

increased only \$250,000. Thus their expenditure for the ordinary running of the Province was, in the last ten years, more than \$450,000 more than the increase in the ordinary revenue. This was no wonder, said Col. Matheson, with the extravagant officials scattered all over the country, with the Government buying from its friends without tender, and spending the colonization road moneys corruptly to influence constituencies. They were told there was no debt, but the Provincial Treasurer in his public accounts admitted a debt of railway certificates and annuities of \$3,156,000. He put the debt to the Dominion at two million. These two items made \$5,150,000, but they owed more. They owed the \$60,000 charged as interest, and the 60,000 odd dollars that the Treasurer told the Dominion to charge up to the Province last year as Ontario's contribution to the common school fund in the hands of the Dominion. That did not appear as a payment in the public accounts. He simply told them to charge it. The total debt therefore was \$5,276,000, and the only asset they had available was the cash in hand of \$450,000, and the balance of the drainage debentures, \$315,000. On \$2,000,000 they were paying nearly 5 per cent., and on the balance they were paying 3 1-2 per cent. Col. Matheson then went into a detailed statement of the debt.

He had rather hoped that the Provincial Treasurer would give the House a history of the creation of the trust funds in the hands of the Dominion, as former Treasurers had done, and it made interesting reading, but it is a subject upon which it is hard to acquire definite information. He therefore gave his version of the manner in which they were created, and charged upon the Government that this Province has lost from \$150,000 to \$200,000 in connection with the debt of \$2,000,000 which he figured out the Province owes the Dominion, through their neglect to finance in a proper way to meet it. (Opposition cheers.) Proceeding, Mr. Matheson suggested that the Province could pay off that debt and at the same time add thousands of dollars revenue to the Province. He argued that the Province is now paying 5 per cent. interest upon its debt, while New Brunswick is paying only 3, and attributed this to the fact that we are paying 4 1-4 per cent. He condemned this improvident borrowing, and contended that if the Province issued \$2,000,000 of 3 per cents, payable in 60 years, and by setting aside 5 per cent. annually it would pay the sinking fund and wipe off the debt when it matured. This would also provide a safe investment for trust funds. The grammar school fund was formed by the setting aside of 300,000 acres of land, the proceeds of which might be treated in a similar manner to the common school fund.

Officials Denounced.

Another way of making ends meet was by adopting strict economy. He fully understood that with the growth of the Province the expenditure would increase, but there was no justification whatever for the large increase which had taken place. They had hordes of officials living on the life blood of this

Province; they had Crown lands officials who are able to devote their attention to the bye-elections, and if there is one thing more than another that created distrust it was that these officials had been going through the ridings in the bye-elections, doing the dirty work for the Government. (Opposition cheers.) In this connection Mr. Matheson mentioned Mr. Macdonald from Parry Sound, whom he had met sitting in the public room of the hotel at Fergus while Hon. Mr. Gibson was in the same room. The same man was in Elgin, but was kicked out, and he was also in other constituencies. There was another man also from the Sault. These men were going round to the bye-elections, and what for, if it was not to corruptly spend moneys that this Government had extorted from the people who had dealings with them at the expense of the Province? They had the stories also of the outsiders being taken into West Elgin and of the flim-flamming (perhaps the Attorney-General could explain the meaning of the term) that went on there in connection with the ballots. These men, who did this dirty work are employees of the Government, who are responsible for the collection of thousands of dollars of the revenues of this Province. He had seen one of them down at Napanee, and from his looks he would not trust him with \$5. Down in Russell the hon. Minister of Education was there, and the Russell hotels were filled with them trying to bribe the peo-

ple. He taunted the Attorney-General with having attempted to defend such action and make light of it, and with offering insults to members on the Opposition side of the House, all of which shows that the hon. gentlemen, were palliating this corruption.

Hon. Mr. Hardy asked the nature of the insult to which the hon. gentleman referred.

Mr. Matheson replied that it was the Attorney-General's reference to him personally, stating that he spent more for whiskey in a month than the corruption that had been shown in the election courts.

Hon. Mr. Hardy—Does the hon. gentleman consider that an insult? Lots of men would consider that a compliment. (Laughter.)

Continuing, Mr. Matheson warned the Attorney-General that his conduct was not fitting to the dignity of Premier of the Province—(Opposition hear, hear)—and was not consistent with the dignity of the House, which had been lowered by the Premier.

Mr. Hardy—Hear, hear.

In conclusion, he condemned the Government for trying to drag the last dollar of revenue from the mines, and appealed to both sides of the House to develop the resources of the Province.

Mr. Conmee moved the adjournment of the debate, which will probably be resumed on Tuesday.

The House then adjourned.

The Balance Sheet.

The following statements of assets and liabilities, together with the estimated receipts for 1899, were laid on the table by the Provincial Treasurer: