PUGSLEY'S SPEECH.

*Continued from second page.)

the case was not submitted to the court. The province of Nova Scotia was opposed to it because the Dominion parliament, by an act passed in 1880, diverted a part of that money to bounties for the Deep Sea Fisheries, although the property taken from us belonged to the Shore Fisheries. Of these bounties, the people of Nova Scotia receive upwards of $100,000 a year, while the people of this province but a palary thirteen thousand. This was done by the legislation of a party which was supported by the member from St. John, and which he says, thought they held the destinies of the country in the hollow of their hand.

Mr. Hazen—You supported the party also.

Hon. Mr. Pugsley.—I am glad to say that I left them in '96, when they submitted legislation to which I could not agree and in defiance of their pledges were determined to make Portland, Me., the winter port of Canada. When I ran as an independent member against them the hon. member from St. John was one of my warmest supportets and was opposed to the leader of the opposition who also ran. But my hon. friend crawled back into the fold and he is now supporting a party which he said had sought to ruin the city of St. John. I however, did not turn back and I am glad to say that I belong to a party which has in ten years raised Canada from an humble position in the first rank in the list of young nations. Today the eyes of the whole world are on Canada and thousands are hastening to its shores to build up for themselves here happy and prosperous homes. As one whose prosperity depends on the growth of Canada I have been ten thousand times repaid for my support of the present government.

The case of the attorney general against the St. John Lumber Company is one with which we are all familiar. That company had built piers which blocked the navigation of the upper part of the St. John river and their sheer booms diverted logs from the channel. I was asked to look into this matter and prevent the violation of the Ashburton Treaty and the rights of free and open navigation. I submitted the matter to the premier and the government decided that it was one of great public importance. The matter went to a hearing but the case has not yet been decided because of the illness of Mr. Powell, one of the counsel. Now let me ask the leader of the opposition, would you or would you not say that it was the duty of the government to take up this case and prevent the violation of the rights of our people. The case of Emmerson vs. Madison was another case of great importance to many people in this province. It has been held to be the settled law of this province that a squatter in possession of land for more than twenty years could not be deprived of his property for the mere issuing of a grant from the crown unless proceedings were first taken from the crown to outset him. The supreme court of this province decided the case on this principle. The supreme court of Canada Sir Louis Davies dissenting reversed this judgment and now the case has gone to the privy council of Canada. The report of the decision as it now stands would be to unsettle many titles and as the parties were poor we were asked to bear the costs of appeal and as it was a case of great public importance we undertook to do so. Taking all these cases together, do the hon. gentlemen think the $5,500 was a large sum for me to be paid for my services? I am leaving out of this account my services in connection with the question before I was a member of the government. Before dismissing this question I will refer to a small matter which has been brought forward by the member for Northumberland, the payment of the sum of $300 for my telegrams. The way in which telegrams are charged is responsible for this error. I have been absent a great deal from my office during the past year at Ottawa, Quebec, Montreal and elsewhere and when telegrams came to St. John for me when I was away they were repeated to me. The company had no means of knowing how they should be charged but when the bills were rendered it has been my practice to go through the items. Being very busy I did not exercise the same care this year, but when the auditor general's report was published, I saw the amount charged to me was so large that there must be some mistake. Had I said nothing, no one would have known anything about it.

Mr. Morrisoa—The public accounts committee had taken steps to look into the matter.

Hon. Mr. Pugsley—Before the public accounts committee met I went to the premier and told him I was satisfied thece was an error. He is a member of the public accounts committee. Was not that the honest thing to do? If ever the time should come that I have to steal I will not begin with $300. What the people of New Brunswick should be afraid of is not such paltry matters but drafts on contracts. Is it not greatly to the credit of this government that there is no breath of suspicion against them or the chief commissioner of public works on that score. In the letting of all the contracts he has made there has not been more than one case in which the contract was not let to the lowest tenderer. Nor should I forget to give a measure of praise to the solicitor general who although young, has done his work to the admiration of the whole people. The premier has been praised even by his opponents for the prudent way in which he has dealt with the finances of the province. The surveyor general although new to his office, gives the utmost satisfaction while the commissioner of agriculture administers to the department over which he presides with a degree of intelligence which is highly appreciated by the people. There has been much criticism of the loan of $550,000 obtained from the Credit Foncier. It has been stated that we were paying five per cent. on that loan, although we only paid four. Now the member of St. John says that instead of making a temporary loan at a higher rate than four per cent, we should sell our four per cent. bonds at par or a little more. The city of St. John has found it necessary to to obtain a temporary loan at 4½ per cent. for water works construction rather than issue its bonds although its bonds are untaxed. As the rate of taxation in St. John is 1.60 a four per cent. untaxed bond of that city is really carrying nearly 6 per cent. of interest. Let me call attention to the magnificent financial arrangement made by the premier in 1898 when our four per cent. bonds were maturing. He proposed to issue three per cent. bonds and Dr. Stockton who was then leader of the opposition, asked the House to condemn the government, because 94½ per cent. was not accepted for these bonds. The premier sold them for 96 free of all commission. The difference between three and four per cent. on this issue of bonds would amount to $8,000 a year, which if funded would realize $600,000 in forty years. That I think was a transaction, which reflects the greatest possible credit on the premier and justifies the letter which Mr. Stavert wrote to him.

The House took recess. After recess Hon. Mr. Pugsley resumed. He said, before proceeding to consider the finances further, I think it right the finances further, I think it right to call attention to an article which appears in the Gleaner in which reference is made to the act relating to the Independence of parliament. There seems to be some misapprehension in the mind of the editor on this subject, or else there is a deliberate attempt ta mislead the public. He states that the section in the act which permits the member of the executive to receive money for services was slipped into a statute recently passed at the instance of the government of which I was a member. This statement is of a piece with nearly all the statements made by the opposition and is absolutely untrue. That section was enacted by tis legislature as long ago as the year 1877 six years before the Blair government came into office and the same provisions were in a previous statute. It was reenacted in 1889 when the premier was a private member, and I was speaker and that statute of 1889 is the one that is in force today. The statement of the Gleaner therefore is absolutefy false and is merely another effort to spread false information.

Now as the premier being derelict in his duty as stated by the member for St. John, in not selling 4 per cent. bonds at par, I will call the attention of the House to the fact that if he can float 3½ per cent bonds at par it will mean a gain to theprovinceof $218,000 on bonds running for 40 years. If financiers believe the doleful tales of the opposition our 6 per cent bonds would not sell for par but fortunately they do not believe them for they have confidence in the resources of the province. I am glad to say, that the bonds of the province are going up in value. The quarterly list of investments published in London on the 15th of January last quotes the 4 per cent. bonds of the New Brunswick coal and railway company guaranteed by the province of New Brunswick were quoted at 106. A year and a half ago it was impossible to get a satisfactory loan on bonds there was such a demand for money in consequence of the war between Russia and Japan but now that peace has been concluded money will begin to flow in its natural channels. We may expect to see very large expenditures in this province at an early day. The cost of the Transcontinental railway will be at least one hundred million dollars and this money which will be expended in Canada for labor and supplies will come in mainly from Europe. I may here refer to the fact that the province of Ontario which is expending six million dollars in developing a newer portion of that province by means of a railway has effected a temporary loan instead of issuing bonds.

The financial critic of the opposition has stated that the auditor general's report does not show the true financial condition of the province. I take issue with him on that point. Any man who has the slightest desire to know the truth can easily ascertain it from that volume. He says that all the obligations of the public works department should be shown in the report. That is utterly impossible because at the close of the financial year there are always many contracts which are not completed. With regard to the provincial hospital he seeks to show that it went behind to the extent of $24,670 during the past year, but by referring to the report it will be seen that there was a balance carried from the previous year of $17.764, and that the excess of expenditure in 1905 over 1904 was less than $7,000 This increase was largely due to the increase in the wages of the employees.

Mr. Flemming—I wish to repeat that the deficit I have named of $24,670 is absolutely correct.

Hon. Mr. Pugsley—I repeat that he is seeking to convey a false impression. The statement in the public accounts shows that the expenditure was only $7,000 more than in 1904. But this sum has not added to the public debt, as stated by the gentlemen opposite. The balance of last year was provided for and paid out of the current revenue in 1905 and the balance at the close of 1905 is provided for in the estimates and will be paid out of current revenue this year. The member for Carleton says the amount paid for interest was $206,000, represents a debt of five million dollars. That is altogether wrong. The Dominion subsidies only come in twice a year while the territorial revenue is paid at the close of the year, but the business of the province must be carried on and its bills have to be paid. This is done by obtaining advances from the bank upon which interest is paid. To call these overdrawn accounts a part of our permanent debt is absurd as it would be to call the advances made by a bank to a lumberman a part of his indebtedness. Instead of our debt being five million dollars it will be seen that on the first of February this year it was only $3,597,346. This does not include the bond issue by the New Brunswick Railway Co. If they were added it would make our debt $4,241,315 or nearly $800-000 less than he has stated. It has been stated also that our debt is increased to the extent of $1,800,000 since 1899. A more grossly inaccurate statement could not be put on paper. The net debt of the province in 1899 was $2,600,000 so that the increase has only been about $900,000. How can the members of the opposition expect the people to have confidence in them when they put forward such absurd statements.

I maintain that this government has pursued a prudent ann statesmanlike course in its management of the affairs of the country. Let me instance the case of the railway from Campbellton to the St. John River, which will traverse a hundred miles of virgin forests, with a soil equal to any on this continent. This line will have a large business in fish from the Bay Chaleur and also in shingles, going to the United States by a shorter road than now exists. We found that ordinary subsidies would not be sufficient to build this road, so we guaranteed the interest on bonds sufficient to build the first fifty miles of the road. We provided that the rails should be of steel weighing 60 lbs. to the yard, the culverts of masonry and the bridges also of steel. A road is now being constructed as good as any in Canada outside the great trunk lines, with heavy steel rails and splendid bridges. I predict that as a result of building this railway, Campbellton will, in ten years, have a population of 15,000, or 20,000.

Now, with regard to the New Brunswick Coal and Railway Co., while some gentlemen may say that they are surprised and pleased at the proposition that has been made to lease this road, I am not surprised, because I have every reason to believe that with the increased production of coal and the almost immediate prospect of the Grand Trunk Pacific going to Chipman, there will be such a development of traffic that the road will easily earn from $30,000 to $40,000 a year. The average freight rates on coal is one cent per ton per mile and with an output of coal of 150,000 tons a year, which is a conservative estimate, the earnings from coal alone over 60 miles of railway, would amount to $90,000 a year. It is usually thought that the net earnings should be from 30 to 40 per cent. of the gross earnings. If we put them at 85 per cent., the net earnings of this road, from coal alone, would be $31,500 a year, without taking any account of passengers and other freight. In view of that prospect I think I should hestitate before accepting $21,000 a year. I feel confident that the Grand Trunk Pacific whatever route may be taken, will go to Chipman. I will tell you why. I have been told by the highest authority that there is an excellent route from Boiestown through Chipman, and more than that a few days ago I received from the solicitor of the Grand Trunk Pacific notices of branch lines which were to be applied for. This was accompanied by a map of both routes which have been suggested for that railway and both made Chipman a common point. That means that there will be a lrage traffic over this railway while the Grand Trunk Pacific is being built, and that after it is constructed the line from Chipman to Minto will be kept in constant and profitable use. The whole country will be stimulated and already new life is being infused into Chipman for a fine hotel is being built there, which will cost a large sum of money and will be equal to any hotel in any of the smaller towns of the province. Last year I introduced a bill to guarantee the bonds for the building of this railway, and in this bill authority was given to lease the road for 4 per cent. on the sum expended. This would be $28,-000. The prospects then were not so bright as they are today. The road is now beginning to earn money and I feel that we ought to hesitate before taking less than 4 per cent. I did hope that the members of the opposition would have taken taken a reasonable view of this question and given us their advice. I was surprised to have a memorandum handed to me stating that the road had cost $1,100,000, and that we ought to have 4 per cent. on that sum. I think that it is generally recognized that the subsidies to a railway are a gift and in any case I do not see what claim we would have to interest on subsidies given to a railway by the Dominion government.

The opposition have taken great pains to show that the public debt is increasing, but they have no right to condemn the increase of the debt that a prudent administration could have avoided.

They know well that a large part of this debt has been incurred for the construction of permanent bridges. Which of these bridges would the opposition say should not have been built? Their criticism fails if they cannot show that any one of these magnificent structures was a useless and extravagant work. Then again the debt was increased by the amounts expended for railway subsidies. In 1883, when Mr. Blair came into power he found legislation on the statute book committing the province to grant subsidies to numerous lines of railway, and he took the true ground that the act of 1882, pledged the good faith of the province to aid every railway mentioned in that measure. It would be most unfair to many sections of the country to stop the construction of those roads which had been unabled to comply with the conditions required as promptly as other railways so subsidized which should not have been built? While some of the lines are not in a high state of efficiency they have one and all done valuable service in developing the sections of the country through which they run and are fully justified the policy of the government is generously aiding in their construction.

When dealing with the item of interest the opposition speakers confined their strictures to what we paid out, and passed over in silence the funds the province received. We are receiving every year $26,464 in interest, from the Dominion government. We have kept the principal sum to our credit undisturbed for many years. Then we have in sinking funds in the bank $130,004 with interest accumulating year by year. These are among the things that the opposition have carefully concealed from the country during the present debate.

As Hon. Mr. Pugsley was suffering from a cold which affected his voice the debate was adjourned.

House adjourned at 10 o'clock.

THE REAL THING.

Ferdinand—And do you really love me!

Penelope—Love you, Ferdinand? Why only yesterday papa asked me if I wouldn't sooner have a pug dog and I refused.

CRITICISM DISARMED.

"The diamond in the ring you gave me is awfully small, Bob."

"Well, I told the jeweller it was for the smallest hand in all England."