

CONTINUED FROM PAGE 4

THESE ARE THE FACTS of the Dominion-Provincial Conference on the Sirois Report (CONTINUED)

IRON, T. A. SEQUENZA, ET. CANTADO MIN.
OFFICE OF HIGHWAYS AND MUNICIPAL
AFFAIRS, (Vol. 2, page 83 to 87).

"Mr. Prime Minister and gentlemen, before this conference, the province of Ontario would like to place before the Dominion-Provincial Conference on the Sirois Report the following facts:

Perhaps I might properly profess what I have to say today by saying that the points touched upon by the Premier of Manitoba (Mr. Bracken) in the presentation of his report before the opening session of the conference, yesterday, Hon. Mr. Bracken made what I might call an earnest plea to the delegates of this conference, and particularly to the Premier of Ontario, to consider the attitude taken by the late Hon. George Brown at the various conferences leading up to Confederation. Mr. Bracken's name into the conference has suggested that Mr. Brown very properly forgot his own personal feelings in the matter and joined hands with Macdonald and others in shaping Confederation as expressed by the British North America Act.

I consider it rather an unfortunate choice of arguments to ask that the Premier of Ontario should, in holding that in taking the attitude he has, Hon. Mr. Hepburn, has been put living up to the traditions of Brown, and has defended and upheld all that Brown stood for, and is safeguarding the rights and responsibilities vested in the province by Confederation. I prefer to support and adopt the material structure which was created by Brown, rather than attempt to interpret its spirit. Mr. Bracken has put forward to do. If Mr. Bracken's argument were to prevail, history would be degraded, our ideals shattered, and the names of our public men cast into the cesspool of time.

Mr. Bracken was on better ground when he advanced the idea that provincial autonomy, without adequate revenues for discharging the functions of government for which provinces are responsible, is but little more than a farce. To put the same idea in another way, without fiscal independence there can be no provincial autonomy.

I am prepared to-day to review the financial history of the province of Ontario, particularly relating to the years since the present government has been in charge at Toronto.

Ontario Balance Budget

Briefly, let me state that we have followed since the 1st of April 1936, a sound financial policy as shown by our budgetary position. In 1936-37, 1937-38, and 1938-39, we had balanced budgets. This year we are promised by our present government that Ontario's treasurer, a balanced budget, a surplus and a reduction in debt.

This wholesome and enviable budgetary position has placed us in a position to carry out a policy of assistance to the 900 municipalities which form the local government administrations of Ontario. For example, the province has assumed the entire capital cost of construction of our great highway system, the financial burden of which formerly rested in part upon the municipalities. The province also contributes in various ways toward highway construction expenditures by municipalities.

In matters of public health, Ontario has made great strides and has, since the present government took office, an annual cost of millions of dollars, assumed the entire burden of the care of indigent tubercular patients. Public health in Ontario costs the province of Ontario a sum exceeding \$900,000 per month.

Then, in exchange for the income tax, which was formerly collected by a few of the 900 municipalities, we have substituted a provincial income tax, and have assumed the entire cost of the share formerly borne by the municipalities of old age pensions and mothers' allowances.

The annual cost to the government of Ontario for old age pensions, as represented by the present fiscal year, amounts to three and a half million dollars. This cost includes the Ontario's share of pensions for the blind.

The annual cost to the province of mothers' allowances this year will exceed the sum of five and a quarter million dollars. Of these allowances—that is, old age pensions, pensions for the blind and mothers' allowances—are annually increasing in amount. I quite agree with the estimate made by prominent activities that they will continue to increase for the next fifty years. It is difficult at this time to estimate the final limit of the cost of these three social services, which, as you are aware, were never dreamed of by the Fathers of Confederation.

We also pay to the municipalities an annual subsidy of \$1 million based on the general assessment of the municipalities, and this amounts in round figures to the sum of three million dollars per annum.

Another function of government that is growing annually is education. It is estimated that for the present fiscal year the province will spend upwards of thirteen million dollars.

Compares Relief Costs

One of the services that has cost enormous sums during the past decade is that of the cost of relief. Under the present basis of contribution the Dominion pays 40 per cent of direct relief costs, including medical services. Including medical services the Dominion contribution is 38 per cent of the total expenditure. For the present fiscal year, that is, the period ending April 30, 1941, relief will cost Ontario the sum of ten million dollars. Of this the Dominion's share will be \$3,800,000, the provincial share \$4,300,000, and the municipalities' share \$1,900,000.

Estimating the cost of relief for the fiscal year which begins April 1, 1941, calculated on the present basis of sharing the cost of relief, and estimated from the best available information, the relief picture in Ontario will be represented as follows:

Dominion share	\$2,550,000
Provincial share	2,922,000
Municipal share	1,278,000
If the Sirois basis is adopted, for the fiscal year 1941-42, the cost is estimated as:	
Dominion share	\$ 568,000
Provincial share	4,927,000
Municipal share	1,232,000

Thus it will be observed that by adopting the Sirois basis the Dominion would enjoy a saving of \$1,982,000, while the province of Ontario would be called upon to increase its expenditures by the sum of \$2,035,000, and the burden of the municipalities would be practically the same as under the present plan, the difference being less than \$50,000. The officers of the treasury and welfare departments are here, and are supplied with all details with respect to relief figures, and in fact other relief figures, and we are prepared to discuss these matters in detail if and when required.

At this juncture I desire to make a statement with respect to the estimated saving or gain to the province of Ontario, as contained on page 96, Book II, of the recommendations of the Sirois Commission.

The estimated savings or gain to the province of Ontario, on the 1937 base, is \$5,325,000 per annum. But a careful analysis of the figures indicates that instead of a gain of \$5,325,000, the actual net loss to the province for the 1937 period would be \$5,482,000. Thus it will be seen that the information given on page 96 of the Sirois report as to the expected improvement in the financial position of the province on the 1937 base is inaccurate and not in accordance with the findings of the treasury department of the province.

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of Ontario. This monetary amount to the larger figure of \$11,754,000. The recommendations of these amounts is available and can be explained by the technical officers of the treasury department.

Each report for the present fiscal year, the situation is indicated. If the Sirois plan were adopted and made effective for the present fiscal year, which ends on March 31 next, the province of Ontario would be faced with a certain net loss in revenues of the sum of \$17,000,000. This for the present fiscal year alone.

The province will be required to give up annual revenues of \$44,000,000. Deduct from this, expenditure assumed by the Dominion, and the net loss would be \$17,000,000. This, which could no longer be paid, a total sum of \$17,000,000.

One of the first results of this loss in revenue, brought about by the present government, would be the loss in revenue to the University of Toronto of the sum of \$500,000. I would refer you to the Revised Statutes of Ontario (1937) chapter 572, section 129, which is the statutory authority for payment from the proceeds of succession duties to the University of Toronto in the sum of \$500,000 per annum.

Set Education Back 50 Years
But that is just one indication of what the loss in revenue would mean to education in our province. Education in Ontario would be set back fifty years. This would apply particularly to the "little red school houses" and the struggling separate schools, which under present conditions require the same as public schools—annual grants from the provincial treasury.

The splendid work done by the department of health of Ontario in waging a successful fight to stamp out the menace of tuberculosis, which fight is being conducted at an annual cost to the province of upwards of \$3,000,000, could no longer be carried on unless revenue from some other source were forthcoming.

This would involve some new type of taxation, but inasmuch as taxes on estate, taxes on income, taxes on corporations, and taxes on mining profits, would no longer be available to the province of Ontario, any additional burden of taxation required to raise revenue to continue a reasonable standard of education would inevitably fall upon real estate—upon the farmer, the home-owner and the industrial man.

I also bring to your attention the fact that municipalities of the province of Ontario will suffer for the present fiscal year by the implementation of the Sirois report, the loss in revenue being \$5,000,000.

Now, if you will add the net loss in revenue to be sustained by the province of Ontario of \$17,000,000 to the \$5,000,000 certain loss to be sustained this year by the municipalities, the total net loss of \$22,000,000—net loss to the province and the municipalities.

This, Mr. Chairman, is only the beginning. These losses are bound to increase, because the functions of government left with the province are, from their very nature, increasing in their burdensome character, in so far as the need for revenue is concerned.

Real Estate Burden Intolerable
No one conversant with the problems of public finance that beset the province and the municipalities in Canada to-day will attempt to deny that the burden on real estate at present has reached a point where it is difficult for the farmer to meet his taxes and taxes; it is discouraging to the business man, who is discouraged to attempt to salvage something from their estates, and is generally speaking, less per cent higher than it was at the outbreak of the war.

The real estate owner to-day, who can barely raise the amount of his taxes, will find that for every dollar of taxes he pays to-day he will have to pay \$1.20. And this under war conditions, where the cost of living is already mounting, and is generally speaking, ten per cent higher than it was at the outbreak of the war.

As the Prime Minister has said, "You leave us with the expensive functions of government."

And I hold that the figures I have submitted prove that we will have to increase the functions of government, that health and education in particular will suffer, and the standard of living of our citizens who are in the class of wage earners will be described as the lower economic scale will be a condition of servile dependency.

Now, Mr. Prime Minister, I have finished with my presentation of the financial effect of the report as it appears to this province, and I am authorized on behalf of the premier of the province, the people of the province, and the people of the province, to announce that our association with this so-called conference is over. Some other members may take time opportunistically to present their reply to the financial address of the Hon. Mr. Hilly, and to withdraw as we are doing. We leave it to the rest of the conference to continue their efforts to do what we are bound to say would result in wrecking Confederation, as we understand it, and in destroying provincial autonomy and rights. We are returning to our business, and our first word to the Dominion is that word which we opened: If the Dominion decides to prosecute the war on a basis of cooperation we shall be ready, as we have always been in the past, to cooperate in every known way and to throw the full weight of our great province into the Dominion's war endeavor.

RT. HON. ERNEST LAPOINTE, MINISTER OF JUSTICE AND ATTORNEY-GENERAL OF CANADA, (Vol. 2, page 100)

"I read the Ontario newspapers, and this morning I read a statement in a Toronto newspaper to the effect that this commission report was a report prepared by and for Quebec, for the benefit of that province. That article urged the people of Ontario to oppose it. My friends who are here know that at the same time in the province of Quebec this report is considered by some as leading to the destruction of provincial autonomy and the sacred rights of the citizens of that province. It has been stated that the French-Canadian race will be enslaved if this report is adopted and accepted."

RT. HON. W. L. MACKENZIE KING, PRIME MINISTER OF CANADA, (Vol. 2, page 112)

"May I say this next, when my colleagues and I considered the calling of this conference there was between us a great diversity of view as to the wisdom of having such a gathering at this time. In saying that I do not think I am betraying any confidence, when I say an sworn to respect for one took the view that it was very doubtful whether it would be wise to have a conference in war time."

HON. ADELARD GODBOUT, PRIME MINISTER OF THE PROVINCE OF QUEBEC, (Vol. 2, page 117)

(The Prime Minister's remarks were given in French, the following is the English translation):

"Should the continuation of this conference constitute a menace to Canadian unity, I would suggest, Mr. Prime Minister, that it be dissolved."

OF THE PROVINCE OF ONTARIO

HARDLY A PAIN AT 78 She Feels Like 48

Aches and pains are not inevitable in old age. When they do come, there is always a cause for them. Here is a little lesson on growing old, by a woman of 78:—
"For the last five years I have taken Kruschen Salts and I tell you truthfully I could not live without them. I am 78 years old, I have hardly a pain in my body, and I feel almost as young as I did at 48. I give the credit to Kruschen Salts. No one will believe my age."

Most people grow old long before their time because they neglect one vital need of health—the need for internal cleanliness. Eventually they start the Kruschen habit. Then, probably for the first time in years, they start getting rid every day of all waste matter from the system. They begin to feel energetic and happy. In a word, they've got that "Kruschen Feeling."

GLEN WILLIAMS

The news was received here on Sunday morning of the death of Mrs. Bert Masales, nee Mabel Trafford, passed away at her home in Durham on Saturday. She lived here and in the vicinity many years before moving to Durham. Her early passing will be deeply regretted by her family and a large circle of friends. Besides her husband, Mrs. Masales leaves to mourn her loss, eight small children; also her father and mother.

LOCAL NEWS

—Lecture at Knox Church by Rev. Ross K. Cameron, "The Case for Britain," Friday, Feb. 7th, at 8:30. Tickets 25c from any member of I.O.D.E. or at the door.
—The February meeting of the Women's Institute will take the form of a social evening at the home of Mrs. R. T. Paul, on Wednesday, February 5th, at 8:15 p.m. All members are invited to come and bring a friend.
—The True Blues will hold a eucharie in the Arena on Thursday, Feb. 6th, at 8:30 p.m., in aid of the Events Telegram British War Victims' Fund. Refreshments and door prize. Admission 25c.
—February is War Savings month, and the local committee would be pleased to have assistants for the pledge campaign. Lieut.-Col. Gordon Cousins, chairman of the Georgetown committee, will be glad to explain the plan to those interested.
—The Women's Society of the Baptist Church will serve a St. Valentine's hot roast beef dinner with carrot pudding in the Sunday school room on Tuesday, Feb. 18th at 6 p.m. Admission 35c.
—The St. John Ambulance Home Nursing Class will commence Monday, Feb. 10th at 7 o'clock in the Legion Hall. All ladies wishing to take this course please send in their names before Feb. 3rd to Mrs. T. Grieve, so that final arrangements can be made. Fee \$3.00 includes book, bandage and award. Phone 294w.
—The 3rd Cross annual meeting arrangements for this year, January 23rd, has been postponed to Thursday, January 30th, in view of the concert being held at the Anglican Church, January 23rd. This annual meeting will be held at the Public Library and every citizen is earnestly requested to attend as this will be an open meeting.

WELL-BRED BULL JOINS

G. D. H. WRIGHT
AYRSHIRE HERD
Walter Gray, manager of G. D. H. Wright's Glendronock Farms, on the 8th line, informs us of a recent important addition to their Ayrshire herd. This is a ten-month old bull, Leachcroft Swankles Scholar, the son of Howie's Scholar and Burnholm Jenny Lee. Howie's Scholar is from a long line of Ayrshires, his sire being Howie's Templeton, Mauchline, Scotland, where a number of his daughters in the herd are of extra fine type. Howie's Scholar is the offspring of Eastertown Classic who was first in lactation at the Highland Show, and Howie's Dairy Lass, grand champion female at the Royal Show in England in 1936.
The dam of Howie's Scholar was Willoxton Roselent who has an enviable record of 10,770 lbs. milk, tested 3,887 fat in 42 weeks as a heifer and 14,560 lbs. milk testing 3,967 fat in 50 weeks as a three-year old.
Burnholm Jenny Lee, a daughter of South Craig Glencoe and Selwood Moss Rose, is owned by G. C. Leitch, of Gormley, Ontario, and was bred by George T. Duce & Son, Shawville, Quebec. As a four-year-old in 1937, she produced 11,820 lbs. of milk which tested 4,227 fat.
Leachcroft Swankles Scholar, with his aristocratic background, is a real addition to the Halton Ayrshire herd.

BALLINAFAD

The eucharie and dance held in the hall in aid of the Red Cross was fairly well attended despite the very cold weather. The ladies prize was won by Miss Dorothy McKenzie, of Osprey, while the gent's prize was won by Mr. Herb Allen. Consolation prizes were given to Mrs. E. Vannatter and Richard Shortall.
Mr. and Mrs. Mac McKay, of Party Sound, are visiting with Mr. and Mrs. Alex. McKay.
Mr. John Miller is confined to his bed and is recovering from a stroke which he suffered last Tuesday. We are pleased to report his condition is favorable.
The W.M.S. held their January meeting at the Mansie. The theme of the worship service was "Finding the Way through Bible Study" and was led by Mrs. J. Kirkwood, assisted by other members. The members answered the roll call with New Year resolutions, and the W.M.S. The topic was in charge of Miss B. Hills and the subject was "Witnesses of the Way in Japan." A reading on Chris-

BORN

WESTON—To Mr. and Mrs. Roy Weston (nee Doris Glassey), at Guelph General Hospital, on Tuesday, January 21st, a daughter, Donna Jean.

DIED

ERWIN—At Sarvia, on Tuesday, Jan. 23rd, 1941, Martha Kennedy, beloved wife of John A. Erwin. Interment at Greenwood Cemetery, Georgetown, on Friday, Jan. 31st.
ELLENTON—At Guelph General Hospital, on Sunday, January 26th, 1941, Agnes Ellenton, daughter of the late Mr. and Mrs. George Ellenton, Erin.
SCRYMGEOUR—Suddenly in Georgetown, on Friday, January 24th, 1941, Thomas C. Scrymgeour, aged 66 years.

IN MEMORIAM

FOX—In loving memory of Jim, dearly loved husband of Nellie Parton, who passed away February 3rd, 1938. Nothing can ever take away. The love a heart holds dear. Fond memories linger every day. Remembrance keeps him dear. Always remembered by his Wife.

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PURE FOOD STORE
MONARCH PASTRY FLOUR - 24 lbs. - 79c

GOLD MEDAL COFFEE 1/2 lb. vacuum tin 29c	TEACUP TEA Lovely "Freda" Pattern China or Silverware FREE with each package. 1 lb. 80c	Coca-Cola "The pause that refreshes" 6 Bottle Carton 25c Plus deposit
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Weston's Radio Special 1 pkg. Golden Brown Sodas 19c
1 pkg. Coconut Crisps
TODDY Chocolate and Malt Flavored Food 39c
Drink - 1 lb. tin
CASTLE WAX - A Product of Hawes tin 25c

SPECIAL MEAT VALUES

PORK TENDERLOIN Average 1/2 lb. lb. 80c	"Maple Leaf" SMOKED PURE PORK SAUSAGES 2 pkgs. 25c 1/2 lb. cello pkg.
SMOKED FILLETS lb. 20c	BEACON BRAND CISCOES lb. 20c Economic - Delicious Serve Hot or Cold

A. E. FARNELL
PHONE 75 FREE DELIVERY

Watch Our Window!
FOR WEEKLY ICE CREAM SPECIALS AND CONFECTIONERY
Marshmallow Nut Sundae - 13c, 2 for 25c
Long's Confectionery Georgetown
Phone 89

GREGORY THEATRE
Friday, January 31 — "WE WHO ARE YOUNG"
Lana Turner, John Shelton
March of Time "On Foreign Newsfronts."
Cartoon "Wicky Wacky Romance." Fox News
Saturday, February 1 — "Girl From God's Country"
Chester Morris, Jane Wyatt
Comedy "Just a Cute Kid."
Cartoon "Doing Impossible Stunts."
Band and Travel-talk.
Chapter 5 "The Green Archer."
Matinee at 3 p.m.
Tuesday and Wednesday, February 4 and 5
"DR. CYCLOPS."
thrill fantasy in Technicolor
Comedy "Money Squawks." Band and Cartoon.
Canada Carries On "Children from Overseas."
SOON—"Beam Town" Clark Gable, Spencer Tracy, Chelodie Colbert, Betty Lemarr.

NEW ADVERTISEMENTS

For Rent
Six room house with all conveniences, centrally located. Phone 276. If

Building Lot Wanted
Centrally located, west side of town preferred. State location and price in letter to Box "H" Herald.

Lost
A large black collie dog, with white markings, No. 872 on tag, answers to the name of Rover. Let's seen Jan. 30nd. Any information concerning this dog gratefully appreciated. Phone 136 - 33, Clayton Allen.

Wanted
2 Men to cut about 20 cords of cordwood. Apply to C. V. Pickett. Phone 381 r 12.

For Sale
1 pair of ski boots; 1 pair bob sleighs; baby's bassinet with stand. Phone 154.

ARE YOU INTERESTED?

In a cold storage locker plant in Georgetown. If so, please let us know, as we are considering erecting a plant. If there is a demand for it. Drop us a line in the next mail. No obligation. — Georgetown Creamery.

Work Wanted
Sheet metal worker and tinsmith; reavestroughing, furnace and general work. Charles Wilson. Phone 266. If

TENDERS FOR WOOD

Tenders will be received up to and including February 10th, 1941, for 3 cord dry hardwood (beech or maple) and 6 cord green hardwood, cut in 18' lengths and delivered at school-house before March 1st, 1941. Lowest or any tender not necessarily accepted. — W. L. McDonald, Secretary-Treasurer, S. S. No. 5 Squessing, R. R. No. 1, Milton.