

# EXTRAVAGANCE CAUSES INCREASED TAXATION

## Mr. Rowell's Severe Arraignment of Government — Censure for Lack of Detail in Statement—Hon. Mr. McGarry Promises to End Hydro Audit Dispute

"At the close of the fiscal year 1905, the first year in which the Government of Sir James Whitney had the management of the finances of the Province, there was an excess of liquid assets over liabilities of \$1,220,563. From 1906 to 1915 they received increased revenues of \$53,403,744, and I find at the close of the fiscal year 1915 there is a deficit of liquid assets as against liabilities of the Province of \$8,346,833. In other words, starting ten years ago with a surplus of \$1,220,563, with an increased general revenue during that period of over \$53,000,000, we find ourselves at the close of the decade with a balance of liabilities over liquid assets on the wrong side of the ledger of \$8,346,833, or a difference of \$62,971,000."

These figures, which were exclusive of any connected with the Hydro and F. & N. O. Railway, furnished one of the most telling portions of Mr. N. W. Rowell's masterly and penetrating criticism of the Budget in the Legislature yesterday. The leader of the Opposition, in addition to having something to say about the Auditor's note regarding Hydro finances, made a strong argument for rigid economy, and maintained that had this been practised in the past the war tax would not have been necessary. The Liberal leader also made it clear that had it not been for the economical management of the Province for the first forty years after Confederation Ontario's credit would not be so good as it is to-day.

Hon. T. W. McGarry, Provincial Treasurer, affirmed that notwithstanding the claims of the Opposition there was a surplus last year of \$271,000. If his critics were to ask the Provincial Auditor his opinion on expenditures on account of Northern Ontario roads, Orillia Asylum and other public buildings, Mr. Clancy would tell them that these items were properly included under the head of capital expenditure. With reference to the audit of the accounts of the Provincial Hydro Commission, Mr. McGarry said this year the Government had determined to have a final audit, and officers of the Government had been going through the books of the Hydro during the last few months. It was the intention of the Government this session to bring down legislation dealing with the matter under dispute between the auditors of the Hydro and the Province.

## Mr. Rowell Attacks Government's Methods

Mr. Rowell, who spoke for an hour and a half, congratulated the Provincial Treasurer on the manner in which he had presented the financial statement to the House. Among his reasons for satisfaction were the evidences in the Provincial Treasurer's address that he had turned his face in the right direction in some respects at least, and the indication that he believed the direction

in which he and the Government should travel was in the line of economy rather than in the line of increased expenditure. "We hope that once having got started in the right direction, with his characteristic ability and energy he will pursue that course steadily and consistently, and he will be able next year to present a more satisfactory statement even than the one presented on this occasion."

### Entitled to Balance Sheet.

The remarks made by the members for West Bruce and South Wellington that the Province is entitled to the Auditor's statement of the balance sheet of the Province would commend itself to the members of the House and the people of the Province. Even if the Provincial Treasurer might have to deny himself the luxury of finding a surplus when the Auditor could not find a surplus, he (Mr. Rowell) was sure that in the interests of accuracy and fair dealing with the Province that sacrifice should be made and a statement obtained from the Auditor.

### No Details of Hydro.

Turning to the public accounts, the speaker said the item which had been taken objection to last session was not the only item which had not the Auditor's sanction or approval. He alluded to the copy of a minute of the Treasury Board dated the 2nd of March, 1916, which read as follows:

"Upon consideration of the report of the Honorable the Provincial Treasurer, dated the 29th day of February, 1916, the Treasury Board doth hereby order that pursuant to the provisions of subsection 1, of section 32, of the audit act, Cap. 23, R.S.O., 1914, no names and details other than those in the attached statement be published in connection with the expenditure of the Hydro-electric Power Commission in the public accounts for the year ending 31st October, 1915."

### People Want to Know.

"This order in Council indicates," said Mr. Rowell, "that the Government for reasons best known to themselves have decided not to give the full information in connection with that important department of the public service which apparently the Auditor thought should be given. I venture to think there is no public service under the jurisdiction of this Government in which the people are more deeply interested, there is no public service nearer to the heart of the people of Ontario, there is no public service in which they are more anxious to have the fullest information than in connection with Hydro-electric power development.

"I turn to the accounts appearing on page 555 of the public accounts in connection with the Hydro-electric Power Commission and I find attached this note by the Auditor: 'The foregoing statement was prepared by the Hydro-electric Power Commission and does not represent the accounts of the Commission as audited by the Audit Office.'

"I venture to think," commented Mr. Rowell, "that seldom has a more remarkable statement appeared in the public accounts of the Province than that statement appended by the Provincial Auditor to this important branch of the public service."

### Compared With Ottawa Method.

Mr. Rowell drew attention to the fact that when the Provincial Treasurer presented the estimates to the House no real information was offered as to what the total expenditure of the Province for any given year would be. The estimates did not include the statutory expenditure, which was year by year increasing. He had in his hands the estimates for the Dominion Parliament brought down by Sir Thomas White during the present session, and a member of Parliament was able to see at a glance the total amount to be spent on every department. He submitted, in view of the great increase of the public expenditure, they should have a statement, according to the precedent in the Federal Parliament, which would give the House and country full information on this important matter.