

# ONTARIO'S DEBT HITS WAR WORK, FROST CHARGES

**Policies Would Not Be  
Tolerated by Councils,  
Holds Lindsay Tory**

**SEE EXTRAVAGANCE**

Charges of extravagance by the Liberals against Conservatives and by Conservatives against the Liberals are a case of "the pot calling the kettle black." L. M. Frost of Lindsay (Cons., Victoria), told the Legislature yesterday.

Mr. Frost said Ontario's debt had increased from \$6,200,000 in 1914 to \$13,000,000 in 1919, to \$100,000,000 in 1923, to \$358,000,000 in 1934 and to "over \$500,000,000 in 1939." "This (Hepburn) Government has created deficits of over \$140,000,000 in its five years and four months of office," he said.

Mr. Frost said no municipality would "stand for a debt picture" such as that presented by the Province, and credited "hard-headed councillors" that civic finances were comparably in much better position than Ontario's.

"The extravagant methods of the (Hepburn) Government have left the people of Ontario in a poor position to make the war effort they should make," Mr. Frost said. "The ship of State under the present pilot is fast approaching the rocks."

## **Charges Extravagance.**

Mr. Frost said the Ferguson-Henry Governments had collected in taxes or added to the Provincial debt a total of \$466,000,000 in the five years and five months preceding Premier Hepburn's election in 1934. In the same period since then the Hepburn Government has collected in taxation or added to the Provincial debt a total of \$575,000,000, of which it has given \$35,900,000 to the municipalities in the past three years. "That means that \$70,000,000 is accounted for only by the extravagance of the Government," he said. "The Hepburn Government has demonstrated its utter inability to keep expenditures within a safe and sane limit."

Mr. Frost declared the bookkeeping methods of the Province did not give a true picture of its finances. "Let's have an honest system of bookkeeping," he said. "I don't think the present system of bookkeeping is honest. I don't blame the present Government, but they readily fell into the bookkeeping methods which probably existed for many years before they got it."

"There never has been a surplus during the five years and five months of the present Government," he said, referring to claims of surpluses by the Hepburn Government. "There has been only a series of deficits. I don't say they are worse than the preceding Governments, but they certainly are not better. They have taken in more income than any other Provincial Government, but they have spent more."

## **"Sop to the People."**

"In the present budget the Prime Minister has underestimated revenues. I forecast that a year from now he will come along with a surprise surplus of eight or nine million dollars and cut the corporation tax or some other tax as a sop to the people and then ask to be returned to power. We've been paying with deficits for three years for the 1937 sunshine budget. But the people won't be fooled again."

Mr. Frost said the Province should build highways as a current expense, not as a capital outlay, but Hon. T. B. McQuesten, Minister of Highways, protested that other Governments also had considered highways a capital expenditure. He said the highways would be used and paid for in successive years.

# INCREASED PAY FOR TRUCKERS URGED IN HOUSE

**Commission Suggestions  
Ignored by Government,  
Macaulay Declares**

**HITS RATE SYSTEM**

The Ontario Government should act immediately to police the motor transport industry with the specific objective of raising the standard of wages for transport workers and regulating the industry itself, Leopold Macaulay (Con., South York), declared in the Legislature yesterday.

Opening the debate on the Budget, Mr. Macaulay criticized the Government for not acting upon the recommendations made by the Royal Commission on Transportation, presided over by Mr. Justice Chevrier. The only recommendation acted upon by the Government was the one favoring an increase in the gasoline tax, he asserted.

"The commission made findings and recommendations with respect to hours and wages in the motor transport industry," said Mr. Macaulay. "They find that long hours and low wages are prevalent in this industry. Many cases were pointed out of wages out of proportion to the hours worked or to the responsibility of the driver for the safety of the public and the value of the equipment and cargo in his care. These are the result of overcrowding of the field by licensed operators, resulting in uneconomic competition of the available business and from the overstocking of the labor market."

"The commission also found a chaotic situation, not only uneconomic competition, but rank discrimination," declared Mr. Macaulay. "Shippers have been paying different rates to the same carrier for the same service. Two shippers sending the same commodity to Cobourg from Toronto by the same carrier were paying different rates, one 30 per cent above the other. That was symptomatic of the discrimination rampant all through the industry. The law authorizing the department to compel carriers to file schedules of rates with the Municipal Board has never been acted upon."

"The commission recommended a transport board of three persons appointed for ten-year terms and removable only for cause by the Legislature," said Mr. Macaulay. "The powers recommended for such a board would be similar to those exercised by the present board of transport commissioners for Canada. They would receive and consider rate schedules. I do not think it was intended that such a board should fix rates in the first instance. The building up of a motor transport rates schedule for Ontario is complicated and difficult and it would require a long process of development. No action has been taken by the Government."