

Budget Debate Occupies the Entire Sitting.

IS EXPENDITURE TOO HIGH?

Policy of the Government Attacked and Defended.

Col. Matheson Speaks for the Opposition
—Speech by Mr. Davis in Reply—Bills Introduced.

Thursday, Feb. 20.

The budget debate occupied the House to-day, two important speeches being contributed to that annual discussion of the financial standing of the Province. Col. Matheson, the financial critic of the Opposition, spoke first, giving an exhaustive criticism of Hon. Mr. Harcourt's speech from the Opposition standpoint, arguing that the Province is in reality running into debt, and assailing a number of special points in the Government's policy.

He was followed by Mr. E. J. Davis, the able and industrious member for North York, who gave an excellent exposition of the principles upon which the financial administration of the Province has been based during the Mowat Government's tenure of office. His vindication of the general principles of the Government's administration, and his defence of the specific points in its policy assailed by Col. Matheson, were admirable and effective. These two speeches occupied the entire afternoon, and there was no night sitting, the Speaker's first official dinner of the session causing an early adjournment.

BILLS INTRODUCED.

A large number of bills were introduced and given a first reading, as follows:—

Mr. Reid (Addington)—To amend the agriculture and arts act.

Mr. Flatt—Respecting the County of Wentworth.

Mr. Garrow—Concerning boundary lines.

Mr. Richardson—To amend the Ontario voters' list act.

O'Keefe—To consolidate the assessment act.

German—Respecting the water-works of the City of St. Catharines.

Mr. Magwood—An act respecting railway debentures in the Township of Mornington, County of Perth.

Mr. Crawford—Respecting the Hospital for Sick Children.

Mr. McKay (Oxford)—Respecting building societies.

Mr. Matheson—Respecting the Synod of the Diocese of Ottawa in connection with the Church of England.

Mr. Middleton—Respecting St. Thomas' Church, Hamilton.

Mr. Pardo—Respecting the Village of Tilbury Centre.

Hon. Mr. Gibson laid on the table the following returns:—Archaeological report, and the reports of the Commissioner of Public Works, Master of Titles and Inspector of Common Jails, Prisons and Reformatories of the Provinces.

COL. MATHESON'S SPEECH.

These preliminaries over, the budget debate was resumed, Col. Matheson rising amid the cheers of his friends to follow Mr. Harcourt as the financial

critic of the Opposition. Col. Matheson began by congratulating the Treasurer on the full and able statement which he had given of the disputed accounts arbitration; Mr. Harcourt deserved credit for his vigorous effort to settle up this matter, whose long standing he regarded as discreditable to former Treasurers. Passing on, Col. Matheson plunged into a discussion of the Provincial finances, contending that the budget speech showed that the country was running year after year headlong into debt. There will be for the current year, he maintained, a deficit of between \$600,000 and \$700,000, equivalent to a deficit of \$6,000,000 in the Dominion. The estimated expenditure for 1896 was \$3,483,865, which would by annuities and railway certificates be increased to \$3,725,722, while the estimated receipts would be but \$3,121,972, there thus being a deficit of \$593,750. Moreover, the supplementary estimates would likely be about \$100,000, making the total deficit \$693,750.

Col. Matheson then went on to argue that there should be a sharp distinction maintained between capital and ordinary expenditures and receipts. The Crown lands were the Province's capital, he said, and revenue arising from that source should be spent upon capital expenditure, the erection of public buildings, on colonization roads, etc., and such expenditure alone. For ordinary expenditure, such as civil government, legislation, administration of justice, education, agriculture, etc., only the ordinary receipts should be used, Col. Matheson contended. As matters are now, he said, the revenues arising from the Crown lands have been largely used to eke out the ordinary revenue, and he submitted a series of figures to show that in the last seven years the Crown lands have paid \$3,521,600 to ordinary revenue, or at the rate of over half a million a year. This, too, he said, was in face of the fact that the revenue from Crown lands is falling steadily and is likely to fall.

The Education Department had also increased its expenditure, notwithstanding what he called the iniquitous system of charging pupils for their examinations in Public and High Schools. There had been receipts of \$36,000 from the Central Prison, but, said Col. Matheson, there was a feeling of distrust throughout the Province at the recent change in the Wardenship. He recalled an incident in the Public Accounts Committee of last session, when Mr. Massie, who was then Warden, refused to certify an account for \$900. Such things as that, said Mr. Matheson, make the people trust Mr. Massie.

He charged that the people who made the statement of profits at the Central Prison either did not know what they were talking about, or "cooked" the statement, as it was impossible to arrive at some of the figures quoted.

SUCCESSION DUTIES.

Col. Matheson then proceeded to criticize the succession duties, saying they were altogether too great, and much higher than the tax under the English act. In this connection he referred to a question which he has upon the order paper, dealing with the mode of calculating the death duties in Britain, contending that the Ontario method is oppressive.

Hon. Mr. Harcourt here explained that he had that very day written a careful letter to Col. Matheson, pointing out that the 18th section of the English act could not be construed as Col. Matheson thought. The latter, he thought, was confusing the estate and the succession duties.

Col. Matheson, however, said he still held the same opinion. He claimed the duty would drive men out of the country who had money to invest and was altogether unreasonable. Proceeding, Col. Matheson said the expenditure of the Province had greatly increased during recent years. One of the chief items was the increase in the cost of public buildings, caused by the accumulation of officers, and by the absence of the system of tendering for supplies. He then went exhaustively into the comparative cost of supplies as bought by the Government and as valued privately. Many of the expenditures he criticized, he observed, would be justifiable if the revenue were larger and if there were not a deficit. Turning to the Education Department, Col. Matheson quoted a number of items from the public accounts, but said they were nearly all justifiable on account of the increase in schools and pupils. He contended that the School of Practical