

\$140,000 of that sum is not interest, but is a portion of the Dominion subsidy under the award of 1884, and in support of this position quoted from the act, and also from the award of the arbitrators, directing that the amount shall be credited as additional subsidy.

In the course of some cross-firing which followed Hon. Mr. Hardy asked whether the amount referred to was not the exact amount of the interest at 4 per cent. upon the amount of capital adjudged due to the Province.

Mr. Matheson replied in the affirmative, but added that it was to be paid as subsidy. Turning the question of revenue from Crown lands, Mr. Matheson complained that the information given was not in sufficient detail. He regretted to be compelled to say it, but there is, he asserted, a feeling of distrust in the Province that the department was not getting full returns. If the ground rents were given separate from the dues of \$1 25 per thousand, then a comparison one year with another would give some check at least on the returns of the Crown Lands Department from the woods and forests branch. The feeling, he reiterated, and he felt the responsibility of it, is very prevalent throughout the Province that the Province does not get all the dues to which it is entitled. Of certain districts he never heard a word, but there are districts which he frequently heard about, and he therefore trusted that an effort will be made to divide these items of receipts. There was another detail which ought to be given: At the last timber sale the Province received a bonus of \$190,000 on the timber sold. This bonus was payable in instalments, and last year the balance due upon this account was paid. It was not an ordinary but a specific receipt from a special source, yet it was lumped in with the ordinary receipts. (Opposition applause.) He did not intend going into detail. That would be impossible, in view of the fact that the public accounts and estimates were only brought down at a late hour yesterday. No opportunity was given the Opposition, and never had been, to make a proper examination of them before being called upon to reply to the budget speech. Apparently the Government were afraid to give them time to do so.

#### The Deficit Figured Out.

A casual examination showed that the Treasurer had included \$60,000 under the head of interest, where it ought not to be; \$75,000 has been received as bonus and put in as ordinary receipts. Last year the total expenditure, according to the public accounts, amounted to \$155,000 more than the revenue, but there had been included as expenditure \$9,762 for drainage debentures, which, not being ordinary expenditure, ought to be deducted, leaving an expenditure of \$3,793,318, every dollar of which should be paid out of revenue without increasing the debt. Then the

receipts were placed at \$3,743,363, but from that must be taken \$60,000 borrowed from the Dominion, against which interest will be charged at 5 per cent.; the receipts for common school lands, \$9,305, which have to be paid over to the Dominion; \$40,381 26 received from capital on account of drainage debentures; \$128,417 borrowed on annuities. Not one of these items is available for payment of the ordinary expenditure of \$3,793,000. Deduct these and we have net receipts for 1898 of \$3,400,898, leaving a deficit of \$390,000—(Opposition applause)—and in arriving at that deficit I have not deducted from the receipts the \$75,000 received as bonus on timber lands nor the \$42,602 received from the sale of asylum lands. If these items are taken out of the ordinary receipts the deficit for last year would be over half a million dollars. This deficit of \$329,000 has been met by taking \$38,739 from capital invested in drainage debentures, \$60,000 borrowed from the Dominion, \$128,700 from sale of annuities, \$9,354 from the common school land fund, and \$155,000 of the cash in the bank. (Opposition cheers.)

#### Revenue and Expenditure.

Col. Matheson went on to analyze the estimates for the coming year, adding to the estimates already brought down the supplementary estimate, which he placed at \$100,000 in a year like this, when there is no general election. To these he added the instalment of \$115,000 due on railway aid certificates and \$102,000 on annuity certificates, making a total deficit of \$526,000 on Mr. Harcourt's own showing. In reply to the Government's contention that diminished Crown lands receipts were the cause of the deficit, he said it was not fair to compare the Crown land receipts of last year with those of 1897. Last year the receipts from this source were \$200,000 more than in 1896 and \$150,000 more than in 1895. Thus it was not diminishing Crown land receipts that caused the deficit, but it was the fact, as the hon. gentleman knew, that for years the growth of the expenditure had been much in excess of the growth of the revenue, that the Government had been running behind at the rate of four or five hundred thousand dollars a year. It was therefore, if the Province was not to be run into a very large debt, necessary that increased taxation should be resorted to. The speaker next objected to the comparison of the capital expenditure of last year with years when they were building the Parliament buildings or large asylums. The proper comparison to make was ordinary expenditure. Receipts from Crown lands and from the timber were surely the capital of the Province, and ought to be devoted to capital purposes, such as the building of colonization roads, public buildings, etc. He claimed that in 1878 the ordinary revenue was \$231,000 in excess of the ordinary expenditure. Ten years ago it was \$400,000 behind, last year it was \$858,000 behind, and he drew the attention of the House to the fact that in the last ten years the ordinary expenditure of the Province had increased—other than colonization roads or Crown lands expenditure—\$700,000, and in the same time the revenue, other than the Crown lands, had