

# PROVINCIAL TREASURER ATTACKS RECIPROCITY

**Called Upon Liberal Members of the Legislature to Oppose Agreement.**

## SURPRISING TURN TO BUDGET ADDRESS

**Mr. D. J. McDougal Warmly Defends Reciprocity— Provincial Finances.**

An attack upon the reciprocity agreement, backed up by a mass of statistics, which left no doubt that his course was carefully prepared and marked out, formed an unexpected, but by far the most important part of the Budget speech of Hon. A. J. Matheson in the Legislature yesterday afternoon. The sweeping condemnation of the agreement made by the Provincial Treasurer took the House by surprise, and the stand the Government has taken promises to displace many shop-worn issues in the debate.

The Provincial Treasurer introduced his attack upon reciprocity in a rather novel manner. Of certain phases of the matter he had, he declared, nothing to say, but since the ratification of such an agreement would in a few years throw the whole movement of trade north and south, instead of east and west, the Provincial railway would suffer. Therein lay the interest of the Government in the matter. The Temiskaming & Northern Ontario would, upon the completion of the Transcontinental, become the connecting link between the west and older Ontario; any diversion of trade from the established east and west route would therefore strike hard upon the T. & N. O.

### Asked Help of Liberals.

A rather naive appeal was made by Hon. Mr. Matheson to the Liberal members, in asking them to oppose the reciprocity arrangement. It was, he confided, the men of the Opposition who could make themselves felt if they desired to, "One of you, speaking to your Government would have ten times more weight than any member of our party," was his compliment.

The Provincial Treasurer's touching invitation to the Opposition to throw in their lot with the Government in fighting reciprocity—and incidentally the Federal Government—received a discouraging reception, for Mr. J. D. McDougal, who followed, warmly defended the agreement as the finest thing that had ever been done for the farmers of the Dominion.

### Decrease in T. & N. O. Earnings.

The Budget address of the Provincial Treasurer announced an increase over estimates in every department except the Temiskaming & Northern Ontario Railway. The decrease in the estimated receipts from the road was \$205,000, and this he declared was due largely to increased maintenance charges, although there had been a large falling off in the carrying of coal.

The Treasurer's figures showed an increase in estimated expenditure for the present year, with, however, in-

creased receipts. He announced that several new sources of revenue would be secured and that legislation in that direction would be introduced.

### When a Surplus is Not a Surplus.

Mr. J. D. McDougal of East Ottawa, the financial critic of the Opposition, who opened the debate, delivered a splendid address, in which he showed that the Treasurer instead of having a surplus of some three thousand dollars in current account, had really a deficit of \$500,000. He pointed out that this amount had been received from sources which the Provincial Treasurer in his first Budget address had described as coming under the heading of "capital account," notably the receipts from the sale of timber lands.

Mr. T. W. McGarry of Renfrew, followed with a vigorous defence of the Government. The debate was adjourned until Tuesday on motion of Mr. Sam Clarke of Northumberland.

### Three Thousand to the Good.

The House being moved into Committee of Supply by Hon. Mr. Matheson, he congratulated the Province on the satisfactory financial condition in which it now is. The total receipts for the fiscal year ending October 31, 1910, were \$8,891,004.68, and the total expenditure \$8,887,520.09, leaving a balance to the good of some \$3,400. This balance, said Col. Matheson, might have been much larger by a little bookkeeping, but they had charged nothing to the Hydro-electric Commission on interest during construction; they had paid the whole interest and everything due, amounting to \$3,500,000.

The receipts in every department and every branch of the service were much in excess of the estimates, showing that those estimates had been very conservative. The total excess was \$690,000, from which was to be taken a falling off from the estimates of \$205,000 on the railway, leaving \$485,000 revenue received on current account over the estimates.

This increase, said the Minister, was all along the line. He instanced interest, \$100,000 more than last year, of which \$12,000 was accrued interest on bonds sold. The balance on hand was \$5,000,000, a large amount having had to be spent on capital account.

Proceeding to enumerate the various items of receipts, the Treasurer mentioned among others the increase of \$151,000 in the Crown Lands Department; \$51,000 in the Provincial Secretary's Department of Public Institutions; \$25,000 in the Central Prison account; \$4,000 in education; company charter fees, \$43,000; casual revenue, including fines, \$57,000; liquor licenses, \$80,000; game and fish licenses, \$26,000, and interest on investments, \$100,000; also the remarkable increase of \$108,000 in succession duties. On the latter item he said it was almost impossible to estimate the revenue, except from the law of averages. All the money from an estate was payable within eighteen months, and last year the income from that source had been \$258,000; so he had added \$400,000, making \$658,000; whereas in fact they received \$758,000.

In supplementary revenue, too, the receipts had been ahead of last year to the extent of \$27,000. It was a sign of the prosperity of the country that this was distributed over quite a large number of sorts of corporations, and by the end of October there had been paid in more than \$750,000. "They have learned," said the Colonel, "that Government taxes or money must be paid, and they pay up promptly."

From tavern and brewers' licenses the receipts were \$580,000. The Provincial Secretary would no doubt have received more from this source had it not been for the spread of local option areas.

### Decrease on the Railway.

The only decrease in revenue during the past year had been in the business of the Temiskaming & Northern Ontario Railway. The receipts had been estimated to come to \$625,-