

FINANCES

FINANCES OF THE PROVINCE

A consideration of the administration of the financial affairs of the Province under the Whitney Government reveals two striking effects: (1) The enormous increase in the expenditure from \$5,267,000 in 1904 to \$7,714,000 in 1907, an increase of 43 per cent, and (2) the almost total lack of constructive ability.

The increase in total expenditure for three years amounts to \$2,447,000, and is greater than the total increase in expenditure during the 33 years of Liberal administration. In 1872 when the Liberals came into power the expenditure was \$2,522,000, or \$1.50 per head of the then population. In 1904 it had increased to \$5,267,000, an increase of \$1 per head of the population. In 1907, after three years of Conservative control, or lack of control, the expenditures had increased to \$3.50 per head of the population. That is to say that, while the expenditure increased \$1 per head in 33 years of Liberal administration, it increased \$1 per head in three years of Conservative administration.

The mere largeness of the amount of expenditure is not a matter for censure, when the Province keeps within its resources and the money is wisely expended, but, as a matter of fact, in the year 1907 the Province spent \$578,500 more than its current receipts. Of the total revenue of \$8,320,000, \$1,185,000 was the purchase price for the sale of Cobalt and Kerr Lakes, something that cannot be expected to recur in the annual receipts of the Province. In fact the Provincial Treasurer in his budget speech in 1908 holds out no prospect of any such receipt in 1908. If apart from this item the receipts for 1908 are as high as those for 1907, they will total \$7,136,000, while the estimates passed by the House call for an expenditure of \$8,000,000. We may, therefore, look for a deficit of over \$800,000 in the present year. The Provincial Treasurer stated that there are \$500,000 worth of timber bonuses overdue from 1907, but even allowing that these will all be paid, there will remain a deficit of over \$300,000.

That this is not a partisan statement is shown by reference to page 6 of the printed budget speech of the Provincial Treasurer, in which he points out that the ordinary receipts for 1907 exceeded those for 1904 by only \$600,000, but he did not go on to state what the fact is, that the expenditure had increased in the same period by \$2,450,000.

Nor is this money wisely and economically spent in the interests of the Province. We find legal fees which in 1904