

LONG DRAWN OUT BUDGET DEBATE

J. D. Hazen Assails the Government on Along the Line

PUGSLEY REPLIES

Attorney General Tells Why They Decided to Develop the Queens County Coal Fields and the Opposition They Encountered - Mr. Osman Also Spoke.

Fredericton, March 28.—The house met at 3 o'clock. Hon. Mr. Pugsley, in reply to Mr. Hazen, said: Of the shares of stock held by C. N. Skinner in the N. B. & C. Railway Co., which are founders' shares authorized by act of the legislature, ten shares were allotted to him in his own right and the remainder in trust to use the same for the purposes of the company in procuring an assignment from the Central Railway Co. of the Dominion subsidy for the railway from Chipman to Fredericton which the Dominion government had by contract agreed to pay to the Central Railway Company, also for the acquiring of 2,000 outstanding shares of the Central Railway Company of the par value of \$200,000 held by parties in the United States to qualify persons whom it might be regarded as in the interests of the undertaking to have as directors and to pay amounts due for costs, expenses, charges, and services in organizing the company, etc. Likewise in acquiring coal areas held by the Provincial Coal Company. In order to remove a misapprehension under which some hon. gentlemen opposite seem to be laboring I may say that these shares are not entitled to participate in the earnings of the company until after payment of interest on the guaranteed bonds, principal and interest of the government loans and all other interest charges and liabilities of the company.

J. D. Hazen. The order of the day being called Mr. Hazen said: I have listened with pleasure to the speech of my hon. friend from Carleton county, who sits beside me and who although he has spoken many times on financial subjects has never before uttered a criticism so clear and strong and able as that which he delivered the other day. I have also followed the speeches of gentlemen on the other side, in which they undertake to break down the effect of his speech, but I am doing them no injustice when I say that they have entirely failed to remove the impression which his speech has produced.

My hon. friend from Victoria, who defended the government, claimed that the opposition had acted unfairly in their criticism. I think that accusation comes with an ill grace from him considering his own record for fair play for in the course of his speech he said one of the most unfair things I ever heard uttered on the floor of this house. He thought to create the impression that the member for Carleton had suggested an increase in the country school rate from thirty to fifty cents. The fact is that this suggestion was made by the premier himself.

He also finds fault with us for our criticism of the highway act. He himself is in an awkward position with regard to this act. As a municipal councillor he took a very active part in championing the rights of the municipality, whom he claimed should be entrusted with the expenditure of the road money, that having been his position before he became a member of the legislature. Last year he voted for the highway act which takes all control over the road money out of the hands of the municipality.

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is no doubt that the first year profits were away with the idea that it would be a good thing to raise wheat. The government claimed that in a few years it would not be necessary for us to import wheat and that the money expended there would be kept in the country. Figures show that the people have been better off than with wheat. The money that was expended in the country, however, would be impossible for the school to pay more money to position with a greater than the income. What we wanted at the same time last year of 1894 that with a revenue of \$1,000,000 greater than in 1894 the public service was getting more than they did ten years more money an increase in the revenue. With such a reasonable to expect that it should be given to these educational purposes directly benefit the people, such that culture and education.

We claim that the controllable expenses are being starved. How much money is being spent for roads than when the revenue was much smaller than it is now and I am assured that the condition of our roads was not as good as it was fifteen or twenty years ago.

I am not in the habit, like the attorney general, of rising to questions of privilege when ever I see a statement in a newspaper that I do not like. But I must refer to an article which appeared in the Woodstock Sentinel of Friday last headed "Where did the money come from?" in which I am accused of assisting to put up the \$1,000 for Mr. Simms in connection with his election petition. I desire to say that the statement in this article, so far as it refers to myself, does not contain a single word of truth. I do not know where the money came from and I did not contribute one cent to it.

The solicitor general in referring to the financial condition of the province endeavored to place the blame of the large debt on previous governments. He said that this debt was contracted in consequence of granting subsidies to railways, but that would not account for the increase which has taken place in the public debt since 1894, amounting to \$1,102,000 for all of which the present government is responsible.

It is not extraordinary that with a revenue of \$90,000 larger this year than it was last year the government can only claim a surplus of \$5,000, which was not a true surplus at all.

The provincial secretary in the course of his speech gave the opposition a great deal of kindly advice which we will receive with all due humility, but if we were really looking for advice as to our course of conduct he is about the last man to whom we should apply.

In one breath our opponents tell us that we are opposing everything and in another that we sit here like whipped children. The fact is that the opposition have not hesitated to support government measures that they thought good for the province and are deeply interested in what may be done today, notwithstanding that the development has been retarded by reason of unwise difficulties. I have as strong hopes, as abiding faith in the capacity of the province to overcome the enormous and prosperous development of these coal areas as ever I had.

Perhaps it is my duty in this connection to justify before the house and before the country our attitude towards these great enterprises. I do not justify our action in that matter, nor in any other connection with the coal fields. I do not justify our attitude towards these great enterprises. I do not justify our action in that matter, nor in any other connection with the coal fields.

Do not Like Fishery Policy. The premier challenged us to state our position with regard to the fisheries question. This was fully stated in 1902. I may say here that I think the government has acted most wisely as regards their fishery policy. It is many years since the inland fisheries were held to belong to the province, but at no time since then have we had a fishery policy.

With regard to the Halifax award, we moved an amendment that before this claim was adjusted the government should be satisfied that the government of Canada would continue as heretofore to provide for the due and proper administration and protection of the fisheries. This view of the matter must commend itself to all sensible men.

Almost every year, in the course of the budget debate, the premier has told us of some great scheme by which the province was to be enriched. A few years ago it was oil in Westmorland and Albert which was to make us all wealthy, but now he says nothing about oil. A little later we were told of the enormous revenue the province would derive from royalties on coal, but now we hear but little about it. Now we are told of another grand plan for the development of the water power of Grand Falls. This is not a new question for several years ago Sir William Horne and other capitalists undertook to develop this power, but they did not carry out their work. Now another company of capitalists of New York has taken up the question. But why does the government claim credit for this? They did not create the power, and why should they indulge in vain boasting? We have no statement from them that the loss of the power will give the province any revenue. My position is that these powers are assets which should give us a revenue and that

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a rent, privilege should be placed on these hon. Mr. Pugsley - We will obtain a rental the amount of which will be \$1,000. Mr. Hazen - The province is a large sum that the province is to get no benefit from the house and before the hon. Mr. Pugsley - We will obtain a rental the amount of which will be \$1,000. Mr. Hazen - The province is a large sum that the province is to get no benefit from the house and before the hon. Mr. Pugsley - We will obtain a rental the amount of which will be \$1,000.

Without making it possible for the honorable gentlemen opposite to address the house, I was hardly attacked upon the government, and I have been particularly the subject of adverse criticism. We find the opposition speaking in a very different tone and energy to finding fault with the government for its work in connection with the development of the great coal fields, in which I, in common with the other members of the government, and many men who are not in the government, have taken the whole career and pick out here and there a case that may be said to justify their criticism. The development has been retarded by reason of unwise difficulties. I have as strong hopes, as abiding faith in the capacity of the province to overcome the enormous and prosperous development of these coal areas as ever I had.

Only Asks Impartial Inquiry. There have been hindrances and there have been disappointments, but I have only to ask any member and man who is skeptical regarding the future of the coal fields, to go to St. John and ask the manufacturers who are using this coal, regarding its qualities, to ask the Intercolonial and the New Brunswick Railway, which they have subjected to the most severe tests. Go to these sources for several years ago Sir William Horne and other capitalists undertook to develop this power, but they did not carry out their work. Now another company of capitalists of New York has taken up the question. But why does the government claim credit for this? They did not create the power, and why should they indulge in vain boasting? We have no statement from them that the loss of the power will give the province any revenue. My position is that these powers are assets which should give us a revenue and that

Difficult to Interest Capital. It is shown to the house and to the country that those deposits contained 150,000,000 to 200,000,000 tons of coal, and that the time had come to take progressive action towards making this great wealth available to our people. It was difficult to interest capital in the undertaking. All the influence of the coal miners of Nova Scotia were against touching the deposits of this province. All possible influence was brought to bear upon the I. C. R. to prevent them from giving the New Brunswick coal a trial and any encouragement as to its use by the railway, as that meant to take away some of the trade which the Nova Scotia coal mines enjoyed. The government recognized the difficulties which those who would take hold of the enterprise would have to face, and it was upon those considerations that we consented to take hold and help.

The provincial secretary and the attorney-general were made members of the board of directors ex officio of the developing company, so that our connection with the enterprise was a public matter and made for the good of the province and that provincial interests might be more assuredly safeguarded. I would say that the house that while a number of gentlemen were invited to lend their influence and ability to the enterprise they were not asked nor expected to put much money into the enterprise. The government had careful surveys made of the proposed line of railway from Chipman to Fredericton, and it was thought best to first build the section from Chipman to the coal fields at Newcastle, and the contract was let for that work, the idea being to develop the coal areas along with the construction of the railway. I am free now to say that had we foreseen the difficulties and the expense of keeping up the bridge of the Central railway we might have recommended commencing the railway at Fredericton and extending eastward to the coal fields. It being 6 o'clock, the house took recess. The house reassembled at 8 o'clock, and Hon. Mr. Pugsley continued his speech.

Committee Meetings. The public accounts committee was engaged this morning with the asylum accounts. Dr. Anglin and Messrs. Quinton and Boyne were present. The latter explained the system of tendering for provisions, the tenders whose prices were lowest in the aggregate getting the tender. The steward stated that considerable quantity of Quebec county coal was being used in the institution. As a result of reforms made by the superintendent, the bill for drugs was only about half the usual sum. The opinion was expressed by some members of the committee that it would be advantageous to bond the overdraft, which could be done at four per cent. The committee on municipalities discussed the assessment of the various parishes of the city and county of St. John. Mr. Innes appeared on behalf of the municipalities and the municipal committee with respect to the property of married women. There was considerable discussion with regard to the section assessing the property in the name of her husband, and this matter will be discussed in the course of the afternoon in regard to the means of recovery for taxes and the amount of \$80,000 there was more fully discussed in the house.

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country have approved of this policy and will continue to support it. The members of the opposition seem to gloat over any evidence of want of progress. Nothing apparently would please them better than that some great disaster should befall the province for which they could blame the government. Nothing that the government proposes to do for the development of the industries of the country or to add to its prosperity seems to please them. It is true that we are not always able to progress as rapidly as we would wish, but the people will appreciate our efforts and continue to support a government whose watchword is onward and upward.

Difficulties of Great Undertakings. My honorable friend, the leader of the opposition, has had brought home to himself a knowledge of the disappointments of those who try to complete any great work. There are always difficulties which have not been foreseen. Take the construction of the C. P. R. which was undertaken by men of great experience with an enormous subsidy in money and land. Yet after they had done a certain distance they became embarrassed and could not complete the work. They went to the leader of the government, Sir John A. Macdonald, and if he had not advanced them \$30,000,000 the work would have collapsed and the enormous development of our Northwest would not have taken place. Now that road has obtained so wonderful a degree of prosperity that stock which was only worth 40 cents on the dollar is now worth \$1.50.

My honorable friend has been in public life a long time, but so far he has done nothing in the way of building up the interests of the province. He became a representative of St. John in the house of commons at Ottawa and had a chance to do something in the interests of his constituency. But there is nothing in his honorary career which can be said to have accomplished, except in assisting to destroy a great industry.

The Central Railway. Hon. Mr. Pugsley - It is easier to test done than to build up. He went out of his way to attack the premier for some transactions that happened fifteen years ago, or I would not have mentioned these episodes in the honorable gentleman's career. The honorable gentleman from St. John attacked the government because of their dealings with the New Brunswick Railway and Coal Company. He referred to the 223 shares of stock which has been issued as paid up and characterized this as a financial and loading down the railway with an enormous debt. He apparently did not know that the Central Railway Company had 8250 shares of stock issued in addition to \$300,000 worth of bonds and all this stock and bonds was surrendered and discharged on the records and a clear title given so that instead of \$825,000 worth of stock there is now only \$82,500 worth, and yet the honorable gentleman from St. John says that they are loading down this railway. Does he not know that this stock cannot draw any dividends until all the other liabilities of the road are met? And even if a dividend of six per cent were declared on this stock it would only amount to about \$3,000.

Reference has been made to the Beersville Railway and we have been attacked for assisting it. What are the facts? It was shown to us that there were valuable deposits of coal there and we were asked to aid in building the line. We agreed to do so; so far the government has only paid out \$100,000 on account of the subsidy; the other being held back for the purpose of insuring the carrying out of the undertaking to keep the road in operation regularly. The member for Carleton in referring to the Grand Falls water power, states that we are not entitled to any credit for that. But who is it that began the policy which has enabled this water power to be developed? It was this government. The first company of which Sir Wm. Van Horne was a member abandoned the enterprise and it has been taken up by a

number of gentlemen who are connected with the Ferns Manganese Company which was incorporated some time ago. This is the outcome of the government's policy with respect to that matter and yet they say that we are not entitled to any credit. My honorable friend complains that the rental asked is too small, but would it be rental if we had returned their offer where when they were prepared to expend three or four million dollars in this country and to create vast industries? It must be remembered that the government owns but a small strip of land near this water power and that land will have to be expropriated at a large cost for the purpose of carrying out the plans of the company. We would have been negligent in our duty if we had returned their offer for what is the rental compared with a great industry which will employ hundreds and perhaps thousands of people? This great power of 40000 horses can be utilized by towns down the river even as far as St. John.

International Railway. The leader of the opposition condemns us for assisting the International Railway Company. There is nothing we can do for what is better calculated to build it up than this railway. Here is a beautiful country full of timber and other resources with abundance of excellent land and 100 miles in breadth, a country of virgin forests and entirely undeveloped. No part of the province needed a railway so much and in assisting it we adopted the wisest and safest policy. We guaranteed the bonds of the company to the extent of \$5,000,000 and stipulated that the line should be first class in every respect, with steel bridges, masonry culverts, 60-pound rails and wide cuttings and embankments. A magnificent steel bridge has just been erected across the Upsalquitch river and a road is being built which is first-class in every respect. Even the leader of the opposition will not deny that it was necessary to open up this country and what better plan could we have adopted than the present one? We have stipulated that the company shall provide for the interest for five years or until the road is in operation. I claim that in this respect as in others the government has acted in a manner for which they are entitled to credit. It is our duty to do what we can to give railway a reasonable amount of those parts of the province which require it. The time is near at hand when this question of railways will be taken up seriously and the lines which have been subsidized dealt with in such a manner as will make them more beneficial to the province. I am not afraid of the government being condemned for taking a leading part in the development of the country. I am not afraid to adopt a bold and prudent policy. I believe that we have here a country with as good resources as any in Canada and we must be courageous and move forward vigorously in doing the best we can to promote the prosperity of the country. B. P. Smith, of Carleton, followed the attorney-general, and attacked the agricultural policy of the government, and Mr. Curpenter, of Queens, defended it, quoting figures to back up his argument. Messrs. Hill, Farris, Robertson and Grimmer spoke after recess, then the resolution passed without a division. The house went into supply and passed one. Mr. Pugsley introduced the factory bill. The house adjourned at 11 o'clock. Fredericton, March 30.—The house met at 3 o'clock. In answer to an inquiry by Mr. Johnson whether it is the intention of the government to build a bridge over the river St. Charles near the school house, Hon. Mr. LaBrosse said the matter was receiving the consideration of the department, and in answer to Mr. Johnson whether it was the intention of the government to open a new road from Kent Junction to Harcourt, he said that the department would see during the coming summer whether such road was necessary. Mr. Barnes presented the petition of (Continued on page 6, 6th column.)

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