

FLEMING MAKES BUDGET SPEECH

Defends Enormous Expenditure

Declares Provincial Debt Only Increased \$185,000 Last Year

Record Revenue Not Enough to Carry on Business of the Country—Mr. Tweeddale Charges Much Money is Wasted to Provide for Partisans—Says Crown Lands Are Being Depleted.

Fredericton, March 14.—There were many absent members including Premier Hazen and Hon. C. W. Robinson, when Mr. Fleming made his budget speech this afternoon.

He made the most of his case and began his statement in regard to the finances of the year with moderation and fluency. He noted the net increase of the debt was \$185,000, which he contended was less than had been added for many years. For much of this, he said, permanent bridges were responsible, and it must have caused the house surprise to hear that such expense was proper for future years, when some years ago, when in opposition, the provincial secretary was one of the strongest critics of that policy, holding that all such expenditures should be paid out of current account.

He took up the Telegraph's statement in regard to the surplus and said that the amount ordered to be paid by the treasury board November 8, was included in the over-expenditure amount brought down in the auditor's report, but it seems difficult to find them. On that date \$8,789.46 was ordered paid for bridges, and \$657.89 for wharves, and on page 136 of the auditor's report there is noted over-expenditure on roads and bridges, \$50,146.67, and for wharves \$15,178.50. The amounts passed November 8 may be included in these over-expenditures, but there is nothing to indicate this in the auditor's general report.

Again, on October 31, the King's Printer asked for \$180.43 to pay bills, and this amount was passed and ordered by the treasury board November 8, but what is there to show that this amount is part of the over-expenditure of \$3,148.27 for printing?

The Estimates.

In the estimates of the receipts for the coming year the provincial secretary places the territorial revenue at half a million, which is some few thousands in excess of the largest amount obtained last year. It is worth noting that the estimate for 1911 is \$1,000,000, as against \$1,024,400.50 last year. The estimated expenditure is \$1,013,632.32.

Agriculture has been increased from \$1,475,730 to \$1,578,833; education, \$274,310, as against \$265,822.49 last year. The executive government has increased from \$38,908.67 to \$47,262, while fish, forest and game protection has decreased about \$80,000. Printing, too, has gone up with the rest, \$13,800 has been estimated as the cost, which is much larger than the estimate of last year, but less than the actual cost, which was \$14,448.27.

There was \$328,443.28 spent on public works last year and the estimate for 1911 is \$318,800. There is a bill introduced to give the University of New Brunswick \$3,000 more. The increase of \$15,000 in the agricultural estimate is partly accounted for by \$2,000 for the encouragement of poultry raising, which covers the salary and traveling expenses of Mr. Jones, the inspector, and \$15,000 increase in the appropriation for horticulture. Other items stand about the same as last year, with some slight increases. The minor items of the estimates, \$5,000, are included in the appropriation.

Mr. Tweeddale.

Mr. Tweeddale began a vigorous reply to Mr. Fleming at 9.30 and spoke for half an hour, dealing effectively with the boastful speech of the provincial secretary. He contended that much of the increased revenue was due to efforts of the old government and Mr. Pugsley by securing \$180,000 more subsidy every year.

Then, in rapid succession, he dealt with the efforts of the minister of public works when in the legislature, to obtain justice for this province and an increased revenue. He ridiculed the idea that increased revenue of the province came from any other source than the public domain of the country. It was not because of any greater vigilance or honesty on the part of the administration, but because the lumber cut upon the crown lands had been greater.

The speaker made an excellent argument in support of this statement, by referring to other avenues of export of lumber from the province, that the government had not entirely. It was the fault of the government that the province has no certain knowledge of its forest resources. The public domain was placed upon the statute books by the former government, and if the department had followed out its provisions it would be in possession of exact information in regard to our forest wealth.

Amid laughter of the opposition, Mr. Tweeddale showed from the auditor's report how the money was expended on roads and bridges, and the government was shown in comparison with the actual figures. He read accounts of payments made in all parts of the province, and showed conclusively how the money had been squandered upon administration favorites.

Among other extravaganzas, he referred to large sums spent upon investigations and commissions which had been of no benefit whatever. For an agricultural policy nearly \$7,000 had been spent with nothing to show for it. Then what result had followed the tremendous expenditure upon the Central Railway investigation? No action had been taken but the object had been to injure Hon. William Pugsley, and the government would not have stopped at \$50,000, if they could have accomplished that.

ed the debate and will resume tomorrow afternoon.

W. E. Foster and P. W. Thomson are here in the interests of the N. B. Hydro-Electric Power Company, whose bill Mr. Wilson introduced tonight.

In answer to Mr. Robinson, Mr. Fleming said the \$438,744 for the Central Railway investigation included in the expenditure since the close of the fiscal year had been paid to Fulton McDougall, one of the commissioners.

More Aid to U. N. B.

Fredericton, N. B., March 14.—The House of Assembly met at 10 o'clock this time for introduction of private bills, extended one week.

Hon. Mr. Fleming introduced a bill further aid the University of New Brunswick. He said that in response to a request from the University senate, the grant was to be increased from \$13,840 to \$17,000 annually.

Mr. Tweeddale asked when the paper regarding the St. John Valley Railway would be brought down, as promised.

Hon. Mr. Fleming said the paper would be home tomorrow when the information could be given.

Hon. Mr. Fleming in reply to Mr. Robinson's enquiry, said that the amount of \$100,000 for printing since the close of the fiscal year, was paid to Fulton McDougall, of Moncton.

Mr. Uppham gave notice of inquiry into the printing since the close of the fiscal year.

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VALLEY PROBLEM SOLVED NOW IF HAZEN ACCEPTS THOS. MALCOLM'S OFFER

Builder of International Writes That He Will Construct the Valley Line from Grand Falls to St. John for Bond Guarantee and Dominion Subsidy, the Road to Become Part of the I. C. R.—The Letter Which the Hazenites Have Been Concealing Read in the Legislature.

The following letter, read by J. F. Tweeddale in the legislature yesterday, is self-explanatory. It gives the people of New Brunswick the information which the Hazen government has been concealing.

If the Hazen government would accept the terms here offered, the Valley Railway would be built at once, and operated as part of the I. C. R. This would best protect the credit of the province, and it would give the people of the river counties reason for a first-class road, and competitive rates on through freight.

Dear Sir:—

On behalf of the International and New Brunswick Railway Company, the charter of which has been granted by parliament with power to construct and equip a railway from Quebec to St. John, I hereby offer to enter into a contract to construct the portion from Grand Falls to St. John, the line when so constructed and equipped to be leased to the government of Canada and operated as part of the Intercolonial system, pursuant to the proposed legislation which the Dominion government has submitted to parliament.

The provincial legislation would, of course, have to be modified so as to conform to the proposed dominion legislation as to lease, etc.

As I understand it, the bonds would be guaranteed as each ten miles are completed.

I am prepared to give the necessary security for payment of interest on the bonds, during the construction of each section, until completed, and its operation assumed by the Intercolonial.

As you know, I have just completed the International Railway, and my plant is now available to enable me to commence work at once, and complete the various sections with all possible speed.

If your government is disposed to enter into a contract with my company, I shall be pleased to meet with you and discuss the details of agreement.

Awaiting a reply, I am,

Yours truly,

Thos. Malcolm.

J. D. Hazen, Premier,

St. John, N. B.

With the publication of the foregoing offer the people of the St. John Valley will see that the long desired road is within their grasp—unless Premier Hazen refuses to do his duty and goes on playing politics.

friend is open to conviction. I think I have very good chance of showing him that he is wrong.

Continuing, Hon. Mr. Fleming said he had the utmost confidence in saying that the surplus was real. He could also say that it was not secured by the system of bookkeeping, as was done under old administration.

The other morning he had found in the St. John Telegraph the statement that there was a fake surplus, and that it had been exposed. And who made the exposure? The auditor general's report, in the minutes of the meeting of the treasury board held October 26, when it said a number of accounts were considered, some were ordered paid and some were ordered to stand, and then later corrected.

He was sorry for the Telegraph. If they had gone to any trouble or put forward any effort, they could have learned the truth. He showed that they paid out the latter were paid on November 8, \$1,224,405, the actual revenue being \$1,272,507.42 in excess of the estimates.

In passing, he said that he was sure hon. gentlemen would be pleased to know that the Royal Gazette had been placed upon a paying basis and that the receipts from that source were greater than the expenditure.

He was pleased that there was less revenue from liquor licenses last year than for many years. The amount was between \$17,000 and \$18,000, while it used to be between \$20,000 and \$21,000.

He was sorry to say that it looked as if the plan by which the dominion government paid half of the cost of the erection of wharves in tidal waters, would be discontinued. However, he had placed in the estimates the amount due the province under the existing arrangement, for work which had actually been done, and he felt that hon. gentlemen would agree that the government would strongly urge that the dominion government must pay for its share of the work actually done before notice cancelling the agreement was received.

He then took up the expenditures for the past year which amounted to \$1,317,764.42, or \$80,796.69 in excess of the estimated expenditure, which was \$1,227,077.73. He would not weary the house by taking up each item separately, but pointed out that the actual expenditure was \$220,344.48, while the actual expenditure was \$265,822.89, being \$5,484.41 over the estimate. For the school book department the actual expenditure was \$12,000, while the actual expenditure was \$20,157.40 above the estimates and the reason was that new books had been placed on the list handled by vendors, making a large increase in purchases necessary.

For public works \$328,443.28 had been expended, this amount being \$63,443.28 above the estimate, which was \$265,000. The estimated expenditure for stonage collection was \$20,000 which proved \$7,909.02 below the actual expenditure. Hon. gentlemen will realize that the cost of collection of stonage must necessarily increase with the expansion of receipts from stonage duty. This government had been pleased to put scalars on a basis whereby they would get their day's pay for an honest day's work. The amount paid scalars had been increased from 5 to 7 cents per thousand. Under the old system scalars were paid on two large districts in order that at the rate they might receive good wages.

An unforeseen expenditure which had not been voted upon by the legislature was that of a beautiful bridge at Grand Falls, of which \$2,000, which had been voted by the executive committee to the town of Campbellton, immediately after the discussion there, was made up the large proportion of the amount by which the debt was increased. The expenditure on permanent bridges during the past five years being as follows: 1906, \$267,222.14; 1907, \$280,556.80; 1908, \$263,397.37; 1909, \$271,491.40; 1910, \$185,280.23.

He declared it to be a correct and sound proposition that any government should go ahead with necessary public works and spend the money in the most judicious manner when the work was necessary.

While the debt was necessarily increasing the amount which made up this in the erection of such a beautiful bridge at Grand Falls throughout the province. But permanent bridges made up the large proportion of the amount by which the debt was increased. The expenditure on permanent bridges during the past five years being as follows: 1906, \$267,222.14; 1907, \$280,556.80; 1908, \$263,397.37; 1909, \$271,491.40; 1910, \$185,280.23.

Another amount which went toward making up the increase in the debt was railway subsidies. During the same period

department was 704, of whom 337 were English, 365 Scotch, 4 Irish, and from other countries. Of the number, 89 were domestic servants, and 176 were farm help. Families were placed on farms, 22 farms were bought and 10 leased. About \$30,000 was brought into the province by these immigrants. The families were located as follows: Carleton, 15; York, 15; St. John, 10; Sunbury, 4; Kings; 3; Charlotte, Kent and Northumberland, 1 each.

Mr. Fleming concluded his long speech, with a great deal of time was devoted to state charges against the previous government, about 9.30 o'clock.

Mr. Tweeddale.

Mr. Tweeddale, who followed, said the honorable provincial secretary had done a great deal of boasting in the house, during recess and through the public press about the increased revenues, but no credit was due the present government for that revenue. Hon. Mr. Pugsley, when a member of the government, had conceived the idea and carried it into effect, when a larger subsidy was obtained from the federal government. The then opposition denounced him from pressing the claim.

It was the same with the Eastern Extension claim whereby \$175,000 was put into the provincial treasury. But the opposition always said there was nothing in the claim, and had in that way prejudiced the case of the province.

Hon. Mr. Pugsley had also pressed the desperate claim upon the government and he believed that had the honorable provincial secretary remained a member of the government of the province the claim would be far more advanced than it was.

It was absurd for the government to claim the increased revenue from the crown lands was due to better administration of the department. In order to establish such a claim it would be necessary for the government to prove that no more revenue was taken off the crown lands now than formerly. Shipments of lumber to the United States was no indication, and every one informed person knew that the number cut on the upper St. John the last few years was shipped to the United States by rail.

He was somewhat surprised that the government put into the estimates such a large sum for the construction of the road, when the honorable member of the government who represents St. John had said in the house, almost with tears in his eyes, that taking succession duties was robbing the widow and the orphan.

Hon. Mr. Maxwell—Does my friend know what he states is untrue?

Mr. Tweeddale—Every man on this side of the house knows it's true.

Continuing, Mr. Tweeddale claimed that the government constantly taking the government could clean off the bonded indebtedness of the province. The revenue of the province has been increased, but the people say they are not getting the benefit.

With regard to the administration of the crown lands it should be brought down to business principles and scientific knowledge applied. They were not taking the public domain act on the statute book so that prospective purchasers of crown lands should know by enquiring at the crown land office, what kind and the amount of timber, and also the character of the soil on the land, which they contemplated purchasing.

The present administration is haphazard. They have reduced the number of logs to be cut on crown lands, which has proved disastrous. In recent years the lumbermen could come to the department and get permission to cut pulp wood on lands where it should not be cut.

Should not be increased in order to make a good showing for any government, but if they do increase it why should they not do it for the benefit of the province? In a single solitary instance did they make the bona fide appropriations by a single dollar of it. And how could they expect people to take them seriously when they now make general criticisms of such expenditures.

Referring to the records, he would name the larger items of expenditure in comparison with former years and would ask the honorable gentlemen to name what services or items they objected to in increases. Taking the last year of the old administration and the past year under the present government the figures were as follows:

1907.	1910.
Education.....\$220,750.05	\$265,822.89
Public works.....178,569.70	251,816.61
Public works.....230,421.61	328,443.28

Did they say or did their papers say that too much money was being expended on education? He would ask the honorable member of the house to recognize that education was the foundation of the progress, prosperity and happiness of the people. Every dollar that was expended on education was absolutely justified, and his only regret was that the appropriation of the house for education was not larger and go further and give aid along lines of recognition and in other branches of education in this province.

On public works a very largely increased expenditure was shown, \$80,000. He admitted that the government was spending more on the public works of the province than their predecessors. Some criticisms that they were not reasonable in their criticisms. Possibly there had been bills before the close of the fiscal year which had not been paid. People were slow in submitting their bills and there would always be some which were not paid at the close of the fiscal year. This administration had succeeded in cleaning up the debt of the last year in a better manner than in the past.

"Where has the money gone?" was one of the oft repeated queries of honorable gentlemen opposite, and of the press supporting them. They said that the government had a much greater revenue than the former government and that the money had been spent and they inquire, and quite properly so, what had the government done with the money? He would give honorable members credit for wanting to be fair and just in their criticisms, and if they said that the present government had spent too much money, they should be consistent and name and point out the items of expenditure which in their opinion ought not to have been made. They should specify what public works, what roads, what bridges, what

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both letter and answer to the country, but though he had promised to bring down correspondence, had failed to do so. Mr. Tweeddale said that the most effective speech that has been heard in the legislature this session. He was in the opinion of his constituents, ready and well prepared with his shifting policy, and their eagerness to the public domain for the St. John Valley. When he reached this important subject after a two-hour speech, the speaker reminded them of his own experience in the matter, one that it was a most serious matter of the legislature and the people, and which every one was interested in.

They all knew where he stood on the question. He was in favor of the construction of the road, when it was in the interests of the province and when it was safeguarded. He was confident that the people in any part of the province would be built without danger or injury to the people in any part of the province. He was surprised that at this, the honorable member of the legislature, in spite of the fact that the people for the road, no policy was the most important question, was the people of New Brunswick, he was confident now that the St. John Valley Railway can be built in common with a trunk line and operated as a unit without costing the province one cent of interest.

Further history of the great project, Mr. Tweeddale said, when the road, worked for the construction of the road. He had been the first to place bond guarantee on the statute book, and had offered \$15,000 per mile to encourage the construction of the road, where it was one was willing to undertake the work where the government came into power that the road had been increased, because the province was greater, more business was done, and the value of the land at the end of the valley to the other districts, its construction.

Further than that, the people knew the splendid efforts put forth by J. H. Carvell to have the Transcontinental road down the valley had failed because of the demands from Nova Scotia for a share of the route. He said that the province had contributed to Mr. Carvell's offer, but the railway built for the people of the St. John Valley.