

SINCLAIR STRESSES CHEAP POWER NEEDS OF ONTARIO FARMER

Government Financing Is
Analyzed and Debt
Growth Deplored

PAYMENT FOR HIGHWAYS

Rural People Charged Too
Much for Hydro, Is
His Warning

No greater boon could be given the farmer of Ontario than cheap power, and that boon was being withheld from him, the Legislature was told yesterday by W. E. N. Sinclair, K.C., Liberal member for Ontario South.

Effective Speech.

In a restrained and effective speech, Mr. Sinclair mingled commendation with condemnation so far as the Government's financing was concerned, and interjected implied criticism of Liberal inactivity at the present session.

The former Liberal Leader was the last speaker among yesterday afternoon's contributors to the Budget debate. Preceding him had been T. K. Slack (Progressive, Dufferin), who completed the speech he started last Thursday, and called for reduction of farm interest rates to prevent drift to the cities; and W. W. Staples (Conservative, Victoria South), whose imperialistic utterance was marked by extensive quotations from Globe editorials and hearty denunciation of Communist activities.

Activity of Opposition.

In opening his address, Mr. Sinclair commented that "advance notices concerning the activity of the group on this side were misleading." The group had not been so active as he had hoped, but the fact that this was a "lame duck" session might account for it. He recalled the pre-election session of 1921, on the eve of the Drury Government's defeat. That session had run from late January till early May, with thirty-six night sittings included. There had been no idle moments then.

Mr. Sinclair read from a Conservative paper's editorial, which related that the other Liberals "had gone down on their knees to Sinclair to conduct examination of Government witnesses" at the McCaughrin inquiry. This he warmly denied; he had not been approached to take part in the

McCaughrin investigation or the Public Accounts Committee's proceedings. "It is putting me in an unfair position to say I refused. We, on this side, don't use our knees for that purpose at all. That isn't the part of our suits that wears out first."

Budget Disclosures.

The veteran member congratulated Premier Henry on his Budget address. There was a surplus, and the Government should get credit for it. As for how that surplus had come about, Mr. Sinclair jocularly instanced the 28-cent saving in Government House costs, including 9 2-3 cents lopped from Colonel Fraser's allowance.

Why, he asked, was it so expensive to finance a Government? Because, he answered his own question, Government was run along radically different lines from any other business. There were plenty of men in the Provincial service who were not needed, who did nothing, but draw their pay. This was the result of the patronage system, one reason why government was so costly.

Mr. Sinclair commended the Government appointment of a Budgeting Committee, an enlargement of the old Treasury Board. He thought that, in the interests of economy and business-like government, the idea might be extended even further, with the addition of men outside the Provincial service who had the point of view of the man on the street. He approved also, of the pre-session statement of Ontario's financial situation, but thought that statement should include capital receipts and expenditures, assets and liabilities, amount of the debt. As for the Henry surplus, "I admit there is a surplus, at any rate so far as bookkeeping goes, because there it is in the Public Accounts. It is a wonderful thing to happen just before an election."

Lesson to Be Learned.

From the accounts, Mr. Sinclair argued that "we have spent \$16,000,000 more in the preceding four years than we proved in 1933 it was necessary to spend. This lesson, once learned, should be remembered, with still further reductions in expenditures." One reason for the surplus was that 1933 was the first full year in which were operative the taxes passed in 1932. But, even at that, receipts from those levies had fallen short of expectations, "perhaps because people are overtaxed, because there is a maximum ability to pay."

The size of the Provincial debt aroused grave anxiety in Mr. Sinclair. It had risen from \$18,000,000 in 1918 to \$522,000,000 in 1933. He recalled the repeated warnings he had issued on this score. The great part of the debt had been assumed for works which the people demanded, but the "Government should have known better than to allow all this expenditure." He had no quarrel with the Hydro or the T. & N.O. obligations, but the \$186,000,000 in highway obligations had been accumulating for thirty years, with nothing paid to date. If the highways were revenue-producing, the revenue did not go toward reduction of the debt; the revenue took care only of the \$10,000,000 interest charge, with the rest of the income distributed for other purposes. Meanwhile, railways were running ever deeper into debt, and he was not one of those who believed that the situation would improve so far as they were concerned. The highway situation was "alarming, and should be referred to financial and traffic experts who could seek a plan to pay off the road debt out of profits from the highways."

Rural Power Service.

As for Hydro, Mr. Sinclair thought the Government had "nothing to blow about" in the matter of rural power service. After eleven years' operation, rural Hydro had been extended only to 27,284 of the approximately 200,000 farmers in Old Ontario. There was hardly a farm which was more than ten miles from a power line; it was not inaccessibility, but cost, which prevented agriculturists from benefiting from Hydro. It would be a great help to the farmer to have light alone, since power was not so important to him. Through the long winters, lack

of electricity handicapped housework and made farm chores dangerous. Ontario had a surplus of power, and Hydro paid for more horsepower than it could use. Why not turn this surplus over to the farmer at low rates, so that some revenue could be substituted for a total loss? Still more power was coming from the St. Lawrence development, unless the United States reversed its present plans; "and we hope they don't."

But, said Mr. Sinclair in conclusion, the important thing about rural Hydro was that it be cheap. Farmers could construct pole-lines for the Commission more economically than the big gangs sent out from Toronto; the service charge could be eliminated, along with the twenty-year mortgage clause, "a big handicap to the development of Hydro in the country." Such a development was the greatest aid that could be given rural Ontario at the present time.

Credit for Farmers.

Almost at the outset while criticizing the attitude of the Agricultural Development Board, Mr. Slack encountered a denial from Colonel Kennedy when he contended that farmers were compelled to make payments under the amortization scheme. Continuing his appeal for easier agricultural credit, the Progressive member declared that hundreds and thousands of farmers were giving quit-claims to their property and coming to the city to obtain relief. If a little credit could be given to these men, he claimed that many would return to their farms. Although admitting that the rural interest reduction, advocated by Liberal members, involved a great deal of money, Mr. Slack termed such a loss cheaper to the Province than the expense resulting from the migration from the farm to city relief.

The Barrie packing plant proved a bone of contention when the member for Dufferin claimed that an extension of Government credit in that instance would have been of great value.

"We're working it out with our system," the Premier commented.

"Your system, Mr. Minister, are not worth a hill of beans," Mr. Slack retorted. A minute later the member charged that "the credit you are extending the plant is not worth a snap of a finger," adding, "and you and the Minister of Northern Development know it."

Highways next received the Progressive member's attention. A road north of Melancthon, he stated, had been reconstructed recently because a mistake made several years ago, coupling his illustration with the declaration that the county should not be required to help pay for the mistake and cost of reconstruction. Labor conditions on the road work were branded as "human slavery," and work on another section in zero weather, when laborers were half-frozen, was termed a "rank injustice." "It is a waste of public funds and a cruelty to the men to carry on work under such conditions," Mr. Slack charged. He also repeated his plea for better facilities for sleighing.

As a solution to present problems, the member for Dufferin proposed immigration, especially from the Mother Country, and also declared that "the high tariff barriers must be removed." A suggestion that financial figures had been juggled to create a surplus was coupled with the statement that the announcement of a deficit in these times would have aroused no public condemnation. "But why cover it up to make a surplus?" the member asked. The Premier objected, repeating his statement that there had been no juggling of figures.

Mr. Staples denounced the efforts of that country which was "seeking to spread blasphemy throughout the world, and has sent its emissaries everywhere. Thank God we had an Attorney-General who would ensure that those principles never would gain a foothold in Ontario."

He expressed thanks that Ontario was a part of the mighty British Empire in the present troubled times, and warmly commended The Globe for certain recent editorials.

As for Liberal criticism, he claimed that not a finger had been pointed at a misspent dollar. "Let us not be unfair," he adjured the Opposition.