POOR DOCUMENT

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OPTIMISM MARKS PREMIER PUGSLEY'S BUDGET SPEECH

Is Confident Central Road Will Be Bought by G. T. Pacific Shortly

Progress of Province Most Satisfactory—School Teachers to Be Better Paid When Increased Subsidies Are Received—Expects $2,000,000 in Settlement of Fisheries Claim When Matter is Adjudicated in the Courts—Estimated Receipts and Expenditures for 1907 Show a Surplus—Bill to Permit Fredericton to Empty Sewage Into River Introduced.

Fredericton, March 19—The legislature met at 8 o'clock. Hon. Mr. Pugsley then began his budget speech. He said:

In rising to discharge a duty which does not ordinarily belong to an attorney-general it may not be amiss that I should call the attention of the house to some of the important facts that have occurred in previous years, particularly during the time that my predecessor, the Hon. Mr. Tweedie, was premier. I regret that the duty of discussing the financial affairs of the province had not fallen upon him, for he could have told better than I can of the progress we have made in recent years in the betterment of the financial condition of the province. This progress should inspire us all with hope and confidence in the future.

For many years past the office of provincial secretary has been filled by a gentleman, who has now left us, of great ability and with much satisfaction to the country and it will soon be filled by another gentleman who now sits beside me and who will, I am sure, satisfy the public in that regard. It cannot be expected that I should go into these accounts in great detail.

Important Questions.

There are many important questions for us to consider besides the expenditure of a few dollars and cents which sometimes seem to grate on the ears of the gentlemen opposite.

I propose first to take up an important speech which was made by the lieutenant-governor at the opening of the house in 1902 at a time when our prospects were not so bright as they are now. That speech held out hopes which I am proud to say have since been largely justified. The lieutenant-governor then said: "It affords me much pleasure to inform you that since you last convened the dominion government has paid to the province the amount of the Eastern Extension award with the exception of a small portion which has been withhheld, pending an arrangement being made between the two governments in respect to a claim regarding certain land taken as part of the right of way for the railway out of which the claim arose.

"My government has during the recess continued to urge a settlement of the various questions in respect to the fisheries outstanding between it and the government of Canada and I have reason to hope that before long either a friendly arrangement will be arrived at or that the questions at issue will be submitted to the courts so that the rights of the province may be fully determined.

The Fisheries Claim.

"By the recent judgment of the judicial committee of the privy council it has been decided that the fisheries within the territorial limits of the province belong to the provinces and in the opinion of my advisers it follows that the amount of the Halifax award should have been paid to the provinces and not to the dominion. My government will press for payment to this province of the portion of the award to which it is properly entitled.

"The legislature at its session in the year A. D. 1888 approved of certain resolutions which in the month of October of the previous year had been agreed to at Quebec at a conference of delegates and members representing the executive government of five of the provinces of Canada called for the purpose of conferring upon questions of interprovincial interest. It seems proper that effective steps should be taken to press earnestly upon the dominion government the desirability of having the British North America Act so amended as to carry out the views embodied in the Quebec resolutions, at least in so far as relates to the readjustment of the allowances by the dominion to the provinces. Your attention will be invited to this important subject.

Branch Railways.

"The unsatisfactory condition of the branch railways in the province connecting with the Intercolonial is such as to call for serious consideration. These railways have been constructed largely by means of dominion and provincial subsidies and are not giving that accommodation to the public which was anticipated when their construction was provided for. If such arrangement could be made by which these roads could be worked as a part of the Intercolonial system it would be greatly to the public advantage and there is reason to believe that they would become valuable feeders of the trunk line. You will be invited to consider whether the dominion authorities might not properly be urged to make arrangements for their operation upon a fair and equitable basis."

Eastern Extension Claim Paid.

In that speech a number of matters of great importance were referred to, one of these was the Eastern Extension claim. This claim arose at a time when the Conservative government was in power at Ottawa. It was pressed without success for many years and during part of that time the leader of the opposition sat in the house of commons. While the Conservatives remained in power we were unable to make any progress. Our claim was turned down but a change took place in the administration of dominion affairs and in that speech we were able to announce that the handsome sum of $275,000 had been paid in settlement of this claim. We also announced that we were pressing our fishery claim and our claims to a share of the Halifax fishery award. We have pressed these claims and they have not been turned down but are still under the consideration of the dominion government. We have confidence in the new minister of justice, Mr. Aylesworth, and have every hope that at an early day this wrong will be righted.

$2,000,000 is Due the Province.

If we ever get the opportunity of taking our case before a competent tribunal I have not the slightest doubt but that our claim will be recognized and that we will receive a sum in the vicinity of $2,000,000.

We also called attention in that speech to another important matter, the condition of the branch railways. It has been the policy of the C. P. R. to acquire branch lines and use them as feeders of their great trunk lines. I am happy to be able to say at the convention recently held in St. John the Hon. Mr. Emmerson, a gentleman who takes the greatest interest in the progress of this province, announced it to be part of his policy to take over branch roads and make them a part of the Intercolonial.

Provincial Subsidy Increase.

We also referred to the readjustment of provincial subsidies. I do not wish to make any great boast on behalf of this government or to ignore the efforts of the other provincial governments in this matter but I want to call attention to the fact that the Quebec resolutions which were sent to Ottawa in 1887 were not even acknowledged to have been received by the dominion government then in power, and I will ask the leader of the opposition, who sat in the house of commons for five years, if he can ever remember of the government having moved a hand to carry them out. Until 1902 no steps had been taken but this government communicated with the government of Quebec and at a convention held in the city of Quebec in 1902 the resolutions were reaffirmed. As a result Sir Wilfrid Laurier has introduced a resolution for an address by both houses for such a change in the B. N. A. act as will enable the subsidies of the provinces to be increased.

Our meeting at Ottawa with the representatives of the dominion government was the first time in the history of Canada that representatives of the provinces were called together for consultation with the cabinet.

$130,000 a Year More.

New Brunswick will now receive an addition of $130,000 to the amount of its subsidy. The leader of the opposition in a speech made at the beginning of the session said that we should not have accepted this readjustment. He has charged us with sacrificing the interests of the people. Before I get through I intend to invite him to move a resolution that we should refuse to accept this sum of $130,000. That is the course he should take, if he is really sincere in his statements.

While paying tribute to Sir Wilfrid Laurier and Mr. Fielding for the manner in which they met our wishes and also Mr. Emmerson, who pressed our claims most vigorously, I desire to acknowledge the generous conduct of the Hon. Mr. Whitney, the premier of the great province of Ontario, who, although he is not in sympathy with the dominion government and did not altogether approve of the Quebec resolution, said that he would not stand in the way of a settlement. The new arrangement instead of confining the subsidy of Quebec and Ontario to the population as it was in 1861, will give them eighty cents a head until their population reaches 2,500,000. That is certainly not an unfair arrangement. When the population of these provinces reaches 2,500,000, sixty cents a head will be paid for the excess.

The new arrangement with regard to the provincial subsidy for civil government and legislation is very generous to the smaller provinces. Ontario receives $240,000, or about eleven cents a head on its population at the census of 1901; Quebec receives the same sum, equal to fourteen cents a head; Nova Scotia, $190,000 or forty-one cents a head, and New Brunswick $180,000, or fifty-four cents a head. Thus this province receives nearly five times as much per capita as Ontario, and four times as much as Quebec.

The leader of the opposition said in his speech at the beginning of the session that Mr. Tweedie and myself said we would agree to no settlement on account of subsidies unless the Halifax award was settled also. I challenge my honorable friend for proof of this statement. We never cherished such an absurd idea as to refuse this subsidy because another claim we had was not settled.

Mr. Hazen Doesn't Want More Subsidy.

Let it be understood by the people of this country, by the school teachers, who want more salary, by those who are asking for more money for roads and bridges, by those who are asking money for the technical education, that the leader of the opposition thinks we should not take this addition of $130,000 to our revenue. We were glad to get that sum and the people of this country will be glad to get it, for it means an addition to our capital at 4 per cent of $3,250,000 which is almost equal to the total amount of our net debt.

Having said this much it will now be my duty to take up the accounts of the past year and compare the receipts and expenditures with the estimates.

The honorable gentleman here read over the figures of receipts and expenditures.

Estimated Receipts, 1907.

Dominion subsidies	$491,360.96
Territorial revenue	325,000.00
Fees, provincial secretary's office	15,000.00
Private and local bills	1,000.00
Taxes incorporated companies	38,000.00
Succession duties	25,000.00
King's printer	1,250.00
Liquor licenses	22,000.00
Miscellaneous receipts	2,000.00
Dominion government for half cost wharves	9,000.00
Dominion government refund on fishery leases	13,584.84
Total	$941,195.80
Estimated expenditures	934,607.02
Estimated surplus	$ 6,588.78

Estimated Expenditures, 1907.

Administration of justice	$ 17,830.00
Agriculture	39,825.00
Auditor-general's department	2,758.33
Agent-general, London	2,000.00
Boys' Industrial Home	1,500.00
Contingencies	17,000.00
Education	224,754.48
Elections	1,500.00
Executive government	34,300.00
Factory inspector	1,000.00
Fisheries protection	1,000.00
Free grants act	1,500.00
Forests protection	4,000.00
Guarantee bonds	925.00
Game protection	14,150.00
Health, public	3,600.00
Hospitals	9,400.00
Interest	190,000.00
Immigration	1,500.00
Legislature	29,627.50
Mining	7,000.00
Natural history societies	700.00
N. B. Historical Society	125.00
Public printing	12,000.00
Public works	228,511.71
Provincial Hospital	62,500.00
Refund crown lands	100.00
Revisors	1,800.00
Surveyor and railway inspection	5,500.00
Stumpage collection	12,000.00
Succession duties, collection, etc.	940.00
Superannuation	600.00
Tourist associations	2,500.00
Unforseen expenses	2,000.00
Total	$934,607.02

The premier continued: The magnificent sum which we received from the territorial revenue shows the great value of our province. The lumbermen are not, as some would have it, the enemies of the people, but their best friends for they are interested in preserving the forests and conserving this great source of revenue. You will notice on page 10 of the auditor general's report a table showing how the receipts from game protection and fisheries protection have increased during the past ten years.

In 1896 the receipts from game were $352; and in 1906 they were $27,970. In eleven years they made a total of $120,970, while the expenditures on that account were $96,733, leaving a handsome surplus of $24,270.

The receipts from the fisheries in eleven years amounted to $115,988, leaving a surplus over expenditure of $96,945.

We estimated the receipts from the dominion government on account of the cost of wharves at $7,500, but we did not receive so large a sum. We have an arrangement with them that they are to pay half the cost of the wharves on the tidal waters of the St. John and its tributaries. During the present year we expect to receive the amount due us in full.

Another item which we did not get was $13,189 for refund of fishing leases. This claim arises from the dominion government having taken possession of a river which we had leased to private parties. We claim that they should indemnify us for the rental. The claim is a fair one and we will continue to press it. In this connection I am glad to inform the house that the dominion government is fully impressed with the desirability of getting all fishery questions adjusted as soon as possible. The government is in a better position to take care of the fisheries than we are and the day is not far distant when all these fishery questions will be settled. Not only has the provincial government claims on the dominion, but private riparian proprietors, whose rights were interfered with, have claims which we will urge upon the government.

With regard to the question of immigration the government is fully alive to the desirability of securing emigrants but they must be of the right kind. The best would be those who have some knowledge of woodcraft. We have made an arrangement with the Salvation Army to pay them $3 a head for each person they actually settle in the province and we have a similar arrangement with a gentleman in St. John who has also brought out a number of emigrants. We are also getting children from the Middlemore Home. I was glad to see in the Leeds Mercury the other day a letter from our agent-general, Mr. Duff-Miller, who quotes a letter written by G. M. Ross, of Woodstock, an emigrant, who speaks in the highest terms of New Brunswick. Letters like this are the best immigration agencies. If the people of England only realized the advantages of this province far more emigrants would come to us.

It will be observed that the interest paid last year amounted to $161,304. This does not include the interest of the guaranteed bonds of the N. B. Coal & Railway Company. These are kept in a separate account and the interest added to the capital, because I confidently expect that before many months that road will be placed with the G. T. P. and this interest will be properly part of the capital account.

The hon. gentleman then took up the estimates of income and expenditure for the current year.

The dominion subsidy is the same as last year but it is just possible that legislation may be had by the imperial parliament in time to increase the amount payable on the first of July by $65,000. We anticipate a large territorial revenue, for this has been a good season for the lumbermen and sales have been made at a higher rate than were ever known before.

I am not without hope that we will be able to devise some plan to reduce the taxes of our incorporated companies by making it to the interest of loan and insurance companies to invest in provincial debentures at 3 per cent. This would give insurance companies a better standing in the province.

Succession duties are an item which it is difficult to estimate but we have put them down at $25,000. During the eight years before I began to collect them the amount received was $84,404. During the period of a little over six years since I began with them the amount was $153,990 or about double. The percentage on succession duties is only paid on the amount actually collected.

We have now a case pending in connection with the Lovitt estate which involves a difference between the governments of Nova Scotia and this province. When Mr. Lovitt, a resident of Nova Scotia, died, he had a large deposit in the Bank of New Brunswick. Our supreme court has decided that the succession duty on that sum should be paid to us but the government of Nova Scotia has appealed to the Supreme Court of Canada.

We have put down the sum of $750 for cold storage. At Sussex they have a cold storage warehouse in which perishable products can be stored to the great advantage of the farmers. Lamb has been sent from it as far west as Manitoba. A great deal of butter is stored there by the farmers in summer who are thus able to take advantage of the market and command a better price for their products. I am glad to know that there is a demand for assistance to cold storage plants. Woodstock wants one and its central position gives it great advantages. We will grant aid to that very desirable industry but we will require plans and also a tariff to be approved by the government.

There is nothing in the estimates for an increase of the salaries of teachers. That will be dealt with in a separate bill which will be brought into force by an order-in-council. The additional amount will be payable when the increased subsidy is obtained. The amount will be about $20,000.

The hon. gentleman said he would continue his budget speech tomorrow.

The house adjourned at 10.30.

The Collins Case.

The Hon. Mr. Pugsley in reply to Mr. Ryan today said the government is aware that Thos. Collins, now in jail at Hopewell Cape, charged with murder, is not a native nor a resident of the county of Albert and was not when he is alleged to have committed the offense for which he is held.

With regard to the second question, "Is it the intention of the government under these circumstances to relieve the county of Albert of the costs incurred in carrying on the trials of said Collins for murder." The government recognizes the fact that the case is a hard one. It is to be regretted that owing to misdirection on the part of the judge it will be necessary to have a second trial, which will largely increase the cost. With regard to relieving the county the matter is one of considerable difficulty for under the law the county must pay. The government, however, will be prepared to do what it can and will pay for the expenses of the arrest and for the expert testimony of Dr. Addy and Dr. Andrews, further than this I am not able at present to say.

Hon. Mr. LaBillois, in reply to Mr. Glasier, said Jos. L. Gould is superintendent of highways for the parish of North Lake. It has not been decided whether he will be appointed for another year.

Hon. Mr. Pugsley, in reply to Mr. Hazen, said four and a half miles of an extension of the York and Carleton railway from Stanley village to Ryan Brook are under construction, the grading of which is completed except about 800 feet at the terminus. Three and a half miles of rails were laid. The line is unfinished but the contract provides for its completion July 1st, 1907, and it has not yet been opened for traffic. The subsidy has not been paid, but payment has been made as provided by law upon progress estimates given by the government engineers.

Hon. Mr. LaBillois, in reply to Mr. Poirier, said the bridge inspector has been ordered to examine the bridge near Philip Rivers' at Caraquet and report.

Mr. Burns introduced a bill to amend the parish of Bathurst lighting act.

Mr. Young introduced a bill to incorporate the Sisters of the Hotel Dieu, Tracadie.

On motion of the Hon. Mr. Pugsley the time for introducing private bills was extended five days.

Mr. Maxwell, for Mr. Robertson, introduced a bill to incorporate the board of trustees of the Presbyterian church in Canada, eastern section.

Mr. Scovil presented two petitions against the incorporation of the Church Avenue United Baptist Church, Sussex.

Mr. Clarke introduced a bill to incorporate the Canada Atlantic Terminal Railway Company.

Hon. Mr. Pugsley presented the report of the Hotel Dieu Hospital, Tracadie.

The house went into committee on bills.

Bill to Empty Sewage in River.

Hon. Mr. Pugsley introduced a bill to give effect to a resolution of the legislature with regard to placing sewage in the St. John river. He said: I wish it to be distinctly understood that in doing this I am acting in my capacity as leader of the house. A vote of the house has overridden the decision of the board of health and of the government. No matter what my own personal views may be and they are just the same as they were when I, as a member of the government, sustained the decision of the board of health, I feel it to be my duty to give effect to the resolution. I am still of the opinion that this should not be treated as a party question and I will not ask the gentlemen who support the government to treat this from a party standpoint. I want my own position and that of my colleagues to be made very clear on this question. I know that there exists a strong feeling that if the government had insisted on the support of gentlemen on this side of the house the resolution would not have been carried.

Let me point out the fact that if the leader of the opposition had been able to hold his own followers in line it would not have been carried. I did not think it was necessary or proper to require supporters of the government to vote against the resolution. I thought it was right that they should exercise their own judgment and now again I say that in discussing this bill every member of this house should have the most perfect liberty of action.

The committee took up the consideration of the bill to amend chapter 170 of the consolidated statutes, 1903, respecting rates and taxes.

Mr. Flemming said that on the previous occasion that the bill was before the committee the solicitor general suggested an amendment that a constable should be vested with the power of a collector and the list of defaulters placed in his hands for collection as it might be that on a new collector being appointed he might not care to undertake the office with a lot of arrears to get in.

The premier said he remembered something of the kind being mentioned but no amendment to that effect had been handed in. He suggested the appointment of two collectors, one for the old and another for the new list.

Mr. Grimmer asked what change in the law the bill made.

The premier said it simply made the collection of the taxes somewhat easier. On one collector going out of office his successor took the affidavit of the former that all proper proceedings for demand, etc., of the outstanding rates had been made. After some little further discussion progress was reported.

The bill to amend the city of Fredericton civil debt court was then considered and agreed to as was also the bill to amend chapter 87 of the consolidated statutes relating to the cemeteries.

The bill to constitute the parishes of Chipman and Canning, in the county of Queens, and the parish of Northfield, in the parish of Sunbury, a police district, was next taken up and the premier explained that the development of the neighborhood surrounding these places had been going on so rapidly for the last year or two that it had become necessary for the public convenience that there should be a lock-up provided and also a police magistrate for the district. It was proposed that three-fourths of the cost be levied on Queens county and one-fourth on Sunbury county. Some discussion took place and Mr. Flemming said that as the leader of the opposition, who represented Sunbury county, one of the counties affected, was away he suggested that the further consideration of the bill stand over until his return, which was agreed to and progress reported.

The bill to legalize certain marriages solemnized by the Rev. H. A. Sisson was, with an amended title, agreed to.

Importation of Sheep and Horses

The bill to provide for the importation of horses and sheep was next taken up. Hon. Mr. Morris explained that the bill was in fulfilment of the promise contained in the speech from the throne. There was great need of some more horses of the heavy draught type in the province and with a view to supply this it was proposed to import a number of high class mares, which would be sold and distributed amongst the farmers throughout the province. It also provided for the importation of sheep which it was generally admitted was necessary.

Mr. Flemming said the bill required very careful consideration. On previous occasions the government had made similar importations which had evoked a great deal of criticism, sometimes without reason, sometimes with. And the question of any further importation should be approached with very great caution. There were numbers of farmers in the province engaged in producing pure bred stock and the government in importing stock came into direct competition with these men. He thought there was plenty of pure bred stock to be got in the province and he saw no urgent necessity for importing any from outside sources.

Hon. Mr. Pugsley said that the bill simply carried out the statement made in the speech from the throne which seemed to have met with approval in the press and elsewhere throughout the province. There was an admitted need for heavy draught horses and it was proposed by the aid of money raised under the provisions of the bill to import about fifty well bred mares. He did not anticipate making any loss on the transaction, as on account of the very large demand for such class of horses to sell readily for at least as much as they cost.

With regard to sheep, there could be no doubt it was highly desirable to encourage sheep breeding. Large flocks had been kept in the past which from various causes had been allowed to die out and it was necessary to increase the number of them again now. The province was preeminently adapted for sheep raising and the country undoubtedly would welcome the departure they contemplated making.

Mr. Smith inquired under what terms the government proposed to dispose of the animals so imported.

Hon. Mr. Farris said they would be sold by public auction in two or three places in the province so that the farmers and members of the agricultural society could come in and inspect the animals and buy if they thought fit. The only restriction would be that they must be kept in the province.

After some further short discussion the bill was agreed to.

The committee then considered the bill relating to the Imperial Coal Company. The Hon Mr Sweeney said: "When the bill was before the house previously I was asked to submit information which I could not then give. I have now procured it." The capital of the company was $750,000 paid up and which was used in the purchase of the mining rights and leases and other things necessary for the working of the company. It was desirable that the development of the company should be assisted and that would happen when the bill passes.

Mr. Maxwell inquired would the province be under any liability if they gave permission to the company to issue these bonds if the bonds should prove to be valueless at any future date.

The premier said they would be under no liability whatever. The bill was a good one and might be safely passed. With regard to the Beersville mine, the province had done very well out of them. They had been called to pay out the sum of $1,200 only, whereas they had received in royalties over $6,000, leaving the province $5,000 to the good.

After some remarks by the Hon. Mr. Hill the bill as amended was agreed to.

The consideration of the bill to amend sub-section 35 of section 95 of chapter 165 of the consolidated statutes 1903 relating to circuses was then resumed.

Several members having spoken in favor of the act being made general throughout the province, the premier said he thought that it was scarcely proper to give any municipality authority and power to charge such a prohibitory fee as $500. He would suggest that the city of St. John be allowed to charge $500 and all other municipalities not exceeding $100.

Mr. Lowell suggested making it $250 all round and this and also that section which restricted the operation of the bill to St. John should be struck out, thus making the act general throughout the province, was agreed to.

The bill respecting the issuing of debentures by the city of Fredericton in respect of the water supply system was agreed to.

Fredericton, N.B., March 20—The house met at 3 o'clock.

Hon. Mr. Pugsley introduced a bill to amend the Probate Court act. He said that the object was that where a judge of probate died or resigned that his successor should have the same powers as to matters that are pending as the former judge had.

Hon. Mr. Farris introduced a bill to amend the law with regard to the protection of sheep from dogs.

Mr. Murray introduced a bill to ratify the sale of lands by the Chatham board of school trustees; Mr. Leger a bill to incorporate LeSociete l'Assomption of New Brunswick; Mr. Murray a bill to authorize the Miramichi Lumber Company to build and maintain a dam; Mr. Robertson a bill relating to the estate of the late Charles Whittaker.

Hon. Mr. Robertson presented the petition of W. H. Gross and others and E. L. Steeves and others against the Moncton police bill.

Mr. Tweeddale presented the petition of J. Fletcher Tweeddale and James Burgess, Jr., in favor of the Tobique and Campbellton Railway bill.

Budget Speech Resumed.

The order of the day being called Hon. Mr. Pugsley resumed his budget speech. He said:

Yesterday I called attention to the exceedingly satisfactory position of the province by reason of the readjustment of the subsidies and also to the attitude of the leader of the opposition, who stated that if he had been in Ottawa he would have refused to consent to receive this sum. I think it is most fortunate for the province that he was not in power when this matter came up because he would have committed an act most disastrous to the future of New Brunswick which would have deprived us of a revenue of $130,000 a year for all time to come. This sum is equal at four per cent to an addition to our capital of $3,250,000, which would be a large sum for this province to pay for the privilege of having that gentleman as leader. At three per cent, and I have no doubt that before many years we will be able to float a loan at that figure, it would mean an addition to our capital of $4,300,000.

Challenge to Mr. Hazen.

Now I repeat the observation which I made yesterday. If the leader of the opposition is sincere and thinks that we have entered into an unjust arrangement he owes it to himself and to his party to table a resolution formally expressing his disapproval of the arrangement we have made. Should he do so I have no fear of what the verdict of the house and of the country will be.

I stated yesterday that we had made a more liberal provision for the public services this year than we did last and I will call attention to some of the items. One of these is $14,000 for steam navigation which is $2,000 more than was estimated last year. Last year we gave subsidies to the Grand Manan steamer, to the Senlac, running from St. John to Halifax; to the Deer Island and Campobello Steamship Company; the Miramichi Steam Navigation Company; to the Fredericton and Woodstock boat; the May Queen, running to Grand Lake; Millidgeville ferry; the Dalhousie and Campbellton Company; the Gondola Point ferry; the steamer Clifton; the Hopewell and Dorchester ferry; the steamer to Red Bank; Springfield S. S. Company, and the Chatham ferry. In addition to these we have been pressed to give aid in other directions.

It is proposed to place a steamer on the route to Shippegan and Miscou and we feel that if these people have no railway they are entitled to assistance and we have decided to give them adequate aid. Then there is the Shepody Navigation Company which is asking for help and so for these and other services we have decided to increase the vote by $2,000.

Increase for Education.

There is an increase of $6,000 on the amount given for education and there is also an increase for public works.

We put down the sum of $190,000 for interest not chargeable to special funds. Besides this there is $2,200 on account of provincial hospital and $10,000 on public works account, making the whole interest account $202,200. From this we should deduct the sum of $26,464, the amount of interest we receive on the balance in the hands of the dominion government.

The sum of $130,000 of additional subsidy which we are receiving would leave only a balance of $70,000 of interest to be paid by us even at the comparatively high rate now prevailing. But if we could refund the amount of our debt at 3 per cent this $130,000 would practically wipe out our entire interest account.

We have put down for agriculture $39,825. This includes $13,000 for exhibitions, some of which were held during the year just ended. This will cover our advances on that account. Some members have indulged in criticism of the amounts paid for the encouragement of dairying, farmers institutes and other educational matters along agricultural lines, but in my judgment no money that is devoted to agriculture has been better expended than this. We have abundant reason to congratulate ourselves on what we have done in the interests of dairying. It was my fortune to introduce the first bill for the encouragement of dairying in this province. The opposition had nothing but ridicule for my proposal, but the result has been in the highest degree satisfactory.

Big Increase in Dairy Output.

In 1896 the total value of the butter and cheese made in New Brunswick amounted to only $76,151, last year the amount was $373,000, an increase of 500 percent. The conditions of the dairying industry are changing to a considerable extent since the hand separator has been introduced. Instead of drawing the whole milk to small cheese factories at a large expense, it is becoming the custom to separate the cream at the farm and either manufacture the butter at home or send the cream to large central creameries. This is gradually reducing the output of cheese and increasing the amount of factory butter.

A large number of illustration orchards have been established and these orchards are causing much more interest to be taken in the cultivation and care of fruit. A provincial fruit growers association has been started, and good results are following from the discussions carried on at their meetings.

Cold Storage Plant for St. John.

There is one matter that I wish to emphasize and that is the great need that exists for cold storage warehouses for the preservation of fruit and other perishable goods. I mentioned yesterday that a cold storage plant had been established at Sussex, and that one was to be established at Woodstock. I am glad to be able to state that a movement is on foot for establishing a large cold storage warehouse at St. John. This enterprise will be assisted both by the provincial and dominion governments, and will be of incalculable value to the farmers of this province.

Another enterprise which we hope to encourage is the establishment of starch factories. Such factories have proved of great value in Aroostook county, Maine, for the utilizing of potatoes that are not of the first quality. We think there is a good opportunity of establishing such factories in Victoria county and Carleton county as well as in other parts of the province, and we propose to bonus these factories by the results they achieve, and the amount of their output. I am not oblivious of the fact that in the past two or three years there has been an increase in the products of the potatoes in the up river counties, but the starch factories would not interfere with this trade.

Provincial Assets.

I wish to call attention to the provincial balance sheet on page six of the auditor general's report. Among our assets we have put down the New Brunswick Coal and Railway at the sum of $1,150,000. I do not think that is too high an estimate and as the government owns this railway its value ought to be placed among our assets. In considering the assets of the province no account is taken of either the public buildings or the bridges, because they are not revenue—producing although they are valuable public works and represent a large expenditure, but it seems to me that the crown lands might fairly appear in the auditor general's report among the assets. The province owns nearly 7,000,000 acres, mostly timber lands, for which a low figure would be $3 an acre or $21,000,000 in all. I doubt if there is any province in the dominion which in this respect could make a more favorable showing.

We also might count among our assets the value of our fisheries which are increasing in productiveness year by year.

I have noticed some references in the press to what was said in the public account committee that the I. C. R. was not placed among the assets of the Dominion government. I do not see why it should not be so placed for the time will come when this road will become a revenue-producing asset.

We do not count among our assets the forty-six steel bridges the province has built, because they are free to the people. I am proud to say that the only toll bridge in the province was wiped out the other day by the general acquiescence of every one in the house.

Surplus on the Central Road.

A few years ago the New Brunswick Coal and Railway was run at a loss. Now there is a surplus of revenue and this surplus will increase from year to year. There are sixty-nine miles of railway, sixty of main and nine of branches, fairly well equipped, and I think the line is worth at least $20,000 a mile.

The lowest tender for the G. T. P. from Chipman to Moncton, a level line with only one steel bridge, was $20,000 a mile, and this did not include rolling stock. The G. T. P. as now located is to pass right through the village of Chipman, and I have every expectation that our road will be either sold or leased to that great line within a few months, to be operated as a part of it. I make this statement, knowing its great importance, but I can appeal to the members of this house to say whether we have ever made a statement that has not been realized. We said that the Eastern extension claims would be paid and our words were made good. It was the same with regard to the readjustment of the subsidies, according to the Quebec plan of 1887. We were laughed at for expecting to have these subsidies readjusted. The leader of the opposition's face lit up with joy when the Hon. Mr. Scott stated in the senate that he was opposed to any readjustment.

Yet our hopes in this respect have been realized, and now I say with the utmost confidence from conversations I have had with the premier of Canada, with the minister of railways, with the railway commissioners and with the manager of the G. T. P., that this road will be taken over and form a part of the G. T. P. There may, of course, be annoying delays, but our hopes will be realized in the end.

We all feel disappointed that this line is not to be built down the fertile valley of the St. John, but Chipman is only seventy-eight miles from St. John, and if two trains were to part at that point, one going to St. John and the other to Halifax, the former would be on the wharf at St. John, ready to be unloaded, before the Halifax train had reached Memramcook.

We do not propose that this railway shall be sold or leased at a smaller sum than we put into it, and we have the concurrence of the leader of the opposition in that view. Last session we had an offer to lease this railway for $21,000 a year, which would be the interest on $700,000 at three per cent. The honorable member from Charlotte moved a resolution that this offer should be accepted, and he was supported by the Hon. Mr. Tweedie. I differed from the premier and took the ground that the property was worth more, and the leader of the opposition fortified my arguments very strongly by pointing out that a much larger amount of government money than $700,000 had gone into the road. He claimed that, including the dominion subsidy and the provincial subsidies, the road had received $1,200,000 of public money. I often read that speech with the greatest pleasure, for it fully justified us in putting down this railway as an asset of the province, worth $1,150,000.

Had New Survey Made.

There was a time when we were not sure that the railway should go to Chipman or near it. One line that was located went twenty miles north of Chipman, another went south of it, and had either of these lines been adopted our railway might not have been taken over. When we found what the surveys were like, the Hon. Mr. Tweedie, Mr. King and myself went to Ottawa and urged that there should be a new survey. We pointed out that if this road was carried wholly through the wilderness and touched no central spot there would be great disappointment. In urging a new survey we were seconded by the minister of railways, and as the result of our efforts a new line was located and goes right through Chipman, which is only seventy-eight miles from St. John.

Some honorable gentlemen opposite say that we ought not to be paying five per cent. on a part of our debt which is in the shape of treasury bills, but these gentlemen have not studied the subject. We could sell our debentures now at four per cent., but we do not think it prudent to do so. The present is not a favorable time to make loans. Large amounts of Canadian money are being invested in South America and in Mexico, and there is also a great industrial development in Canada. The rate of interest is now higher than it has been for many years. On Saturday last British consols, two and a half per cent., redeemable in April, 1923, were quoted at 85 5-16, which would be about 3 5-8 per cent. interest as an investment. Our three per cent. loan a few years ago sold at 96, or about 3 1-5 per cent. interest. This shows what a great change has taken place in the condition of the money market in recent years.

The great railways are not now issuing bonds, but are borrowing money at five per cent. on temporary notes until the money market shall become easier.

Among the liabilities incurred by the board of works was an advance on what was formerly the by-road account. This advance was necessary because the money collected in the several counties for highways was not available. Of course, if the chief commissioner had pursued a niggardly policy, he might have kept down these expenditures, but the public services for roads and bridges must be maintained, and few people realize how great our responsibilities are in that respect.

We have in this province 3,838 bridges of more than ten feet span, which have to be kept up. These bridges have a total length of 384,184 feet, or upwards of seventy miles long, enough to reach to St. John and several miles beyond it.

The total length of the roads which have to be kept up by the province is 13,108 miles. I often wonder how it is possible for us to do so much with such limited means. In Nova Scotia their roads are largely kept up by the municipalities.

If you go to Montreal or to Ottawa and propose to drive a few miles into the country you are confronted by a toll gate. In Ontario not only the roads but the bridges are kept up by the municipalities, although the government makes a few special grants. We have no toll gates or toll bridges in this province, everything is free.

Hon. Mr. Pugsley will conclude his speech tomorrow.

The house adjourned at 5.30 p. m.

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