

SURPLUS OF MILLION ON YEAR'S ACCOUNTS CLAIMED BY MR. SMITH

Public Accounts Tabled in Legislature Show Ontario Government Spent \$131,964,096 in Last Fiscal Twelve Months' Period, as Compared With \$119,405,475 in the Previous Year

LOANS DURING 1922 REACHED \$84,000,000

The Public Accounts for the Province of Ontario for the fiscal year ending October 31, 1922, tabled in the Legislature late last night, indicate that the Drury Government claims a surplus of \$1,064,325.26.

Ordinary expenditure showed an increase of slightly under \$9,000,000, but ordinary receipts more than kept pace. The latter totalled \$38,507,311.09, and the former \$37,442,985.83. The figures for the previous year were \$29,261,477.39 and \$23,579,687.98.

The grand total expenditure for the year is given as \$131,964,096.15, as compared with \$119,405,475.98.

Summary of Year's Spending.

A summary of the accounts as prepared by the Treasury Department is as follows:

"In the annual financial statement the Provincial Treasurer shows a substantial surplus of \$1,064,325.26 after meeting the largest expenditure since Confederation.

	1922
Total ordinary receipts	\$38,507,311.09
Total ordinary expenditures	37,442,985.83
Some of the larger increases in ordinary expenditures over previous year:	
Administration of justice	\$ 456,668.95
Education	1,732,392.91
Labor Department	1,506,125.20
Hospitals and charities	306,215.99
Statutory expenditure	5,188,767.16
Some of the larger increases in ordinary receipts:	
Subsidy	\$ 369,350.20
Interest	58,338.10
Motor vehicles	532,069.77
Succession duties	1,701,434.18
Corporation Tax	2,541,887.44
Amusement Tax	47,265.86
T. & N. O. Rly.	400,000.00
Land Transfer Tax	358,608.78
Lands and forests	335,451.50
Hydro-electric Commission interest	1,403,638.48

Where Extra Revenue Came From.

"The increased expenditures were met by securing increased revenue mainly from amusements, luxuries, corporation taxes and succession duties.

"Much new revenue is due to legislation by present Government; example, by increasing rate on corporations, race-tracks, etc., the Gov-

ernment for the last year secured an increase of \$2,541,887.44 in the Corporation Tax Act.

"Following the accounting method adopted by his Government, the Treasurer placed the sum of \$1,218,059.35 of revenue from Lands and Forests in Capital Receipts. Had he treated this item like the previous Administration his surplus would have been over two million dollars. Capital and extraordinary expenditures amounted to \$51,800,022.23. Some of the larger items:

Hydro	\$14,134,617.00
Public buildings	1,508,080.20
Statutory expenditure	28,640,786.79
This includes over \$17,000,000 for highway construction, \$1,519,000 for development in Northern Ontario, \$5,609,000 for purchase of succession duty free bonds (issued by previous Administration for sinking fund purposes), \$428,000 for Housing Act.	
Education	2,203,800.00
Chiefly for technical education, buildings, etc.	
For retirement of stock in London	2,948,000.00

Loans Floated.

Loans were floated to the amount of about \$84,000,000, applied largely as follows:

Loans and Treasury Bills paid off	\$40,000,000
Hydro advances	14,134,617
T. & N. O. advances	2,054,000
Purchases of bonds and stock for Sinking Fund purposes	5,609,000
Retirement of inscribed stock in England	2,948,000
Highway improvement construction	17,188,000
Northern development capital account	1,519,000

Comparative Statement of Expenditures.

	1921.	1922.
Civil Government	\$1,698,332.36	\$1,883,821.52
Legislation	370,755.86	425,611.28
Administration of Justice	1,058,791.87	1,515,460.80
Education	6,694,995.54	9,855,285.10
Public Institutions	3,763,339.48	3,640,282.89
Agriculture	1,253,043.42	1,482,563.14
Colonization and Immigration	116,895.00	111,961.35
Hospitals and Charities	951,502.60	1,390,718.59
Maintenance and Repairs	491,209.39	530,842.27
Public Buildings	1,487,922.46	1,583,549.21
Public Works	337,157.20	675,886.58
Public Highways Dept.	151,834.39	135,730.64
Game and Fisheries Dept.	425,274.70	321,397.97
Attorney-General's Dept.	520,486.57	31,262.91
Treasury Dept.	341,772.29	510,257.70
Provincial Secretary's Dept.	220,983.36	103,601.94
Labor and Health Dept.	1,283,417.38	2,180,144.78
Dept. of Lands and Forests	1,373,462.40	1,571,492.82
Colonization Roads	506,180.80	671,184.48
Dept. of Mines	165,611.94	173,114.67
Refunds	201,820.54	194,499.79
Miscellaneous	89,793.73	76,495.42
Hydro-electric Power Comm.	39,512,357.61	13,192,417.00
T. & N. O. Ry. Commission	917,986.55	2,054,182.82

T'l Expen. under Supply Bill	\$63,934,637.44	\$44,231,705.65
Statutory	54,558,656.33	85,981,177.92
Stationery Acct.	90,467.17	
Spec. Warrants	823,675.04	1,751,812.58

Grand Total Expend.	\$119,405,475.98	\$131,964,096.15
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speaker sought to justify the sale on the ground that private agreement was the only method by which the Government could secure the benefits of experiments in brush burning.

Then the speaker criticized the Government on the ground of alleged "strong-arm" methods in its dealings with the Shevlin-Clarke Company subsequent to the timber inquiry. The Government, he said, had withheld the 1921 license for the other limits held by the company until the latter had consented to a price-fixing agreement for the timber on berths 45 and 49. Mr. Raney disputed the statement, quoting a memorandum from the Government solicitors on the case to show that there had been no suggestion of the withholding of the other licenses. After examining the memorandum, Mr. McCrea reiterated his charge.

Defends Mr. Ferguson.

Continuing, he declared that if Mr. Ferguson's agreement for the original sale of the berths had been illegal because there was competition, then the price-fixing agreement under which the company was forced to pay \$20.10 for the same timber was also illegal, for that, too, had been reached without public competition.

The speaker then proceeded to dilate at length on the ramifications of the celebrated Backus "deal." Quoting from speeches made by Premier Drury, he challenged statements contained therein, and declared that the statement that Mr. Backus had received the English River limit by public competition was not justified by the facts.

"If the cards are stacked so that only one man can win, then it's not public competition, and it's a farce and a fraud to tell the public that you are putting the limit up for public competition when there is not the faintest resemblance, except the form, to public competition."

Mr. McCrea went on after the supper hour until after 9 o'clock, going over in detail the Backus transaction, and emphasizing the points in which he considered the Government had failed to protect the interests of the citizens of the Province. In Mr. McCrea's frankly expressed opinion, the whole proposition of the English River timber limits was "rigged so that nobody but Backus could win." Like D. Hogarth, Conservative member for Port Arthur, he made a computation of the wealth which he claimed was given to Mr. Backus, and he thought Mr. Hogarth's estimate of \$25,000,000 worth of timber for \$50,000 was modest.

Says Commission Was Farce.

The Sudbury member paid his compliments to the Riddell-Latchford Commission, declaring that the Conservative Leader was not the only member of the Legislature who regarded them as a farce. He went on to criticize their indisposition to inquire into timber matters other than those for which Hon. Mr. Ferguson was responsible, and he emphasized the omission to inquire into the English River timber limit transaction with Mr. Backus.

In a little aside he brought a roar of laughter from the House by making the statement that Prof. Judson Clarke, the Government's timber expert, who made a report, had failed to pass even an examination for scaler in the Government's service.

He also accused the Premier and the Attorney-General of misleading the public in connection with their declarations that the limits sold to Backus were offered by public competition.

Dewart Wants to Know

What Hillyer Received

H. H. Dewart, K.C., Liberal member for Southwest Toronto, has placed on the order paper at the Legislature an inquiry: "Is Albert Hillyer, who was elected to the Legislature for East Wellington in October, 1919, and resigned to provide a seat for the Attorney-General, now acting as Police Magistrate for Wellington county?" He goes on to ask for details of fees received, salary and remuneration for expenses as commissioner on the Public Service Commission, and what other appointments he has received.