POOR DOCUMENT

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PRACTICAL STEP TO GET ST. JOHN VALLEY ROAD

Government Decides to Guarantee Bonds for $15,000 a Mile

Premier Pugsley Gives Notice That if Canadian Northern Undertakes the Work the Necessary Legislation Will Be Passed---J. K. Flemming, Financial Critic of Opposition, Declares Province is Better Off Without the Increased Subsidy from Ottawa---Other Business of the Session.

Fredericton, N. B., March 22—In the legislature this afternoon Premier Pugsley gave notice of the following resolution:

"I stated yesterday that a proposal was before the government with regard to the construction of a railway down the valley of the St. John river from Woodstock to St. John.

"The government have reached a conclusion in regard to this matter and I rise to give notice that when bill No. 11 is before the house I will ask that it be amended so as to give assistance to the Canadian Northern Railway Company—McKenzie & Mann—to construct this line to the extent of a guarantee of bonds bearing four per cent interest at $15,000 a mile."

J. K. Flemming.

The order of the day being called, Mr. Flemming said:

On rising to make some observations to the house upon the financial affairs of the province and in answer to the statements of the attorney-general, I wish to be governed as on previous occasions I have been governed by moderation and regard for accuracy of statement. Last year I held in my hand the report of the public accounts committee and I said no more inaccurate or misleading a report could be produced by sane men. That statement may be applied to the report of this year. Last year the hon. solicitor-general, replying to my criticism, said the system followed in the report was a system in vogue since confederation and therefore apparently not open to criticism because of its age.

All listened with pleasure to the remarks of the premier during the past few days. Naturally there was more than the ordinary pleasure because of his eloquence and the flowery language in which he clothes his ideas. I lack the flowery eloquence of the hon. gentleman but the stern logic of facts stands in my support.

Says We're Better Off Without Subsidy.

After paying some attention to the premier's change of politics, Mr. Flemming said Dr. Pugsley has tried hard to give the impression that the opposition leader and his supporters have been opposed to the increase in the subsidies. That of course was necessary for political effect, elections being on the near horizon. I take the first opportunity to correct the impression he has sought to give. In 1903, as shown by the synoptic report of the proceedings, Mr. Hazen, seconded by myself, made a motion that an increased amount should be granted to the province by the dominion for the maintainence of government and legislature. Our position has not been that subsidies should not be increased. Unfortunately the condition of the provincial finances makes such increase desirable and necessary. That motion of 1903 simply voiced the opinion that the arrangement then proposed by the Tweedie government was unfair. The opposition take the same ground today. Incidentally I may say that it seemed remarkable to me that a challenge should be flung at the leader of the opposition for he is not a man to challenge with impunity. More will probably be heard of this challenge at a later date.

The province is to receive each year from the dominion treasury $130,000, the total amount given to it and other provinces is $2,372,088. Where does the money come from to make up this amount paid from the dominion funds? Every dollar comes from the people of the provinces. The population of the dominion, according to the last census, was 5,371,315, therefore it may be calculated that the per capita amount paid from the increased subsidies is 44 1-6 cents. New Brunswick has a population of 331,120 and receives a total of $130,000. Thus it will be seen the sum per capita paid the province is 39 cents. The province pays the dominion $146,244.60 and in return receives $130,000. It seems to me that after all there has not been accomplished by the government such a great feat of financing.

The stranger coming into the house while the honorable gentleman was speaking might believe the province to be wonderfully strong financially. I will show that the country is not as strong as the premier would have us believe. If as a practical man would do we review the finances of the province we find the matter of debt not a very pleasant one. The auditor general gives the debt at the great sum of $5,216,510.39. When people of a province of this size have such a debt it is time for thought and careful attempts to better conditions. In 1905 the debt was not $5,216,510.39, but $4,327,724.52, an increase in the gross liabilities of $888,785.87. In fairness I must say that part of the increase is $700,000 for N. B. coal and railway bonds. There remains, however, $188,785.67 not accounted for in this way.

Moreover in the statement of liabilities there is no reckoning of the $150,000 guaranteed by the government on the bonds of the International Railway. I submit that this amount should be included. The province has endorsed that $150,000 and should be included among liabilities. Added to $5,216,510.39 this $150,000 gives liability of $5,366,510.39.

On the credit side of the account there is the balance at Ottawa of $5,299.39, sinking fund investments, $147,907.04; consolidated revenue fund, $77,616.00; agricultural department, $1,347.01, and a last noteworthy item, estimated value N. B. Coal & Railway Co., $1,150,000. I must deal for a time with the Central Railway. If we accept the government valuation of the road we have a net debt of $3,310,340.86, as against $3,493,118.72, or an apparent decrease of $182,777.86. I was surprised when I read this in the auditor general's report, and today I take the ground that the condition of the province should not be altered by a mere matter of bookkeeping. Here on the liability side was given an item of $700,000 and to have shown the true condition of affairs the railway should have been when included among the assets placed at the same valuation. Whatever its true value the road should have been put down at the same figure on both sides. I wish to correct here a statement made by the premier. He said that the opposition leader had valued the road at $1,200,000. He has reiterated that statement and sought to convey to the people the impression that the government was very conservative in valuing the road at $1,150,000. But he did not point out when Mr. Hazen made such a statement nor will he ever do so.

Mr. Pugsley—I think he argued that we should not take less for the road.

Mr. Hazen—He might point out when I did so.

Mr. Flemming—I will wait for the hon. gentleman.

Mr. Pugsley—I think you had better go on.

Mr. Flemming—The most important statement made by the premier in his speech was that it is absolutely certain that the Central road will be taken over by the G. T. P. in a very few months. We have heard similar absolute assurances before and we and the people generally have learned that his certainties are frequently uncertainties and his assurances must be discounted at 95 per cent.

Mr. Flemming thus discussed the history of the Central Railway and declared it was not worth $1,150,000.

At the evening session Mr. Flemming made a long criticism of the government's financial statement, claiming that many accounts which should have appeared in last year's statement were held over.

In referring to the premier's project to secure a railway for the St. John river valley Mr. Flemming said:

It is only a few days since he announced that the Intercolonial might be extended up and down the valley from Fredericton. Then in his slumbers he saw the possibility of McKenzie & Mann taking up the matter and he said "That's a better idea."

I don't want to treat this matter lightly. I consider it very important. It will be of immense benefit to Woodstock and the line might be extended above Woodstock and other sections of the country.

The premier expressed his regret that the G. T. P. is not to come across the province. Yet at a Liberal convention in St. John a resolution favoring the valley route and supported by the attorney-general—

Mr. Pugsley—How do you know I was there?

Mr. Flemming—Would have had weight towards securing a choice of the valley route.

Mr. Pugsley—Not the slightest chance against the opinion of engineers.

Hon. Mr. Robinson moved the adjournment of the debate.

The house then resolved itself into committee to consider the bill authorizing the granting of aid to certain railways. Hon. Mr. Pugsley said that the bill had been before the house since the first day of the session. He had purposely brought it on early in order that the hon. members might have full opportunity of becoming acquainted with the provisions contained in it and have plenty of time for considering the subject. When they were first asked to grant aid to the International Railway they undertook to guarantee the company's bonds to the extent of $1,000 a mile for the first fifty miles.

Since that time the cost of railroad construction has increased to such an extent by reason of the rise in wages and cost of material that the cost of construction at present is not less than $5,000 a mile. This will be confirmed by any railroad man. The cost of labor alone had increased 50 per cent in the fifteen years. At the present time one of the greatest railway systems of Canada is applying to parliament for leave to increase its bond issue by $5,000 a mile. Mr. Schreiber, an engineer of vast experience, has certified that the cost of the line will be $27,339 a mile. This legislature has never refused to authorize less than $10,000 a mile and by reason of the increased cost of construction $8,000 a mile is not an unreasonable sum to guarantee. Moreover when the government agreed to assist the railroad it would be most unwise now not to further the construction of such a line opening as it did such a marvellous stretch of country over a distance of 110 miles. Still we felt we could not properly give further assistance unless the road was made in the most satisfactory and up-to-date methods.

This line is laid with sixty-seven pound rails, all steel bridges with stone abutments and no wooden bridges on the whole system. When the road is completed the engineers say that it will be in all respects as good a road as the Intercolonial.

Under these circumstances we felt that the company's application to guarantee $8,000 a mile was not unreasonable but as the legislature had already agreed to a subsidy for the whole distance we felt that the time had come to do away with further subsidies. Any further assistance would have to be by way of guaranteeing bonds and not by way of subsidy.

If the province gives its credit to the extent of $8,000 a mile this must be converted into a loan and secured by a mortgage on the whole of the railway, franchise, tolls and other property of the company with interest at 4 per cent. But for the first few years after the railway was opened it will not be reasonable to exact this interest and we would therefore allow a period of seven years after the railway was completed before it would become payable.

The interest at present is paid right up to date and although the line is at present only under construction its present earnings are enough to pay the interest on the bonds already issued, in fact the line is more than paying its way.

With respect to the other proposition that I mentioned, that is the railway between Woodstock and St. John, I intend to move that a section be added to the bill that the province be allowed to guarantee first mortgage bonds on that road at four per cent, not exceeding $15,000 a mile, as suggested by the financial critic of the opposition. Although I stated to the house as a not unreasonable hope that the line would be built I referred to the fact that as the I. C. R. was now extended to Fredericton it might be continued to Westfield and Woodstock. Since making that announcement I have been in communication with Messrs. McKenzie & Mann, who have promised that they would send their engineering staff to go over the districts and make a full survey and if after such survey matters should appear to be satisfactory they would undertake to make the railway.

That is why I am making a proposal to allow the government to make a contract with McKenzie & Mann to carry out the idea. They said they could not come to any definite conclusion until the route for the G. T. P. was finally settled.

As soon as this route was announced I again took the matter up and opened negotiations with them to get them to make this railway. They replied to me confidentially and I wrote them asking for a reply which I could make public and in reply to that they repeated formally what they had only previously suggested that they would send their engineering staff over the ground and if satisfactory arrangements could be made with the government for financial assistance they would undertake to make the road.

This is a definite proposition which McKenzie & Mann made to the province and the question the province has to consider will be whether they will accept this proposal or not.

Personally I think it would be only wise to do so. They are amongst the most satisfactory firms of railway builders in Canada. They are pushing their lines away in the north and west and it will not be many years before McKenzie & Mann will have a transcontinental railway extending from St. John to the Pacific.

I will not dwell further on the subject tonight but I do think that if we allow this opportunity to go by and neglect to avail ourselves of the proposal we would be doing a great injustice to the people. It may be said that if McKenzie & Mann are such a wealthy and well known firm why should it be necessary to offer to guarantee their bonds?

The reason is that by doing so we make their position stronger by the guarantee of the government and this adds to their credit and so makes it easier for them to carry out their undertakings.

They can get money more readily and at lower interest if backed by our guarantee than on their own name only. I do not know what the cost of this railway will be but I do not think it will be less than from $22,000 to $30,000 a mile.

I think this was about the cost of the transcontinental. It is not necessary to argue that it is in the highest degree desirable that this road shall be constructed. If it is desirable to construct the International Railway the desirability of constructing one along the St. John valley is much greater. It will open up a much more settled country which it is to be regretted has not been opened up before. On either bank of the St. John river for twenty miles on each side the farmers are hampered for want of railway communication.

Whether Messrs. McKenzie & Mann will use this proposed line as part of their transcontinental system I can only conjecture but I do know that the distance from Quebec to St. John over this route would be a saving of nearly 300 miles over the I. C. R. I would consider that it would be to the advantage of Messrs. McKenzie & Mann to do so. However, we have now a definite proposition from them which we offer this province.

Mr. Clarke asked the attorney-general if on proper assurances being given as to the bona fide of the Canada Atlantic Terminal Railway he would be prepared to advise the guaranteeing by the government of the bonds of that railway on the same terms as they were willing to guarantee Messrs. McKenzie & Mann's bonds.

Hon. Mr. Pugsley—I can only tell the hon. gentleman in a matter of this sort we propose to pursue a very conservative policy and the security must be gilt-edged. If he comes forward asking us to guarantee the bonds of a firm equally as experienced as McKenzie & Mann we would be inclined to guarantee their bonds but we would have no dealings with small firms.

Hon. Mr. Hill did not like the idea of coupling these two entirely distinct railways in one bill. He thought it would be much better to formulate a new bill dealing solely with the proposed St. John River Railway and leave the bill under consideration to stand as it was.

Hon. Mr. Pugsley said that the bill was entitled a "bill to grant aid to certain railways" and he saw no reason why they should be treated separately. They will be dealt with in different sections and this was frequently done in making subsidies and other grants to railways.

After some further discussion progress was reported.

The house adjourned at 10.45.

Fredericton March 22—The house met at 3 o'clock.

The Hon. Mr. Pugsley, in reply to Mr. Grimmer, stated that the reason for revoking the grant of $1,000 a year for twenty years for harbor improvements at the Ledge in the county of Charlotte would be found in the preamble to the act 54 Victoria, cap. 11 The town of St. Stephen having asked for the sum of $8,000 for the construction of a public wharf at that place. As to the question whether the government would renew this offer, it would be time enough for them to reply when such a request was made. When made it would receive very careful consideration.

Hon. Mr. LaBillois, in reply to Mr. Hazen, said: On several occasions Mr. James S. White has spoken to me in regard to the damage which he said had been done to his property by the Oromocto bridge. I visited Oromocto and it appeared to me that from the location of one of the piers in the old bridge an eddy had been formed which had damaged his intervale. It is difficult to say whether any damage has been done by the new bridge but I will have a thorough examination made and will see that no injustice is done Mr. White.

Mr. Hazen gave notice of motion for a committee of five to investigate the Restigouche election charges.

Mr. Grimmer introduced a bill to amend the act to incorporate the St. Andrews Land Company.

Mr. Robertson introduced a bill to amend the St. John Railway Company's act. He explained that its objects were to obtain an extension of four months in the time for completion extension of their railway to obtain power to aquire the stock of Carleton Electric Light Company and to borrow $300,000

Mr. Tweeddale introduced a bill to amend the act incorporating the Tobique and Campbellton Company.

Hon. Mr. Sweeney introduced a bill to incorporate La Societe Industrielle de Rogersville.

Hon. Mr. Pugsley introduced a bill relating to the University of New Brunswick. He stated that its object was to allow the alumni to elect four members of the senate instead of two.

Fredericton, March 23—The house met at 3 o.clock. Mr. Currie rose to a question of privilege. He said: In the Gleaner newspaper of the 22nd March I am reported as having, when speaking of the Presybterian church bill, spoken of a pastor wanting "to boss the whole job." I did not speak of the pastor as "wanting to boss the whole job." What I did say was that it has always been the moderator or minister's privilege to be chairman of the congregational meeting, but they did not always avail themselves of that privilege, as I did not think it was the spirit of our clergymen to "want to boss the job."

Mr. King introduced a bill to incorporate the Church Avenue Baptist church at Sussex (N. B.)

Mr. Morrisey introduced a bill respecting the town of Newcastle.

Mr. Copp introduced a bill to amend the acts relating to forest fires in the county of Westmorland.

The order of day being called Hon. Mr. Robinson said: In rising to address the house for the first time as a member of the government, it is natural that I should feel some amount of embarrassment having previously occupied a position removed from party politics with duties of a judicial character. I also feel somewhat diffident from the fact that the gentlemen who have preceded me in this debate have dealt with the affairs of the province with so much ability. The premier has submitted a financial statement which is very full and complete and has been followed by the member from Carleton who for some years passed has performed the duties of opposition critic with much ability. Still I feel that it is necessary for me to show the reasons why this government should be supported by the members of this house and by the people of this province. The member for Carleton has stated that the public accounts as contained in the auditor's general's report are misleading, inaccurate, and not capable of being understood by any sane man. This is a strong statement but one hardly capable of proof. If these accounts are so far astray how does it happen that he has been able to extract so much from them? I think by his own showing he has proved his criticism on the form of the public accounts to be without foundation. The public accounts are in sufficient detail to show the condition of our finances and I think that in form they are better this year than they have been for some years past. The honorable gentleman made a severe attack upon the premier because he was once a Conservative. Ithink it is Emerson who says that "consistency is the bugbear of little minds." The premier is a constructive statesman and I can easily understand how he could follow the leadership of Sir John A. Macdonald who was also a constructive statesman. But when the Conservative party fell to pieces, and dissensions broke out in its ranks, and when Sir Wilfrid Laurier, a constructive statesman, came into power, it was but reasonable and natural that the premier should ally himself with the party of progress. I think that instead of being censured for this course we should honor those who have the courage to place patriotism above party, when the object is to upbuild this great country of ours.

We have heard criticisms in regard to the new subsidy of $130,000 which has been obtained from the dominion government, and both the leader of the opposition and the member for Carleton have attempted to show that New Brunswick has not received a fair bargain leaving it to be inferred that if they had been in power they would not have accepted it. I agree with the premier that if these gentlemen mean what they say they should introduce a resolution condemning this bargain and we are prepared to stand by what has been done and we believe that this bargain will receive the approval of the country. It is idle to say that we are losing by this new arrangement. I find by reference to the customs returns that the duty collected in New Brunswick amounted to $1,391,613 or 3.38 per cent of the whole customs revenue of Canada. If the new subsidy had been based on that proportion we would only have received $91,000, whereas we are receiving $130,000, which is 5.48 per cent of the whole amount of the new subsidy given to all the provinces. I do not put this forward as a proper argument but merely to show the fallacy of the statements made by the opposition. Nor is it true that this money will come out of the people of New Brunswick. For several years past, the surpluses of the dominion government have been very large, going on one occasion as high as $15,000,000 and these large amounts will be available either for the public services of the dominion or to assist the provinces with more revenue. We are not losing a single dollar by this arrangement and I think that this government is to be congratulated on being able to accomplish this result and obtain a subsidy which the opposition told us we would never get.

The premier has been called optimistic but surely this condition of mind is better than a policy of despair. The opposition have shown no sympathy with the government's efforts to improve the condition of the province. A great deal has been said about the amount the province is paying for interest. No attempt has been made by the government to conceal anything. All the accounts have been placed before the house. If we are paying interest we are not the only province that is doing so. If the board of works has an overdraft we know that this has arisen from the necessities of the province and the maintenance of its public services. These services must be attended to and I see no reason why the opposition should find fault. If they were in power tomorrow they would not spend a dollar less than we are doing. I have been a member of this house for nine or ten years and I have never yet heard them object to any public work or say that it was not necessary.

The opposition say the debt of the province is increasing, yet they are constantly asking for things that tend to increase the debt. Take the Hartland bridge, for instance, the two opposition members from Carleton demanded that this bridge should be made free and that the government should assume the cost. Thus the debt was increased.

The highway act has been very severely criticized and the opposition has been very active in endeavoring to make it unpopular. I would speak for my own county and can say that in Westmorland the prejudices against the act are being rapidly removed and I for one am not afraid to appeal to the electors on that ground. The difficulties the act has met with had several causes. The first year there was no money to expend and so one year was lost and the roads were more or less starved. Last spring owing to the frost the roads for some time were in a bad condition, and there was a good deal of grumbling which mostly came from our opponents. I noticed in the St. John Globe that Mr. Morrison had stated that the cost of the provincial hospital in 1906 was $6,000 more than 1905. A reference to the auditor-general's report will show that this statement is entirely without foundation.

Mr. Hazen took the objection that anything that occurred in a committee of the house could not be discussed until the committee had reported and the speaker sustained the objection.

Hon. Mr. Robinson—I bow to the decision of the chair but I may refer to the auditor-general's report which shows that the expenditure of the provincial hospital last year was $77,641 or just $158 more than the previous year.

The agricultural policy of the government has been criticized by the opposition but I do not purpose to make any extended remarks on that subject. Figures have been quoted by the critic of the opposition with the view of showing that the results of the government's policy are not satisfactory. He even criticizes the government for putting the salary of the commissioner among the agricultural expenditure. All the officials' salaries in the agricultural department have always been charged in the same way. The matter is merely one of bookkeeping. What is more important is the fact that the farmers of this country support the agricultural policy of the government and will continue to support it.

With regard to the railway policy of the government, I am heartily in sympathy with it. I think we should all feel delighted with the bold business-like way in which it has been placed before the house. It would be very sectional for us who live in Westmorland to object to the building of a railway in Restigouche and it should always be remembered that we are receiving from that county a very large revenue from stumpage. There is no part of a province which is better suited for settlement than that part of Restigouche through which this railway passes. It is far better for us to guarantee the bonds of a railway and have a first class road than to give a subsidy to a little one horse line which is not capable of carrying heavy traffic. We in this province cannot sit still and rest on our oars. We have great resources and the finest people in the world and these people want facilities for travel.

The railway from Chipman to Minto which we have built is going to be a great asset. We have been criticized because we have not built in to Fredericton as originally proposed but now that the G. T. P. has been located the need of the extension to Fredericton is done away with for there will be connection between Chipman and Fredericton by means of that road and the Intercolonial. This road has cost the province some money but if a sum which we expend will give us an adequate return we should not be afraid to expend $100,000 or even $1,000,000.

Then as regards the railway down the St. John river valley. We who live in Westmorland are pretty well supplied with railways and we all recognize the need of a railway down the river. This as a mere local line might not pay but it will as part of a great continental system. It will traverse a country that is well settled, rich in agricultural wealth and that is shut out from the rest of the province during the winter. I do not suppose that even our opponents will argue against the building of this road or that there is one of them who will object to the proposed guarantee of bonds if properly secured. It seems to me that this is the best railway proposition we have ever had and I for one feel that the people who live in my section of the country are generous enough to stand by this proposal. This railway is the more important because of the facts that it will bring traffic to our commercial metropolis, St. John, and the development of St. John means benefit and growth for the whole of the province. We can all see a bright future for the province along these lines. The city of St. John with its new connection will go ahead by leaps and bounds and every part of the province is interested in the growth of St. John.

No one, I think, will deny that this government is a constructive government, watching for opportunities to assist in the development of this country. The province is not the same as it was in 1882 for our expenditures have naturally increased and we are giving much more money to education, public works and other services than we did then. The education grant alone increased by $52,000 and there will be a further increase of about $20,000 for the benefit of the teachers when our new subsidy is obtained. Certainly there is no class in the community which is more worthy of consideration than our teachers.

A great deal is being said by the opposition in regard to the debt of the province but after all is our debt such a burden? It amounted to just $10.20 per head of the population as compared with $40.37 for British Columbia; $91.02 for Newfoundland; $209.10 for Victoria; $333.67 for New Zealand and $386.24 for Queensland. The debt of the city of Moncton, where I reside, is about $60 a head and we were told the other day that the debt of the city of St. John is $116 a head. In view of these figures I say that in New Brunswick we are not going beyond our means. In fact some might think we are going too slow. If we consider what our assets are there is certainly no portion of Canada that is in a better financial condition. There is no better test of the prosperity of the people than the amount they have in the government savings bank and in this respect New Brunswick stands ahead of every other province. In 1904, which is the last return I have, the people of New Brunswick had in the savings bank and postal banks $10,310,511 or $30.83 for every man, woman and child in the province. This is nearly double the amount held by the people of Nova Scotia, who have in the savings banks $17.49 per head and more than double the amount held by the people of Ontario, who have $13.29 per head. The average over all Canada is $12.72 per head.

After all, liabilities are no proof of lack of prosperity. If they were the banks of Canada would be in a very poor condition. As a matter of fact there are no banking institutions in the world more prosperous although their liabilities have increased to the amount of $388,000,000, in ten years.

I believe there is no province in Canada in which the average condition of the people is as good as it is in New Brunswick. Let us take a glance at the resources of the province. We have 10,000 square miles of well timbered land on which there is an average growth of 300,000,000 superficial feet every year, while the amount cut annually is considerably less than half that. It follows therefore that our crown lands are constantly increasing in value and surely some credit is due to the policy of the government which has conserved our forest wealth. A former government of this province gave away 1,600,000 acres of our crown lands worth at the least calculation $3 an acre, while this government pursues an entirely different policy and keeps the crown lands of the province in a constant state of improvement.

There is another matter and a very important one in regard to which I wish to speak. This $130,000 which we are to receive from the dominion government may be so applied as to greatly reduce our interest accounts and in the end wipe out our entire indebtedness. This province has $440,000 worth of six per cent debentures falling due between now and the year 1911. There are other debentures falling due within the same period amounting to $2,652,000 on which we pay $125,181 interest. It is the intention of the government to set aside this sum of $130,000 a year for the payment of special debentures to be guaranteed by the government of Canada. We hope to negotiate these debentures at three per cent or near it and this will save us at least $30,000 in interest, which sum will be set aside as a special sinking fund for the repayment of the debt. In fifty years this sum, principal and interest, will amount to $3,483,000 or considerably more than the net debt of the province. I think that this measure will commend itself to every member of this house.

In conclusion I might say that there is nothing in the state of the province which makes it necessary to take a low view of our position. It is our duty to realize our magnificent resources and to go forward prudently, yet firmly, on our way. There may be other sections of this country which have greater wealth at present but the future is ours and we will do our best regardless of criticism to assist in accomplishing the prosperity of this province to which we belong.

Mr. Grimmer—It affords me much gratification to congratulate the honorable member who has just spoken, upon the excellence of his maiden speech. Whilst he occupied as he did for so many years, the place you sir now fill, it was our pleasure to know him as one willing to recognize the rights of the minority as well as those of the majority. I have hopes that his advent into the government will tend in the same direction, and if he does not bring to the government, in these their last hours, a tower of strength he has the promise of a fine future which I am sure all of us hope will be realized.

I am disappointed that the honorable gentleman was put up to answer the member for Carleton who spoke yesterday, and I have considerable sympathy for the solicitor general who should have followed him. Last year the solicitor general did reply, and with his last year's experience he should have been able easily to annihilate his fellow member from Carleton and so added further honors to his prestige in the county.

It is necessary that I should make some remarks upon the public accounts, and in doing so I will say that I am inclined to agree with the last speaker, that on the whole these accounts are in a little better shape than in previous years, but still that does not alter the fact that better though they be, they are still most inaccurate and misleading. They are not kept as any business firm would keep their books, for they keep their books in such a way that you can put your finger on any item that you may wish to find in a moment, and at the end of the year you can tell to a cent what amount of profit or loss has been made. With the public accounts as presented by the government of this province, it is necessary to have the patience to dig out of the jumble of figures the actual financial position of the province today.

The honorable gentleman has made a great story out of the increased subsidy. For thirty-three minutes the premier on the day that he commenced his speech, dilated upon the services of the government towards getting this additional subsidy. For the space of twenty minutes again on the second day he discoursed on the same theme, and even on the third day he couldn't refrain from repeating it over again, and now the honorable gentleman, who has just spoken has taken up the same old story. Let me tell him that all his party don't agree with him; even the newspapers which are supposed to voice the sentiments and views of the Liberal party, describe the settlement as a bad bargain. Notwithstanding all that has been said by the premier and his lieutenants, I say that this province is paying the sum of $146,000 annually into the coffers of the dominion treasury in order to get back the sum of $130,000 as subsidy. We don't say that the bargain was altogether a bad one, but we do say that it could easily have been made very much better. Would the gentlemen who are responsible for the management of the St. John Sun imperil their credit and veracity by wilfully saying that we are paying $146,000 away in order to get back $130,000 if it were not true? We on this side of the house were not opposed to taking the subsidy by any means, but what we do say is that the amount is nothing like what we ought to have had, if the ministers of the province had done all they could have done.

The honorable premier was also at some pains to defend himself against certain charges of inconsistency in his political career. He need not have troubled to do anything of the kind, for we all know he is very well able to take care of himself, particularly when the loaves and fishes are being distributed.

The honorable gentleman is a man of parts. At present of three parts. He is premier, attorney-general and provincial secretary. He divided his speech into three parts; subsidy, railway policy and general provincial prosperity, and he took three days to deliver it. I have heard it said that there is an election in the air and that the honorable gentleman's speech was an election speech from start to finish. I would not like to accuse him of that, but a good many things in his speech might give color to such an idea. First there is the question of the dry dock of St. John. One of the honorable members from St. John has been trying for years by persistent agitation to get the government to take the matter up, and has always been refused. Now on the eve of the general election the bird of hope comes sailing along with the promise of aid in that direction, but I hope my honorable friends will not be led astray. The bird is still on the wing, nay it is in the bush.

He also referred to the great developments which might be expected of the water power at Grand Falls. He has kept himself in touch with all the great railways of the country, Messrs. McKenzie & Mann and other railway authorities. But what is he going to do with the G. T. P. when it comes to New Brunswick? The steam locomotive is to disappear and give way to the electric motor. Fire and destruction in our beautiful forests are to be done away with and all from the wonderful powers of the Grand Falls. There is to be no more speculation in the lands of the province. He knows nothing about such matters as speculation in land himself, he knows nothing of the profits to be derived from speculations in land in the west. He is going to set aside one mile along each side of the line for settlers to obtain the benefit of on easy terms. What is the motive behind all this?

Then again he comes down with the St. John Valley Railway. He told us that the efforts of the present minister of railways, greatest and most wonderful minister Canada ever knew, was going to spread its railways all across the city of Fredericton, and take it up to Woodstock and make a transcontinental line of it; but this vision has now disappeared. It occurred to him that it might be of use to apply to Messrs. McKenzie & Mann and get something of them to apply towards his election campaign.

He got a telegram one day and on the strength of that he told us that he was going to introduce a bill to enable McKenzie & Mann to build this railroad and he would guarantee $15,000 a mile. He tells us that they will come and survey the district and get to work as soon as the money is found. He didn't go so far as to say that the line would form part of a transcontinental system and he didn't care if it did or not. Messrs. McKenzie & Mann have been seeking for years to find an outlet on the sea coast of this province for such a line as that. We heard all this same thing twelve months ago when there was some talk of an election before. There has been a proposition for many years before the country to make this line along the river bank and the result is that there has been a survey of two or three miles towards Springhill and there the matter always stops. But it is a proposal worthy of every assistance, if the line is to be a transcontinental one, but if it is to be merely a local line I will be sorry to have anything to do with it. It would not earn sufficient to pay for axle grease. It would be like the New Brunswick Railway heavily subsidized and bringing no return.

The honorable gentleman who has just spoken said he did not intend to deal with minor matters or matters of detail but only the larger and more important ones. I am sorry I can't do the same. Had he looked into the smaller things he would have done more good than he did. It will be necessary for me to give some figures in detail as they appear in the auditor's report. I have no desire to make any statement that is not correct nor any statement that cannot be substantiated by reference to the book. Firstly, the debt of the province. This has grown by leaps and bounds in the last twenty years. When the late Mr. Blair was in office the debt was comparatively small, but the swollen condition of affairs now calls for a good deal of comment.

The house took recess till after tea.

After recess Mr. Grimmer continued his debate. He said, I was discussing the consolidated revenue fund and particularly the condition of the fund as relating to the ovedraft and I claimed that a portion of the overdraft amounting to upwards of $69,000, was advanced to the road superintendents in 1906, but charged to the account of 1907. It was stated to me that this was covered by the overdraft from the Bank of B. N. A., but if so I cannot discover it from the accounts as printed.

Last year I called attention to the increase in expenditure in the government departments and the same remark applies this year though to a lesser extent. There has been an increase in these expenses every year since 1901. However, in the matter of travelling expenses for the year there has either been considerable less travelling done, or else a marked change in the manner of charging up the costs. From the figures in last's accounts I say that in past years there must have been either considerable exploiting of the finances of the province or else they have not been properly charged up. I notice that the attorney general's expense account is as usual somewhat large. While it is not quite so glaring however, as in 1905 he has not exactly received nothing for his services. The little item for extra services amounting to over $6,000, is not a bad salary in itself. In the administration of justice we have quite a number of legal gentlemen assisting, fluttering as one might say as satellites round the central planet, their services cost $1,700 odd. Altogther the total amount of extras in this department is over $9,000 which the honorable gentleman could not bring himself down to the level of discussing.

The subject of agriculture is the one upon which the government claim they are going to the country upon. The grant in aid of this branch has diminished every year since 1900 and under the fostering care of the present government there has been a decrease in the yield of wheat and production of cheese.

We have had a large expenditure under the beneficient influence of our vaunted highway act. The people have enjoyed the benefit of this act for the last two years and we have not sufficient money to satisfy the spending capacity of the chief commissioner so we have to resort, as I said before, to the Bank of B. N. A. for assistance. Where is the money coming from to fix the roads this year? The chief commissioner spent this year's money in 1906. Is he going to do the same thing again this year, and charge it in 1908? I see nothing else but this.

In the matter of education the honorable member for Westmorland spoke of what the government had done for the country. It is true the grant has been increased but not increased in proportion with the demand for better education.. I hope the honorable gentlemen opposite are sincere in their remarks as to their desire to increase the welfare and prosperity of the province and I hope that in a few years, some of their aspirations may be realized.

Hon. Mr. Jones moved the adjournment of the debate.

The Hon. Mr. Pugsley presented the report of the Moncton Hospital up to June, 1906.

Hon. Mr. LaBillois introduced a bill to amend the N. B. Election Act and it was read a first time. On motion of the Hon. Mr. LaBillois the bill on the ground of urgency was then read a second time.

Hon. Mr. Pugsley said that as there was at present a bill relating to the election law before the standing committee on law he would move that the bill just read be also referred to that committee so that the whole subject might be considered at once.

Hon. Mr. Farris introduced a bill to legalize the list of electors for the parish of Chipman for 1907.

Mr. Hazen introduced a bill to legalize the valuation lists for the county of Sunbury for the year 1906, and the assessment list for 1907 and in doing so explained that valuators were appointed for Sunbury county in 1906, but owing to the illness of one of them they were not able to complete their labors that year and the act says that valuators must perform their duties in the year they are appointed.

House adjourned at 9.45.

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