FULL TEXT OF PREMIER'S BUDGET SPEECH

Depression Years Fought With Undisputed Success By MacMillan Government

Opposition Criticism Weighed In The Balance Of Government Achievements During Years Of Unprecedented World Depression. Premier MacMillan In Brillant Form In Delivering Budget Speech, In Which He Estimates An Ordinary Revenue Surplus, Excluding Sinking Funds, Of $37,217.

Following is the full text of the Budget speech delivered in the Legislature on March 25 by Premier the Hon. W. J. P. MacMillan, M.D.:

Mr. Speaker, this brings us again to that point of the Budget and it is again my duty and responsibility and privilege to submit a record of the affairs of Government in this Province for the past year and to submit estimates for the carrying on of said Government for the year to come. I fully appreciate the honour as well as the responsibility of this duty. I fully recognize that many of the Island's most brilliant sons have in the past stood in the position where I am now standing and I think, as we look over that long record of men who have performed this particular duty, that a fair analysis of their record will inevitably lead to the conclusion that they endeavoured to do their full duty. Many of them have passed from this earthly sphere; some of them are still with us. And if I were to express any wish at this particular time it would be that when I am being judged at the bar of public opinion as leader of this Government for the past four years that all I ask for is fair play on the part of the people.

I don't wish to put forward at this particular time the peculiar difficulties of administering a government for the last four or five years. I am not going to ask that any mantle of charity be thrown over my shoulders in that particular regard, but I think those who analyze the situation logically and those who follow the trend of modern events, will realize that within the last four or five years the duties and difficulties of government have been tremendous.

THE ESTIMATES

With those preliminary remarks I will take you at once into that particularly dry realm of figures. I might say that the estimates of revenue and expenditure which we are submitting tonight do not differ materially from those of other years. Our estimate for the Department of Justice is $64,175, a decrease of $1,563. For the Department of Agriculture $51,220, an increase of $5,371. The Executive Council $3,750, a decrease of $147. For the Department of Education $344,420, an increase of $1,265. For elections $7,500.

In this year we must make provision for the General Provincial Election, and while at this point and before I forget it, I might say that we have had some criticism. I was going to say considerable but I won't, Mr. Speaker, criticism on the point that we never filled the two vacant seats in this House. One from the Belfast District, made vacant by the lamented death of Mr. Callum Bruce and the other in the Georgetown District, made vacant by the lamented death of the late Premier of this Province. The principle reason why they were not filled was that those districts were represented adequately by the remaining representatives. Each district has two representatives and we considered that for the remainder of this House that the gentlemen who represent those districts could represent them adequately.

It meant that we saved this Province the amount of money necessary in holding those elections and we have saved two sessional indemnities, so there is a matter probably of $1,500 saved and I do not think anything has been lost, because one of those deaths left a vacancy in the Government ranks and one left a vacancy in the Opposition ranks and so we were paired.

DENTAL HEALTH ENCOURAGED

The Department of Health $34,984, an increase of $2,657, for the purpose of pushing the dental clinic work to some success in this Province.

Falconwood Hospital and Infirmary $93,580, a decrease of $2,775. Interest $240,115, an increase of $10,508. Legislation $16,650, a slight increase of 566. Legislative Library $3,025, a decrease of $73.00. Legislative Grants $48,700, an increase of $2,668. Miscellaneous $3,000, an increase of $430. Direct Relief $27,-000, a decrease of $12,144. Postage $2,400, the same. Treasury $11,320, practcally the same. Motor vehicle expenses $5,500, a slight increase of $320. Gasoline rebates $28,000, an increase of $244. Audit Office $3,150, the same. Purchasing Agent $1,075, the same, practically. Provincial Building $6,400, a decrease of $3,056. This refers to the ordinary maintenance of this Building. Of course we have provided a sum sufficient elsewhere in order that considerable and very extensive work will be done on this Provincial Building this year in order to save it from destruction. Old Age Pensions paid $170,000, an increase of $3,500. Old Age Pension expenses $5,220, a decrease of $1,473. Telegrams $250, practically the same. Department of Public Works $286,620, a decrease of $83,942. Unforeseen expenditure $1,000. Sinking Fund provision $140,-205, an increase of $11,625, making a total of $1,599,259, a decrease over last year of $57,665.

REVENUE ESTIMATES TABLED

Now I am going to give you the estimates of revenue. I will table the estimates of revenue, though it has never been done before, so that every member of the House will have a copy. Federal Subsidy $647,-181.88. This, of course, is estimating the increase of $150,000. Dirct Relief $10,000. Old Age Pensions $127,-500. Although our expenditure on Old Age Pensions looked large—$170,000—we get back from Ottawa $127,500. On real estate, income, property and road tax $155,000, Canadian National Railway property tax $40,000, those two items make $195,000. Corporation taxes, including domiciled companies $104,200. Succession Duties $20,000, Amusement Tax $5,000, Gasoline Tax $200,-000, making a joint item of $225,000. Motor vehicles, Peddlers Licenses, Fire Insurance Agents, Life Insurance Agents and Marriage Licenses $101,840. Fines and Penalties $500. Fees from different sources $30,450. General Government, Casual Revenue, Department of Public Works, Department of Agriculture, Department of Health, Prohibition Commission, Police and Maintenance of Jails, $54,600, a total estimated ordinary revenue of $1,496,-271.88, and the estimated ordinary expenditure was $1,599,259, leaving an estimated surplus on Ordinary Account of $37,217, exclusive of Sinking Funds, as against a deficit on Ordinary Account for 1934 of $142,567. Besides that we have Capital Revenue, Federal contribution under The Relief Act 1934, exclusive of concrete highway at Borden, $70,000, which cheque has come in within the last day or two. The estimated expenditure on permanent roads is $130,000, and that does not include the concrete highway at Borden which cost $48 000, and was borne in full by the Federal Government.

ESTIMATED SURPLUS

The main point about this is that I am estimating a surplus on Ordinary Account of $37,217, exclusive of Sinking Funds.

Now, Mr. Speaker, as I said before, I am going to table this Estimated Revenue and that Estimate will lie on the table.

Now then we will begin to deal with the record of the Government. The Patriot newspaper on Wednesday last, (if you don't know what day Wednesday last was, it is referred to as "Black Wednesday" by a former Member of this House. On Wednesday last the Patriot came out with the glaring headlines "MacMillan Government went behind last year nearly $358,000," and very little more has been said about it. We admit we did, but if you will refer to the Journals of the House for last year you will find that we estimated that the total expenditure (ordinary, capital and construction accounts, relief) would amount to $1,835,390. We also estimated that the total ordinary revenue would amount to $1,340,821 and that at the bottom of the estimates of expenditure you would find that the Federal contribution would amount to, approximately $113,650, therefore the total estimated revenue was $1,454,471.88. Now if you deduct that amount from our total estimated expenditure **you will find that we estimated an increase in liabilities last year of $380,000 and we went behind $358,-000, so that we were $23,000 better off at the end of the year than we thought we would be at the beginning.**

My Honourable Friends will say, "What about the deficit on Ordinary Account?" Well in a few minutes I will discuss that, but before doing so I want to draw their attention to that famous year which will go down in the history of this country, I don't know, if you apply the term "black" to last Wednesday, what term you will get to apply to the year 1931. That was the last year my honourable friends were in power and it will always be remembered, **the last eight months of that eventful year when they increased the liabilities of this Province $544,000—the largest in the history of this Province, and which will probably be a record for all time.**

LIBERAL FINANCING

Now what did they estimate the increase of liabilities to be for the year 1931? They estimated the total expenditure—ordinary, capital and relief—would amount to $1,226,310, and the total revenue $1,111,717, made up of ordinary $1,021,717 and a Federal contribution of $90,000, leaving an estimated increase in liabilities to be $114,593, **and that estimate turned out to be an actual figure of $544,000, so that they were only astray $430,000, and that mind you for eight months, or in other words they were going behind, fortunately the electors decided it was high time for a change, at the rate of $816,000 a year.**

A COMPARISON

But they say they always, or nearly always, had a surplus on Ordinary Account. Now, we will just deal with that. Last year our Ordinary Expenditure was $1,656,924, and the Ordinary Revenue was $1,385,-777. We had a deficit on Ordinary Account of $271,147, but following the course that has been pursued by this and every Government for some time the Sinking Fund provision of $128,500 must be taken from that and that leaves a deficit on Ordinary Account of $142,000, and mind you there wasn't any gravel transferred to Capital Account as was the custom in their years in order to lessen the deficit on Ordinary Account. Of course they say that I was badly off last year. I admit that I was off. There were good reasons for it. There was an increase in relief, an increase in Old Age Pensions, an increase in the amount of work which we had to pay for in conjunction with the Federal Government, which swelled my figures given last year to quite an extent. But what do you think of our deficit on Ordinary Account of $142,000. How does that compare with the Province of New Brunswick with a deficit on Ordinary Account of $800,000. I wonder, Mr. Speaker, how it compares with Nova Scotia, with a revenue deficit of $1,129,000. **So that if you want to judge by comparison you will find that this little Province didn't do so badly last year. When times are bad and you consider our deficit on Ordinary Account is large, what do you consider the deficit on Ordinary Account in 1931 would be when it went to a new record of $253,000. There is one thing you can say relief payments didn't drive it up, nor Old Age Pensions, for relief paid in that year was only $12,-900 against $39,000 last year. Oh, of course, there is the old alibi, election year, and they spend money without limit, without control. Even my honourable friend the immense Ex-Minister of Public Works lost control at that time."**

Mr. McIntyre: Not as much as you did this year.

Premier MacMillan: No, not as much. My deficit on Ordinary Account was $142,000 and yours was $253,000, of course $142.000 is much larger than $253,000! (Laughter.)

Mr. McIntyre: That is not the whole story at all.

Premier MacMillan: That is the old story. The bigger the Minister the bigger the deficit. I know that my hon. friend the Leader of the Opposition never wishes to take this election year into consideration, particularly the year 1931.

Mr. Lea: We will take yours into consideration next year.

Premier MacMillan: I knew that was coming. But I want to remind him, and you Mr. Speaker, that he was accountable for $544,000 of the $548,900 increase in debt in that year and also that the deficit on Ordinary Account was $253,000 exclusive of Sinking Funds, and you will get it by comparing the Report of the External Auditor made on the liabilities at August 29, 1931, and the Provincial Auditor's Report December 31, 1931, **and you will find that the increase in liabilities made by this Government in the last four months of that year was only $4,836.**

THOSE LIBERAL SURPLUSES

Now we come to those Revenue "Surpluses." In 1928 our Friends had a Revenue Surplus of $58,400. In 1929 they had a Revenue Surplus of $33,000, in 1930 they had a Revenue Surplus of $16,300. They were doing fine. Of course you understand how those Revenue surpluses are made up. **They just charged so much to Capital they shouldn't have charged there and so they had a Revenue Surplus on Ordinary Account, but in 1931 they had a revenue deficit of $253,000, so that blotted out all that Revenue Surplus and left them with a total Revenue Deficit for their term of $146,000.** Now, how did they get those Revenue Surpluses? In 1928 they charged to Capital Account gravel, for instance, $83,700, in 1929

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$102,500, in 1930 $122,000, and in 1931 $57,000, a total of $366,000 worth of gravel which they charged to Capital Account. Mr. Speaker, how much permanency is there to gravel? **How much reason is behind a financial statement that charges gravel to Capital Expenditure? If you added their expenditure for gravel to their Ordinary Deficit of $146,000 they would have a Revenue Deficit in their time of $512,000.**

Now in 1932 we had a Revenue Surplus of $16,600, in 1933 we had a Revenue Deficit of $20,000, in 1934 we had a Revenue Deficit of $142,000, or in our three years we have a total deficit of $146,000. Now it is true that in that we charged one item of gravel, an amount of $15,000, after that we charged gravel where it should be charged to Ordinary Expenditure. In 1933 and in 1934 the gravel was charged on Ordinary Expenditure. Therefore our Ordinary Deficit on Ordinary Account against our predecessors $512,000 was $161,000. There is the comparison of Ordinary Revenue—deficits and surpluses analyzed.

LIABILITIES ANALYZED

On August 29, 1931, the total liabilities of this Province was $3,337,-405, that is what my Friends on the other side of the House left in debt. When they came in on August 12, 1927, four years before, the debt of this Province was $2,159,504, so that in their four years of office, as shown by the External Auditor's Report, they increased the indebtedness of this Province $1,177,901, or in four years they added 50 per cent of the existing debt from Confederation, or from the time this Province started out to do its own business down to the year 1927 our accumulated debt was $2,159,000 and in four years our Friends on the other side of the House, who pretend to be such great economists, **just added 50 per cent to that total.** In four years they were able to do what every Government from the time this Government was doing business, all of them put together, in four years they were able to do half of it in piling up debt. Now it is quite true that since that time and in our regime we have increased the debt not quite as much as they increased it. We increased it $932,000. We can still spend $245,000 before we are as bad as they are.

Mr. McIntyre: "That wasn't very much of an increase."

Premier MacMillan: "Not very much compared with yours. You will notice, Mr. Speaker, the wisdom of the interjection! (Laughter.) You will realize the great period of depression in which my hon. friends administered the Government of this Province from 1927 to 1931. When they get up to talk, those were the 'wonderful' years! What about the trade of this country? Why, money was overflowing everywhere. It was wonderful! It was so wonderful that they kept step with it and increased the debt $1,177,000. They didn't have any depression to contend with; they didn't have any direct relief to contend with; they didn't have Old Age Pensions to deal with; they didn't have the Teachers' Superannuation Fund to deal with; they didn't have any fires to deal with. What is their main contention? They built two ferry boats and a scow! $50,000! Give them credit for all they did. They didn't have a burned Prince of Wales College to deal with or a burned Falconwood to deal with. They didn't have skunks to deal with but unfortunately we have and we are not done dealing with them either, but I am glad to say the numbers are lessening.

LIBERAL MISSTATEMENTS

But what do they say, Mr. Speaker, what does my friend the Patriot say? Everyone of them get up in this House and what do they say? "This Government borrowed $2,450,-000 in their four years. The most extravagant Government this Province has ever seen!" is that what they term this Government. "Look at their borrowings—$2,450,000." If we borrowed $2,450,000, Mr. Speaker, and on 29th August, 1931, we found a debt of $3,337,000 and we borrowed $2,450,000 more, the debt of this Province must be $5,737,000. That is correct logical reasoning, isn't it. If a man is in debt and he borrows another ten million or two, he is that much more in debt. They won't admit that when you issue debentures you are not increasing the debt. They won't admit that part of this borrowing, part of this issuing of debentures, because that is what it was on our part, was to look after their borrowing in the only way we could. They neglected to look after a lot of it which they might have done when the market **was good. This $2,450,000 is accounted for by our debt of $932,000 and their debt of $1,177,000 and by funding bank overdraft on sums required for Sinking Funds and an amount due on Highway Issue of 1931 for which Sinking Funds were not adequate to the amount of $340,000. So we can account for the bonds that we sold, debentures we issued. We can show by the Public Accounts that our increase in debt was not $2,450,000, it was $932,000, and we won't leave the obligations for them or whoever succeeds us to look after that they did for us.**

A question was asked here the other day "What was the bank overdraft on 31st December, 1934, and what is it on the 1st of March 1935." The answer was quite simple, $284,000 on 31st December and on 1st March $210,000. **We don't leave overdrafts of over a million.**

SINKING FUND

Now, there is a matter which I am going to refer to in justice to all governments and that is the Sinking Fund proposition. I may say frankly that I am not satisfied with it. I think that each government has been foolish in the past, that we are providing too much in our Sinking Funds at the present time. We have Sinking Funds for about 20 per cent of our funded debt. Nova Scotia has 8 per cent, New Brunswick has 10 per cent, Quebec has 12 per cent, Ontario has 1 1-2 per cent. We are putting more money into our Sinking Funds than any Province in this country. It is a big burden and every Government has to go out year after year and borrow an amount, which today is over $140.000, in order to put into our Sinking Funds. And there is another point where I believe that acturial or expert advice would be beneficial to evolve a proper plan as to why it is not a good proceeding for this Province to carry their own bonds in their own Sinking Funds. I made that declaration advisedly. We are the only Province in this country that is not carrying our own bonds in our own Sinking Funds and in some Provinces three-quarters of their entire Sinking Fund provision is their own bonds. If they are right we are wrong, that is all about it. But I know this that they are getting off a great deal easier than we are, and at this point, before I forget it, my friend the Editor of the Patriot in an editorial the other day, using some of the black ink that Black Wednesday is typical of, drew attention to the fact that this Government in its bungling issued bonds and didn't make them callable as other Provinces did. I haven't time to turn up his exact words, but I have it here, though I don't suppose it makes much difference. But he blamed this Government for not making this issue callable. He knows as well as any man in this Province, because he is editor of a paper that is supposed to know politics if it doesn't know anything else, that there never was a callable bond in this Province. Knowing too, as he should know, if we made it callable we would increase the cost very materially.

THE OVERDRAFT "INHERITANCE"

How my friends used to squirm about this overdraft that they left of $1,041,000. And oh, the Leader of the Opposition and his followers say "Yes, but we inherited part of that." In order to clear up that inheritance you have to go back to the year 1919 and in order to deal with it properly you have to take two items—bank overdraft and short term loans, because additional short term loans lessen the bank ovedraft.

In 1919 those two items, the outgoing Conservative Government left $552,161, and in 1923 when the Liberals went out of power they left $680,355, or they increased those two items by $159,-000. In 1927 when the first Stewart Government went out of power they had reduced those two items from $680,000 to $609,000, a decrease of $71,000, and in 1931 when the Liberals went out of power on bank overdraft and short term loans they left the very modest sum of $1,-425,845. They had increased those two items in their time $816,000, or if you take the records of the two Liberal and the two Conservative administrations since 1919 you will find the Conservatives left $1,031,278 and the Liberals left $2,106,200. The Conservatives left $1,031,278 and the Liberals left $2,106,200. on those two items of bank overdraft and short term loans. The difference between the administrations is $1,-000,00 in favour of the two Conservative administrations.

THE BOND ISSUE

Now, I wish to deal for a moment with this matter of the issue of $1,000,000 by this Government. I have made a statement on this point at every session since this transaction took place. I have not varied the statement. They say it is very hard to get information from the Premier on this point. It is not hard at all. I have never refused to give information. I have always tried to give it in a fair, square manner and I don't like the insinuation, for instance, that was handed to me by the Editor of the Patriot a few days ago in speaking of applications coming before Adjustors under the Farm Loan Act. When I was asked by a Member of the House for information I gave it. I thought I had. The Patriot says that I didn't know anything about it. "The Premier showed he didn't know very much about the transaction, about the two Acts, and the type of information that he hands out is typical of information that he hands out to the public." What do you think of that, Mr. Speaker, to be catechized by the editor of the Patriot on a statement of that kind? When this Government assumed office we appointed Mr. Paul Blanchet, Chartered Accountant, as External Auditor and his report received on November 16th, 1931, showed the Province to have a bank overdraft and current liabilities amounting to $1,191,000. That is the Overdraft I have referred to of One Million Dollars plus unpaid bills making $1,191,000. After taking over the Government and before the External Auditor's Report was received, the Bank on October 15th, 1931, raised the rate of interest on the Overdraft from 5 per cent to 5 1-2 per cent and I will ask my friend, the editor of the Patriot, to take particular note of that because in dealing with the matter he said we were paying 5 per cent to the bank. I want to tell him that is the date when the bank increased the rate, October 15th, 1931. In order to reduce the enormous overdraft left to us as a legacy by our predecessors, on December 4th, 1931, we called for tenders for debentures totalling $600,000 which was the most we could borrow under existing legislation at that time and we received no firm bids.

They say "Why didn't you call for tenders on this million dollar issue?" **We called for tenders on $600,000 in December and we received no firm bid at all from those bond houses all over this country which they claim didn't get a chance to tender on a million dollars. When they had a chance to tender on $600,000, they didn't give us a firm bid, Mr. Speaker. One firm said "We have been in touch with one of the largest investment banking houses in Canada with a view to having them join us in tendering for these bonds. The attitude they take is that owing to the uncertain market conditions today they do not feel justified in making a firm bid." Another Firm said: "On account of the uncertainty of the market we would not care to make a firm bid for these bonds."**

THE BANK'S ATTITUDE

They say we were incompetent, negligent, bungling, when we tried on the open market for tenders and couldn't get anythig, In December 1931 Falconwood Hospital was destroyed by fire and it was necessary to make arrangements to do something towards the reconstruction of that institution. The next shock the Government received was on January 6th, 1932 when the Manager of the Bank of Montreal by appointment appeared before the Treasury Board of this Province and drew attention to the very large overdraft being carried. He stated **that unless the overdraft was considerably reduced, the Bank was not prepared to grant credit in connection with capital expenditure required for the reconstruction of Falconwood Hospital.** And they say, Mr. Speaker, what? That it was a strange thing that the Bank bothered us when it didn't bother them. We did issue bonds to the amount of $150,000 on the 25th of January at 5½% twenty year bonds, and they cost this Province 6.07.

That small borrowing was only a temporary alleviation because the next thing within a few days was the destruction of Prince of Wales College by fire. Then the late Premier interviewed the Head Officials of the Bank of Montreal and they said they would form a syndicate **to float a million dollar issue and told us not to go on the open market again, for every time we issued debentures and couldn't get a bid, it was only hurting our credit.** Subsequently, the Bank of Montreal recommended a fifteen year bond at 5½% as the most suitable to meet existing conditions. Now, Mr. Speaker, don't you think we were proceeding as reasonably and carefully as any Government could? **Don't you think it was reasonable to take the advice of our own bank together with representatives of the Royal Trust Company?** I was present at that interview that the late Premier had with the Bank. The Bank sent down a blank form to sign for One Million Dollars at a blank price and there the Government balked. They were not going to sell one million dollars worth of bonds at a price which we did not know, and while that negotiation was going on and before any decision was reached, the firm of Gardiner & Co. came across with an offer for $250,000 5 year 5½% bonds, and after consultation with some of the syndicate and not being able to get any satisfaction we sold that one-quarter million five year 5½% bonds and they cost us 6.14. Now a short time afterwards the purchasers of that block came back again and they offered for the $1,000,000 5½% fifteen year bonds at 97.72 and this is what we cause it was costing 6.25, and we afterwards sold 6% fifteen year bonds at 97.72 and this is what we are hounded for. You will find it in so many issues of the Patriot that I think even my honourable friend the Leader of the Opposition got disgusted with it at one time. They were subtracting 5% from 6.12, which they say this issue netted and they were saying "Look 5½% and 6.12. Look what they lost. over ½%." **You don't get the value of bonds by subtracting without knowing the cost price and the years the bond is running.** However, we sold this on the advice of the bank. They advised us to take fifteen years bonds. **We took 6% bonds because they were cheaper than 5½% bonds. That is what we are criticized for, and part of that money went to redeem the issue that was put out by my honourable** friend the Leader of the Opposition **when he was a member of the Bell Government from 1919 to 1923.** They issued bonds—"

Mr. Lea: "Post war years."

Premier MacMillan: "Well 1931 is a post war year also."

Mr. Lea: "Not quite so close."

Premier MacMillan: But too close for you, **because this issue which was made while he was Provincial Treasurer was also a 6% issue, but they say it is not as bad** as ours because ours cost 6.12, but **they were both put out at 6% and his issue cost 6.11 and ours cost 6.12 and they condemn us, he condemns us for doing the very same thing he did himself.** (Applause).

LIBERAL RESPONSIBILITY SHIRKED

We had to issue bonds when the money market was bad but if they had performed their full responsibility as servants of this country they could have looked after the overdraft when the bond market **was good.** But no, Mr. Speaker, as they have admitted, they didn't want to call the attention of any one to that overdraft, but if they had been returned to power they intended to deal with it, but they left it to us to deal with in the worst time in the country's history, with fire losses and with depression, the very worst time, **and then they try to hound us for what we did.** As I said this statement can be proven from the public records of this country. **That is the history of it and they try through public meetings in this country to give the impression that there was something wrong, something shady about this transaction.** As Provincial Treasurer I take full responsibility for any financial transaction since I became Leader of this Government, whether I am a good business man or not. It was all right though, when we issued bonds last summer at 4.06. It was all right when we were not satisfied in dealing with the bank. We couldn't get a sufficiently low rate in dealing with the overdraft and we issued another half million in order to clean up our overdraft and we got them at 2.97. **And they say "Why didn't you take fifteen year bonds?" We couldn't get them at 2.97. That is only reasonable, Mr. Speaker.** (Applause).

NEW PROBLEMS

"We have endeavoured to do our best to run this Province and manage this Government with economy. We have had a great deal of new and unnecessary problems to deal with. Probably I should not say unnecessary, but new and unusual problems. This question of direct relief is a very great problem. We have been dealing with it now for some years and it is growing year by year. Last year we spent more than ever—$39,000, but we have satisfaction in knowing that our relief problems have been handled more economically in Prince Edward Island than any other part of Canada. I say that because you will hear criticism that a great many people receive relief who don't deserve it. It is a question how many in this Province are getting relief who don't deserve it. We have examined this matter in a great many different ways. We take the advice of Members of this House and whenever a Member of this House comes in, I don't care what side of politics he is on, and he makes a statement about someone who is in distress, I accept his statement. I don't know of a case where any Member, no matter what side he was on, tried to make any political capital out of direct relief. They are all carrying it out from a humanitarian standpoint. Of course, there may be an exceptional case.

TRIBUTE TO CLERGY

We get advice of clergymen in this Province and we owe a debt of gratitude to the clergymen of this Province for the interest they have taken in the poor at this particular time and I know personally that many of them have given beyond their means out of their own meagre salaries and the offerings they get from their parishes until they leave themselves dependent almost. But if you want examples of charity go to the clergymen and you will find them. We thank them for the interest they have taken in the poor at this particular time and we thank also all public spirited citizens. We have used the Mounted Police to investigate a great many hundreds of cases in this Province where they didn't seem to be what you would expect or did not feel sure about. In certain sections there were so many applications coming in that you would think it was an epidemic. It is quite true that as a result of Police investigations in some cases applications have been turned down but the total aggregate throughout this Province is not large and **I say it is a credit to the people of this Province that throughout Canada our relief problem has been so small and that we were able to get along so economically. We have had no investigations into the frauds they have had in other Provinces. We have none of that in this Province.** (Applause).

TAX COLLECTIONS

I am going to give you these figures as an example of our endeavour to collect taxes in this Province. If you take the Public Accounts for the last few years you will find that in the collection of taxes, take those items, real estate, including land, income tax, road tax, in 1930 the amount collected was $161,428. In 1931 it was $130,-738, in 1932 $153,378, in 1933 $155,-025, and in 1934 $160,016. That is on those items we collected as much last year as in the year 1931. Besides that we endeavoured to collect arrears of taxes. In 1931 we collected $19,444, in 1932 $44,158 in 1933 $47,000, and in 1934 we collected $56,352.

Mr. Lea: "Would my honourable friend tell us what proportion of that was cash or road work, or both."

Premier MacMillan: "It is detailed in the Public Accounts as to what part was paid by labour. Arrears paid by labour there was $8,000 last year.

"Now in the two items of general taxation and Succession Duties, last year on general taxes we collected $161,016, on Succession Duties $50,452, on both items $211,-468, which is the greatest collection on those two items since the year 1921. So that you can't say our people have fallen back too desperately bad when on general taxation they have increased every year since 1930."

Mr. Lea: "A lot of the rich have died."

Premier MacMillan: "Of course the Government wouldn't have control over that."

Mr. Lea: "They got the money."

Premier MacMillan: "I don't know whether my Honourable Friend wants to blame that on the Government (Laughter). He wants to blame everything else on the Government!

Mr. Lea: "I don't know. On the medical end of it perhaps we may."

Premier MacMillan: "Another item which is growing year by year is the amount paid for juvenile delinquents. In 1929 and 1930 my Honourable Friends spent $1,479, since that time we have spent $12,694. It is not an item that is particularly nice. It shows a tendency of youth which it is so difficult to counteract.

CORRECTS MISSTATEMENT

"There was one criticism, I forget where it was made, that when we got the insurance for Falconwood and Prince of Wales College we put that in the bank and received ordinary interest on it of about 2% that would be paid to any depositor, whereas we should have reduced our overdraft. Well, I am afraid that the statement was made in error, **because that is not the case at all.** The amount of insurance was placed in our short term loan account and as such it went to reduce the bank overdraft and as such was credited with interest at the rate of 5½%, the same as bank overdraft would be. It was a bookkeeping arrangement, **so that the insurance was credited with the amount of interest and then it was applied to its proper purpose when the time came around.**

HELPING THE FISHERMEN.

Some questions have been asked about the Department of Fisheries. They want to know what this Government ever did for fishermen. In fact, my friend the Ex-Minister of Public Works, at a meeting at Mount Stewart, I think or somewhere else, blamed me for causing an injury to the fishermen of this Province.

Mr. McIntyre: "Be careful about your statement."

Premier MacMillan: "All right, I suppose you will accept the statement of the Patriot. "Mr. James P. McIntyre, M.P., in the course of a brief address claimed had it not been for the Opposition they would not be fishing oysters this season. He charged that the present Premier had done nothing to assist the fishermen, but had done something to injure them."

Mr. McIntyre: "Increased two cents on gasoline, that is correct."

Premier MacMillan: **I can generally produce statements that I make.** I have a file here of correspondence which has been going on for some months with the Express Companies of Canada, to find out whether it has been possible to get a reduction on express rates for fishermen. **I didn't need to be reminded by my hon. friend the Ex-Minister of Public Works or anyone else on that side of the House to do all I could in the interests of this particular class.** (Applause.) There is difficulty, as there always has been difficulty. There is difficulty in getting those express rates reduced because the power to reduce them does not lie with this Province or with this country. It is controlled by American Express Company and American Railway Companies. We found that we were up against that, and I did all I

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