

The Ontario Budget Debate

SPEECH OF COL. MATHESON, M.P.P.

COL. Matheson (S. Lanark) on rising to follow the Premier was received with loud Opposition applause. He said, "I do not propose, Mr. Speaker, to follow all the subjects dealt with by the Premier. The House and the people of the Province are anxious to find how the Province pays its way. Whether the ordinary revenue we get for the next twenty or twenty-five years will meet the ordinary expenditure which we know must be incurred. That we have not learned from the Premier but he, instead of giving the required information, diverts himself to a discussion of Kindergarten and Cooking Schools, and things of that nature with which perhaps he is better acquainted. Now sir, I propose briefly to comment on the state of the finances of this Province for this year.

Taking the receipts and expenditures of the year 1903 we find that the receipts amounted to \$5,466,000 and the expenditures to \$4,888,000. But in addition to that it is well known that this province through its government has incurred a liability at Sault Ste. Marie of some \$250,000 which will have to be paid by the Province, making the year's disbursements over \$5,100,000. The Government had no right to incur the whole of that liability, although perhaps they were justified in incurring part of it. But the manner in which the Government supporters undertake to vote through everything which it does, no matter how iniquitous it may be, is such that they will certainly support the meeting of this whole liability. Our receipts were \$5,466,000 which include the receipts of \$1,335,000 as bonus on timber sales and a reduction of capital in Drainage Debentures of \$21,000. These two receipts from capital accounts deducted from the \$5,466,000 leave the actual ordinary receipts of the Province for the past year at \$4,109,000 against which we have expenditures of \$5,109,000. Therefore this province actually paid or incurred a liability of \$1,000,000 more than the ordinary receipts. It may

be said of course that part of this expenditure had to be made on capital account. It has been contended in past years by the Opposition that all our receipts from Crown Lands including the timber dues should be considered as Capital receipts, for the reason that it is a source of revenue that must be constantly diminishing. We cannot count on its extending over perhaps the next ten or fifteen years and it may be diminished to perhaps \$200,000. Therefore all receipts from Crown Lands in the shape of dues should go to Capital Account and be used for payments on Capital expenditures such as public buildings, good roads or any payments of that sort. That was a proper view to take, but making every allowance, as to bonus received on this timber sale there is no question whatever that it ought to be considered as Capital Account only to be used in payment of debts, or on some special capital expenditure.

However we might look upon the Sault Ste. Marie payment of \$250,000 as being an exceptional one, as also the payment for the building of the Normal School and the school of Practical Science at Toronto amounting to \$158,000. Take these from the total expenditure, we have \$4,730,000 ordinary expenditure against ordinary receipts of \$4,109,000, so that the deficit, after all allowance for possible expenditure on Capital Account, between the ordinary receipts and ordinary expenditures was \$621,000.

I wish to say a few words as to the receipts. It is evident, notwithstanding what the Premier has said, that we did not receive the full payment from the Dominion of interest on money in the hands of the Dominion.

The Premier: I have a statement now. We received the full \$142,800 for the whole year on our increased subsidy and a half year's allowance on interest on trust funds, making \$262,000, while the balance of the payment is in dispute.

Col. Matheson: It is evident that this account is very complicated. \$142,800 of that money put in as interest is not in-