

that the bank balance at the beginning of 1911 was \$3,177,589. The expenditure on current account was \$9,619,934, and receipts \$9,370,833, leaving a deficit of \$249,100. These figures were arrived at after deducting all sums advanced to the T. & N. O. Railway Commission and Hydro-electric Power Commission, which were properly chargeable to capital account, and were investments that would return interest and principal to the Province at some time.

Taking the figures for the year 1912, Mr. Rowell pointed out the continued deficit. On current account there was a shortage of \$245,990. On current and capital account the deficit was \$1,161,213. This was an expenditure which the Government met by diminishing its bank balance. It was interesting to note in this connection that \$832,960 was received from the sale of the old Government House, Asylum and Central Prison properties, and if this money had not been received the deficiency would have been in the neighborhood of \$2,000,000.

#### Outlook for 1913.

"But these are small matters compared with the situation of the present year, which my hon. friend so successfully avoided to discuss," said Mr. Rowell. The Acting Provincial Treasurer showed an estimated expenditure of \$10,484,018, not including the statutory expenditure under last year's figures of \$2,337,157, making a total of \$12,281,176. The estimated receipts were \$12,281,176, leaving a nominal deficiency of \$3,274,797.

These figures, Mr. Rowell continued, did not include the further supplementary estimates, which last year amounted to \$768,740; capital expenditures, if any, on the Hydro-electric, and the capital expenditures, if any, on the T. & N. O. Railway. Taking all these elements into consideration, he concluded that the deficit at the end of the present fiscal year on both capital and current account would be in the neighborhood of \$4,000,000. (Conservative laughter.)

"I cannot give the exact figures," said Mr. Rowell, "and if the Acting Treasurer can point to any error I shall be glad to have him set me right."

#### Mr. Lucas Cannot Explain.

Mr. Lucas did not propose to enter into another financial discussion. Last year there were estimated receipts of \$9,082,000 and an estimated expenditure of \$8,645,000. Large sums that were voted were not entirely expended, and the ordinary receipts usually exceed the estimated sums by a considerable amount. Last year this excess was \$600,000. He might fairly assume that the same results would follow this year. According to the estimates this year the apparent deficit would be \$337,892 on an estimated expenditure of \$9,546,000, and assuming that the estimated receipts this year would equal the excess of last year the deficit would only be \$195,000, and not the \$4,000,000 to which Mr. Rowell referred.

Mr. Rowell pressed his argument further and insisted that he could only accept the figures in the statement which had been given, and was not able to modify his argument on the strength of any contingencies that might arise.

#### How to Increase Revenues.

So far as the failure of the Acting Treasurer to indicate how the deficit would be met by the Government, Mr. Rowell indicated that the Opposition had already intimated several methods by which additional revenue might be secured. There was a chance to secure \$500,000 by way of increased subsidy from the Dominion, and the imposition of an increment tax on land values. It was apparent that those who did most to promote the rise in the value of land derived the least benefit, and the Government could well afford to consider this method of equalizing matters and distribute to those who under existing conditions were not properly dealt with.

#### Aid to Agriculture.

Continuing, Mr. Rowell said he could not agree with the remarks of the hon. member from East Hamilton (Mr. Studholme), that in order to do justice to the workingmen it was necessary to do any less justice to the farmers. He believed

that full justice could be done to the workingmen and extend a still more substantial measure of assistance to the farmers. The great problem confronting the farmers to-day was that of obtaining sufficient labor to till the land, and he knew of instances where farmers were becoming discouraged because they could not get adequate help to carry on the work. It was impossible to expect young people to stay on the farms unless farm life was made more attractive. He quoted a letter written by Mr. J. W. Flavelle that the department was inert and inefficient, and said Ontario was not well advertised in the old country.

Referring to the fruit experimental station at Jordan, Mr. Rowell said there was an opportunity for a great deal of beneficial work to be done by a properly conducted institution along these lines, but the efficiency of the Jordan station was impaired by the appointment of a political henchman of the Prime Minister when the department had promised to secure a director equal in ability with the celebrated Burbank.

#### Political Road.

Reserving his criticisms of the Department of Education until a later date, Mr. Rowell pointed out that the policy of building colonization roads where they produce the best political results was detrimental to the objects for which the money was voted, and was bringing the least returns to the settlers. Referring to the Liberal tour of northern Ontario last year, Mr. Rowell said: "Wherever we went we found the one complaint that the ordinary expenditures by the Government for colonization roads were largely used for political purposes, and the people are not getting value for their money in improved roads in the district. We were taken to see roads which would convince the most skeptical." (Applause.)

"I rise to deny the imputation that any road work in the northern country was done for political purposes," interrupted Dr. Reaume.

"I wish my honorable friend would make that statement in northern Ontario," replied Mr. Rowell, while the Liberals cheered.

#### Government House Extravagance.

Dealing with the subject of the Opposition amendment, Mr. Rowell dealt with the enormous expenditure on the new Government House. Last year the members were informed that the expenditure on grounds and buildings would amount to \$400,000, and this year the estimate was \$698,000. If it took as long to complete the Government House as it did to revise the statutes he thought the Province would be well nigh bankrupt before the place was ready for occupancy.

A striking commentary on the Government's action in this matter was disclosed in a resolution presented to the Legislature by Sir James Whitney (then in Opposition) in 1895, which called for the immediate abolition of the old building at the corner of King and Simcoe streets.

Further reference was made to the necessity for an up-to-date factory law to protect women and children employed in shops and factories.

#### Sir James Again Scolds.

Sir James Whitney, at the outset, attempted to explain the reason for many of the remarks of the leader of the Opposition on the ground that the latter was obsessed with a desire to get into power. He resented statements made by Mr. Rowell regarding the Hydro-electric policy, and said he wished the Chairman of the Commission had been present to hear them.

At this point the members of the Opposition were applauding in the usual manner by pounding on their desks in derision of the suggestion that the Opposition was not in favor of the work of the Hydro-electric Commission. Mr. Sam. Clarke (West Northumberland), who was a little more vigorous in his applause than the others, was subjected to a scolding by the Premier. He said he wished the member for West Northumberland to behave himself like a gentleman.

"If The Globe and The Star," said Sir James, "could have their way a knife would be driven into the vitals of the Hydro-electric policy of this Government." He declared that the leader of the Opposition and the papers behind him were opposed to