

for placing these expenditures anywhere else than in "Capital Expenditure," because when they borrowed money under statutes they placed it under the heading "Capital Receipts." "If we placed any of these moneys in 'Ordinary Receipts' my hon. friend (Mr. Rowell) would howl. My hon. friend has a column for general expenditure, but none for general receipts." (Laughter.)

Best in Empire.

Mr. McGarry commented that never in the history of the British Empire had there been a State which could present such a favorable financial statement as Ontario had presented after two and a half years of war. "It is the first time in the history of the Province that the Treasurer has been able to announce that the estimated receipts for the next fiscal year are \$14,306,000. And I am reasonably certain that during the next fiscal year we will receive not fourteen millions but nearer sixteen millions, including the Provincial war tax." (Applause.)

During the next twelve months the Hydro-electric Commission will probably have considerable expenditure, as there are duplications which are necessary, said Mr. McGarry.

Ontario Resolves to Help Britain

The Provincial Treasurer referred to the fact that \$17,000,000 worth of Ontario securities are held in Great Britain, and announced that "it is my intention to bring down a bill which will enable us to purchase all those securities which we have in England, re-borrow the money on this side and to that extent help Great Britain in the financing of this war." (Applause.)

It is understood the reference of the Treasurer was to a \$17,000,000 investment in the T. & N. O. Railway, and that the idea of the Imperial authorities is that the money should be used for financing munitions purchases. It is probable, therefore, that the Government will float a seventeen-million-dollar loan on this continent in the near future. The securities held in England are in the form of Ontario Government stock.

"We have assets of \$540,000,000 against a debt of only fifty-eight millions," declared Mr. McGarry. In his estimate of assets, however, he includes natural resources valued at \$475,350,000.

Soldiers' Needs Supreme.

As to next year, he said: "If the wants of the returned soldiers are such that they will make a drain on the revenues of this Province, I would rather come down to this House with a deficit and make provision for them than with the biggest surplus in the history of Ontario." (Applause.)

The Treasurer referred briefly to Hydro-electric developments. The Commission was now serving 180,000 consumers and municipalities with a population of 1,300,000, while \$21,000,000 had been invested in the enterprise.

Touching on workmen's compensation, he said total assessments last year were \$1,600,000, and the total compensation awarded was over two million dollars, an average of \$6,000 every working day last year. Out of 26,000 cases, all but 300 had been disposed of. Imperfections in the act would be cured.

Nearly Four Millions From Mill Tax.

So far \$3,909,000 had been received from the war tax of one mill on the dollar on assessed property, and when they had made their expenditures in connection with the Orpington Hospital and given \$1,000,000 to the Patriotic Fund they would have expended \$4,262,000. The cost of doubling the accommodation at Orpington was \$375,000.

In answer to a question by Mr. Rowell, the Treasurer said the balance of the receipts from war tax sources went into "capital receipts." They had expended this year \$749,000 from the war tax fund, and had never used one dollar for other than war purposes.

Says One Ontario Gun Kills 230 Germans

He defended the contribution of \$500,000 for machine guns. The real soldiers who were facing the bullets of the enemy were the ones to judge, and he would leave the case for the Province in their hands. One ma-

chine gun had killed 230 Germans in half an hour. If he might use the expression, it was "some gun!" "The man who attacks the effectiveness of the Lewis gun is not living up to his duty to this country."

Prepare for Soldiers.

In conclusion Mr. McGarry spoke of preparations for the care of returned soldiers, of the Orpington Hospital, of the Maple Leaf Clubs established in Britain, and the Soldiers' Aid Commission. He hoped this year would bring victory to the allied cause, and emphasized the after-war duty of conserving our resources "for the protection of those who are standing between us and our enemies at the present time." (Applause.)

Liberal Whip Bowman Says He is Doubtful

Mr. C. M. Bowman, Liberal Whip, who followed Mr. McGarry, said with reference to this so-called surplus he was just curious as to how the Auditor would figure the receipts and expenditures if he had the preparation of statement No. 1, and as to whether he would see any surplus of \$1,135,000. "Just in that connection, supposing we applied the principle which was laid down so strongly in this House in 1900-1-2 by the late Provincial Treasurer, Mr. Matheson, then chief critic on the Opposition side, regarding timber bonuses, when he protested so vigorously that it was an improper method of financing to treat receipts from timber bonuses as current receipts instead of capital receipts—if that same principle had been applied we would immediately deprive the present Provincial Treasurer of \$419,827 of this surplus which he claims to-day.

"Then if we went on and applied the same principle of dealing with the division of current and capital expenditure which was adopted by the Hon. A. J. Matheson in 1909, and which was followed by him in 1911, we would deprive the Provincial Treasurer of a further \$234,966 that is charged to capital expenditure in connection with public buildings and public institutions.

That \$700,000 to T. & N. O.

"Then if we had the opportunity of carefully considering the \$700,000 that is shown in the Public Accounts as having been advanced to the T. & N. O. Railway Commission during the past year we might be able to lop off another considerable sum. In this connection I was rather disappointed that the Treasurer did not give us the details of that \$700,000. It would be of interest to me to know to what extent the mileage of the T. & N. O. Railway has been increased during the past year, and also to what extent new equipment was provided in connection with this item of \$700,000, which appears in the Public Accounts as having been advanced to the T. & N. O. We will certainly avail ourselves of the privilege of investigating this item in the Public Accounts Committee at the earliest possible opportunity."

Work for Provincial Auditor.

In the course of his address Mr. Bowman made the point that in various instances the Treasurer had been charging up to capital account expenditure which was undoubtedly current expenditure, and after alluding to items connected with Fort William and Burwash Industrial Farms, the Liberal Whip maintained that if the Auditor had the proper jurisdiction and control of the preparation of the Public Accounts and their presentation to the Legislature they would not find such a jumble of accounts and figures as they now found. He thought these methods might have been adopted for the purpose of concealing the true financial position of the Province and concealing from the Legislature and the people of Ontario the fact that year after year the Province had been running behind and that a proper handling of the accounts would reveal the fact that year from year there was a deficit. Mr. Bowman went on to quote instances of large increases in the cost of administration, civil government, etc., in the last decade, saying that in view of such enormous increases there was surely room for the putting into effect of a campaign on the part of the Government for thrift and economy.