

# POOR DOCUMENT

## HOUSE OF ASSEMBLY.

### The Debate on the Budget.

TUESDAY, March 7.

The House again met at 2.30 in committee on the bill to legalize the Electors' lists of Albert County for 1881. Mr. McLellan in the Chair, and the discussion was continued. Progress was reported with leave to sit again. On the order of the day being called, the Hon. Provincial Secretary said that, in moving the House into Committee of Supply for the fourth time, he might say that never before had he felt more or as much pleasure on a similar occasion as at the present. He had often referred to the relation of the Province to its internal affairs, as also to the depression prevailing here and elsewhere, and he would mention that the statement that this depression could have no effect on the revenue of the country, as it was almost stationary, was unfounded in fact. By reference to the Report of the Auditor General and the estimates, it would be seen that \$268,843.70 was the estimated expenditure for 1880, and then went on to compare the estimates and expenditures. In the administration of justice the expenditures exceed the estimates by \$821, and this would be found to arise principally out of expenses in reporting the proceedings of the second division of the Supreme Court. The expenditures in bear bonities was less than the estimate, \$10,752 having been paid for 3,584 bears. The item of contingencies exceeds the estimate, and this item occasioned the Government a good deal of trouble. They had striven to reduce it, but it is now \$4,700 in excess, but there are items in the Auditor General's account to which the opposition refer, and which were chargeable to the previous year, and some items still outstanding which might still further reduce it. However, the contingencies for both branches would be about \$12,000. The recent order in Council has not yet had a sufficiently fair trial to say whether the present sum of \$10,000 for contingencies was enough, and if it does not prove to be sufficient they would ask the House to increase the sum to \$12,000, but would first give the new order a trial. There is also a small increase in Education in connection with the University; and \$567 remains undrawn for county school districts, but which has been applied since the close of the fiscal year for the benefit of the back settlements. The small amount expended in connection with the Exhibition in St. John in 1881, \$37, was for diplomas issued subsequently, and for two checks in the Department for prizes. He read the seasonal expenses, and said the item of public health is \$307 in excess of the estimate, which was due to the fact that emergencies arise when the public health must be secured at any cost, which no Government can foresee. The expenditure for public printing is \$702.07 in excess of the estimate; and by-roads was \$9,727.49 in excess; and the honorable gentleman showed how this sum was made up in the grants to the various Counties. It had been the disposition of the Government, he said in this connection, to make the advances to hon. gentlemen as large as possible, irrespective of parties, and to leave the matter of distribution in their own hands. He had asked them to pay up the outstanding amounts due on the by-road service, and some hon. gentlemen were largely, while others had not been in a position to do so, but so long as the Government had the money they gave it freely. In the Department of Public Works the balance of over-expenditure to the end of the fiscal year, 1881, was \$4,907.14, and he enumerated the services in which the money had been expended; and there was a small amount due the Department. He thought the showing made exhibited good management, and complimented the Chief Commissioner upon his charge of affairs. It was absolutely necessary for those who had preceded him in the Government to make certain large expenditures of money, and he thought that he was now in a position to say that the time had come when he could assert that the ends justified the means then employed, and that their policy had been successfully carried out. He had never cast a word of obloquy upon the management of the financial affairs of the Province by his hon. friend, who had ever the good of the Province at heart. He said that it had been charged that the head of the Departments had formed themselves into a mutual admiration society, and each took every opportunity of lauding what the others did, but if the accounts of the Department of the Surveyor Gen did not mirror forth a state of affairs that gave cause for admiration in the management of the same, no accounts ever did, and he defied the Opposition to say or point out anything to the contrary. He then went into details of the Crown Lands accounts. If there was any policy of the Government which public opinion endorsed more than another, it was the policy in regard to the agricultural affairs of the Province. The hon. Mr. Wedderburn then took up some time in apologizing for his holding the presidency of the Board of Agriculture, and in explaining, said it was "purely accidental." He arrogated to himself no credit for the present position of agricultural affairs in this Province, and while highly appreciating his own labors, attributed it to the cumulative policy or the efficient management of the Board of Agriculture. He then traced the establishment of the stock farm from the time the grant of \$10,000 was made until it became a tangible fact. It had been held, he said, that it was not approved of by the agriculturists of this Province, and that the Provincial Farmer's Association had declared against it. If he remembered aright, this Association, the opinion of which was worthy of respect and had always received the consideration of the Government, was for an agricultural college, a preliminary step to the stock farm. It was true that memorials had been presented for an agricultural college and model farm, but the question that had arisen for the consideration of the Government was would it not be better to give the stock farm and when the finances of the Province warranted the expenditure establish the model farm and agricultural college. The Farmer's Association approved of the stock farm but wanted the two other things also as preliminary steps leading up to it. The last meeting of the Association was not in favor of changing the representa-

tion of the Board of Agriculture which was a mark of confidence. The hon. gentleman outlined the steps leading up to the last importation of stock and its connection with the stock farm, and in speaking of the efforts of the Government to secure improved stock, said that in 1875 an importation of stock had been made which had cost \$31,147. It had been sold for \$15,382, which was a loss of \$15,765. There was an importation of sheep in 1878, in which there was a loss of 15 per cent; and an importation of seed in 1879. He then made a detailed statement of the cost and expenses attached to the last importation of stock, which had amounted to \$15,298.73. The sale of this stock realized over \$5,000, which was enough to bring it within a small figure of the Legislative grant, which was still accounted for in the stock farm in King's County. Thus they had purchased \$15,000 worth of stock and paid all extra expenditures, and still had the \$10,000 grant as represented by the stock farm. The loss occasioned by the death of sheep on shipboard was \$600, and it had been held that they should have been insured, but he would answer this by stating that the demand of the insurance companies to cover the risk was so great that it proved to be more than the loss of the sheep amounted to, so the policy of assuming the risk had been a wise one. The history of stock farms in the Dominion and United States showed that they were successful, and he cited the present condition of the P. E. Island farm in support of the statement. Private importations could not supply the demand for improved stock, and he held that the policy of the Government had met with the signal and he could almost say unanimous support of the agriculturists of the Province. The Board of Agriculture was a representative body, and their being returned again to office showed that the people were in sympathy with their action in this connection, and the Government seeing the feeling of the country was in favor of a stock farm had felt warranted in making the expenditure and in now asking the House to ratify their action. The House, in passing the address in reply to the speech, had almost unanimously ratified the section upholding the position of the Government in this connection, and then it became not the action of the Government but of the House, and of the people and through their representatives. The receipts had very nearly reached the estimated figure as had also the territorial revenue, and the hon. gentleman went on to compare the estimated and actual receipts for the past year. The Government had from time to time felt very seriously the time of depression, and the argument had been advanced that as the revenue of the Province was almost stationary it could have no effect upon it. He went on to show that this was not so holding that in such times school loans, involving large amounts, and other matters could not be collected. By forced collections they could make up very small deficits and in a few years shown a surplus, but they had preferred to wait. With better times things had changed, and they could now show a surplus. They had believed in laying out the money rather than locking it up in the public chest to make a surplus showing. He outlined what they had expended in Public Works—the Suspension Bridge, exhibition building and Provincial Lunatic Asylum in St. John; the Model School, the exhibition building and the Parliament Building in Fredericton; the bridge at Grand Falls, school houses in various parts of the Province, and the redemption of debentures had amounted to the sum of \$200,000. All these were permanent public works which would increase in value. But there are other expenses, and among them some extraordinary ones—the grant to the sufferers by the fire of June 1877 in St. John of \$25,000, with the expenses of an extra session entailed thereby amounting to \$7,000; \$5,000 expenses on Rodney wharf, Charlton, St. John; and special Legislative Committees \$3,000; expenses of the Vice-Regal visit \$18,000 and Crown Lands \$50,000, the whole swelling to a grand total of \$300,000, and yet they are taunted with having had a deficit now and then. They had not crumpled the expenditures in hard times, but had gone on with them for the good of the Province. They did not say to the school, if you are poor, we are poor; the Government look out for themselves; do not call upon Hercules, but help yourselves. They had raised and maintained the credit of the Province both in and out of it, unblemished and untarnished. The Government had found no difficulty in raising a loan to put up the Parliament Building when the financial affairs of the Province were laid before the banking institutions. A few years ago the debentures brought but par, while at present they commanded 7 per cent premium, and some of the latest issues had brought 4 per cent. in St. John. Did this prove that the country had gone down? No, for the credit of the Province in the money market stood higher at present than ever it had before or since Confederation. He also contended that the present concerns of the public opinion in favor of the Government in making provision for railways was but another expression of public confidence in the financial stability of the Province. He then called attention to and compared the expenditure of various years, and said there was \$5,513.25 surplus in 1880 against an

over-expenditure in the years preceding, and in 1881 the surplus was \$22,815.51, leaving a balance against on Oct 31st, '81, of \$20,097, contrasted with \$48,526 balance against in 1879; and they had redeemed debentures at the rate of \$10,000 per annum. This was an exhibit which they had a right to ask the House to assent to, and not assert that they had been going on recklessly. It was desirable to keep down permanent debt, but for what that debt was contracted should always be taken into consideration if its proportions were large. The editor of the *News*, he held, had laid down this doctrine in the issue of the 25th ult., in discussing Dominion politics, and as the principle was surely applicable in all cases, he would adopt it. [The hon. gentleman read the article from the *News* and made some comments on it in a tone of banter, and as such they were received.] He then went on to deal with the estimated receipts for the current year from the Dominion Government, and went into the details of the estimated receipts. He explained the item of expense in connection with the Halifax Exhibition, and said the sum set down for the stock farm was the estimated running expenses for the year. The sum of \$35,000 was asked for the Provincial Lunatic Asylum, instead of the \$26,000 last year, as the maintenance of the present building was insufficient, and the support of the new wing had to be considered. This sum would also cover some small balances which had come over. The Government think the sum of \$16,000 will complete this new wing, and this amount had been set down. The expenses of the coming election had been put down at \$6,000. In concluding, he hoped he had made clear and complete his review of the past operations of the Government and the present position of the Province; he had striven to do so, though some may challenge his statements. He had yet unlimited faith in the people of the Province and their financial ability to do, and, although hard times may interfere with the smooth current of financial prosperity, he had no doubt but that, whoever may hold the seats they now occupy, they would have no difficulty in carrying on legislation, and that the Province would be able to meet any new policy in regard to the management of its finances they may inaugurate.

The hon. gentleman took his seat amid loud applause, and the continuation of the debate was adjourned until Wednesday afternoon at 2.30.

Mr. McManus introduced a bill to empower the Messrs. Steward to put a boom across the Tatamagouche River, and presented the usual petition praying that it may pass and become law.

House adjourned until Wednesday morning at 10 o'clock.

The debate on the motion that Mr. Speaker leave the chair was continued on Wednesday afternoon.

Mr. Black said that in calling the attention of the House to the matter of great importance brought before it by the Hon. Provincial Secretary yesterday afternoon—a matter which he might define as the life element of the Province—the financial state and the management of the affairs of the Province—he might not hope to do full justice to the subject after the eloquent address delivered by that hon. gentleman. But while the Hon. Provincial Secretary was always eloquent and he (Black) always listened to hear him speak, he thought that when the innate merits of the case were considered, it would be found that as much depended on them as on the merits of the plea advanced by him. The Provincial Secretary felt in a much more comfortable and confident mood on this occasion of moving the House into Committee of Supply than he had on some former occasions, and comforted himself on having turned deficits into surpluses, and if this comfortable feeling was founded on the merits of the case no one on the Government side of the House would go in more heartily in the rejoicing than he. He did not believe the Province was on the verge of bankruptcy and had never said so, and although such an imputation had been thrown across the floors of the House at him he entertained no such opinion. It was the duty of the Government to look into the future and to so guide the affairs of the present that no cause for censure may arise on the part of those who may hold the reins of Government hereafter. It may be that there is something in the surroundings at present which may have exhilarated the Hon. Provincial Secretary, and produced in him the comfortable and confident mood in which he spoke, and certainly the surroundings were of a character to produce such an effect. It was the first budget speech in the new building, the first session of the House in itself, and from this point on the parliamentary history of the Province would be written from a new standpoint. He would speak of the form of the opening of this new building, which was under the control of the Government, and when we remember the old House which was destroyed by fire, we must also call to mind those legislators and conservators of the interests of this Province who had made their first speeches within its walls and had grown up in it and become the leading minds and first statesmen of the Province and an honor to the country and the personnel

of past Provincial Parliaments. Under these circumstances he thought that there should have been a different kind of an opening. It should have been an appeal to the intellect rather than to the feet. [Laughter.] There should have been a gathering of the representative men of the Province and the orator of the occasion—and in this connection the hon. gentleman made a graceful reference to the eloquence and oratorical power of the Provincial Secretary and said he could call to mind no finer for this purpose—should have presented a retrospective glance at the past history of the building, and of the chief statesmen with their words and works, honours and achievements and all these grouped together would have given us an inducement and incentive to a higher life than the manner of opening which had taken place. It would have commemorated our great men and their intrinsic worth, and a record would have been handed down to posterity which would have been much more valuable to them than one of the actual mementoes employed, for this is a time of intellectual activity and there should have been a record of the old building and the men whose personal history is connected with it filed away in the archives of the Province with that of the opening of the new. This was his opinion and he was willing to sustain the responsibility of it. There were many acts and phases of acts of the Government of which he could not approve, but there were many others he most criticize and some which he believed might have been obviated. The first item mentioned by the Hon. Provincial Secretary which did not meet with his approval was that of the Contingent account which had exceeded the estimate by about 50 per cent. The amount set down for Contingencies was \$10,000, and when the Provincial Secretary, in asking for this sum, had said that it was a question for the House to decide whether this sum was sufficient or not he agreed with him. But when we look at the working of the departments of the Government we find that the word "Contingencies" has now a significance that differs widely from its origination, and at present means a system by which anything that cannot be put in any other of the public accounts, is placed in the contingent account, and if there is anything that might seem out of place or out of its place for a year, and then appears in the contingencies. A glance into the contingent account reveals many curious things, which affect the heads of departments considerably, and it was this extravagance in the departments that had caused the account to overrun the estimate, and the liberality in this connection of the heads of departments, it is held over for a year, and then appears in the contingencies. There were many things that should be amended, and he did not intend to ask for anything but what was right and just in making his argument for redress of these extravagances. Take, for instance, the office of the Receiver General, and we find such items in the contingent account as boot blacking, cork screws, and pocket knives \$1.50 each. On finding such items as these he could not help thinking that it was best to go back to first principles. In 1880 the opposition had complained very justly of the great expense of telegraphing, and the Provincial Secretary had promised that it should be remedied, but in 1881 we find another large sum for telegraphing, of which \$107 was from an outlying station immediately under the control of the Hon. Surveyor General, and appeared in the accounts of the department under the head of contingencies as if it were a regular thing. This should not be so. The hon. gentleman referred to the general character of the manner of keeping the accounts, and said that things should be plainly and fairly put, so that even "who runs may read." Whatever may be the showing made by the report of the Auditor General on the public accounts, whether it was a surplus or a deficit, he would show that these accounts were utterly worthless as showing a true state of the condition of the affairs of this Province. (Hear, hear.) This was a bold statement to make, and it might appear reckless, but was so. Take the accounts for 1880, and we find that the sum of \$60,000 was borrowed and placed the amount of over \$17,000 was to the credit of the Province then and there. And this is the manner in which the surpluses are made. Under Confederation we receive a subsidy from the Dominion Government, which is paid semi-annually in January and July, and when we draw this semi-annual payment on the first day of January or July in any year, we then receive all the money that shall mature due to us for the next six months, and if we reach over and draw from ahead of that we are borrowing from the future—which is just like a man obtaining advances on his salary and continuing until some day he drops off, and his estate is found to be largely insolvent. This should not be. He could not go further in this discussion as he had not the data to do so. He would have been provided, but the returns he had asked for had not been brought down, and these returns would have shown the true financial condition of the Province. Then there is the balance sheet, which ought to pre-

sent a statement of facts more especially as it had the signature of the Receiver General as a voucher for its verity. We have a statement of the amounts received up to the first of July next, which is not due yet, but merely maturing due, and yet we have it. Thus in this account we have drawn all that is due up to the first of July next. There is a balance struck, and we find that there is \$46,846.99 in the Peoples' Bank, and the amount of cash in the hands of the Receiver General \$370.90, which gives a total of \$47,235.89, to our credit. Could they call that a balance sheet of this Province does the Government expect us to accept it as such, and do they as accountants submit it as a balance sheet. He did not cry out against the financial standing of the Province, but against this system, which should be changed in the interests of the people of this Province. On the same day and under the same date there was laid upon the table of the House by the Department of Public Works a check account on the Peoples' Bank showing \$56,000 drawn by the Board of Works or \$8,000 more than the balance alleged to be in hand, none of which sums had been shown in the balance. The result of all this is that we have not a dollar on hand practically speaking and cannot get a cent of money unless there is some small amount from territorial revenue, or from mining licenses, or from the fees of the Provincial Secretary's office. But this is not all. What next? One of the purposes of this fine building in which we now are is to maintain and preserve the dignity of the institutions of the country, but what it has cost from the time the first stone was laid until its completion, does not appear in the balance sheet, or in the accounts, or against any fund. We have the building, but the people do not know what it has cost nor do we, their representatives. All we know is that the sum of \$60,000 was borrowed for this purpose from the Bank of New Brunswick under authority of the Legislature. It did not appear where the balance of the money had come from; and he held that when the accounts were submitted to the House they should be made in such a manner that they could be understood. He did not think that the statement made by the Hon. Provincial Secretary, that the Government had turned deficits into surpluses could be sustained. A leading feature in the address delivered by the Hon. Provincial Secretary was the new departure in agriculture, and he had dwelt upon it because perhaps he felt that it was the weakest point in the Government armour, and surely he had defended it with all his eloquence. This he did, and may have made an impression on the minds of some hon. gentlemen who were already biased in favor of the scheme, but that he had sustained or justified the policy of the Government in regard to it could not be claimed. A grant of \$10,000 had been asked and obtained for the importation of stock under former conditions, but a departure in its use was made. The Provincial Secretary says that the Board of Agriculture was his authority for this action, but when it was done the stock farm scheme was not very much discussed, and some had held that a model farm and agricultural college was asked for. He quoted the statement made by the Provincial Secretary, that hon. members, in assenting to the section of the Address in reply to the Speech referring to the stock farm, had endorsed the scheme of the Government, and said that the fact that no one had dissented from it or the grant could not be taken as an adhesion to the policy of the Government, as it was understood that the matter would come up again. He held that the argument advanced by the Provincial Secretary that it was right and judicious that the Government should do this, in support of which he cited the order in Council, setting forth facts in connection with the Prince Edward Island stock farm, was wrong, as the Order in Council did not show an analogous position of affairs. There was dissatisfaction in the Province with the stock farm. The paper agriculturists had alone favored the scheme, not the solid agriculturists who cultivate their farms and raise stock, and he would challenge the statements made in this connection. He referred to the steps taken by private enterprise in the direction of improved stock, and said that since 1867 there had been entered in the New Brunswick Herd Book 1,000 head of thoroughbred stock, outside of importations made by the Government, while within the several Societies there was the nucleus for large herds of improved stock. This being the case, any action on the part of the Government should have rather been to encourage and not wipe out and discourage these farmers. The Hon. Attorney General, in speaking of the reply to the Speech, had stated as one of the things justifying the action of the Government in regard to the stock farm was the fact that the newspapers of the Province had supported it. He would submit that the editor of a newspaper could advocate public opinion up to a certain point, but he could not see how an editor living in the city could be in a position to give the views of the agriculturists correctly. Then the editor of papers were often animated by various considerations, either personally or through party politics, and he said this with all due respect. The hon. farmer who had written or spoken in favor of the stock farm could not be found. He

then read an extract from the *Farmer's Advocate*, of London, Ont., which was edited by a practical man, and which stated that the Government stock farm had a crushing effect on private enterprise in regard to stock-importing, and that any good that had been done could be traced to individual effort and enterprise. [The same paper stated that a stock farm would be of no benefit if established in New Brunswick.] We find also that what the farmers asked for was an agricultural college and model farm, and he got something they had not asked for. This stock farm would be placed in direct competition with every farmer in the Province. The young stock raised on the farm would be sold annually, and the figures rule low under a Government sale, as people expect to get boons from them, and thus the farmers would find themselves placed in a disastrous competition with the funds of the country. The Provincial Secretary had said that they had supplied the demand of the country with \$5,000 worth of stock, while they had imported \$15,000 worth. But the real reason the demand was so small at the sale last year was that the inferior animals only were sold, the best being placed on the farm and it was plainly to be seen that farmers would not buy the inferior animal to compete with provincial funds and the superior animals. That this was all they could sell—that this is all the demand shows that farmers do fear and resent the action of Government in the matter. He had corresponded with leading gentlemen in Ontario, Quebec and Prince Edward Island, and they state that the Government stock farms have a disastrous effect upon private enterprise. He held that the Government when about to make this new departure, which they had deemed advisable, should have laid the scheme before the House before actually embarking on it. The leading agriculturists of the country could then have been heard from on the floor of the House by petition, and the body of intelligence that received would have guided and shaped the final result. This was a slur on the business ability of the people, as there were farmers in the country with enough means and capital to supply the demand for stock. It is assumed by the Provincial Secretary that the annual running expenses will be \$3,000. This with the interest on the capital, \$500, will make \$3,500. It would have been better had they made schedules of herds of cattle of different breeds and offered this sum of \$3,500 in prizes, as then they would have had a score or more prominent farmers working up stock farms in various parts of the country in competitive rivalry. This scheme, instead of helping and stimulating agricultural affairs, would render the farmers indifferent, as they would not enter into competition with the Government. The result would have been different had the Legislature been consulted, and the voice of the people heard in the matter.

He next called the attention of the House to the statement made by the Provincial Secretary, that he had changed deficits into surpluses, as shown by the comparison of the receipts and expenditures of the years 1879 and 1881, made by that hon. gentleman. Taking his figures, the net revenue for 1880 was \$415,284, and the expenditure amounted to \$509,671, which left a balance surplus of \$5,613. If this was so it was a matter for congratulation, but to have correctly presented the balance on the year's receipts and expenditures, he should have said that the old Parliament building had been burned and \$8,078, the insurance on it, had been considered as net revenue, when it was not revenue, but merely the result of accident and which changed the balance and showed an over expenditure on year of \$2,463. He hoped that it would be a long time before it should occur again, that the Parliament building would have to be burned to make a surplus, or rather that some time would elapse before the Government of the country would be assisted in declaring a surplus by such an untoward event as the destruction of the Legislative buildings. Then there were the moneys resulting from the sale of public lands in 1880, \$17,000; and when these two exceptional items of revenue were considered, there were really no surplus will a deficit in the net revenue for 1880 of \$19,463. Our financial condition is not presented here as it is. The surplus he claims for 1881 of \$22,815 is approximating to a fact, but is not it. The fact is, we have received from the increased per capita subsidy \$13,000, which is an advance. The premiums on provincial bonds, sold on R. R. subsidy account amounting to \$4,312, had been made a matter of revenue, and the bonds charged to permanent debt. Surely these premiums were not a matter of estimated revenue. There were two other sources of exceptional revenue in this year. There was the proceeds sales of public lands, \$19,472, but in the year 1879, there were no sales. The other exceptional item was the revenue received from mining licenses, with which comparison is made, was far in excess of the revenue from this source in previous years. The year before it amounted to but some \$200, while this year it brought in \$4,300. Thus we have from these sources of exceptional revenue \$40,784, and when this sum is considered the Hon. Provincial Secretary will find the balance again changes sides and shows over expenditure of revenue from regular annual receipts. The facts have been presented called for governmental change in management of departments of the Province. The resources of the country should be unshaded, the heads of the departments in harmony and the accounts presented in such a manner as would be satisfactory to any man of business. The whole system of accounts should be such as would place the affairs of this Province in one account, so that any one taking it up could readily comprehend the financial condition of just such a balance as any ordinary business man would have his book-keeper make up at the end of the year. From time to time we have these blue books laid before the country setting forth that such is the condition of public affairs at some particular date, but it is a deception, and all that we get appearing in the true financial condition of the country as shown by the public accounts, gives no correct and reliable showing. There is no showing of the account between Provincial