

took issue with the Provincial Treasurer when the latter said that none of the Provincial revenues constituted a direct tax on the people. He mentioned the land transfer tax, the railway tax, amusement tax, race-track tax, corporation tax and automobile license tax as imposts amounting to direct taxes upon the citizens.

In connection with the Provincial Treasurer's estimated increased receipts for the current fiscal year, Mr. Sinclair said it would be interesting to know how they were made up. He noted an estimated increased revenue of \$1,050,000 from O.T.A., from which he gathered there would be more serious fines, or bigger profits from the dispensaries, or more activity somewhere in the liquor business. Analyzing the Provincial Treasurer's figures, he could not see how the Province was to escape next year a deficit of at least \$1,750,000.

Mr. Sinclair twitted the Government upon its failure to deal with Government House "extravagance," and noted that expenditures thereon under the Drury Government had even increased by \$8,000. "It does seem to me," he declared, "that the city life is beginning to tell upon the United Farmers. Government House festivities and participating in last-night parties! I am afraid the city life is too much for them."

He criticized the Administration for its "commission habit," and its tremendous expenditures upon lawyers in connection with various Governmental activities. R. S. Robertson, who was on the Hydro-radial Commission for the Government, he said, had been paid \$8,315, or the equivalent of 16,730 bushels of wheat, 13,850 bushels of barley, or 140 cattle, or 400 tons of hay. Payment by the Attorney-General of damages secured by a citizen against Rev. Mr. Spracklin in a civil action, he denounced as something "unparalleled in the history of the Province." It was unfortunate, perhaps, he said, that the Judges of the Supreme Court were not as amenable to Hon. Mr. Raney's suggestions as were the Magistrates, else the verdict might never have been given.

Expenditure of \$26,000 on an advertising campaign to relieve unemployment Mr. Sinclair declared to be just so much money thrown away. And when, in connection with the scheme, the Government undertook to insert the series of advertisements in the Farmers Sun, it must, he said, have been done "simply to give something to the friends of the Government, and for no other reason whatever."

Criticizes Roads Policy.

On Public Service Commission expenditures and highway construction costs, Mr. Sinclair proceeded to take vigorous issue with Government policy. He mentioned in connection with the latter the \$70,000 per mile "Biggs highway," and went on to charge the department with inefficiency in administering the funds. The proposed system would not benefit the people on the back concessions one iota, he declared.

In listing a number of items of expenditure which he thought the Government never should have undertaken, he named one of \$1,285 for advertising timber sales in The Farmers' Sun. "How many farmers," he demanded, "are going to tender for timber? How many readers of The Farmers' Sun? If anybody under heaven can say why advertisements like that should go into The Farmers' Sun—other than on the patronage idea—which is the only idea I can see to it—I would like to know it."

Concluding, he said: "To my mind, present finances are one of the greatest arguments for the return to normal conditions in politics, where we shall have party government instead of group government; when we shall have men on the Government benches representative of all the thought and different classes in the community, and all ranks and stations of life. Until we return to that idea we will continue to find these growing expenditures year after year. It is high time we returned to a business administration, where the affairs of the Province will be carried along on more economical lines than they have been for the past two years."

Charles McCrea, M.P.P. for Sudbury, as First Conservative Speaker, Severely Criticizes Manner In Which, He Alleges, Items Were Dealt With In Order to Bring a Balance on the Credit Side

"CURRENT" USED TO MEAN "CAPITAL"

In yesterday's debate upon the Budget in the Legislature the Conservative group was represented by Charles McCrea, member for Sudbury, who followed the Liberal critic, W. E. N. Sinclair. No less vigorously than the latter, Mr. McCrea took issue with the manner in which Provincial Treasurer Smith had arrived at his surplus. In commenting upon the absence of any clear line of demarcation between capital and ordinary expenditures, he pointed out that it was a difficult task for any member to ascertain the true condition of affairs. He had, however, he said, been successful in picking out half a dozen items of expenditure clearly of a current nature, which the Treasurer had included among "Capital and Extraordinary" expenditures.

He commenced his criticisms on railway annuities and railway subsidies, amounts which, he pointed out, were payable year after year and clearly could not be described as capital investments; unemployment relief grants, he mentioned as outlays which should have been paid out of ordinary revenue; there was an item representing the excess of stationery purchased, but not used, which was not balanced by any credit for a similar sum carried over from last year; and an item under miscellaneous, which, upon examination in detail, he said, revealed nothing properly chargeable to capital, except, possibly, a \$500 item for the purchase of moving picture machines. These items appeared, he said, under "Capital and Extraordinary," as follows: Annuities, \$100,803.40; subsidies, \$139,112.54; stationery, \$90,467.17; unemployment relief, \$219,844.89; miscellaneous, \$145,919.20; total, \$696,147.20.

Would Reverse Totals.

"If we add these items which I have quoted—and I selected them at random—there is a total wrongfully charged to 'Capital and Extraordinary' which exceeds by some thousands of dollars the so-called surplus which, according to the Public Accounts, results when you subtract the ordinary expenditure from the ordinary receipts," said Mr. McCrea. "I find," he continued, "that there is also charged the sum of \$275,000 for moneys which the Hydro Commission charged to the Province. The Hydro each year does certain work on behalf of the Province at large—supplying data, making estimates for municipalities planning to develop power, and that sort of thing. That is an amount that should be paid out of ordinary revenue, yet we find it classed as capital expenditure. If we add that sum to the total given we have a total of \$971,216.16 wrongfully charged, and I have no doubt that if one could have the opportunity—or if we had a Financial Committee of this House to look into the finances of the Province of Ontario—we would find not only the items I have given, but items totalling millions would be found charged up in 'Capital or Extraordinary' under the new cognomen given by the Treasurer of this Province."