

penditures of \$5,124,222 had been deducted, \$4,204,472 was applied on current account.

How Expenses Grew.

Mr. Rowell showed by way of comparison that the income in 1904 was \$6,128,358, and in 1914 \$10,747,788, an increase of 75 per cent., while the expenditure, excluding Hydro-electric and T. & N. O. advances, was in 1904 \$5,267,453, and in 1914 \$14,942,239, an increase of 186 per cent. So in 1904 there was a surplus of \$860,905, while in 1914 the deficit on current account of ordinary expenditure over ordinary revenue was \$4,204,471. Further, in 1904 the public debt was \$11,709,651; in 1914 it was \$40,405,000. Answering the argument that the Government had spent large sums in the construction of Government House, Guelph prison and the Whitby Asylum, Mr. Rowell showed that the present Parliament Buildings were erected entirely out of current revenue by the old Government.

Even the Auditor Objected.

Replying to the Provincial Treasurer's request that Opposition criticism should not be of a character that would impair the credit of the Province, Mr. Rowell pointed to the item of \$544,000, included as being received on account of interest from the T. & N. O. Railway. This was an item that the Provincial Auditor himself was forced to challenge, and a note was appended to the financial statement that no receipts or expenditures were made in respect of the item. Previously the Provincial Auditor had prepared the statement, but it was taken out of his hands and was now under the control of the Treasury Board. The Government had prepared such a statement that even the Auditor was unable to certify to it. Such methods, Mr. Rowell declared, were a discredit to the Province.

An Enormous Deficit.

Replying to the argument advanced by the Treasurer that the revenue of the Province had fallen off on account of the war, Mr. Rowell showed that the expenditure on account of the war was only \$294,806, as against a deficit on current account of \$1,242,491, or a total deficit of \$4,204,472. The estimated income for 1914 was \$9,793,378, the actual revenue was \$10,576,891, or an increase of \$783,513. The falling off in receipts from the Crown Lands Department was more than made up by the payments from succession duties and corporation taxes.

Where Money Could be Saved.

The challenge of the Provincial Treasurer to show where money might be saved was readily accepted by the Opposition leader, who instanced the increasing cost from year to year of Government House, first \$400,000, then \$600,000, and when the vote of this session was taken into consideration the ultimate cost would be found to be well over a million dollars. Similarly, the Guelph Prison, with accommodation for 550 prisoners, would run into the million and a half mark, a capital investment of nearly \$3,000 for every prisoner.

Making Railway Grants.

During the course of the debate the Liberal leader got into a wrangle with Mr. McGarry over the method of the old Government in meeting railway subsidy certificates.

"What did they do with railway certificates?" the Treasurer asked.

"You will find payments each year in the public accounts," replied Mr. Rowell.

"I beg my hon. friend's pardon. You will find annuities issued each year as they became due."

Calling for the public accounts, Mr. Rowell read the details for several years, but Mr. McGarry pointed out that although the certificates were met for several years, for a long period the old Government had sold annuities and used the proceeds to meet the payments, and those annuities were now being met by the present Administration.

Who Are Traitors?

In conclusion, Mr. Rowell referred to the strictures of the Provincial Treasurer against the directors of the Canadian Life Insurance Companies. He wondered whether Hon. A. E. Kemp and Senator Loughheed were

men to be styled as "traitors," or the colleague of hon. gentlemen opposite—Hon. J. J. Foy. He instanced the names of other men who were not of the type to be included in the traitor class, and declared that Mr. McGarry's statement was not calculated to help the credit of these companies.

Premier Hearst Dons Rose-colored Glasses

Premier Hearst, in his reply, claimed that the Provincial Treasurer's Budget statement was an eminently satisfactory one. If they wanted convincing evidence of the way in which the financial condition of the Province was regarded in the money markets of the world they had only to point to the sale the other day of \$3,000,000 of securities in the city of New York. From tried veterans and young recruits in the House not one vulnerable point had been found in the Budget speech of the Treasurer. The leader of the Opposition had charged them with unfairly attempting to place the blame for the deficit of the present year on the war.

Blame for the Deficit.

"If we blame our deficit on the war we are not alone in so doing," asserted the Premier. "If we are sinning in this respect we are surely sinning in good company. A few days ago I had the privilege of reading the speech of the Treasurer of the Dominion Alliance, and he pointed out he had a very large deficit and said that deficit was entirely due to the war. The Dominion Alliance last year had an abundant and overflowing treasury, overflowing in every part of the Province, and it had shrunk in consequence of the war in a few months. (Laughter.) My hon. friend surely should not try to throw discredit on the arguments of his friends in the Dominion Alliance. (Ministerial laughter.)"

A Disappointing Period.

The Premier pointed out they had only three months of war during the Provincial financial year, closing October 31, but these were very important months in the receipts of the Province. The Provincial Treasurer and every other Minister having anything to do with the finances of the Province knew that in the three last months they always expected to get in large sums appropriated and estimated for the year. The shortage in the Department of Lands, Forests and Mines was \$459,342, and if other things due directly to the war were considered, they would have had a surplus, notwithstanding the insurance companies, of \$56,000. If the insurance companies' share of taxation had been paid the total surplus would have been \$198,678, amply fulfilling the conservative prophecy of the Provincial Treasurer of last year. It had been stated by the other side that the estimates of the various departments overran rather than underran the estimate for the year. The Premier, in answer to this, explained that the Treasurer always looked to every department yielding far more at the end of the year than the estimate.

Unpaid Insurance Tax.

The Premier next dwelt on the non-payment by the insurance companies, and said their position would not have been so bad if they had even paid the amount they had given in previous years. Many persons in these companies felt keenly on the matter, and some had come and said they were ashamed of the position taken by their company. The matter, they explained, had been in the hands of a committee. On behalf of the companies, it had been stated that the war was not on when they determined to take action.

"They are speaking entirely beyond and away from the book," remarked the speaker, "because it can be shown as late as the 25th of September these insurance companies did not