

TUESDAY, APRIL 21, 1914.

## NEW LOAN OF \$8,000,000 ASKED BY GOVERNMENT

### Mr. Rowell Condemns Reckless Expenditure

#### NEW APPROPRIATIONS

One Million to Go for T. & N.O. Ex-  
tensions and \$5,000,000 for Hydro-  
electric Services—Mr. Lucas Says it  
is Only Question of Bookkeeping.

A loan of \$8,000,000 to provide for the capital expenditures of the Province is what the Legislature was yesterday asked by Hon. I. B. Lucas to authorize. These figures were supplied by the Provincial Treasurer in moving the second reading of his bill to authorize the raising of money on the credit of the consolidated revenue of the Province. Of this amount Mr. Lucas explained that \$5,000,000 was required for the Hydro-electric services, and probably \$1,000,000 for extensions to the Timiskaming & Northern Ontario Railway.

When this matter was up it raised again the whole question of the financial methods of the Government and the diverting of funds from the Northern Ontario loan to provide for other services. Mr. Lucas admitted that the loan would only be sufficient to meet the capital expenditures for the current year, and nothing was contained to repay the moneys borrowed from the Northern Ontario fund.

#### Reckless Expenditures.

Mr. Rowell contended that this confirmed the criticism of the financial policy of the Government made by the Opposition a year ago, that if the expenditure kept on growing the Government would have to resort to direct taxation or borrow more money. In fact, both these contingencies had been adopted. He claimed that if Sir James Whitney or Sir William Meredith had been leading the Opposition, under such circumstances, misapplication or misappropriation were not the terms they would have employed, but it would have been a "steal" in

their nomenclature of political perfidy.

#### The Treasurer's Explanation.

In explaining the bill, Mr. Lucas said that the ordinary revenue would meet the ordinary expenditure. There remained the capital expenditure to be taken care of by raising a loan. The House had already voted items under capital expenditure, covering public buildings, as well as the \$5,000,000 to the Hydro-electric, making a total of about \$8,000,000. In addition to that there were the T. & N. O. capital expenditures, which would amount to something like \$700,000. In addition to that there was a probable expenditure of \$275,000 for an extension of the Elk Lake branch to Gowganda. This brought the T. & N. O. expenditure up to \$968,000, and the total capital expenditure for the year up to \$8,854,000. They had on hand at the beginning of the year \$2,300,000, so that there would require to be provided for during the present year about \$7,000,000, if all these capital expenditures were made. In addition to that, he thought, \$1,000,000 should be added for the first six months of the current year, making the total loan some \$8,000,000.

#### New Appropriations.

In reply to Mr. Bowman, Mr. Lucas stated that the proposed expenditures included:—New Provincial prison, \$275,000; Parliament Buildings addition, \$40,000; Toronto Hospital, \$300,000; Deaf and Dumb Institute, \$118,000; the Blind Institute, \$112,000; agricultural college, \$92,000; veterinary college, \$118,000; court house, etc., \$350,000.

#### Rowell's Pointed Criticism.

Mr. Rowell said the Provincial Treasurer estimated the capital expenditure for the current year for buildings, Hydro-electric, and T. & N. O. at approximately \$8,500,000, and then he thought provision should be made for the new year for one million dollars or more. That would make \$9,850,000, and then, taking into consideration the amount of cash on hand at the end of the year the estimate was brought down to \$8,000,000. That, the Provincial Treasurer stated, would carry them until the House met again and the session would close. Having stated the position thus, the Opposition leader said that made clear to him what he judged from the opening statement, that they would still be in debt to the Northern Ontario development fund approximately \$2,000,000, and if his hon. friend had not sold the securities of that fund last summer when they were not needed for the purpose of that fund he would have required to borrow approximately \$3,000,000 more at the present time.

#### Spending Too Fast.

That certainly indicated that the expenditure of this Province was proceeding at a pretty substantial rate, and he thought a good deal more than corroborated what they suggested to their hon. friends on the Government side a year ago, that they were spending vastly faster than they were receiving, and that they must meet the financial situation by increased taxation or by large borrowing, or by both. Now they were raising \$8,000,000 and they would either have to refrain from spending the money realized from the sale of securities in Northern Ontario or raise another loan to recoup that fund. With regard to the capital expenditures on the T. & N. O. Railway every one of these might be justified; but why should large expenditures of this kind, which involved a charge upon the Province of the raising of public moneys, not be submitted to the House with full information in order that the House should pass upon it? He ventured to suggest that the management of the finances by the Government during the past two or three years had been such as should seriously shake the confidence of the public in the manner their funds were being handled.

#### Bookkeeping Question, Says Lucas.

Hon. Mr. Lucas said the whole question was a question of bookkeeping and handling of separate funds. Nobody pretended that all this fury developed in the House would have saved one cent, or made a bit of difference except a difference of the class of bookkeeping. They had strictly followed the statute and paid into the fund where the statute showed it should be paid.

The second reading was carried and the bill remitted to a committee of the whole House.