

Thursday, March 6<sup>th</sup>

# MUST NOT PASS BUCK ON LIQUOR QUESTION, SAYS LIBERAL CHIEF

**Government Is Responsible,  
and Should Say What It  
Proposes in Place of the  
O.T.A., Declares Sinclair  
in Effective Speech on  
the Ontario Budget**

**VOTE IS 70 TO 23  
IN FIRST DIVISION**

**Ferguson Warns His Fol-  
lowers Against "Subtle  
Amendment," Which  
They Proceed to Kill—  
Liberals and Progressives  
Stand Together**

Facing its first real test, the Ferguson Government was sustained by a vote of 70 to 23 in the Legislature yesterday. Liberals and Progressives voted solidly against the Government, and the forces behind the Treasury benches maintained a united front.

The vote was upon the amendment of A. Belanger, Liberal member for Prescott, which read as follows:

In view of the increasing expenditure necessary to meet the obligations of the Province, this House urges the Government to exercise the most rigid economy and so administer the finances of the Province that the Budget may be balanced yearly.

Premier Ferguson interpreted the amendment as a "subtly drawn" want-of-confidence motion, and warned the new members that, inviting as the wording of the amendment might be, to carry it meant the resignation of the Government.

**Wanted Trial of Strength.**

W. E. N. Sinclair, K.C., Liberal Leader, thereupon stated that the Liberals would be content to have the amendment lost on division, but the Premier invited a test, as he said, of the confidence of the Legislature in the Government.

Mr. Sinclair and Provincial Treasurer Price had delivered the winding-up speeches on the Ferguson Government's first Budget, and the vote on the amendment was about to be taken, when the Premier arose.

"May I make one or two observations," he said, "in view of the number of new members in the House, and explain that when the Treasurer moves that the House go into supply he is asking the Legislature to vote money to enable the Government to carry on the business of the Province. If the Legislature denies that vote, it means a want-of-confidence motion, with the inevitable resignation of the Government.

"Every Minister has declared his intention to exercise economy. In view of these things, I want to say that the House will understand that the vote we are about to take is a test of strength."

**Demands Formal Division.**

Mr. Sinclair—In view of the statement of the Prime Minister, and in view of his declaration that all the members supporting the Government must vote against the amendment; in view of the fact that they are in a majority over there, and in view of the fact that members do not want another election before the session is closed, I may say, as Leader of the Liberal party, we are satisfied to have this amendment lost on division without the necessity of taking up the time of the House.

Premier Ferguson—Under ordinary circumstances, I would be very glad to acquiesce, but, as this is the first opportunity that has been given to the Government to show to the public whether it has the confidence of this House or not, I am afraid I am forced to decline my honorable friend's suggestion.

**Nickle and Raney Paired.**

Announcement of the vote was greeted with loud Conservative desk-thumping, and Conservative Whip Ireland announced half a dozen pairs, among them Hon. Messrs. Nickle and Raney, and Sir Adam Beck and Mr. Fenton.

The wind-up of the Budget debate brought fine speeches from the Liberal Leader and from Provincial Treasurer Price, both of which were listened to with rapt attention by a crowded House and galleries.

**Bulking Small Items Bad.**

The Liberal Leader plunged into Provincial finances with the declaration that the Provincial Treasurer, as he intimated to the House, must not institute a new system of "bulking" small items in the public accounts. He proceeded to show that it would hide such facts as that Eric Armour, K.C., Toronto Crown Attorney, although in receipt of \$7,500, had his \$20 Law Society fee paid by the Government; that former Attorney-General Raney had his \$20 fee paid by the Government, an amount which Mr. Raney said would be refunded; that Premier Drury took \$12,000 salary last year, after declaring that \$9,000 was enough for any man, and that \$4,000 had been paid out by the Government as car fare for its employees.

Mr. Sinclair said that he had listened in vain for some successful refutation from former Government members of Mr. Price's \$15,000,000 deficit claim, and, while prepared to make some allowance, was apparently willing to accept pretty well the Government estimate of deficit.

His big point in this connection, however, was that deficits meant increased borrowings to meet the losses, and his warning was that interest charges must not be allowed to pile up upon the ratepayers for expenditures that should have been met out of revenues. He strongly supported the demand of the Belanger amendment that the Government balance its Budget and not return next year with another deficit.

The Public Accounts Committee, he declared, must sift out the charges and allegations contained in comments on the late Administration's bond transactions. To leave the matter in its present unsettled state, he said, would lend color to an impression that the Budget was political.

In the strongest possible terms he urged the Government to exercise economy, and stated his impression that the early performance of the present Administration was disappointing in this regard. He mentioned half a dozen small items in public accounts which he said were instances of expenditures that could be cut off, and proceeded to a criticism of the increased travelling expenses of the Cabinet Ministers since the June election.

Among his suggestions for increased efficiency was the centralizing of Government offices now scattered over the city. A little capital expenditure here, he said, would prove to be real economy in the conduct of public affairs.

**Where Were the Deputies?**

If the old Government had wandered into "reckless" expenditure, he asked what the Deputy Ministers had been doing not to have checked it. In the present Government's proposals for a Legislative Secretary for Northern Ontario, for an advisory committee on roads, and other matters, he saw no promise of improvement along the lines of economy. It left the Liberal party with the only true record of economy.

The Liberal Leader declared himself in favor of the Province relieving the farmers of the counties' 20 per cent. share of the cost of Provincial highways. He thought the Premier's refusal of this concession to the hard-pressed rural taxpayer might well be reconsidered.

**"Blind Bond Houses."**

References to "blind bond houses" acting as a "fence" to take Old Man Ontario's money away from him, and a further general condemnation of the financial policy followed during the regime of the late U.F.O. Government, characterized the speech of the Provincial Treasurer, Hon. W. H. Price, K.C. "We have heard of 'blind pigs' and we have heard the word 'fence,' used to indicate where shady transactions can take place," Mr. Price declared, in referring to the buying in of succession-duty-free bonds. "Now, apparently, we have a 'blind bond house' for the purpose of dealing in securities of the Province at a most disadvantageous price to the Province."

Replying categorically to all the addresses which have been made since the presentation of his Budget claiming a \$15,000,000 deficit, Mr. Price dealt first with the question of how it was possible for the Government to have an \$18,000,000 bank deposit and a deficit at the same time. The observation, no doubt, came from the fact that the questioner did not understand that all receipts of every kind, whether capital or ordinary, go into consolidated revenue, while all money borrowed for capital purposes goes into the same fund.

"When the Treasurer announces that there has been a deficit for the year, it means that during that period for ordinary purposes the Province has paid out, as in this case, \$15,000,000 more than it received from ordinary taxation," he said. "In other words, the result of last year's operations is that the debt of the Province has been increased by \$15,000,000. It means, further, that this adding to the debt

increases the interest payable each year by nearly \$800,000."

He referred to forthcoming financial measures. Interest alone, next year, would represent \$16,000,000. The borrowing bill which would be brought down shortly would seek authority to borrow from \$35,000,000 to \$40,000,000.