

# Ex-Premier Veniot Advocates Imposts On Energy Developed In and Exported From N. B.

Terms Direct Taxation Remedy More Fatal in Far Reaching Results Than Malady It is Intended to Cure

\$100,000 CUT IN BRIDGE COSTS ASKED

Co-operation With Lumbermen to Increase Stumpage Rates and Levies on Street Railways, Telephone, Telegraph, Trust Companies Urged in Speech to Legislature

BY JOHN J. DUNLOP  
Special Correspondent to The Times-Star.

FREDERICTON, N. B., April 8.—Direct taxation in New Brunswick is a remedy more far reaching in what he termed its "fatal" results than the malady it is intended to cure, Hon. Dr. P. J. Veniot, leader of the opposition, declared in his speech on the budget today and he proceeded to suggest several avenues the Government could follow to balance the budget without resorting to a direct impost, probably the most interesting being a suggestion to place a levy of \$2 or \$3 on each horse power developed at Grand Falls as well as energy in other parts of the province. He further advocated a tax on electrical energy exported from the province and expressed the opinion that from this source alone it would be possible to raise about \$100,000 annually.

He pleaded with the government to stay its hand in placing a law on the statute books that would permit the government to levy on the municipalities to balance the budget. He asserted he was prepared to go the limit with the government in obtaining new revenue in order to avert direct taxation. The government, he charged, was violating its pledge to the people by introducing this tax.

**WANTS INFORMATION.**  
Hon. Dr. Veniot said he had no quarrel with the taxes on banks, insurance companies, and increases in the amusement tax, but what influence had been brought to bear on the government not to tax trust companies, telephone companies, and telegraph companies? He asked the provincial secretary-treasurer to provide him with that information before the House resumed.

Briefly summarized, Hon. Mr. Veniot advocated the following policies to avoid direct taxation:  
Taxes on street railways, telephone companies, trust companies and telegraph companies.

**WOULD CUT BRIDGE OUTLAY.**  
Reduction in the expenditure on ordinary bridges from \$200,000, as named in the estimates, to \$100,000.

Reduction of expenditure against capital account for main and secondary trunk roads.  
Secure the co-operation of the lumbermen in an endeavor to raise stumpage rates for this year.

Tax on electrical energy developed in province and tax on energy exported from province.  
Taxes on inter-provincial companies.

Increases in succession duties.  
Hon. Dr. Veniot devoted much time to the stumpage rates and charged that the present government had violated the statute in regard to the fixation of this rate when they reduced it from \$3 to \$2.50, soon after assuming power.

In conclusion he referred at length to the Musquash development, claiming it was a self-sustaining proposition. Referring to the remarks of James L. Lord, Government member for Charlotte, Hon. Mr. Veniot asked Mr. Lord to formulate a bill and lay them before the public accounts committee for investigation.

**STEWART ADJOURNS DEBATE.**  
Hon. Dr. Veniot commenced his address in the afternoon and did not finish until late in the evening. He was preceded by E. W. Melville, Government member for Charlottetown. There was quite a large attendance in the gallery to hear the former premier. Hon. D. A. Stewart, Minister of Public Works, adjourned the debate and he will be followed tomorrow by A. A. Dymally, former Speaker of the House.

**MELVILLE'S SPEECH.**  
Mr. Melville devoted much of his speech to agriculture, claiming that the benefits received were not, in his opinion, proportionate to the expenditure in the Department of Agriculture.

Turning to the budget, he declared there was too much overhead in the government administration for Charlottetown. There were too many officials and too many public buildings. There were too many members in the Legislature, he said, and the country could get along very well with a reduction of from 25 to 50 per cent.

**VENIOT'S SPEECH.**  
Beginning his speech, Mr. Veniot said:  
During the debate on the address the Premier took occasion to refer to the relation of the Maritime Provinces towards the other provinces of Canada, and he contended that while the dream of Confederation, for as the Maritimes are concerned, had not been fully realized, it was in large part due to the failure of other parts of the Dominion to recognize fairness of our demands for fuller recognition by the central government. I concur in part with what he said, but at the same time I wish to point out that the lack of recognition of our situation is also due in part to our own lack of initiative in impressing upon other sections of Canada our grievances.

**PLEASED TO SEE CHANGE.**  
"I am pleased to see that this lack of initiative is fast disappearing and

doubt. It was during the former regime of my friends opposite, between 1908 and 1917, that the increase of the debt brought the heaviest burdens upon the province, because they continued to increase it without making any adequate provision for its redemption.

"In the matter of the Valley Railway alone they burdened the province with a debt, not only without making provision for redemption, but without providing for the payment of interest on the sum borrowed, which amounted to nearly \$8,000,000, and which interest charges leave a deficit of a yearly average of \$200,000. The contract they made with the Conservative government in 1913 for the operation of this railway was the most unbusinesslike ever heard of in the history of our province.

**CLAIMS SURPLUS.**  
"The result in the Musquash case in plain words is that the undertaking has paid its way and has a cash surplus of \$2,857, clear of the charge for future replacements. It is not necessary, at least during the first period of five years, to do this. There is not one cent deficit in sinking fund. I notice that the new auditors have made this charge a 'book deficit' and rightly so.

"The question may be asked: 'Will this book deficit ever disappear?' It will disappear as the volume of business increases and gradually reaches the maximum development at Musquash plant. Let me point out how this can be accomplished.

**CASE OF SAINT JOHN.**  
"The very same principle applies in the case of Saint John, especially when it reaches beyond the maximum period of five years. Even if Saint John does not reach its maximum contracted for, but say reaches only 2,000,000 k.w.h. above its minimum, it would be contributing some \$24,000 a year more than it does now without there being any further overhead charges against the commission. If it reaches its maximum it will be paying around \$60,000 more annually than it now pays.

"With Moncton paying in an additional \$45,000 and Saint John another addition of \$24,000 (or \$60,000 when it reaches its full maximum) it will readily be seen how rapidly any deficits on renewal account, accumulated during the first five years, would disappear, when the increase over the present year's income would be at the rate of \$60,000 or more. Inside of 15 years all deficits would have disappeared and you would have a full renewal reserve intact. This is the reason why all transactions of this kind are recognized as a book deficit in the first years of operation of a utility of this kind.

"With further reference to this special audit, let me point out that the auditors have gone out of their way to deal with the capacity of Musquash and to make comparisons or draw conclusions which are not founded on fact.

**MOVIE AND GAS TAXES.**  
"While no details are given by which one can form a definite idea of how the extra tax on amusements will be levied, I wish to express the hope that the Government will see its way clear not to increase the rate on the tickets up to and including 25 cents. This is, so to speak, the poor man's ticket.

"In the matter of the extra taxation in connection with the automobiles, I feel that the Government should have laid all the details before the House when introducing the budget. I note the estimated increase in revenue is \$300,000 for the year. It is impossible to obtain that increase by the imposition of a gasoline tax of three cents a gallon, unless the intention is to tax all gasoline sold in the province and allow no rebate to those who use gasoline for other than automobiles. I hope such as not the intention of the Government.

"I would like to know if it is the intention of the Government to earmark all revenue from automobiles so that it will be used exclusively for road purposes by the funding of the same. If such is the case then there is no need of the tax being so high.

**MUSQUASH DEVELOPMENT.**  
"A great deal has been heard about the failure of Musquash from a financial standpoint. I desire to point out that I consider a serious discrepancy in the report of the special audit, made last fall before the close of the fiscal year.

"In this special audit we find the following: 'The total investment in Musquash is \$4,337,463. The Commission would require to earn 12 p.c. on \$3,500,000 or \$420,000 annually to meet all charges.'

"Further on in the report a table is given which shows that 117 p.c. is sufficient. Why, then, charge 12 p.c. when less is sufficient, and why make the charge on more than the total investment. Under their own figures the total revenue required to meet all charges would be \$390,485 and not \$420,000.

**SPECIAL AUDITORS.**  
"I have given to the House what these special auditors said it would be necessary to raise in cash in order to meet all charges. We have now before us the final audit for the year, and I take it it gives the actual results. What do we find? Do we find that it was necessary to raise \$420,000 to meet all charges against Musquash? Not at all. The statement shows that if we had received in revenue the sum of \$386,723 there would have been enough revenue to meet charges of every nature whatsoever against Musquash. We received \$205,251 instead, leaving a deficit of \$43,614 after charging the full amount for future replacements.

**DEBT INCREASE.**  
"It is true that when in office we did increase the public debt, but we did not increase it out proportion to our needs to meet such debt at maturity. My friend, Mr. Michael, in the very able discussion he made the other day, concluding my address, will clearly show the utter fallacy of such a contention.

**BABY'S SKIN.**  
"It is easily hurt. Many mothers protect it by bathing with no other soap than Resinol.

## Victor Records I Love My Baby

Fox Trot  
Waring's Pennsylvanians  
No. 19905

I NEVER KNEW HOW WONDERFUL YOU WERE  
Fox Trot Paul Whiteman and His Orchestra 19946

LANTERN OF LOVE  
Fox Trot Roger Wolfe Kahn and His Orchestra 19943

AFTER I SAY I'M SORRY  
Fox Trot Jean Goldkette and His Orchestra 19947

BEHIND THE CLOUDS  
Vocal Gene Austin (Tenor) 19948

10-in. double-sided records, 75c.  
GEMS FROM "SUNNY"  
Vocal Victor Light Opera Co. 35749

12-in. double-sided record, \$1.50  
At "His Master's Voice" Dealers

Victor Talking Machine Co. of Canada, Limited

HIS MASTER'S VOICE

THE PEPPY BRAN FOOD

On the other hand, if this charge for replacements were not made, but carried over for a period of years, as is the case in all utilities which carry a sinking fund, the cash surplus would have been \$2,857 on a volume of business which at the present time utilized a little more than half of the installed capacity of the plant.

**CLAIMS SURPLUS.**  
"The result in the Musquash case in plain words is that the undertaking has paid its way and has a cash surplus of \$2,857, clear of the charge for future replacements. It is not necessary, at least during the first period of five years, to do this. There is not one cent deficit in sinking fund. I notice that the new auditors have made this charge a 'book deficit' and rightly so.

"The question may be asked: 'Will this book deficit ever disappear?' It will disappear as the volume of business increases and gradually reaches the maximum development at Musquash plant. Let me point out how this can be accomplished.

**CASE OF MONCTON.**  
"Take the case of Moncton. This city has contracted for a minimum of 5,000,000 k.w.h. and I think its maximum is 7,500,000. Moncton has reached its minimum and from now on the revenue from that source will increase gradually without there being any increase in the charges for operation, or overhead. When Moncton reaches its maximum it will be contributing more revenue at its present rate than will be necessary to meet all charges of whatsoever nature. The volume of business will rapidly cause the deficit on future renewals to disappear and the extra earnings from increased volume of business will be sufficient to make up its share of deficits in years past from that period onward a renewal account sufficient to meet all ordinary necessary renewals during the period in which such renewals may be necessary, say in 15 or 20 years.

**CASE OF SAINT JOHN.**  
"The very same principle applies in the case of Saint John, especially when it reaches beyond the maximum period of five years. Even if Saint John does not reach its maximum contracted for, but say reaches only 2,000,000 k.w.h. above its minimum, it would be contributing some \$24,000 a year more than it does now without there being any further overhead charges against the commission. If it reaches its maximum it will be paying around \$60,000 more annually than it now pays.

"With Moncton paying in an additional \$45,000 and Saint John another addition of \$24,000 (or \$60,000 when it reaches its full maximum) it will readily be seen how rapidly any deficits on renewal account, accumulated during the first five years, would disappear, when the increase over the present year's income would be at the rate of \$60,000 or more. Inside of 15 years all deficits would have disappeared and you would have a full renewal reserve intact. This is the reason why all transactions of this kind are recognized as a book deficit in the first years of operation of a utility of this kind.

"With further reference to this special audit, let me point out that the auditors have gone out of their way to deal with the capacity of Musquash and to make comparisons or draw conclusions which are not founded on fact.

**MOVIE AND GAS TAXES.**  
"While no details are given by which one can form a definite idea of how the extra tax on amusements will be levied, I wish to express the hope that the Government will see its way clear not to increase the rate on the tickets up to and including 25 cents. This is, so to speak, the poor man's ticket.

"In the matter of the extra taxation in connection with the automobiles, I feel that the Government should have laid all the details before the House when introducing the budget. I note the estimated increase in revenue is \$300,000 for the year. It is impossible to obtain that increase by the imposition of a gasoline tax of three cents a gallon, unless the intention is to tax all gasoline sold in the province and allow no rebate to those who use gasoline for other than automobiles. I hope such as not the intention of the Government.

"I would like to know if it is the intention of the Government to earmark all revenue from automobiles so that it will be used exclusively for road purposes by the funding of the same. If such is the case then there is no need of the tax being so high.

**MUSQUASH DEVELOPMENT.**  
"A great deal has been heard about the failure of Musquash from a financial standpoint. I desire to point out that I consider a serious discrepancy in the report of the special audit, made last fall before the close of the fiscal year.

"In this special audit we find the following: 'The total investment in Musquash is \$4,337,463. The Commission would require to earn 12 p.c. on \$3,500,000 or \$420,000 annually to meet all charges.'

"Further on in the report a table is given which shows that 117 p.c. is sufficient. Why, then, charge 12 p.c. when less is sufficient, and why make the charge on more than the total investment. Under their own figures the total revenue required to meet all charges would be \$390,485 and not \$420,000.

**SPECIAL AUDITORS.**  
"I have given to the House what these special auditors said it would be necessary to raise in cash in order to meet all charges. We have now before us the final audit for the year, and I take it it gives the actual results. What do we find? Do we find that it was necessary to raise \$420,000 to meet all charges against Musquash? Not at all. The statement shows that if we had received in revenue the sum of \$386,723 there would have been enough revenue to meet charges of every nature whatsoever against Musquash. We received \$205,251 instead, leaving a deficit of \$43,614 after charging the full amount for future replacements.

**DEBT INCREASE.**  
"It is true that when in office we did increase the public debt, but we did not increase it out proportion to our needs to meet such debt at maturity. My friend, Mr. Michael, in the very able discussion he made the other day, concluding my address, will clearly show the utter fallacy of such a contention.

**BABY'S SKIN.**  
"It is easily hurt. Many mothers protect it by bathing with no other soap than Resinol.

**Tip Top Tailors**  
The World's Largest One Price Tailoring Organization

The style you want---made for you

It always pays to have your clothes tailored to measure.

You have your own choice of fabric, color and pattern.

The garment you buy is designed to fit you perfectly and it may be finished in any style you prefer.

Yet Tip Top tailored to measure clothes cost no more than you'd pay for ordinary ready-mades. See our new fabrics today.

5 Charlotte Street

Write for Samples.

TAILORED TO MEASURE

ALL ONE PRICE

At "His Master's Voice" Dealers

Victor Talking Machine Co. of Canada, Limited

HIS MASTER'S VOICE

THE PEPPY BRAN FOOD

reaches its full maximum) it will readily be seen how rapidly any deficits on renewal account, accumulated during the first five years, would disappear, when the increase over the present year's income would be at the rate of \$60,000 or more. Inside of 15 years all deficits would have disappeared and you would have a full renewal reserve intact. This is the reason why all transactions of this kind are recognized as a book deficit in the first years of operation of a utility of this kind.

"With further reference to this special audit, let me point out that the auditors have gone out of their way to deal with the capacity of Musquash and to make comparisons or draw conclusions which are not founded on fact.

**MOVIE AND GAS TAXES.**  
"While no details are given by which one can form a definite idea of how the extra tax on amusements will be levied, I wish to express the hope that the Government will see its way clear not to increase the rate on the tickets up to and including 25 cents. This is, so to speak, the poor man's ticket.

"In the matter of the extra taxation in connection with the automobiles, I feel that the Government should have laid all the details before the House when introducing the budget. I note the estimated increase in revenue is \$300,000 for the year. It is impossible to obtain that increase by the imposition of a gasoline tax of three cents a gallon, unless the intention is to tax all gasoline sold in the province and allow no rebate to those who use gasoline for other than automobiles. I hope such as not the intention of the Government.

"I would like to know if it is the intention of the Government to earmark all revenue from automobiles so that it will be used exclusively for road purposes by the funding of the same. If such is the case then there is no need of the tax being so high.

**MUSQUASH DEVELOPMENT.**  
"A great deal has been heard about the failure of Musquash from a financial standpoint. I desire to point out that I consider a serious discrepancy in the report of the special audit, made last fall before the close of the fiscal year.

"In this special audit we find the following: 'The total investment in Musquash is \$4,337,463. The Commission would require to earn 12 p.c. on \$3,500,000 or \$420,000 annually to meet all charges.'

"Further on in the report a table is given which shows that 117 p.c. is sufficient. Why, then, charge 12 p.c. when less is sufficient, and why make the charge on more than the total investment. Under their own figures the total revenue required to meet all charges would be \$390,485 and not \$420,000.

**SPECIAL AUDITORS.**  
"I have given to the House what these special auditors said it would be necessary to raise in cash in order to meet all charges. We have now before us the final audit for the year, and I take it it gives the actual results. What do we find? Do we find that it was necessary to raise \$420,000 to meet all charges against Musquash? Not at all. The statement shows that if we had received in revenue the sum of \$386,723 there would have been enough revenue to meet charges of every nature whatsoever against Musquash. We received \$205,251 instead, leaving a deficit of \$43,614 after charging the full amount for future replacements.

**DEBT INCREASE.**  
"It is true that when in office we did increase the public debt, but we did not increase it out proportion to our needs to meet such debt at maturity. My friend, Mr. Michael, in the very able discussion he made the other day, concluding my address, will clearly show the utter fallacy of such a contention.

**BABY'S SKIN.**  
"It is easily hurt. Many mothers protect it by bathing with no other soap than Resinol.

**Tip Top Tailors**  
The World's Largest One Price Tailoring Organization

The style you want---made for you

It always pays to have your clothes tailored to measure.

You have your own choice of fabric, color and pattern.

The garment you buy is designed to fit you perfectly and it may be finished in any style you prefer.

Yet Tip Top tailored to measure clothes cost no more than you'd pay for ordinary ready-mades. See our new fabrics today.

5 Charlotte Street

Write for Samples.

TAILORED TO MEASURE

ALL ONE PRICE

At "His Master's Voice" Dealers

Victor Talking Machine Co. of Canada, Limited

HIS MASTER'S VOICE

THE PEPPY BRAN FOOD