But equally true, was it also, to foster fraternal relations, to create good fellowship and friendly feelings by the reminiscence of the glories in which our Province abounds and truly recalled by such celebration.

Mr. Speaker, agriculture comes first in the consideration of our principal basic industries.

From the viewpoint of both yield and quality, we are happy to say that last year produced one of the best grain crops in our history; and with excellent weather prevailing, all through the Fall, harvested in good condition, both in straw and grain. The acreage of wheat, oats, buckwheat and barley was slightly in excess of the preceding year.

The root crops were particularly good, with potatoes taking the lead over last year, both in the acreage planted and amount produced; whilst a better crop of turnips was never seen in the Province.

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As usual, the cultivation of small fruits, constituting an important cash crop, has received the close attention of our farmers, particularly the strawberries and raspberries.

The output of apples is only average in volume, yet distinctly higher in quality.

Hay was not in abundance, and those who have more than their requirements, will find a ready and profitable market at home.

In sum, our farmers have had a fairly good year. Their main problem however, is not, that of the crops, but of markets for some of their products. Our Government well recognizing this need, passed, last year, the New Brunswick Marketing Act, to provide, at the expense of the Government, a Board composed of men of ability and experience to grapple with the difficulties and help the tillers of the soil to solve this important problem. This Board has worked earnestly and well, and we feel that it will be of great assistance to the farmers.

In this line of endeavours, we are looking forward to a greater future than heretofore. And why not? When living in a Province where are to be found all the essentials for a successful agricultural development; large areas of arable soil; rich cultured farms suitable climate and soil for the production of grass, roots and forage crops, so essential for the economic production of dairy products; well equipped creameries and cheese factories; strategic locations in regard to overseas markets, all encouraged by an effective system of assistance, given by the Government to all branches of farming; and farmers fully appreciative of the value of the scientific education continually diffused by our agricultural representatives.

So, Mr. Speaker, it was perhaps but natural to find, during the year of the depression, so little direct relief in the farming districts where the soil and moisture conditions always keep good and where the farming operations have been intelligently carried on.

Low prices, of course, have meant that little, if any, money could be made; but at any rate, the certainty of a livelihood, in those days of stress, without outside help, was the primary object.

The Premier and Minister of Lands and Mines is therefore following a laudable course, when he encourages the return to the land and the moderate colonization of our virgin soil.

After all, Mr. Speaker, the world will only be assured of prosperity security and peace, the day when in each nation the rural population will predominate in number over the urban, and when agriculture will hold the esteem and privileges that will place it in great eminence over the other resources.

And with agriculture prosperous, the development of the other lines on endeavors, accomplished by the expansion of this basic industry, is bound to be on a surer and more permanent basis.

**The Industries in the Province**

During the year, the industries located in the Province have been generally busy. The cut of pulp wood on Crown Land was approximately twenty-five per cent greater than last year, with a still greater percentage of increase on private land.

The long lumber trade is also in a much better condition than it was two or three years ago. The reports gathered throughout the Province are that there will be a fairly large cut of logs and that the operations will be well spread all over the Province. Practically all the New Brunswick lumber companies are operating.

Whilst there may be some who think that the stumpage rates should be lowered, still, there are those who constantly have in mind the question of conservation in connection with the transformation of the forest product industry.

Ever realizing, Mr. Speaker, that the potentialities of this Province are immense, and that development of resources often depends upon the creation of facilities afforded thereto; our Government, since 1925, has been alert to every opportunity to encourage the creation or expansion of industry, and in order to supply cheap power, has authorized and aided the development of electrical energy on a large scale, both by the New Brunswick Electrical Power Commission and by private-owned companies.

If it is true to say that cheap power precedes prosperity; it would seem that, with the abundance of raw materials that we possess, willing industries would avail themselves of the immense opportunities our Province holds for fabrication of products from raw materials; and thus incidentally provide a gain both to themselves and to the Province.

It was therefore, to make possible new industrial expansion in the Northern section that our Government permitted the New Brunswick Electric Power Commission to carry out its program of extension of the transmission system from Minto to Newcastle.

Besides supplying electricity to Newcastle and Chatham, the commission's plan includes distribution lines radiating from Nelson, to serve, when required and practicable almost the whole settled portions of Northumberland.

We therefore feel, that there are potential industries soon to be established in that section, and that prosperity will arrive there, before the listless are aware of it; the advantage, of course, will go to those enterprises of vision and courage, prepared to maintain their rightful load and advantage in the Province's course towards industrial success.

## The Mines

Mr. Speaker, it has always been our consistent policy to stimulate practical interest in our mineral potentialities; and, if progress in that direction has not been extraordinary, yet it has not been discouraging. We have been able, at least, to maintain a continual interest, in our great latent resources, from the prospector, the scientist and the capitalist; and though none of the metallic areas have been recently brought to commercial production, yet, indications point to a renewed interest in that direction.

The coal field of Minto, the gas and oil wells of Albert, the lime quarries of Saint John and Carleton, the gypsum mines of Hillsborough, have been particularly active and productive. An interesting and constructive feature of our mining industry is the high quality that the New Brunswick limestone possess as an asphalt filler for hard surface roads.

**The Fishing Industry**

The fishing industry also contributes its fair share towards maintaining a comparatively high level of employment. Our Government, realizing that the wide expanse of our shores provides the Province with an important source of revenue, has been pleased to give to the fishermen a certain measure of assistance consistent with their need and with that granted to our citizens in other lines of endeavors.

Might we not suggest also, that the public could materially assist the fishermen, by eating more of our nutritious fish, both for good business and good health.

**The Tourist Traffic**

Mr. Speaker, the steady increase of tourist traffic, year after year, since our Government has put this business on a thoroughly business-like basis, is one of the most satisfactory aspects of the Province's expansion.

Again, this year, the number of cars entering our Province shows a large gain over last year, particularly on the North.

This is very gratifying; it indicates that success is attending the publicity efforts of the Bureau of Information and Tourist Travel, and of all those who have interested themselves to attract tourists.

Whilst the vigorous advertising and publicity campaign of the Bureau brought our Province to the attention of the tourists, yet they were, year after year, allured in our midst by the beauty of our Province and the attractions of our roads.

New Brunswick, undoubtedly offers a health and a wealth of enjoyments amongst her surroundings of beauty and variety which cannot be equalled and which have created for herself an enviable reputation amongst the Provinces of Canada.

If what has been done in this particular line is a cause for congratulation, it should not be the subject of relinquishments of efforts in that direction. We are in competition with all parts of the Country, and we must therefore continue to keep the attractions of the Province continually before the prospective vacationists, not only across the border, but in the other Provinces of Canada.

We therefore say, Mr. Speaker, that the money spent in that direction criticised, at times, by our opponents, has been returned many times over; and today, the tourist trade which was a negligible factor ten years ago, ranks amongst our first sources of wealth.

**The Finances**

Coming now more particularly to the revenue and expenditure of the last fiscal year, as in the past ten years, we will endeavor to place the financial status of the Province fairly and honestly before the people; and, appreciating, that attempts will be made to distort the facts, by those whose ambition is to belittle the Government, we will so arrange the figures as to be readily understood; always avoiding to frame the budget as a defence of the Party, for there never was any such need.

We could say, without boasting, that, assuming office in 1930, just at the time when the first signs of depression were felt; when there had to be met, persistent demands for the construction of institutional buildings; heavy expenditures for imperative reconstruction of institutional buildings; too long delayed; and all the requirements for direct and indirect relief; the present administration has not only managed very well, in these testing times, but has carried on the services of the Province with due regard to all the requirements, and as far as possible, in keeping with the revenue. It has been said elsewhere "A Province that can do as well as New Brunswick has managed very well indeed."

| REVENUE     |                | EXPENDITURES               |                |
|-------------|----------------|----------------------------|----------------|
| Estimated   | Actual         | Estimated                  | Actual         |
| \$1,297,451 | \$1,266,575.20 | Dominion Subsidy           |                |
|             |                | Public Debt Interest       | \$1,658,551    |
|             |                | Motor Vehicle Law Interest | 1,071,925      |
|             |                | General Sinking Fund       | 164,099        |
|             |                | Motor Vehicle S. F.        | 134,925        |
|             |                | Motor Vehicles             | 44,000         |
|             |                | Legislation                | 65,911         |
|             |                | Gasoline Tax               |                |
| \$10,000    | 768,674.06     | Dept. Atty-General         | 158,043        |
|             |                | Dept. Agriculture          | 191,413        |
| 900,000     | 881,721.16     | Dept. Lands & Mines        | 226,513        |
| 17,000      | 13,485.62      | Dept. Public Works         | 749,974        |
| 500         | 461.25         | Dept. Public Health        | 130,628        |
| 761,100     | 832,457.36     | Dept. Education            | 538,529        |
| 15,000      | 17,970.96      | Dept. Voc. Education       | 58,846         |
| 10,150      | 9,760.34       | Dept. Prov. Sec. Treas.    | 196,908        |
| 4,000       | 4,246.00       | Executive Council          | 12,098         |
| 996,750     | 871,233.83     | N. B. Liquor Control       |                |
|             |                | Jordan M. Sanatorium       | 106,450        |
| 600,000     | 557,572.99     | Provincial Hospital        | 197,000        |
| 48,500      | 48,768.94      | Tuberculosis Aid           | 60,000         |
| 162,000     | 151,619.16     | Boys' Industrial Home      | 23,000         |
|             |                |                            |                |
| 12,520      | 11,961.53      |                            |                |
| \$5,634,971 | \$5,436,508.40 |                            |                |
| 153,842     |                | Estimated deficit          | \$5,788,813    |
| 16,900      |                | Supplementary Estimates    | \$6,313,060.09 |
|             |                | Total estimated deficit    | \$170,742.     |
|             |                | Actual deficit             | \$76,551.69    |

The result of last year shows a net fiddle a la Nero or would they have ordinary revenue of \$5,436,508.40 and tried to save it? Their criticisms do an ordinary expenditure of \$6,313, not furnish much enlightenment. 060.09, or a deficit of \$876,551.69, in the Department of Public Works instead of the estimated deficit of \$170, has an over-expenditure of \$228,412.33 and an under-revenue of \$59,604.78.

Included in the ordinary expenditures is the sum of \$336,610.00 set aside from ordinary revenue for sinking funds which is a saving, properly speaking, rather than a disbursement and so treated by some of the other Provinces. And had we declared the result before accounting for the sinking funds, as some other Provinces do, instead of a deficit of \$876,551.69, we would announce a deficit of \$539,941.69.

The year 1934 was admittedly a very unlucky one from a financial standpoint. So much so, Mr. Speaker, that the difference between the actual and the estimated deficit can almost be traced to circumstances not in contemplation at the time of the passing of the budget, but rendered obligatory by emergency occurrences. To enumerate the principal and the more costly ones, we have: The building of a new ferry-boat; the heavy expenditures caused, last Spring, by extraordinary freshet damage to roads and bridges all over the Province; the exceptionally dry Summer, requiring, to meet the urgent demands of the people, a greater application of calcium chloride on roads than heretofore; and the severe forest fires which raged a large part of the Summer and which alone caused an over-expenditure of over \$140,000.

All these expenditures are attributable to unforeseen and uncontrollable circumstances, absolutely not in contemplation at the time of the passing of the budget, not of yearly ordinary occurrence, and more properly characterized as the Acts of God and the Public enemies.

Eliminating these very extraordinary expenditures, the result would not only be satisfactory, but it would indicate, that in spite of unprecedented difficulties which caused a falling off in revenue of over a million and a quarter, we are gradually approaching the balance of ordinary revenue and expenditure. To achieve this condition, notwithstanding the many necessities occasioned by the times in which we live, is a most important accomplishment, only rendered possible by determined efforts towards governmental economy.

And yet, Mr. Speaker, the examination of the ordinary expenditures do reveal a wide range of activities designed to stabilize conditions; increased attention devoted to agriculture and industrial research, to the problem of marketing the distribution. Larger sums of money given to create work to settle our people in the land; to stimulate the primary industry of agriculture; to maintain our great investments in roads and bridges; to educate our young people; and to protect the lives and property of our population generally.

All this, accomplished without the imposition of any new taxes, is showing not only creditable to the people, but one in which the Government may take a legitimate pride.

The people therefore will render us the testimony that we are not lacking in that quality of foresight so essential to the success of Government administration.

## Revenue and Expenditure

Passing in review, the revenue and expenditure of the several departments, we find that interest is more than the estimates by \$40,633.24. Legislation has an under-expenditure of \$264.66.

The Department of Attorney-General has an over-expenditure of \$5,020.08, and an under-revenue of \$3,514.38.

The Department of Agriculture has an under-expenditure of \$13,470.14, and an under-revenue of \$38.75.

Encouraged as it is under our regime, agricultural production is yearly increasing, so much so, that it now contributes over 26% of the yearly commodity production.

To achieve this magnificent result the Government contributed to agriculture, during the last five years, the sum of \$1,077,895, every cent of it well and deservedly spent, whilst our opponents, during their last five years had only given for like purposes the sum of \$464,462.33.

And so, when our opponents complain of expenditures, one wonders whether they wish to restore their old starving agricultural policy?

The Department of Lands and Mines has a revenue in excess of the estimates of \$71,357.36, and an over-expenditure of \$141,945.15.

Knowing that our forests constitute one of our most valuable sources of wealth, we did not hesitate, when raging fires threatened to destroy them, to place on foot the best organization possible to check the ravages, at a cost, over the estimates of \$140,786.87. What else could be done? What would our opponents who, without rhyme or reason, complain of over-expenditures, have done? Would they have let the Province burn and

After the railway construction ceased, a few years ago, partly supplanted, as it was, by other means of communication, it then became necessary to go to the highway construction to procure to the people, on the one hand, part of that work which was being eliminated, and to comply, on the other hand, with the necessities of the times which required highways of a standard construction. Bold, indeed, would have been the Government who would not progress with the exigencies brought about by these changed conditions.

So, Mr. Speaker, new highways have been built, old highways improved and straightened out, dangerous railway crossings eliminated, bridges widened and replaced by modern construction, and a uniform system of danger and direction signs erected.

The work has not only been done on the main trunk highways, but it has been allotted, according to the needs, in all the directions of the Province, bringing thereby our people in closer contact and greatly facilitating the exchange of commodity.

One of the characteristics of the construction of our highways, found nowhere else in Canada, is that the Government pays their entire costs, as well as fifty per cent of the roads running through incorporated towns. Under these conditions, it is apparent that our roads have cost a great deal of money, yet, less in comparison to those of other Provinces.

We, therefore, believe that the Government, in all this, has acted wisely and that the effects of this well advised policy are amply justified by the benefits accrued to the people and the constant increase of visitors coming to our Province.

All the provinces in Canada, have admittedly accomplished splendid work in this respect; but, if each one can truly say that in striving to ameliorate its roads, it is performing a national deed, then great indeed must be our merits when we are repeatedly being told that we occupy the first rank in that direction and so, when our hard-

(continued on page three)

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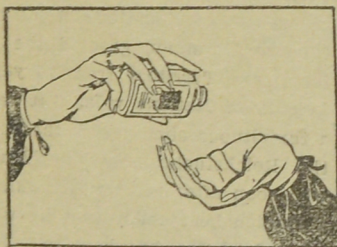
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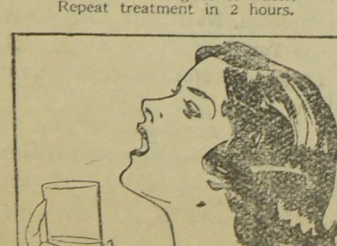
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