

HON. PETER'S SURPLUS VANISHES IN THIN AIR

In Notable Speech Kingston Member Quotes Figures to Show Province Has Deficit of More Than Three Million Dollars—Defies Government Contradiction

TWITS HON. MR. RANEY ON BETTING REVENUE

In an address outstanding in Ontario Legislature history for its vigor, eloquence and evidences of exhaustive delving into and study of the Provincial public accounts, W. F. Nickle, K.C., Conservative member for Kingston, accused Provincial Treasurer Smith in the Legislature last night of juggling accounts with respect to capital and ordinary expenditures to the extent of \$3,270,000.

Challenges Contradiction.

As the member for Kingston proceeded, item by item, to criticize amounts wrongly placed, according to him, in capital columns, he gave chapter and verse of the public accounts from which he made his deductions, and challenged the Prime Minister and the Provincial Treasurer to rise in their places and controvert any single one of his conclusions. Neither of the Government members arose to contradict any of his declarations, the Premier remarking, with a smile, on one occasion that he would reserve his reply until he spoke on the Budget.

What were the people of the Province to think of such methods of administration and bookkeeping? demanded Mr. Nickle, when, he said, he had shown, without denial from the Treasury benches, that the Provincial surplus of \$680,000 was wiped out, not once or twice, but more than five times, by what, in his opinion, was the correct accounting of the various items upon which he touched.

"What is one to say of that sort of financing?" he asked. "It brings the whole dignity of public life almost, I was going to say, beneath contempt."

Makes Serious Charges.

Mr. Nickle's criticisms embraced not only hundreds of thousands of dollars which, he charged, were wrongly accounted, but in ringing tones he charged across the floor of the House that Provincial outgoing payments due before the end of the fiscal year, October 31, 1921, had been deliberately held up, so as not to appear in this year's balance sheets, while, on the other hand, receipts were extended for a period of weeks after the end of the fiscal year, and entered to help out the Government's supposed surplus.

Mr. Nickle started out by charging the Attorney-General with accepting profits for his Government out of the iniquitous race-track betting, which for so many years he had publicly condemned. Disagreeing entirely with the Attorney-General's claim that a Conservative Federal Government had been responsible for the initiation of legalized race-track betting, Mr. Nickle said it had been legalized under the Government of Sir Wilfrid Laurier.

What Mr. Nickle charged the Attorney-General with particularly was with not utilizing his most strenuous efforts, now he was in office, to put race-track betting out of business. The Attorney-General, he said, to test out the jurisdiction of the Province in the matter of race-track gambling, should carry the case to "that place he loathes so much, the foot of the Throne."

"Captious Capital."

After itemized criticism of items under special warrants and reference to Provincial Treasurer Smith's "capital and extraordinary expenditures," Mr. Nickle said he hoped to convince the public of Ontario that he was not inapt in the wording he used; it might better have been headed, however, "Captious Capital, or Fanciful Figures for Frenzied Followers."

Much of Mr. Nickle's remarks had to do with special warrants, totalling \$823,000. In this account alone, he said, he found a total of \$344,000 placed in capital account which should have been charged against revenue account, and which, according to Mr. Nickle, went half way toward wiping out the alleged surplus of the Provincial Treasurer.

He directly challenged the Provincial Treasurer in respect to an item of \$349,000 for bonuses to civil servants which had been charged as capital account. Mr. Nickle asked Hon. Peter Smith if he would care to get up then and defend his accounting of the item, but Hon. Mr. Smith remained seated, although appealed to by H. H. Dewar to make any correction he saw fit.

Alleges Bad Financing.

Still another detail was an item of \$239,000 for railway subsidies under statutory expenditures, placed to capital account, which, according to the member for Kingston, should have been charged against the ordinary account.

Another statement of Mr. Nickle's was that \$1,332,000 had been lost during the year on the financing of Provincial loans. The member for Kingston said that this loss was also wrongly accounted, and, although it should not be charged against ordinary account as a loss for one year, it should be spread over a number of years during which the loan would run. Last year's portion of that loss, he said, would further reduce the Provincial Treasurer's Budget surplus.

Capital account, he complained also, showed the loss of \$80,000 upon Treasury bill Provincial transactions. He proceeded to challenge the Provincial Treasurer to show that an amount of \$852,000 of interest on Treasury notes was not charged to capital account.

Could Find Many Instances.

In similar fashion, all through the accounts, he held up items of considerable magnitude, and contended they were erroneously accounted for. He did not want to weary the House, he said, by going through the long list of departments whose intricacies of finance could be worked out only by the most diligent kind of labor, but "I am just as satisfied as I stand on my feet that if the information were before me as I have had by a process of elimination extracted it from the public accounts, I could show thousands and tens of thousands of dollars in the Departments of Education, Lands and Forests, Public Works, Public Buildings, Colonization and Roads, which should have been charged in the ordinary column, and not the capital column, as they are charged."

He charged that \$360,000, admitted as being due to the Hydro Commission, and chargeable against ordinary account, was not paid until after the close of the fiscal year, swelling the Provincial surplus by \$360,000.

Big Total This Year.

Mr. Nickle deduced from expenditures during the first two weeks after the closing of the accounts of the last fiscal year that the accounts of 1922 would run to \$125,000,000 or \$140,000,000. The fortnight's expenditure he estimated at \$4,225,000.

Mr. Nickle's summary of sums paid out that should have been included in ordinary expenditures includes: Special warrants, \$344,000; statutory, subsidies and annuities,