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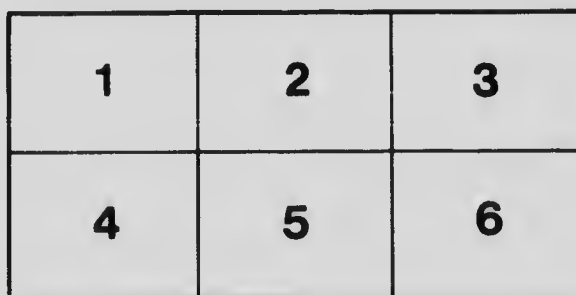
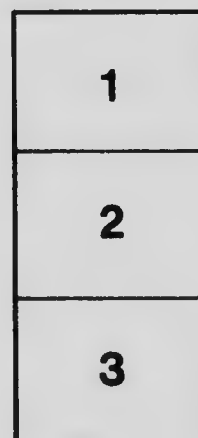
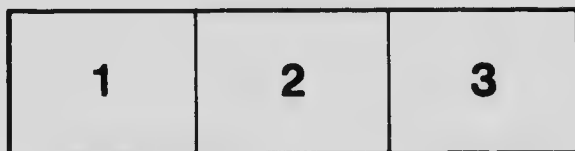
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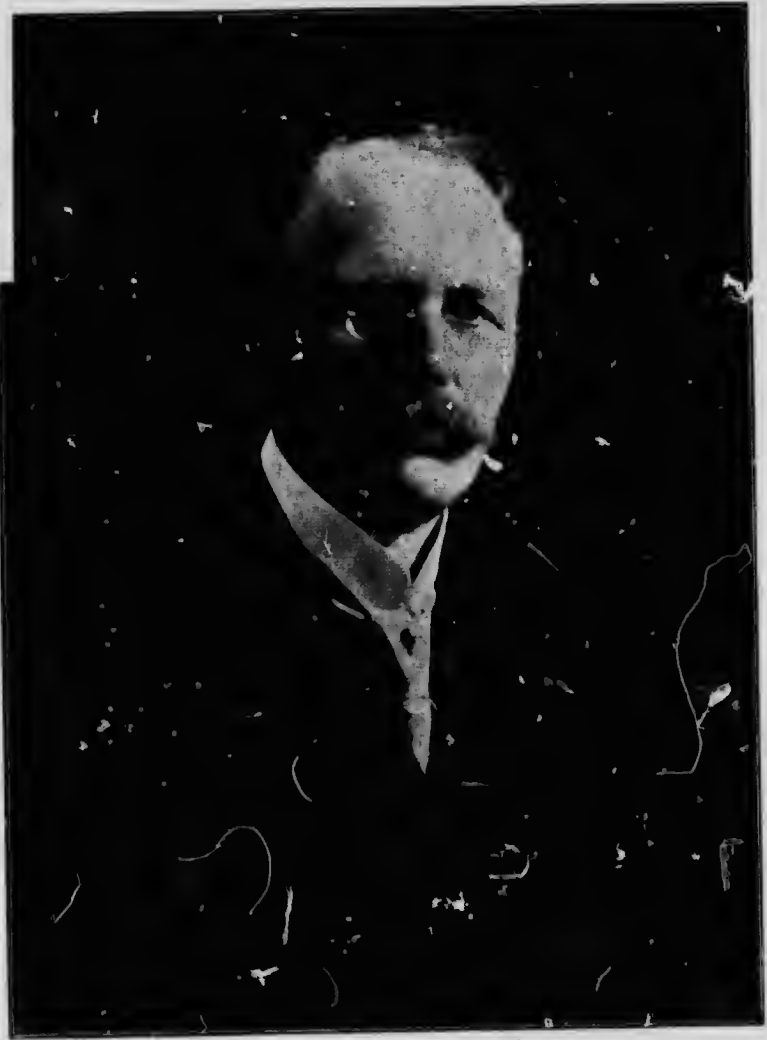
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# T SPEECH ON FINANCE

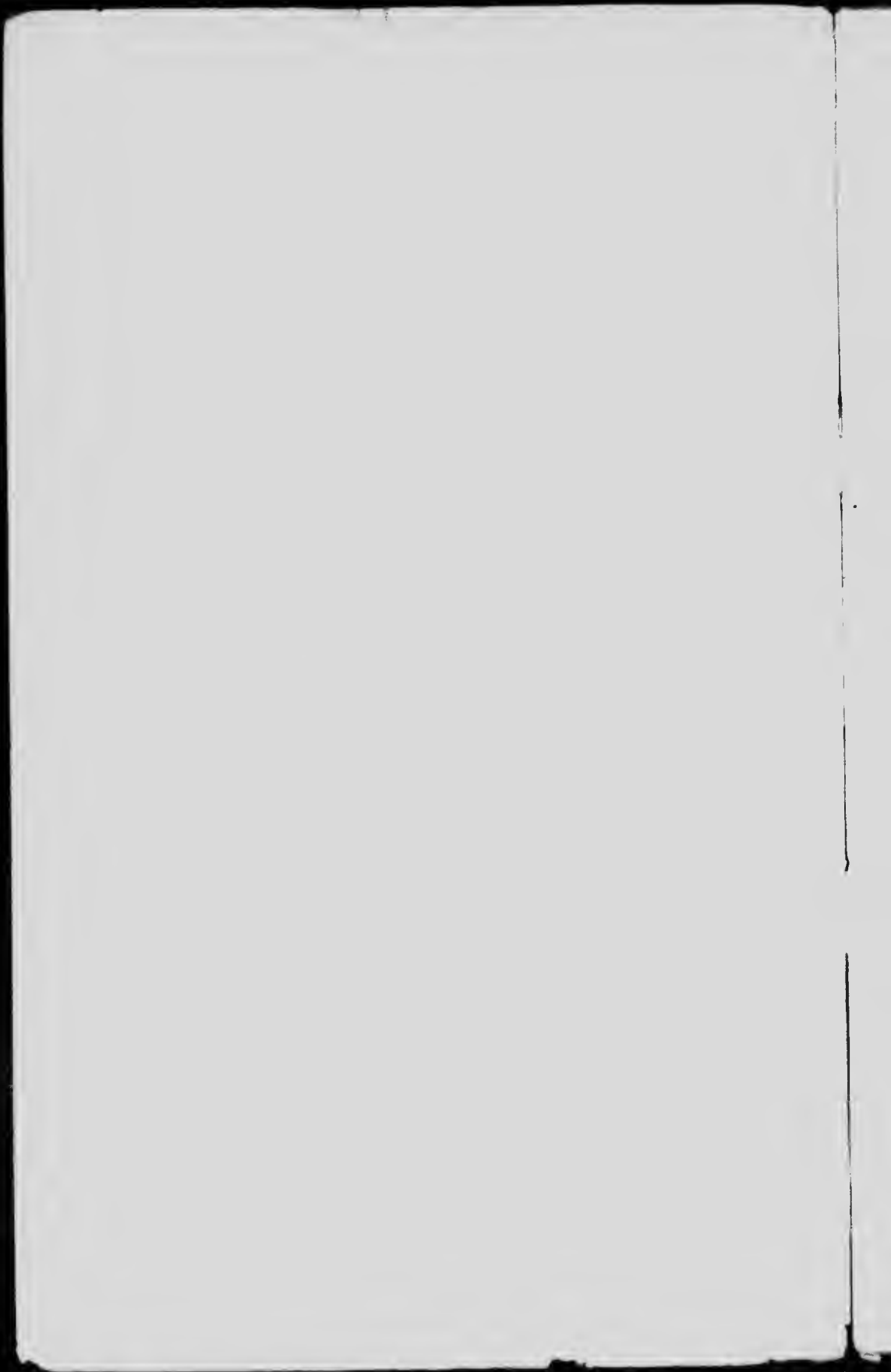
HOUSE OF ASSEMBLY, HALIFAX, N. S.,

APRIL 19, 1924  
UNIVERSITY OF TORONTO

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By MR. JAMES C. TORY, M. P. P.  
OF GUYSBORO, N. S.



# SPEECH ON FINANCE

## HOUSE OF ASSEMBLY

APRIL 4TH, 1916.

MR. TOYER said —

Mr. Speaker, I always listen to the hon. member for Lunenburg with interest and a considerable amount of interest. I enjoy the boyish simplicity with which the hon. member makes his speeches, and the unadorned form in which he presents them. But in connection with the hon. member's remarks, I am puzzled to know how he works out the proposition that the Province lost \$6,000,000 in connection with the transfer of lands owned by the Halifax and South Western Railway Company that were not Crown Lands, and that could not be sold two years ago for \$300,000. I also observed that in speaking the hon. member took for granted his own re-election and that of his friends, and also the success of the Conservative party. I have the impression, although I may be wrong, that a considerable portion of this talk was indulged in by the hon. member for the purpose of keeping up his courage. I have a letter here, published in the Lunenburg Progress, over the signature of the hon. member and his colleagues, in which the hon. member does not appear by any means so sure about the matter as he professes to be when speaking here today. This is a letter written some time in February, 1915, a couple of paragraphs from which read as follows:

"It looks now as though the Dominion elections will be held this summer. If so we must work harder than ever. If there are any complaints in your district, or sore spots, let us know."

"We are sending you a copy of the Public Accounts. Look over them most carefully, as they contain much ground for criticism."

The hon. gentleman does not seem quite so sure of himself and his party in this instance, and it is pretty good evidence that there is nothing wrong with the public accounts of the Province, if, after the experts from the County of Lunenburg and the Opposition in this House have gone over them, no more serious ground for criticism can be found than the purchase of two iron dogs and a brass fender for the Technical College.

With regard to the speech of the hon. member for Cape Breton, I wish to say that I was rather pleasantly surprised at the character of his address on the subject of finance. In many respects I was struck

with the fairness of his presentation of some phases at least of our financial matters, and I desire to compliment the hon. member upon the fact that he was able to deal fairly with some of the financial problems by which both political parties in the Province are confronted.

The hon. member for Colchester suggested to the House that he spoke as a business man, and I understand he came here as an expert in financial matters in order to deal with the financial problems of the Province. It might have been reasonably expected, therefore, that his statements would have been accurate, that they would be without exaggeration, and that there would have been some constructive suggestions in what he had to say. To me the hon. member's remarks were a great disappointment. First, because of his exaggerations; second, because of his inaccuracies; third, because there was nothing of a constructive character in his remarks which concluded with a suggestion of graft in connection with a transaction which would bear the most critical scrutiny and the closest examination,—a suggestion which was undignified, uncalled for, and unworthy of the hon. member.

#### CRITICS AND CRITICISM.

With regard to the question of critics, there is in this world a great variety of critics. In the first place, there are the honest critics, those who seek to present the matter they are discussing in a fair, honourable and proper manner, and all such criticism should be readily accepted and acknowledged when it comes from men who desire to bring about a better condition of affairs in this Province or elsewhere, and I believe there are men in this House who are entitled to be included in that class.

I regret, however, to have to say that there are critics of a very different kind,—there are prejudiced critics, critics who can never see anything except through party spectacles. I do not say that we have any such in this House, hon. gentlemen will be the best judges of that, but it should be the desire of all hon. members to bring about as fair criticism as can be made under the circumstances. There is also another class of critics, the irresponsible critics, the men who do not care what the result may be so long as they can bring about the effect upon the public mind that they desire to produce, without care or regard for the consequences. The fourth, and last class that I shall mention, is the most undesirable of all, namely, the unscrupulous critics. I do not like to suggest that we have in this House critics who are unscrupulous, but there is at least a part of the press of the country that is unscrupulous, that does not attempt to create the impression that a regard for truth would demand, but which seeks to create an impression which is false, and to bring about a conclusion that is not correct.

With that preliminary, I wish to say something about the manner in which we can enter upon a criticism that might be regarded as reasonably fair. Generally speaking, there are four viewpoints from which we may reasonably be expected to view the facts relating to an institution, and thus be able to form a judgment upon the results in question.

## THE HUMAN ELEMENT.

Now, in connection with governments, the first consideration is from the viewpoints of the human element which enters into government. In the days when we had a single man operating an enterprise, we could count on the result of his art, because we could practically size up his powers and his limitations; but, today there is a combination of human elements in any great organization, and it is the one factor we have to take cognizance of. On this ground I first meet the hon. member for Colchester in connection with the human element which enters into the personnel of this Government. I am not speaking of the Ministers, but of the subordinate officers. I have been, on more than one occasion, unusually impressed with the fact that the Government had been able to gather about itself so unusual a quota of young men for dealing with the problems they have to deal with, and I have wondered how it was that the administration should have selected men who so commended themselves to the business men of this community and of the Province.

Take the group of men in the Department of Education—the Superintendent of Education, Dr. MacKay; the Secretary for Agriculture, Prof. Cumming; the Administrator of the Technical College, Prof. Sexton; take that group, and it is hard to find their equals in ordinary business pursuits where no party politics enter.

Take the other Departments, Finance, Roads, Industries, there is a group of three young, energetic men, who can always be depended on to do their duty and accept responsibility in doing so. And so on through the various departments, in my judgment, the Government is to be complimented on having been able to secure the services of such men, and I think the reason is that the Premier has not allowed politics to influence his judgment in their selection.

The hon. member for Colchester, in dealing with this phase of the question, made a statement which was the most remarkable for a reasonable business man that I have ever heard made in this House. That gentleman gave us a list of 272 employees of the Government with salaries ranging from \$1,000 to \$5,000 or \$6,000 each, arranged in groups. Now, I challenge that hon. gentleman to produce one-half that number. I myself and the auditor have checked the names, and discovered that there are only 105 employees covering the whole range in the departments of the Government with salaries of over \$1,000 per year. I thought when that statement was made that it was most improbable, and I took a good deal of trouble to discover whether there was any truth in it or not.

**MR. DOUGLAS:** Is it not possible that some of these officials are getting salaries from different departments, and in that way come into the classes referred to by the hon. member for Colchester?

**MR. TORY:** I have gathered them together, even including those partially paid by the Dominion Government, and the number is not to be found. I can only explain the discrepancy by assuming that my hon. friend employed some irresponsible person to gather the information.



### FROM THE VIEWPOINT OF THE IMMEDIATE FACTS.

Having dealt with the matter briefly from the viewpoint of the human element, I wish for a moment to consider the subject from the viewpoint of the immediate facts. When one desires to form a judgment of a great institution, the second usual consideration is that of the annual statement of that institution, from which can generally be gathered a considerable insight into its business methods. In connection with governments, the immediate facts are brought under review in a somewhat different manner from that employed when dealing with ordinary business institutions.

In the first place, when the estimates are brought down, the details of the financial transactions proposed to be carried out are brought up before the representatives of the people, in order that they may be properly understood and approved. In addition to this, when the year's business is concluded, the financial reports are laid before the House, in order that they may be examined, and understood to conform to the directions originally given. With these details all the hon. gentlemen present are generally familiar.

There is one phase of the matter, however, to which I particularly wish to refer, and that is that there appears, from the discussion that has taken place, to have been some confusion as to the actual amount of departmental expenditure in the various departments of the Government, and very often we deal with the gross figures in determining the cost of certain departments, instead of dealing with the net figures. I propose to view the immediate facts from this standpoint for a few moments, and incidentally, to make reference to some points raised in the discussion.

The first item is that of ordinary education. During the fiscal year just closed, the gross amount spent in that branch of the Department was \$369,004.70, while we received in fees and from the School Book Bureau \$12,555.61, making a total net expenditure for Ordinary Education of \$356,449.09. Of course, the net sum expended here was not sufficient to deal with that branch as it should be dealt with, but it was large when considered in relation to the total net revenue of the Province. It would of course be better, if we had more money, to deal with the question of education on broader and more effective lines, but it would appear that we are aiding education as liberally as might be reasonably expected under the circumstances.

Coming now to Technical Education, the figures we have heard quoted as the expenditure in this branch of the Department were \$52,000, while as a matter of fact, the total net expenditure was only \$49,087.84, and was divided as follows:

|  |             |
|--|-------------|
| Technical College .....                    | \$28,281.70 |
| Technical Schools .....                    | 15,400.50   |
| Coal Mining Schools .....                  | 9,863.95    |
| Miscellaneous (Spare, Supplies, etc.)..... | 8,960.40    |
| Total.....                                 | \$62,406.55 |

But from this should be deducted the amount received from fees and the sale of supplies, which was \$13,197.11, making the net cost for the Technical branch of the Department only \$1,087.84.

In regard to the question of Agriculture, it is much the same. The gross expenditure was \$82,264.66, and the revenue was \$10,018.82, making the net cost \$72,245.84. And here I wish to say, that I regard the action of the Federal Government in helping Agriculture as one of the most important undertakings in connection with this country. Agriculture is one of the things over which we have joint jurisdiction with the Federal authorities. I am frank to admit that, until very recently, no Government at Ottawa, so far as Nova Scotia is concerned, has dealt reasonably or fairly with that department over which there is joint jurisdiction, but has left that great burden, with the exception of a small experimental farm or two, to the Province itself. If we could afford to double our expenditure on Agriculture, we could not even then fully meet the demands. Agriculture must be dealt with by all Federal Governments on different lines in the future than in the past, and it is not a question of diminution of expenditure, but rather of increase.

Now, just a word in passing with regard to the Department of Industries and Immigration. A great deal has been said about this Department. The total amount spent last year amounted to \$31,500,000, including the maintenance of the Agent General's office in London. Now this matter of immigration is also one over which the Federal and Provincial Governments have joint jurisdiction, and consequently joint responsibility. It will be admitted that, so far as Federal Governments in the past have been concerned, the money has been spent chiefly in populating the Western Provinces of Canada. Millions of dollars have been spent in this direction out of the revenues of Canada, contributed by all the people of Canada, and from which the Maritime Provinces got little or no benefit. In connection with the immigration policy of Federal Governments in the past, and I am not speaking from a party standpoint but from the standpoint of Federal as opposed to Provincial Governments, little or no attention has been paid to the Maritime Provinces in this important matter. As a consequence, it has been imperative, apart from our joint responsibility, that we should do something to improve our position from the standpoint of immigration. A Department was organized for that purpose, which has been doing, I believe, as effective work as could be expected under the circumstances, and with the money available. It is true that we cannot undertake to bring in immigrants just at the present moment owing to the war, but is that any reason why the effectiveness of the Department should be destroyed as suggested by the hon. member for Colechester, when we know perfectly well that it will be needed in the future more imperatively than in the past, and especially as soon as the present war is over?

The Department of Industries and Immigration has been found most useful in connection with organizations which have developed out of the war, such as the Belgian Relief Fund organization and the Patriotic Fund organization. Last year this Department supervised the payment of over \$200,000, spent on account of the Patriotic Fund, giving aid to over 1,600 families in Nova Scotia, as well as doing other important work. The question is, therefore, are we going to destroy this

Department during the time when it can be of service to the Province in other directions, and especially in connection with the war, for the sake of the temporary saving that could be made, and then a little later be obliged to create a new department, and begin the work over again? I believe that savings should be made wherever they can be made, and such savings as can be made in this Department will be made, as is indicated by the estimates brought down, but to destroy this Department, in my judgment, would be an unwise proceeding.

With reference to the matter of public relief institutions, there seems to be some little misapprehension here also when we look at only one side of the ledger. It is true that \$299,658.74 was the gross expenditure during the last fiscal year on this account, but we received in revenue from this department \$121,004.02, leaving the net expenditure as \$178,554.72. Now it may be said that the amount granted by this Government by way of public relief as here indicated, has been very great. There is no doubt that that is true, but if there has been any error committed in this respect, it has been an error of the heart rather than of the head; and there is this to be said, that no Province of the Dominion has, in my opinion, contributed more generously or covered the ground more thoroughly or more effectively than has been done by the Province of Nova Scotia.

Now, Mr. Speaker, I wish to say a word in connection with the subject of Legislative expenses. We expended last year for Legislative expenses the sum of \$73,446.57, which included the cost of both Houses. Do the hon. gentlemen realize that both Houses in this Province cost practically the same amount of money that one House costs in the other Provinces. Take for example the Province of Manitoba, a Province of about the same population. In that Province the sum of \$1,500 is paid to each representative, while here each member receives the sum of \$700. If we can maintain both Houses in Nova Scotia for the same amount for which one House is maintained in Manitoba, it is questionable whether it would be worth while to abandon the Legislative Council and to run our legislative business with one chamber.

#### PUBLIC PRINTING.

Another matter that was touched upon by the hon. member for Colchester was the subject of public printing. I admit that there has been a very considerable increase in connection with this item, which in 1897 cost \$9,612, and which last year cost \$22,472. For the information of the House, I have looked into this matter in order to discover the reason for the increase. In the first place, I find that public printing is done by tender and contract, and that only this year, the firm to which the hon. member for Colchester referred—the News Company of Toronto—tendered on one of the reports to be printed, and that their tender was the highest of all the tenders received. I find that twenty years ago we printed the following:

- Roads Report.
- Agriculture Report.
- Mines Report.
- Nova Scotia Hospital Report.
- Victoria General Hospital Report.
- Report of Humane Institutions.

Education Report.  
 Crown Lands Report.  
 Statutes.

In 1915 we printed not only all these reports in much larger form, but we printed the following in addition:

Provincial Sanatorium Report.  
 Immigration Report.  
 Vital Statistics Report.  
 Factories Report.  
 Report on Technical Education.  
 Provincial Secretary's Report.  
 Game Comaissioner's Report.  
 License Inspector's Report.  
 Report on Rural Telephones.  
 Report on Neglected Children.  
 Nova Scotia Temperance Act.  
 Workmen's Compensation Act.  
 Public Health Act.  
 Towns Incorporation Act.  
 Municipal Act.  
 Insurance Act.  
 Nova Scotia Franchise Act.

And all the forms used by the Departments.

In number and bulk we have practically doubled the work done twenty years ago. I also find that while in the year 1896 the printers worked 10 hours a day for \$9.00 per week, they are now receiving \$17.00 per week for working 8 hours per day. Notwithstanding this large increase in wages, the work is being done today at a lower cost than in the earlier years referred to, although, in consequence of the larger quantities required, it is costing us more money.

#### TAXATION.

In connection with this phase of the subject, I wish to consider another matter for a moment before proceeding to the other phases of the general subject, and that is the matter of taxation. In his remarks before this House, the hon. member for Cape Breton made the statement that we were taxing everything. In addition to this the Conservative press has been raising the question of direct taxation. Now it seems to me a remarkable thing that anyone familiar with the facts would charge this, or any other Provincial Government since Confederation, with bringing about direct taxation. The matter of taxation, as between Federal and Provincial administrations, was determined by the terms of Confederation. Among the powers given to the Federal Government was the "raising of money by any mode or system of taxation," and perhaps this broad power of taxation given to the Federal Government was not an unwise provision when we consider that the matter of defence is one that has to be dealt with by the Federal administration, and it might make, us at the present time, large demands upon that administration.

On the other hand, among the powers given to the Provincial Governments was "direct taxation within the Province in order to the rais-

ing of revenue for Provincial purposes." In other words, the only power of taxation given to the Provincial Governments is that of direct taxation, while the Federal Government has power to adopt any form of taxation, either direct or indirect, in connection with its necessary revenues.

In the practical working out of this system of taxation, however, the Federal Government adopted the method of indirect taxation, leaving the matter of direct taxation with the Provinces. The Provinces, in turn, generally delegated direct taxation in the form of the property tax of the municipalities, retaining only the minor forms of taxation as sources of provincial revenue. It is possible, however, for us to get the actual facts of the case, and determine what forms of taxation have been imposed by this Government, and I propose to deal with the facts from 1896 to the present moment.

There are fourteen sources of revenue from revenue accounts, and fifteen sources of revenue from expenditure accounts, the latter of course, cannot be regarded as taxation at all, so that for the purpose of determining what taxes have been imposed, we have only to deal with fourteen sources. The sources, amounts, and percentages are as follows:—

AMOUNTS RECEIVED FROM VARIOUS SOURCES BY THE PROVINCE FROM 1896 TO 1915 INDICATING THE NATURE OF TAXATION IN THAT PERIOD.

| Revenue from Revenue Accts.                  | Amt. Received.         | Percentage.   |
|--|------------------------|---------------|
| Mines .....                                  | \$11,008,786.00        | 41.2%         |
| Dominion Subsidy .....                       | 9,851,320.00           | 37.           |
| Succession Duties .....                      | 1,034,890.00           | 3.9           |
| Crown Lands .....                            | 618,231.00             | 2.3           |
| Joint Stock Companies .....                  | 212,853.00             | .8            |
| Marriage Licenses .....                      | 159,361.00             | .6            |
| Corporation Taxes .....                      | 126,109.00             | .47           |
| Private Bills .....                          | 92,169.00              | .34           |
| Provincial Secretary's Office .....          | 50,025.00              | .19           |
| Gazette Office .....                         | 38,684.00              | .14           |
| Game Licenses .....                          | 35,636.00              | .12           |
| Motor Vehicles Act .....                     | 33,266.00              | .11           |
| Railways .....                               | 11,803.00              | .04           |
| Revised Statutes .....                       | 2,887.00               | .01           |
| <b>Total received from revenue accounts,</b> | <b>\$23,276,026.00</b> | <b>87.22%</b> |
| Revenue from Expenditure accounts.           |                        |               |
| Interest .....                               | \$ 1,643,042.00        | 6.23%         |
| Charities .....                              | 1,422,973.00           | 5.32          |
| Education .....                              | 106,420.00             | .43           |
| Agriculture .....                            | 94,083.00              | } .....       |
| Sundries .....                               | 59,018.00              |               |
| Miscellaneous Expenses .....                 | 48,279.00              |               |
| Civil Government .....                       | 16,984.00              |               |
| Roads and Bridges .....                      | 9,120.00               |               |
| Public Utilities .....                       | 7,950.00               |               |
| Vital Statistics .....                       | 1,339.00               |               |
| Criminal Prosecutions .....                  | 1,171.00               |               |
| Steamboats, Pockets, etc. ....               | 375.00                 |               |
| Sinking Fund .....                           | 102.00                 |               |
| Immigration .....                            | 84.00                  |               |
| Public Printing .....                        | 24.00                  |               |
| <b>Total recd. from Expenditure accts.,</b>  | <b>\$3,390,979.00</b>  | <b>12.78%</b> |
| <b>Total Revenue 1896—1915</b>               | <b>\$26,666,105.00</b> | <b>100.0%</b> |

This shows that taxation has fallen in the lightest manner upon the citizens of this country. If the Government has erred at all, it has been in the direction of its extreme leniency in levying taxes rather than in the opposite direction.

**MR. BUTTS:** What are the percentages?

**MR. TORY:** Mines, 41.2%; Subsidy, 37%; Succession Duties, 3.9%; Crown Lands, 2.3%, making a total of 84.4% from these four sources alone. The remaining ten sources of revenue combined give 2.82%.

I wish to add one more word on this subject. I believe that the question of taxation will be a much more important one in the future than in the past. In view of this great war which is devastating Europe, there is no doubt that we will have to face a more serious financial condition than ever before. As the Federal Government is reaching out into all avenues of taxation, unless some general consideration is given this great problem by the Federal and Provincial Governments jointly, we are bound to face a most difficult situation in the future. This question is being faced in Ontario today, and in this connection I wish to read a few words from the Toronto Glob, but before doing so I wish to say that, in my opinion, one of the most regrettable incidents that has occurred here is that which happened in connection with the contribution to the Mother Country last year. Only recently the three Western Provinces offered a contribution of \$20,000,000 to assist the Mother Country in the prosecution of the war, and the Province of Ontario is collecting nearly \$2,000,000 a year for the same purpose. Last year they collected the sum of \$1,929,816.00, an amount about equal to our whole revenue, and they are continuing to collect the tax, and the people are standing behind them in so doing.

The extract from the Globe to which I referred reads as follows:

"We have decided that there are certain forms of amusement which must pay a greater tribute to the exchequer of the Province. It is our intention to bring in legislation imposing upon all race tracks doing business in the Province a tax of \$1.250 per day. The tax at the present time is \$500 per day. In that way we will receive, instead of \$40,000, \$100,000 per year.

"In addition to that we intend taxing the people who like to spend the evening at the picture show or some other amusement. After carefully considering this legislation, after having taken, so far as we could, an inventory of the amount of business which these people are carrying on, we have decided to place a tax upon the patrons of these shows which may be paid by the owner of the show, but it will be on the patrons of places of amusement.

"This means theatres, moving picture houses, amusement halls, concert halls, circuses, baseball parks, skating rinks, or other places which come under the category. He added that the tax of one cent might be increased to 25 cents by regulation and Order-in-Council. Taking that tax at one cent, he estimated they would receive about \$350,000 in the Province. In other words, it was reckoned that there were 35,000,000 admissions to the various places of amusement. Excluded from the operation of this tax would be all entertainments for a philanthropic, religious or patriotic purpose. He would give further information with respect to these two sources of taxation when the bills are brought down in the House.

"With reference to the talk about taxation of income, the Provincial Treasurer declared: 'Until such time as the Government of Ontario is

able to meet the representatives of the municipalities, and able to meet the representatives of the municipalities, and able to arrive at an agreement whereby the municipalities will give us a clear field for taxation of income, until that moment arrives, we cannot impose any taxation.' The Minister also stated it had been suggested to increase the tax on nickel industry, but declared that until the Commission reported to the Minister of Lands, Forests and Mines, it was not the intention of the Government to change legislation or to change taxation of any mining company.

"From the Ontario war tax \$1,929,816.00 had been received, and there was still due from that tax \$60,000.00, making a total of over \$1,989,000.00. 'It is the intention of the Government,' said Mr. McGarry, 'to continue that tax during the year and to continue to expend it in the same way as last year.'"

### THE VIEWPOINT OF AGGREGATE FACTS.

The third viewpoint from which I think it is proper to consider governmental and other institutions is from the viewpoint of the aggregate results. The immediate facts give us the trend of action of the moment, and the aggregate facts give us the results of that trend. I now wish to consider the facts relating to this Government from that viewpoint.

Possibly I can give the hon. member for Lunenburg all the information he wants. When that hon. gentleman said the other night that when the Liberals took over the reins of government in 1882 they had everything the heart could wish, it sounded rather strange, I imagine, to anybody who knew the financial history of Nova Scotia. Such talk is utter nonsense. Everyone knows that for the first fifteen or twenty years there went up a continuous wail from this Province in connection with the question of finance.

### DEVELOPMENT OF REVENUE.

Prior to Confederation, this Province had a revenue of \$1,857,247.71. It is true that at Confederation some of the responsibilities were taken over by the Federal Government, but it may be interesting to note that in spite of the large revenue in 1866, the Government had a deficit in that year over \$100,000.00. By the terms of Confederation we took over nearly all the great departments, such as Educational, Roads and Bridges, Railways, Public Relief, and Civil Government, etc., etc. In the year following Confederation we had a total revenue of only \$586,696.25 to spend on all these great services. That was a problem in finance which taxed the powers of the Government to the limit.

Now, Mr. Speaker, what progress has been made in this important matter, and by whom? We will consider this question from the standpoint of the various Governments that have been in power since 1867. When the Liberals took charge in 1868, as I said before, they had \$586,696.25 in revenue. They sought to get an increase in subsidy from Ottawa, but after ten years of serious effort, when they went out of power in 1877, they had only \$663,065.31 of revenue, and of course under these circumstances all the various public services were being neglected, because it was impossible for any Government to do justice to them with such a revenue.

Take the next period, that of the Holmes-Thompson Government. I am not finding any fault with that Government they did what they could toward a solution of the problem, but when their term of office ended in 1882, the revenue had fallen to \$541,729.53. That is where we are after fifteen years of effort. Not only had the roads and bridges attended to, but the schools had to be kept up, and all the other public services were demanding attention, and that was the rosy situation my hon. friend spoke of when he said that at that time we had everything the heart could wish.

In 1883, when the Hon. Mr. Fielding came into power, he began with a revenue of \$563,864.57 for that year, and it is true that during his period of office some advance was made, as when he went out of power in 1896 the revenue had increased to \$841,159.79.

The development of the revenue has been chiefly since the present administration came into power, beginning in 1897 with \$832,240.46 and steadily increasing to the present time. Now after a period of nearly fifty years, we have reached the point where the revenue is practically what it was before it was reduced by the British North America Act, viz., \$1,953,301.94. I have before me a very succinct statement made by joint resolution of the House of Assembly and the Legislative Council in 1884, which sets forth the dire distress and great embarrassment which presented themselves to the Government at that time with regard to the whole financial situation in Nova Scotia. It is too lengthy to read, but for the information of my hon. friend from Lunenburg, I would say that it can be found in the Journals of the 10th of April, 1884. If the hon. gentleman will read this, he will then be more fully informed as to the problem that presented itself in Nova Scotia for the year previous to 1884. He will also find in the Debates of that time, discussions which took place in which the views of the Opposition, led by Mr. Bell, coincided with those on the Government side. Since 1896, however, the annual revenue has increased over one million dollars.

There is, however, another important consideration. Although the revenue has developed to a very considerable extent, the needs of the Province have also increased, and the needs today, if we are to meet the issues as presented, leave us practically on a par of deficiency with the early days. The people are, however, in a much different position today financially and socially from that of the early days. Immediately after Confederation some of our people were so poor that they needed help. Since then has come a period of great prosperity and industrial development, and our people now have the means of contributing as never before. While I believe that the problem of revenue can be met in the future as in the past, yet it will require all the energy, consideration, and co-operation of all parties concerned if Nova Scotia is to take the place she should in dealing with her financial needs.

#### REVENUE FROM MINES.

In connection with the aggregate facts of revenue, I think it proper that I should refer briefly to the greatest factor making for the increase in revenue in the Province, and that is the revenue from mines. The other night the hon. member for Lunenburg discussed the question of mines, as did also the hon. member for Cape Breton. The hon. member



for Lunenburg started by saying that he did not know anything about the subject, but followed by discussing the matter as though he knew all about it. As a man not acquainted with the practical working of mines, I have asked myself what facts can I obtain to ascertain whether the Government has handled this mining problem in a manner which has made for the development of the mines of Nova Scotia. There is one channel of information in particular, viz., that of the revenue from mines. If the mines have increased in revenue producing power, there must have been some increase in development. I shall consider this matter in respect to the different periods since Confederation, and compare them.

In the year 1868, we received \$101,160.06 in royalties; in 1877 we received \$77,202.09. The total for the period which we usually understand as the Early Liberal period after Confederation was \$782,188.74, or a yearly average of \$78,218.87.

In the next period, that of the Holmes-Thompson Government, they began in 1878 with a revenue from mines of \$50,397.82, and in 1882 they collected \$108,924.28. The total amount collected from this source for the five years was \$380,694.37, or a yearly average of \$76,138.86. In other words, during the first fifteen years following Confederation there was practically no development so far as the revenue from mines was concerned.

Coming to the Hon. Mr. Fielding's regime, it began in the year 1883, with a revenue from mines of \$122,010.06, and in 1896 it had reached \$274,028.90. The total for the period was \$2,381,619.51, being an average yearly of \$170,115.68, which shows that there was some slight development in this period.

The first year of the Murray administration, 1897, showed a revenue from mines of \$270,387.00, while in 1915 we received \$727,223.93. During the period from 1897 to 1915 we have received a total amount of \$11,008,876.24 from this source, or a yearly average of \$579,409.80.

During the last five years, when the Department of Mines has been under the administration of Hon. Mr. Armstrong, who was criticized so severely by the hon. member for Lunenburg, the total receipts from mines have been \$3,779,534.10, giving an average yearly yield of income of \$755,906.82, the greatest by far in the history of Nova Scotia. So that, after all, there must have been some capacity attached to the administration of mines, or it would not have been possible to produce such results.

### EXTRAVAGANCE.

Now there is another matter to which I wish to refer. There was a general charge of extravagance made against this Government during the last election campaign, and in that splendid edition of "Facts for the People," which in big letters was the word EXTRAVAGANCE. The Halifax Herald almost every day makes some remark about the extravagance of the Murray administration and the awful financial situation in which this Province has been placed by reckless expenditure. I am going to analyze for a moment the net expenditure, and find out how much of this is true. I believe that on both sides of this House we ought to be prepared to face the facts as they are. If there are

extravagant expenditures, let us find out what they are and where they are, and correct them.

I propose to analyze the net expenditure of this Government from 1897 to the present time, and compare the net expenditure of 1897 with the net expenditure of 1915, so we may have the facts exactly as they are, and that we may know what they are.

First we will take Ordinary Education. In 1897 we spent \$242,811.00 and in 1915 \$358,742.00, or an increase in the annual expenditure of \$115,931.00 in the twenty years. I am dealing only with the expenditure on Ordinary Education in this instance. Now will any hon. gentleman say that there was any extravagance in this expenditure? The fact is that we require much more money for this purpose, if we had it to spend.

In 1897 we spent nothing on Technical Education, but in 1915, as I have said before, we spent \$49,087.00. Hon. gentlemen in this House may differ as to whether this was a proper expenditure or an improper one, but I will say this, that it is an expenditure which, in my opinion, is absolutely in the right direction, and the time will come when my hon. friends opposite will admit this. I believe, speaking for the hon. leader of the Opposition, that if there were no political considerations in the matter, he would admit that this question of Technical Education is going to be a vital one for this Province. The hon. member for Colchester approved of the expenditure in his own County, but condemned it in all others.

**MR. STANFIELD:** I did not say that. I said that the expenditure made in the County of Colchester and outside on the same lines was good. I only criticized the Technical College.

**MR. TORY:** The hon. member must know that the question of Technical education is one which is going to be of the greatest importance in connection with the industrial development of Nova Scotia, both in connection with the Technical College and in connection with enlarged vocational education.

The next item is that of interest. In 1897 we expended \$141,000, and the increase in twenty years has been \$208,412.00, nearly the whole of which was offset by the one item of over \$177,000.00 increase in the revenue of the Province, brought about through the efforts of the present Premier in 1907. The net amount paid for interest last year was \$350,268.00.

I now come to the subject of Public Relief. In the year 1897 the Nova Scotia Hospital cost the Province \$16,761.00, while last year the cost was \$46,113.00. Here was an increase of \$29,352.00. In the year 1897 the Victoria General Hospital cost the Province \$41,322.00, while last year it cost \$83,060.00, or an increase of \$41,738.00. There is some room for difference of opinion as to whether the city of Halifax should get the benefit of that expenditure to the extent that it does, but I doubt whether anyone would accept the suggestion of the hon. member for Colchester to destroy at one stroke one of the greatest philanthropic enterprises dealing with public relief in the Province of Nova Scotia. In 1897 we contributed nothing toward the fight against tuberculosis; the Provincial Sanatorium last year cost us \$14,228.00, being

therefore an increase of \$14,228.00. And also County Hospital to which nothing was given in 1897 received \$23,250.00 in 1915. For Miners' Relief in 1897 we paid \$3,500; last year the expenditure for this item was \$23,000. For Transient Poor in 1897 we paid \$7,000; and last year the expenditure was \$11,000. The increase in the expenditure for public relief is therefore \$130,730.00 annually, but who is there who will say that it does not represent a proper effort on the part of the Government to meet the most pressing need of our people? I for one will not take the responsibility of saying that the Government did wrong in increasing the expenditure in this direction. It may not get votes, but it has healed many hearts:

In 1897 the expenditure on Roads and Bridges in the Province was only \$91,000.00, and in 1915 it was \$261,000.00. We gave to the Roads last year out of revenue, apart from interest on capital expenditure, an amount \$169,716.00 in excess of what was given to the same service in 1897. Will any one say that that increase was not necessary? The fact is that this problem is becoming more urgent every year, and even with the increase made, the expenditure is not sufficient, or anything like sufficient, to meet the needs.

The next increase is in connection with Legislative expenses. In 1897 the cost of this department of service was \$48,062.00, while in 1915 the cost was \$73,446.00, being an increase of \$25,384.00. How many hon. members would be willing to have their stipend cut down, which here is only half what it is in Manitoba and some other Provinces? I think we could better afford to forego this increase, than we could to curtail the expenditure upon the Victoria General Hospital.

In respect to steamboats, packets and ferries. In 1897 we paid on this account the sum of \$35,000.00, while in 1915 we paid \$73,000.00, an increase of \$38,000.00. I cannot speak for the other Counties, but on account of the failure of the Government at Ottawa to supply much needed railway accommodation, practically the whole of the commercial interests of the County of Guysboro depend upon the services of the steamers to which this Government contributes a very considerable amount by way of subsidies. In this connection I may say that only a few days ago, the people of my County were faced with a very serious situation in connection with one of these boats. The boat was not earning enough to enable her owners to continue the service with the subsidy granted, and they came to me as a representative of the County to see what could be done. I told the owners that it was impossible to expect the Government to give any more money than they were giving, and suggested that they apply to the Government at Ottawa. They did so and could not get a cent from that Government. All that the Federal authorities would allow was an increase in freight rates. In may be possible for hon. gentlemen representing other Counties of the Province to dispense with the services of steamboats, but so far as the County of Guysboro is concerned, on account of the lack of railway facilities, the business of the County would be paralyzed if the services of these steamboats were withdrawn, and I think from many other Counties of the Province the same question would be raised as to the wisdom of taking away the subsidies paid to steamers, if it meant the discontinuance of the service.

**MR. STANFIELD:** I desire to correct a statement made by the hon. member for Guysboro in reference to what I said about the number of Government officials and the salaries drawn by them. I did not say that there were 272 people on the salary list, but that there were 125 who were in receipt of salaries of \$1,000 or more, and 74 who were in receipt of salaries of \$1,500 or more, and so on. All were included in the total number of officials.

**MR. TORY:** I took the figures as they were printed in the Halifax Herald the following morning.

**MR. TANNER:** The hon. member for Guysboro intimated that the hon. member for Colchester wilfully misrepresented the facts.

**MR. TORY:** I did not do so. What I said was that possibly the hon. member sent some irresponsible person to make up the figures.

The debate was adjourned.

House adjourned until 8 p.m.

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#### EVENING SESSION.

The House resumed at 8.30 p.m.

On motion to resume the debate.

**MR. TORY:** Mr. Speaker, when the House adjourned I was dealing with some considerations from the viewpoint of expenditure, comparing the expenditures between the year 1897 and the present time with a view to discovering where the increase occurred to which the hon. gentleman opposite and that great family journal, the Halifax Herald, are referring so frequently. I had already dealt with most of the items, and I will now proceed to deal with a few others.

With respect to the item of Agriculture, in 1897 we expended \$21,407.00, and in 1915 \$72,245.00, an increase of \$50,838.00. It is possible that the criticisms might be offered that part of this increase was unnecessary now, owing to the aid given by the Dominion Government, but from a close analysis of the expenditures made, I think that the money has been well and faithfully expended. I do not think that there is a member of this House who will say that we should cut out the increased expenditure on Agriculture. If there is one, I have not heard him speak on the subject.

The next item is that of Public Printing, which in 1897 was \$9,612.00, and in 1915 was \$22,472.00. As the net figures in this case are the same as the gross figures, and as I dealt with this expenditure under a previous heading, I need not add anything here as the increase has been fully and satisfactorily accounted for.

The next item to which I wish to refer is the Sinking Fund. This is an item that we are often apt to lose sight of. In 1897, we were putting away on account of sinking fund only the sum of \$4,836.00, while the amount set aside in 1915 was \$41,681.00, which is an increase in expenditure, or I should say, saving, on this account of \$36,845.00. Of course, this is an

expenditure to offset a portion of our public debt, and it should be taken into account when speaking of deficits.

With reference to the amount for Criminal Prosecutions, there has been an increase of \$6,000 in the twenty years, this department costing \$6,318.00 in 1897, and \$12,444.00 in 1915. This was distributed almost uniformly over the counties of the Province, in varying amounts. The lowest expenditure on this account was in the County of Inverness. Evidently the people of that County do not commit crime.

The item of Industries and Immigration is a straight increase of \$31,882.00 over the year 1897. This expenditure no doubt is to be attributed to a certain extent, as previously stated, to the fact that so far as Immigration is concerned, the Maritime Provinces have been almost wholly neglected by the Federal Government. The whole effort of the Federal Government has been directed to populating the West, and if we were to destroy the organization that we now have, it would mean that we would be absolutely helpless. I do not think that anyone suggested the absolute abolition of this department, but that all that was asked was a reduction in the expenditure.

The last item is that of Miscellaneous. The increase in this case cannot be conveniently compared on account of the fact that there has been grouped under this head new expenditures which were not in existence in 1897. For example, the Provincial Auditor's department cost in 1915, \$5,158.62; Juvenile Offenders, \$4,406.54; Neglected Children, \$2,851.47; Salaries and Pensions to retired civil servants, \$13,817.02; Grants to Societies, \$4,1500.00; Water Power Commission, \$1,929.93; etc. These new expenditures have been grouped under Miscellaneous, because of the fact that it would not be convenient to make a new heading for each. It is very easy to use the increase in this item to create a misleading impression, as has been done during this debate.

I have made this analysis in order to discover for myself where the increases were, and I have covered all the items in which increases of any amount existed. This enables us to form a judgment as to whether the charge of extravagance was well founded or not, and I think that the expenditures, when traced to their sources, have been made with due consideration for all the interests involved, but when it comes to the question of extravagance, are not the hon. members themselves to blame? Two years ago I made a note of the demands made upon the Government for additional expenditures, and I found that if the demands made by the members of the Opposition had been granted, it would have resulted in increasing the expenditure in one year to the extent of over \$400,000. Only the other day the hon. member for Lunenburg, Mr. Zwickler, came here with a request for a grant from the Government in aid of the establishment of a grist mill in the County of Lunenburg, although there are only one or two other counties in the Province that have received such a grant. If the same principles that are adopted in connection with the Federal administration were adopted here, where would hon. members find themselves?

For example, if you take the treatment of the County of Guysboro by the Conservative Government during the eighteen years previous to the administration of Sir Wilfrid Laurier, what happened? During fourteen of the eighteen years the County of Guysboro did not appear in the

estimates, although the people of the County contributed to the general revenue during that period the same as other counties. In this Province the Government made a fair distribution according to the necessities of the counties, whether represented by Conservatives or Liberals.

I will now submit for the information of the hon. gentlemen a list of the requests made in 1913 by hon. members opposite for increased expenditures; with estimated costs:

**MR. STANFIELD:**

A fire protection system.....\$10,000  
A sheep farm for each County..... 36,000

**MR. CORNING:**

A system of drainage in Counties where the drainage machine could not be used.....180,000  
A bull manager ..... 2,000  
Veterinary surgeon for Agricultural Farm..... 1,000  
\$125 for each County for holding meetings, addition 2,250  
Preparatory educational course.....100,000

**MR. MARGESON:**

Two or three model orchards in each County..... 54,000

**MR. DOUGLAS:**

A larger amount for dairying..... 5,000

**MR. O'BRIEN:**

Short agricultural courses for each County..... 50,000

**MR. ZWICKER:**

Shepherds for sheep farm..... 10,000

Thus making in all an increased expenditure of \$450,250 if we had satisfied the demands of hon. gentlemen opposite with regard to this question of expenditure.

**MR. O'BRIEN:** We got that short course in my County.

**MR. TORY:** My hon. friend did well.

**SURPLUSES AND DEFICITS.**

I come now to a consideration of the facts from the viewpoint of surpluses and deficits. The other day there was a scathing article in the Halifax Herald with regard to the surpluses and deficits. Now there are three ways of presenting facts. One way is by stating them exactly as they are; the second is to state the facts in exaggerated form; but the third, and the most subtle way is to state part of the facts, so that with an element of truth you may convey the opposite impression. With regard to the latter method, the Halifax Herald is perhaps as clever an adept as any organ I know. The other day this paper dealt with the question of deficits, but it stopped just at the year where there was a large surplus. If you take the period of the present administration, in eight years of the nineteen there have been deficits, but in the other eleven years there have been surpluses. In the later years, however, the

deficits have been somewhat larger than the surpluses were. I am frank to admit that it is not a proper thing to have continuous deficits under ordinary circumstances. That is a matter that should be taken in hand and dealt with vigorously, but at the same time, we know that the circumstances were not ordinary. The total differences between the deficits and surpluses has been only about \$300,000 in the nineteen years.

Now, the hon. member for Colchester dealt very vigorously with this matter of deficits, and had certain remedies which he proposed. In connection with these remedies, I wish to say that, in my judgment, the remedies offered by that hon. gentleman do not contain one constructive suggestion. Everyone of them embodies cold-blooded destructiveness, and there is not one suggestion of a constructive statesman in any remedy offered. He had one remedy to apply to five different departments. I want hon. gentlemen to observe this, in order to understand what was working in the mind of the hon. member for Colchester. Just think of his proposed utter destruction of the Victoria General Hospital, one of the greatest blessings that has ever been given to the Province. The poor men and the poor women who are not able to pay for the treatment and remedies that are necessary have been able to come to that hospital and be treated free of charge; yet the wealthy man from Colchester would take away \$75,000 of its revenue, destroy the hospital, and turn the poor people out in the street to find a cure where they could. If that remedy would commend itself to the hon. gentlemen of this House, then I have not properly interpreted the thought, sentiment and heart of the men who occupy these benches.

My hon. friend's next remedy was to take away \$25,000 from the Technical College, which is roughly what its maintenance costs. Assume if you will that it was unwise to build the College, nevertheless \$250,000 of the people's money has been put into a splendidly equipped plant for higher technical education in the Province, which acts as a supervising body of all the vocational education in the Province. With one stroke of the pen, the hon. gentleman would destroy that plant, abandon the whole enterprise for the sake of avoiding a deficit in 1916. Is that statesmanship? Is it business sagacity? Is it common sense? In my humble judgment it is none of these; it is humbug.

In connection with this matter of Technical Education, I wish to read an extract from a speech recently made by the Hon. Mr. Crothers, in the House of Commons, with reference to this question. I do this because, coming from a Minister of the Crown in the present Federal administration, I thought it might have some weight with the hon. gentleman opposite. The extract, which is taken from Hansard of March 27th, 1916, reads as follows:—

"I very cordially endorse every word that has been uttered by the hon. member for Rouville (Mr. Lemieux) concerning the advantages that would accrue to this country from a thorough and well diffused system of technical education and industrial training. It seems to me that it requires no elaborate argument to make it clear that scientific knowledge of the properties of raw materials and a practical familiarity with the various processes of manufacture are essential in skilled workmen; that they increase in efficiency, enlarge output, and improve quality. Other things being equal, knowledge and experience always triumph over ignorance and inexperience. The skilled workman commands the largest wage and produces the largest, finest and most valuable output. That

is true in every walk and calling of life, whether it be that of farmer, artisan, merchant, chemist, or professor. As technical education and industrial training increase the worth and influence of the individual, so they enlighten the community and enrich and strengthen the State. These are mere truisms readily accepted by every thinking man. So that it seems to me that the question before us is not whether technical education and industrial training are desirable—indeed are of the highest national importance, and should be brought within the reach of every youth in the land—but rather, how best can these advantages be placed before them.

The Government is quite alive to the importance of practical as well as cultural education, and realizes that inestimable advantages would accrue to Canada had every youth an opportunity of acquiring technical education and training in the particular vocation chosen for his or her life work. Especially do I think that we owe it to the mechanic, the artisan and other wage earners, to provide them an opportunity to qualify themselves for larger earning power and to take a more prominent and influential place in the various activities in which our people are engaged. Mr. Speaker, I assure the House that ample arrangements are being made to provide facilities for disabled returning soldiers, in all suitable cases, to secure a training, and to be enabled so far as possible, to maintain themselves in independence and self-respect. The motion brought before the House by the hon. member for Rouville calls upon us to give effect at the earliest opportunity to the scheme set forth in the report made by the Commission on Technical and Industrial Training. Important as we regard this work from a national viewpoint, and desirous as we are to see it extended and more vigorously prosecuted, we are unwilling, at least at the present time, to accept this motion, for the following, among other reasons.

The hon. gentleman's next remedy is to abolish the Legislative Council. Here is a body of men who have been rendering faithful service, and have done no wrong, but it would not cost the hon. member for Colchester anything to turn them on the street and close the door of that chamber. A fine piece of constructive and constitutional legislative work in order to make a saving for 1916. Is any hon. gentleman prepared to assent to that remedy, when we could enact a law in ten minutes that would give us the means of eliminating the deficit?

The next remedy was a saving in the Immigration Department, which has already been dealt with, and the next, a saving of \$10,000 in printing and supplies, which is simply absurd as I have previously shown.

The next item is subsidies to steamers. The hon. gentleman proposes to take \$50,000 from the subsidies to these steamers. Now, my hon. friend has no steamers, nor coast line in his County, and consequently is not concerned, but by this statesmanlike policy he would strike at the business interests of the whole shore of Nova Scotia, the whole fishing and commercial industries of our coast. This \$50,000 is vital to these people. The hon. gentleman has a railroad running through the centre of his County, and therefore, is not dependent upon subsidized steamers for means of transportation.

Can we take any of these suggested remedies seriously? I am of the opinion that there is not a single one of them that we can take with any seriousness. There is not an iota of constructive statesmanship in the entire business, and my hon. friend will have to revise his critical principles before he can gain any respect from hon. members of this House, or following from the people of the coast counties of Nova Scotia.



**CAPITAL EXPENDITURE INVOLVING NATIONAL OR PROVINCIAL OBLIGATIONS.**

I now come to another matter over which a great deal of discussion has taken place, and that is the consideration of the question of capital expenditure in its relation to Provincial or national obligations. The discussion over this matters has been to a large extent casual and unfair. I think we should ask ourselves these questions: What is the theory with regard to capital expenditure? What is the practice with regard to this matter? What principle should reasonably be expected to govern? It is scarcely a sufficient justification to say that capital expenditure has been made with the assent and approval of the Opposition in this Province, because on the one hand, the Opposition might not be capable of determining the propriety of such expenditure, and on the other hand, might be influenced by political expediency to such an extent as to be unable to reach sound judgment on the question.

In connection with the theory of capital expenditure, I would ask if we have any authority on this theory, by which we could justify a capital expenditure which creates national or provincial obligations.

**MR. BUTTS:** Henry George.

**MR. TORY:** There are many other authorities, and I will quote from one or two. In the first instance, I desire to read a statement from an eminent authority on public finance, namely, Mr. C. F. Bastable, which is as follows:—

“The development of public indebtedness accompanied the decline of the older system of treasures. In its present form it is essentially a creation of the last two centuries, and even within the last fifty years it has gained more ground than in all preceding periods. The causes of its rise and immense expansion must be sought in the special circumstances, political and social of the time. . . .

“It is thus plain that neither ancient nor mediæval finance possessed the modern public debt system. The latter contained germs from which our present expedients have been developed, but with so many differences that it is hardly right to place two such distinct groups under a common heading. They are widely separate species of a comprehensive genius. The increase of public debt in modern times is the result of economical and political conditions of the highest interest and importance. From one point of view, the vast indebtedness of states and smaller governing bodies is due to the transition of “credit economy.” Money as a medium of exchange has been largely superseded by the use of credit instruments. In like manner, great masses of property, or more correctly the evidences of its ownership, have become freely transferable. The shares of companies, or their acknowledgments of debts are very readily dealt in. Railways, banks, and other industrial undertakings by this means increase their business and the value of their property. It would be incomprehensible if the greatest of co-operative organizations, the State—declined to avail itself of a like expedient. In fact, governments, supreme and subordinate, strong and weak, have mobilized their credit and thereby increased their immediate financial power. The mechanism of the stock exchange has remedied the weakest point in the earlier state borrowing—the absence of any way realizing the capital lent.”

The following from the Encyclopædia Britannica on the same subject may be of some interest also:—

"National debt is so universal that it has been described as the first stage of a nation toward civilization."

I will not detain the House longer with quotations in regard to the theory of capital expenditure, as there seems little doubt on that point in the minds of the best writers and thinkers on the subject. Now, what is the practice? In answer to this I would say that capital expenditure involving national obligations is the universal practice of all nations of the earth. I will read a paragraph which appeared in one of our papers some time ago, bearing on this matter:—

"The national debts of all the nations of the world have reached a total of \$42,000,000,000, according to figures compiled by the Bureau of Foreign and Domestic Commerce in Washington. This represents an increase of 20 per cent. in the last ten years, and 100 per cent. in the last forty years. The interest charges in 1912 amounted to \$1,732,000,000. The debts of the principal countries of the world are as follows:—France, \$6,284,000,000; Russia, \$4,553,000,000; the United Kingdom, \$3,486,000,000; Italy, \$2,707,000,000; Spain, \$1,845,000,000; British India, \$1,470,000,000; Japan, \$1,242,000,000; United States, \$1,028,000,000; German Empire, \$1,178,000,000; the German States, \$3,736,000,000; Austria-Hungary, \$1,051,000,000; Austria, \$1,434,000,000; and Hungary, \$1,268,000,000."

This was, of course, before the war. What the debts will be at the close of this great struggle no one knows.

I will now consider for a moment the situation in Canada in respect to national obligations, both Provincial and Federal. It has been impossible for me to determine the net obligations of the various Provinces of Canada, for the reason that accounts are not kept in the same manner in several of the Provinces, and it would require more time than I have had at my disposal to make a comparison on a common basis. I have, therefore, been obliged to set forth the Provincial and national obligations in Canada on the basis of the gross direct obligations instead of on the basis of net obligations. I admit that this presents only one phase of the matter, and therefore, does not present the case fairly, but serves only as a rough indicator of the trend of things in the direction of obligations through capital expenditure.

In 1867 the Dominion of Canada assumed the outstanding obligations of the various Provinces, and therefore began with a debt of \$93,046,051, but all the Provinces entered Confederation practically entirely free from debt. The Dominion of Canada had unlimited power of taxation, and could levy taxes to any amount and according to any mode desired, while the Provinces were confined as to their methods of taxation to direct taxation. Now in spite of the fact that the Dominion could levy taxes by any mode or method deemed necessary, the gross public debt of the Dominion, in the form of direct liabilities, has been increased until at the end of 1915, it had reached the total of \$700,473,814. Canada today has one of the largest gross per capita debts in the world. During the last five years, very considerable increases have been made in the direct liabilities of all the Provinces of Canada, except perhaps Prince Edward Island. This is in addition to large indirect liabilities in many of the Provinces.

For example, the direct liabilities of Ontario in 1910 were \$20,668,030; in 1915 these had increased to \$49,389,366, or an increase in that

period of \$29,721,336. With reference to this matter, the *Toronto Globe* in its issue of March 30th, made the following statement:—

“The Province had an excess of liquid assets over liabilities of \$1,220,563 at the close of the fiscal year 1907, the first year of the Conservative administration. From then till 1915 there has been an increase of \$53,403,774 in the revenue collected, yet the result is a deficit of liabilities over liquid assets of \$8,346,833. The downward course has been discouragingly rapid. A surplus of a million and a quarter added to an increase in collected revenue of fifty-three millions, and winding up with a deficit approaching eight and a half millions, means a total difference of close to sixty-three millions. These figures are exclusive of outlays on Hydro-electric development and the T. & N. O. Railway.”

In 1909, the direct liabilities of Manitoba were \$11,730,346, and in 1915 they were \$28,323,273, or an increase of \$16,592,927 in that period.

In the Province of British Columbia the direct obligations in 1909 were \$11,863,324, and in 1915 they had increased to \$25,845,029, an increase of \$13,981,705. In addition to that, they have indirect liabilities of some \$80,000,000.

In 1910 the direct liabilities of Quebec were \$25,766,404, and in 1915 they had reached \$37,557,918, being an increase of \$11,791,514.

In the Western Provinces of Alberta and Saskatchewan the direct obligations in each case are over \$22,000,000, but I have been unable to find out what increase has been made in the last five years.

In Nova Scotia the gross obligation in 1910 were \$10,366,032, and in 1915 they were \$13,410,980, or an increase of \$3,044,947.

In New Brunswick in 1909 the direct liabilities were \$5,947,421, and in 1915 they were \$7,990,553, an increase of \$2,043,128, but in this case this Province has recently embarked, I understand, upon large outlays in connection with railway development, which will very materially alter the situation, having issued between \$1,000,000 and \$2,000,000 of bonds since October 31st last.

These statements are not intended as being of value in determining the financial position of the Provinces, but only for the purpose of showing the practice of creating national and provincial obligations, and for showing the rapid increase of these obligations in Canada and all the Provinces during the last five or six years. When the whole matter is summed up, we find, as I have said before, that this is the universal practice of present day governments.

We come now to a consideration of the principles that should govern capital expenditure. The question is one that can only be settled by the application of certain principles, and in my opinion, one of five principles should govern. First, the expenditure should give equivalent economic advantage; or, second, it should give an adequate financial equivalent; or, third, it should equalize burdens in a manner fair and reasonable to present and future generations; or, fourth, it should be a profitable investment; or, fifth, it might be made for the purposes of national defence. Of course, in addition to this, other considerations would have to be taken into account, and especially the ability to pay interest upon the obligation created. I would like to examine for a few moments the expenditures on capital account in this Province since 1896, and to ask how the principles which I have stated can be applied to those expenditures.

The following are the expenditures charged to the capital account of the Province between 1896 and 1915, grouped under the headings to which they properly belong:—

|                                 |                |                |
|---------------------------------|----------------|----------------|
| Railways .....                  | \$5,324,383.08 | \$5,324,483.08 |
| Roads .....                     | 3,115.51       |                |
| Betterment of Highways .....    | 126,075.92     |                |
| Road Machinery .....            | 11,844.75      |                |
| Road Machinery Halifax .....    | 2,900.00       |                |
|                                 | <hr/>          | 143,936.18     |
| Bridges .....                   | 1,912,852.77   |                |
| Smaller Bridges .....           | 88,881.18      |                |
| Culverts .....                  | 399,938.48     |                |
|                                 | <hr/>          | 2,401,672.43   |
| Public Relief:—                 |                |                |
| Nova Scotia Hospital .....      | 258,313.79     |                |
| Victoria General Hospital ..... | 149,847.30     |                |
| Provincial Sanatorium .....     | 65,804.88      |                |
| School for the Blind .....      | 26,000.00      |                |
| Windsor Hospital .....          | 14,000.00      |                |
|                                 | <hr/>          | 513,965.97     |
| Technical College .....         |                | 258,858.16     |
| Agricultural College .....      | 109,278.78     |                |
| Exhibition Commission .....     | 69,576.69      |                |
| Farm Settlement .....           | 44,918.16      |                |
| Hort. Experimental Farm .....   | 11,000.00      |                |
|                                 | <hr/>          | 234,773.63     |
| Sundries:—                      |                |                |
| Provincial Buildings .....      | 74,715.17      |                |
| New Court House .....           | 8,333.33       |                |
| Telephones .....                | 18,959.50      |                |
| Queens-Shelburne Diverge .....  | 511.03         |                |
|                                 | <hr/>          | 102,519.03     |
| Debenture Redemption .....      |                | 536,000.00     |
|                                 |                | <hr/>          |
| Total .....                     |                | \$9,516,208.47 |

Now, with regard to the \$5,344,843.08 spent on railroads, this would come under the heading of the first principle. That there is an equivalent economic advantage arising from expenditure on railroads scarcely needs any argument, wherever there is proper use for a railroad. The advantage to the people of Nova Scotia through saving in transportation charges, in the development of business, in the saving of time and in many other directions can hardly be estimated. In the report of the proceedings of the Pan-American Road Congress of last September, which has just been issued, in an article in that report it is in effect stated that since 1837 freight rates have been reduced through the construction of railroads nearly 90 per cent., involving an annual saving to the people of hundreds of millions of dollars.

With reference to the item of \$143,936.18 spent on roads, this of course is a comparatively small item, and there might be some controversy as to it being a proper expenditure on capital account, but if prop-

erly spent, there can be no doubt about expenditure on roads giving an economic advantage fully equal to expenditure on railroads.

**MR. TANNER:** Would the hon. gentleman mind explaining how far he would go on capital expenditure on roads under the principle of its economic advantage? Take for instance the construction of a road that would last for three years, for five years, or for ten years.

**MR. TORY:** That is a question that I cannot answer off-hand. One would have to know the class of road, the traffic, etc. It would have to be dealt with on its merits as an individual item. The theory given by writers, however, is that where improvement of roads is desired, there are two principles that should govern: first, the advantage should be general and not local, that is to say, the whole community should benefit; and, second, that the expenditure on capital account should be made by bonds maturing annually or at short intervals, covering a total period of not more than ten, fifteen or twenty years. So that while a general improvement of the roads would be justified on the basis of capital expenditure, it would be wise to have the bonds maturing within a fixed period, and not for an indefinite period.

**MR. TANNER:** I was thinking of durability.

**MR. TORY:** Of course, that is an important factor.

With respect to the item of \$2,101,672.43, spent on bridges and culverts since 1896. This expenditure embodies both the first and second principles I have mentioned. The economic advantage of bridges is so manifestly apparent, especially when built of permanent material as has been the case of Nova Scotia, that there is no question about it; but, in addition to this, assuming that roads are required for the traffic of the country, and there does not seem to be any argument on that point, bridges and culverts built of steel and concrete as against structures of wood or other perishable material, will give an adequate financial equivalent in the saving of one form of structure over the other form. Take, for example, one hundred miles of road with wooden bridges, and another hundred miles of road with steel and concrete bridges. In the first instance you have perishable structures, and in the second, permanent ones. At the end of a given period, approximately the length of time that the permanent structures would last, a very decided financial gain would have accrued if you took the sum of the cost of the permanent structures with interest thereon. This fact has been conclusively established by engineers, and acted upon by all the great corporations who could mobilize their credit for the purpose of expenditure in that form. My hon. friends might raise the question as to whether that principle has been complied with, but in so far as it has been complied with, it is absolutely sound. In this case, however, you get, as I have said before, not only financial equivalent, but you also get an economic advantage.

With respect to the fourth item of \$513,965.97 for Public Relief, the question here is: Was it sound finance to spend the money on capital account? In my opinion there is no doubt about it, and I think it is clear that three of the principles I have mentioned apply. There is

certainly an economic advantage to gather up the distress of the Province in important institutions where proper care can be given. There is certainly a financial gain in building these buildings of permanent material, as most of them have been built, and it is certainly sound to distribute the cost to future generations, who will have the use of them for future public relief.

With reference to the items for Technical College, \$258,858.15; for Agriculture, \$234,773.63; and for Sundries, \$102,519.03, the second and third principles apply in all these cases, and I think there can be little controversy over the wisdom of any of these expenditures. These amounts together with \$536,000 for debenture redemption, constitute the total capital expenditure involving provincial obligations since 1896, every one of which can be defended on the ground of sound finance. As a consequence of these expenditures, there has naturally been an increase in the net debt of the Province, with which I will deal a little later, but on the ground of both theory and practice this debt has been amply justified.

#### THE OTHER SIDE OF THE LEDGER.

In connection with this question of capital expenditure, however, there is another feature which must not be lost sight of if we are to properly understand the financial transactions of this period, and that is the increase in debenture and liquid assets of the Province which offsets so largely expenditure, the increase being \$5,129,259.55, made up as follows:—

#### INCREASE IN ASSETS, 1896—1915.

##### Increase in Assets:

|                                       |                |                |
|---------------------------------------|----------------|----------------|
| Halifax & S. W. Railway Debenture.... | \$4,447,000.00 |                |
| Mines .....                           | 273,332.13     |                |
| Sinking Fund .....                    | 435,109.95     |                |
| National Provincial Bank .....        | 444.08         |                |
| Public Utilities .....                | 2,000.00       |                |
| Balance in Banks .....                | 99,096.67      |                |
| Cash on Hand .....                    | 23,829.78      |                |
|                                       |                | \$5,290,868.51 |

##### Decrease in Assets.

|                                 |            |              |
|---------------------------------|------------|--------------|
| Provincial Debt Allowance ..... | \$ 250.09  |              |
| Education County Loan .....     | 13,202.00  |              |
| Nova Scotia .....               | 33,699.43  |              |
| Counties Road .....             | 101,329.51 |              |
| County of Halifax .....         | 13,127.73  |              |
|                                 |            | \$161,609.06 |

Net Increase in Assets.....\$5,129,259.55

As a matter of fact, although there has been spent in the last nineteen years on capital account the sum of \$9,519,208.47, the net debt of the Province has only been increased by \$4,850,807.74 during that period, the total interest on which is practically offset, as I have said before, by the increase in subsidy in 1907, which amounted to \$177,650.08.

#### OBLIGATIONS SINCE CONFEDERATION.

I wish to say a word on the matter of capital expenditure involving provincial obligations since Confederation. Hon. gentlemen are pretty

familiar with this matter, but as much unfair comment has been made in connection therewith, I wish to say this: Take the whole amount charged to capital account from Confederation to the present moment, as shown by Table D in the Public Accounts of this Province for 1915, amount to \$12,338,548.70, percentages of expenditures for various services are as follows:—Railways, 46.2%; Roads and bridges, 35.8%; Public Relief, 6.4%; Education, 2%; Agriculture, 1.9%; Debenture Redemption, 4.1%, and Sundry, 3.6%. It will be seen from what I have said that the first four items, namely, Railways, Road and Bridges, Public Relief, and Education have absorbed over 90% of the total capital expenditure from Confederation to the present time.

#### ASSETS AND LIABILITIES.

With reference to our statement of Assets and Liabilities, I may say that this statement is made up in a manner to make the showing of the Province not so good as the facts would warrant. In several of the other Provinces it is almost impossible, without a good deal of trouble, to find out what the net debts of the Provinces are, or what the amount of interest obligation is. For example, in the case of Ontario, the interest is charged in their Public Accounts under the heading of "Statutory Expenditure," and in the Western Provinces, except British Columbia, they include in their Assets, many other assets than those that usually come under the heading of Debenture and Liquid Assets. This is especially true in the case of Manitoba, which Province has just issued its financial statement in a very beautiful form, but it would take an expert to ascertain from that statement what the net debt of the Province is on the basis of the accounts of Nova Scotia, and as a consequence, it is almost impossible to compare the standing of the various Provinces with the Province of Nova Scotia by a comparison of their statements of Assets and Liabilities.

The following figures, however, will show the financial standing of this Province on the basis of our own accounts, as well as on a basis somewhat similar to that now being employed by some other Provinces of the Dominion:—

#### LIABILITIES AND ASSETS, NOVA SCOTIA, 1915.

|   |                 |
|---|-----------------|
| Gross Liabilities, Province Nova Scotia, Sept. 30, 1915.  | \$13,410,980.00 |
| <b>Debenture and Cash Assets, September 30th, 1915.</b>   |                 |
| Mortgage Halifax & South Western Ry.  | \$4,447,000.00  |
| Provincial Debt Account   | 1,055,929.12    |
| Education, County Loan  | 5,575.00        |
| Nova Scotia Hospital  | 24,029.73       |
| Department of Mines, Royalties  | 365,215.52      |
| Sinking Fund  | 435,109.95      |
| National Provincial Bank of England   | 529.78          |
| Public Utilities  | 2,000.00        |
| Balance in Banks  | 99,096.67       |
| Cash on Hand  | 28,829.78       |
| Balance of Gross Liabilities over Debenture and Cash Assets, as per Table C, Public Accounts, 1915. | 6,947,664.45    |

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\$13,410,980.00    \$13,110,980.00

|  |                                 |
|--|---------------------------------|
| To balance as above brought down.....          | 6,947,664.45                    |
| <b>Public Works Assets.</b>                    |                                 |
| Bridges and Culverts.....                      | \$3,884,000.00                  |
| <b>Public Property Assets.</b>                 |                                 |
| Agricultural College and Farm.....             | \$150,000.00                    |
| Normal College .....                           | 100,000.00                      |
| Technical College .....                        | 275,000.00                      |
| Victoria General Hospital .....                | 250,000.00                      |
| Nova Scotia Hospital and Farm.....             | 300,000.00                      |
| Provincial Sanatorium .....                    | 50,000.00                       |
| Provincial Building .....                      | 250,000.00                      |
| Annex Number 1.....                            | 50,000.00                       |
| Annex Number 2.....                            | 40,000.00                       |
| Government House .....                         | 200,000.00                      |
| Farm Properties under Settlement Act.....      | 44,918.16                       |
| <b>Asset Resources.</b>                        |                                 |
| Mines Capitalized on Income @ 4%....           | 20,000,000.00                   |
| Crown Lands, ungranted...909,924 acres         |                                 |
| leased.....756,216 acres                       |                                 |
| _____ acres                                    |                                 |
| Total .....                                    | 1,666,140 acres                 |
| Value estimated at.....                        | 1,000,000.00                    |
| Balance of Total Assets over Total Liabilities | 19,646,253.71                   |
|  | <hr/>                           |
|  | \$26,593,918.16 \$26,593,918.16 |

In addition, the Province has paid out for the construction of roads and road machinery owned by it \$744,000, and has paid in subsidies for the construction of railways over \$1,328,000 in addition to the amount of \$1,030,000 for the subsidy and interest paid to the Halifax and South-western Railway. In other words, in addition to the \$19,646,253 of tangible assets held by the Province, we have paid over \$3,100,000 for these railway and road services which have been necessary in order to provide the benefits of railway travel and road transportation.

But, Mr. Speaker, after all, what is the true financial test? How can it be determined with certainty whether the financial condition of a Province or institution is sound or otherwise? There is one test which all who know anything about finance recognize, and that is the rate of interest at which an institution can go into the open market and borrow money. Now the fact is, the Province of Nova Scotia has been able to borrow money at rates lower than any other Province in Canada, except perhaps the Province of Ontario. The broader the base upon which the obligation rests, generally, the lower the rate of interest, and nations can borrow at a lower rate of interest than Provinces. But take the situation as it was last year. There were three one-year loans made in Canada. The Province of Nova Scotia was able to place a loan in New York which involved a net interest charge of less than four per cent., while the Dominion Government in the month of July placed a \$25,000,000 loan which cost the Government five per cent. and a commission in addition. The Province of British Columbia borrowed \$2,700,000 which cost that Province six per cent.

**MR. HALL:** What was the term of the British Columbia loan?



**MR. TORY:** The loans to which I referred were all for one year, and the Province of Nova Scotia beat them all on interest rate.

**MR. HALL:** The Province of Ontario issued a ten year loan.

**MR. TORY:** What was the rate?

**MR. HALL:** I think it was 96.58.

**MR. TORY:** Now, Mr. Speaker, I have gone pretty carefully over the matter of financial obligations. Whether the situation is tested by theory, by practice, by principle, or by the practical test of the rate of interest on loans, the evidence is conclusive that the financial standing of Nova Scotia is first-class, in the eyes of financial men, and gives evidence of careful and wise administration in connection with these matters.

#### INTEREST OBLIGATIONS.

I wish to deal for a moment with the question of interest obligations, and in connection with this matter I may say that there has been a great deal of misrepresentation of the facts, by not stating all the facts. This has been particularly true of the statements appearing from time to time in the Halifax Herald. The Public Accounts of this Province show that the gross interest charges for 1915 were \$507,672.14, but the same accounts show that we received from interest \$157,403.27, making the actual expenditure on account of interest \$350,268.87. This is the net amount due for interest on account of the capital expenditure already referred to, and the interest on current account during the fiscal year.

On account of the large direct liabilities of all the Provinces, conditions similar to those in Nova Scotia as to interest charges prevail. It has been, however, impossible for me to determine from the Public Accounts of the various Provinces just what their gross or net interest charges are, as they are entered under different headings from that of interest in most of the Provinces. Some light, however, is thrown upon the situation in Manitoba, a Province having about the same population as Nova Scotia, by a paragraph which appeared in the Budget Speech of that Province, on February 10th last, which reads as follows:—

"The first is that the great landed Assets of the Province, which today should be an important bulwark of strength from the standpoint of credit, have almost entirely disappeared. There is the further fact, that in spending the proceeds of the same, together with proceeds of borrowed money, the late Government incurred serious overhead charges on account of the maintenance of Public Buildings, which have been constructed and which are now under course of construction. These overhead charges, over which we have little control, have now become very onerous, and in addition thereto, the gross amount of interest on the bonded indebtedness of the Province has now reached a sum almost equal to the annual sum of the Dominion subsidy, which is our largest item of revenue."

The amount of interest charged in this case will be better understood when I state that the subsidy referred to amounts to \$1,450,757.14. The gross interest payable on the direct liabilities of Canada last year amounted to \$15,736,742.00; in Ontario it amounted to over \$1,500,000.00; in Quebec, to over \$1,200,000.00; in Alberta, to over \$900,000.00; and so on throughout the various Provinces. So that, so far as interest obligations are concerned, all the Provinces alike have heavy interest obligations brought about by capital expenditure for various public works—presumably necessary in the public interests.

**SPECIAL ISSUES—WESTERN LANDS.**

I wish for a moment before concluding, to refer to another question that scarcely comes under the viewpoint of aggregate results, but more properly perhaps under the heading of special issues. The question to which I refer is that of Western lands, referred to by the hon. member for Colchester. I might say in connection with this matter that a year ago I had prepared a resolution to submit to this House dealing with the relations between the Federal administration and the Government of this Province, with special reference to the subject of Western lands. I believe that we have a good claim against the Dominion Government in that connection, as well as in connection with other matters relating to finance, but in view of the circumstances then existing, and the need of funds to meet conditions growing out of the war, I reached the conclusion that it was not the proper time to introduce the question of rearrangement of finances as between the two Governments. I think I was justified in the position I took, and I propose, if opportunity offers, when the proper time arrives, to introduce that resolution and discuss the question fully. On account of the war, conditions have so changed, even in relation to points which would be fair subjects for discussion under other circumstances, that it seems unwise to introduce the question of the rearrangement of finances between the two Governments, if we desire a favourable consideration of this question from the standpoint of this Province. I do not think that the present moment is an opportune time for pressing any claim upon the Dominion Government with reference to Western lands or any other similar question. At the same time, I admit that that does not answer the question as to whether anything has been done in connection therewith. To say that nothing has been done is not true.

I propose in the first place, however, to submit to this House a few facts upon one phase of this question, which, I think, would indicate the attitude of the Federal Government on this subject of redress to the Provinces, and in particular, the attitude of the Prime Minister of Canada. In a speech delivered in Winnipeg, on June 19th, 1911, Sir Robert Borden said:

"Before discussing a subject of great public interest now under consideration of Parliament, I desire to touch certain questions of paramount importance to the people of the West. Today in Canada six Provinces enjoy the right to control and administer the public lands, mines, minerals and other natural resources within their boundaries. That right is not enjoyed by the three Prairie Provinces. The Liberal-Conservative Party since 1902 has firmly asserted and maintains the rights of the three Provinces to their public domain. We stand for that right today and we will maintain it. The public lands and natural resources are vested in the Crown, to be administered for the benefit of the people. In six Provinces the Crown, in dealing with the public domain, acts upon the advice of the Provincial Ministers, and under the laws enacted by the Provincial Legislatures. In the three Prairie Provinces the Crown, in dealing with such lands, acts upon the advice of the Federal Ministers and under Laws enacted by the Federal Parliament. Why should there be any such discrimination against the people of these three Provinces. The day is not far distant when Manitoba, Saskatchewan and Alberta will receive from a Liberal-Conservative Government at Ottawa the just recognition of their undoubted rights to their public lands and natural resources."

This was what Sir Robert said in 1911, but did he keep his word? He did not. He did certain things but not what he promised to do.

What did he do? We shall see. In the first place, he practically reorganized the finances of Manitoba. Prior to 1912, the Province of Manitoba, with a population of 461,000, was granted a subsidy from the Dominion of \$838,247.06, but in 1912 this subsidy was increased so that that Province is now in receipt of annual subsidy of \$1,450,757.14, being an increase of \$612,510.08 per year. In addition to this Manitoba was given \$201,723.00 as an allowance for public buildings; a special amount for arrears in lieu of lands, amounting to \$2,178,648.52; there was added to the Province 114,091,702 acres, or 178,269 square miles of territory, which at a nominal value of \$1.00 per acre would be equivalent to \$114,091,702.00; prior to this Manitoba had also been granted 8,141,493 acres for school lands, which at \$9.73 per acre, the average price realized at auction sales to January 1st, 1913, amounted to \$79,217,726.89; and in addition to all this they were granted lands for University purposes, which at the same rate would amount to \$1,459,500.00, which makes the total valuation of school lands \$80,677,226.89. On account of these school lands already sold, the Province had received or been credited with an amount of over \$4,000,000.00.

At the same time in 1912, Ontario was granted 93,696,000 acres of land, and Quebec 227,375,000 acres, which at the nominal value of \$1.00 per acre would give Ontario \$93,696,000.00, and Quebec \$227,375,000.00. There was such a degree of apparent iniquity about these transactions that it made it very difficult for me to refrain from discussing the question, and the only thing that deterred me from doing so was the conditions existing as a result of the war. These are simply a few of the facts pertaining to Western lands, and the attitude of the present Government at Ottawa in connection therewith.

Immediately after these lands were granted, a strong memorial was presented to the Dominion Government by the representatives of the Maritime Provinces, including the representatives from this Province, asking for a readjustment of the revenues of these Provinces in consideration of our interest in the Western lands, but it has so far received no attention. Therefore, when it is said that something should have been done about Western lands, it should be remembered that our claims were presented to the Federal Government, and that up to the present time no consideration has been given to those claims, and under present conditions, none is to be expected.

**MR. TANNER:** Were any representations made between 1896 and 1911?

**MR. TORY:** I do not know, and I do not lay all the blame upon Sir Robert Borden because when the Liberals organized the Western Provinces, the interests of the other Provinces should have been considered.

I wish to say emphatically that until Nova Scotia drops its party politics, and deals with this issue as between this Province and the Dominion, we will never get the redress that we ought to get. The fact of the matter is, that by the terms of Confederation, no protection was given for the proper expenditure of money in Nova Scotia, and I estimate that there is at least \$150,000,000.00 due us to day for various reasons, growing out of our relations with the Dominion, and some day some one will have to deal with these matters in a different manner than that of endeavouring to obtain political advantage rather than redress to Nova Scotia.

## SPECIAL ISSUES—LOAN, 1915.

I now wish to deal with one other point coming under the heading of special issues, and I regret that the hon. member for Colechester is not in his seat. That hon. gentleman made reference to the \$1,000,000 loan made in New York in 1915, and offered some criticism in connection therewith. The uncalled-for remark made by that gentleman in connection with that loan has possibly caused me to speak with a little more vehemence with reference to him than I would have done otherwise. The hon. member attempted to insinuate graft on the part of the hon. Premier of this Province in connection with that transaction, when he knew perfectly well that no such suggestion could properly be made, for if there was ever a loan made that was open and free from any suspicion, it was the loan to which I have just referred.

**MR. HALL:** The hon. member for Colechester referred to a prior loan.

**MR. TORY:** He should not have used the word in connection with any loan. I particularly resent it, in so far as the Premier of this Province is concerned. I have seen a good deal of the hon. Premier of Nova Scotia, and this fact has become clear to me, that whatever his faults, this can be said of him, he is a man of brains, a man of heart, a man of character, and a man whose shoe-strings the hon. member for Colechester is not worthy to stoop down and unloose.

But with reference to the financial aspect of the loan, the hon. member for Queens would not dispute that his friend had stated that the Province had lost \$120,000 by placing a temporary loan. What would the hon. gentleman have to say with regard to the temporary loan of \$25,000,000 placed at the same time by the Federal Government? If the hon. member's statement with reference to the Nova Scotia loan is correct, then at the same rate of loss the Federal Government lost the sum of \$3,000,000 on their \$25,000,000 loan. Of course, they did not lose any such sum, and talk of that kind is simply buncombe. But the Dominion Government made a loss, and a very serious loss, when compared with the Nova Scotia loan. Had they been able to place their loan on the same terms as that of Nova Scotia, and one would think they should have been able to place it on better terms, they would have made the following savings:—

|   |              |
|---|--------------|
| A premium of \$5,300 per \$1,000,000..... | \$132,500.00 |
| Interest, $\frac{1}{2}$ of 1%.....        | 125,000.00   |
| Commission, $\frac{1}{8}$ of 1%.....      | 31,250.00    |

Making a total of.....\$288,750.00

on this single transaction. Therefore, in view of these facts, it is hardly commendable to criticize the Government of the Province of Nova Scotia in connection with a loan placed on unusually favourable terms.

Now, Mr. Speaker I have taken a good deal more time than I had intended in dealing with the finances of this Province, but so much had been said about the Province of Nova Scotia and its finances that was utterly false and unfair, that I felt it was my duty to present the facts as I know them, and as they actually are, so that at least hon. gentlemen in this House would have some other views than those presented by the Halifax Herald, which deliberately misrepresents the facts.

### THE PRINCIPLES THAT HAVE GOVERNED.

I intended to consider the matter also from the viewpoint of the principles of the men who have governed this Province since 1867, but time will not now permit. But, Mr. Speaker, I will say this, that one of the greatest assets of Nova Scotia, and I am not speaking of Liberals alone, but of Conservatives also, is the high character of the governments that have been in power in this Province since Confederation. Nova Scotia is one of the bright spots in the galaxy of governments throughout the Dominion of Canada. From 1867 to the present day, whether under Liberals or Conservatives, no one has been able to say that any crooked transactions have taken place on the part of any Government of Nova Scotia. This is one of the valuable assets of this Province, and more than that, it is one of the reasons why this Province can borrow money at such low rates of interest, and it ill becomes any Nova Scotian, unless he has conclusive evidence, to endeavour to defame the good name of the men who have stood for the best in politics that this country has produced, and that is the type of men who have administered the affairs of this Province.

If the hon. leader of the Opposition, or any other representative of the Conservative Party were ever charged with the responsibilities of the Government of this Province, I would stand in defence of their good name against false accusations in precisely the same manner as I stand today in defence of those who have been charged with the administration of the affairs of this Province.

In visiting the other Provinces of Canada, one of my proudest experiences has been to be able to look men in the face, and to say that down in Nova Scotia, in all its history, we have had men at the head of affairs who stood for honour and righteousness in public affairs, as well as in their private lives.

### CONCLUSION.

But, Mr. Speaker, let me ask where do all these facts lead us? To what conclusion must we come? It seems to me that we are compelled by the irresistible force of both logic and fact to the conclusion that, for many years, we have had a sincere and faithful administration of our Provincial affairs; that in Nova Scotia we have had Governments that have faced the problems of the Province with courage and ability; that provincial problems have been dealt with safely and sanely; and, lastly, that the conduct of the business of this Province by the present administration has been such as to commend it to the intelligent and thoughtful citizens of Nova Scotia.

Finally, Mr. Speaker, let me ask what shall be the path of the future? In my judgment, it must be the same old path of faith and courage. The men of this Province have faced its problems as men. They have had the courage to take chances, and thanks to that courage, we are well on the way toward a solution of most of our big problems. It must be the same old path of honest and careful finance which has maintained the credit of this Province, while at the same time, provided for our unusual needs; the same old path of sympathy for the unfortunate, that has characterized in a marked degree, the Governments of this country; and, finally, the same old path of patience with democracy, until the ideals of democracy shall have been fully realized.

Mr. Speaker, I have spoken longer than I intended to speak. I trust I have not unduly wearied the House, and I thank the hon. gentlemen for their patient hearing.

