

OPPOSITION CRITICS OF BUDGET

W. E. N. Sinclair, Member for South Ontario, and Liberal Financial Critic, Says Adherence to Former Style of Bookkeeping Would Have Shown a Deficit of \$2,500,000

"ECONOMY PLANK" NO LONGER USED

Instead of a surplus of \$681,000, Opposition financial critics in the Ontario Legislature claim to have found a huge deficit in the Public Accounts for the fiscal year ending October 31, 1921. W. E. N. Sinclair, Liberal member for South Ontario, yesterday calculated the actual deficit at something like two and a half million dollars, while Charles McCrea, Conservative member for Sudbury, left the amount unspecified.

Both critics vigorously attacked the Provincial Treasurer's manner of bookkeeping, and alleged juggling of Capital and Ordinary Accounts for the purpose of showing a Government surplus. Mr. Sinclair specified one or two accounts which he thought required some explanation, but Mr. McCrea presented a tabulation of items he had picked out at random, amounting to nearly \$700,000, which, he argued, should not have been inserted in "Capital and Extraordinary" accounts.

Alleges Patronage.

The record expenditure of the Government during the past year was also made the subject of warm criticism, and Mr. Sinclair, in that connection, asked whether the United Farmers' "economy" plank was merely one upon which to gain power. He thought that the financial returns were the best argument for a return to the two-party system and business administration. He also accused the Government of dealing in patronage when it handed out big advertising to The Farmers' Sun for timber sales, and so forth, when Sun readers were the most unlikely people to be financially interested in the propositions set forth.

During the debate the Treasurer's Department was also charged with holding out on cheque payments toward the close of the year, with a view to turning an actual deficit into an apparent surplus, and also, by Mr. Sinclair, of rounding up sums of money under succession duties which were actually not due until long after the close of the last fiscal year.

Public Accounts Late.

Mr. Sinclair, in opening, referred to the failure of the Provincial Treasurer to make any reference in his Budget speech to the financial outlook of the Province. He ventured the opinion that the Farmers' newspaper organ, which had accused lawyer legislators of perpetually looking backward, would never accuse Hon. Peter Smith of looking forward. Whereas the Speech from the Throne had promised an early presentation of Public Accounts, these actually were tabled on the twentieth day of the session and the Budget presentment made on the twenty-second. "If the twenty-second day is early," he commented, "I can see that many of us will lose our hay crop this year. . . ."

Surely the Government had not in mind the holding back of discussion of public finances in the Public Accounts Committee."

Forgetting Economy?

After reading to the House the "economy" plank of the United Farmers' party, Mr. Sinclair went on to delineate the jumps in ordinary expenditures of the Province, from \$9,951,000 in 1917 to \$18,651,903 in 1921. Surely, he commented, the United Farmers' Government had no regard for its frayed reputation. He went on to impress upon the House the breadth of the gap between 1919 total ordinary, including statutory, expenditure of \$19,972,000, and that of 1921, \$28,579,687; and the increase in Provincial debt from \$97,572,000 in 1919 to \$204,959,690 in 1921. "The debt," he said, "has increased since the U.F.O. took over office by \$107,386,908. That is not bad going for an economical Government."

Taking capital and ordinary expenditure for 1921 of \$119,405,000, and contrasting it with the figure of \$47,360,000 of 1919, he pointed out that last year's expenditure was equal to the fall and spring wheat and oat crop of 1920.

"All I ask," he declared, "is for them to consider seriously whether this economy platform was constructed to get into power on or whether it was constructed to operate upon after they were in power. It cannot be the latter, because they have departed so far from what they promised at the time they adopted it."

Master Mind at Work.

Coming to Hon. Mr. Smith's \$680,000 surplus, Mr. Sinclair commented: "Of course, this is election year, and it looks better to have a surplus than a deficit." But, even granting the accuracy of the Provincial Treasurer's figures, he said, there was a substantial deficit when the last two years had been taken into account. He advised the Government to take another year in office before going to the country.

Dealing with succession duties revenues, the speaker declared that he was aware that efforts had been made by the department to have paid in before the end of the last fiscal year moneys that were in reality not due for several months. "I am told," he said, "that telegrams were flying around—letters were not fast enough—urging that money be got in so that they would be able to show a surplus to the Province of Ontario."

Another doubt Mr. Sinclair had as to the authenticity of the Provincial Treasurer's surplus was in connection with the cheque issues at the close of the fiscal year. Figures in the accounts, he said, "leave in the mind of anyone a doubt as to whether there was not a master mind working out the balance which we have announced to us here."

Neither was Mr. Sinclair satisfied with the manner of bookkeeping on which the surplus was based. He listed a host of items which had been placed in Capital Account, declaring: "As I read the accounts, these items do not appear in Capital Account last year, and there are large decreases in the ordinary expenditures in these various departments corresponding with the increase which appears in the capital account. If ordinary expenditures have gone into Capital Account to make the surplus, it seems to me we should have the fullest and freest explanation."

"I submit," he said, "that with the same bookkeeping as in the Public Accounts of last year the Government would have had a deficit of about \$2,500,000. If it has been necessary to transfer items from Ordinary to Capital Accounts in order to make a surplus it is high time the people of the Province knew about it."

Mr. Sinclair estimated that under the present regime annual interest charges on indebtedness alone had amounted to \$12,000,000. "When you figure," he said, "that interest charges have doubled in a period of two years, it is going some for a Government with a platform of economy. This has got anything beaten, I think, in the history of political organization, where the public debt has been doubled in two years."

The member for South Ontario