

PROVINCE TO AID WAR FINANCING

**Will Purchase \$17,000,000 in
Securities Held in England**

M'GARRY CLAIMS SURPLUS

**Says Ontario is \$1,135,000 Ahead on
the Year—Mr. Bowman Alleges a
Deficit and Says Figures Have Been
Juggled—Profit on T. & N.O.**

In the course of his Budget speech in the Ontario Legislature yesterday Hon. T. W. McGarry, Provincial Treasurer, announced that it was the intention of the Government "to bring down legislation that will enable us to purchase \$17,000,000 worth of the securities of the Province which are held in England, re-borrow the money on this side, and to that extent help Great Britain in financing this war." It is understood that a \$17,000,000 loan will be floated on this continent and that the proceeds will be used in connection with the financing of munitions purchases.

The Provincial Treasurer claimed the Province had ended the fiscal year with a surplus of \$1,135,000, the largest in the history of Ontario.

The so-called surplus soon vanished, and was changed to a deficit of one and a half million dollars, in the estimation of Mr. Charles M. Bowman, Liberal Whip, who analyzed the financial statements, and charged that the figures had been juggled.

"Our total ordinary receipts last year were \$13,841,339, and our total ordinary expenditure was \$12,706,332, leaving for the first time in the history of the Province a surplus of \$1,135,007," said Hon. Mr. McGarry in his opening remarks. The statement was greeted with loud applause from the Conservative members. Cash in the bank, he continued, amounted to \$4,228,000, and the net debt of the Province had been reduced by \$810,000, he claimed. In figuring out the surplus he was not, he said, including the tax collected for war purposes.

Million for Returned Men.

The policy of the Government provided for the expenditure of a considerable sum of money to aid returned soldiers who might desire to settle on the land in New Ontario, and it was the belief of the Government that during the next twelve or eighteen months at least one million dollars might be required for that work. If the money was not spent in conjunction with the Dominion Government, then "on our own responsibility we will be prepared to give one or two million dollars, if necessary, for the care of returned soldiers." The revenue last year was \$1,462,000 larger than ever before in the history of the Province.

Succession Duties Increase.

During the year \$2,333,700 had been received in succession duties, and it was most interesting to note the gradual increase in receipts from that source. In 1893 total receipts from succession duties were \$45,000; in 1900, \$226,000; in 1904, \$458,000; in 1910, \$724,000; in 1914, \$1,253,000; in 1915, \$1,700,000, and in 1916, \$2,451,000. "There is no fairer revenue than the charge that is made against a person dying with an immense amount of wealth," he commented.

Amusement Tax Makes Up for License Money

During the past year they had lost a considerable source of revenue owing to the cutting off of liquor licenses. The loss was nearly \$500,000. They had introduced legislation which they thought would provide an equal amount of money, that relating to the amusement tax. Events had amply justified the prediction he made a year ago. In five months they had derived from the amusement tax \$243,000, so that in a full year they would probably receive between \$500,000 and \$600,000 from that source. From the taxation of automobile owners they had received in 1916 \$669,000 as compared with only \$300,000 the year before, while the corporation tax had netted them \$1,905,000 as against \$1,831,000 in 1915. Revenue from public institutions amounted to \$277,000, a decrease of \$102,000. The Timiskaming & Northern Ontario Railway Commission had paid them one million dollars "in real money," he said, and the Hydro-electric Commission had made its largest payment yet, namely, \$515,000.

Million from T. & N. O.

Of the million dollars paid by the T. & N. O. Railway, the sum of \$528,000 represented actual net profits during last year, while \$400,000 represented an account of profit and loss which had been built up during the last few years. Interest charges on the T. & N. O. last year amounted to \$800,000, and this year it was unnecessary to pay anything out of ordinary revenue for that purpose.

Mr. Rowell—Where did the T. & N. O. Railway get the money?

Mr. McGarry—They earned it on the railroad. (Laughter). My hon. friend did not think they got it from me, I hope. (Laughter). They used to pay each year \$250,000. They always kept a profit and loss account and balance. That balance has not made up enough to pay us \$400,000.

Mr. Rowell—I see in the account my hon. friend paid them \$700,000.

Real Money, Too.

Mr. McGarry—I may tell my hon. friend it was a shock to myself as it must be to him, but the Chairman of that railway has so ably conducted affairs that he was able to pay us that million dollars in real cash. (Laughter and applause.) The \$700,000 was advanced to the T. & N. O. Commission on capital expenditure account, and represents the amount actually expended by the T. & N. O. on capital account during the financial year of 1916, as I understand.

Provincial Loan

Without Expense

The Provincial Treasurer then referred to loans made by the Province. There was one loan made in New York last February for \$2,000,000 at 4½ per cent. for nine months, which had since been paid off out of ordinary revenue. It was put through without any expense to the Province whatever. "On June 1st we made another loan of four million dollars for ten years for 99.91 net, after paying all expenses. In other words, it cost the Province 5.01 for that money." (Conservative applause.) The Province of Quebec had got only 99.20 for a similar loan made at the same time.

Six Millions in Bank.

"We have now \$6,000,000 in cash in the bank, at a time when the money markets in the United States may not be open. I think it is a fortunate thing to have money on which we may draw for our public works and other necessary undertakings.

"Our capital expenditures last year were four millions altogether. Of that sum over two millions went to the Hydro and over \$600,000 for Northern Ontario development, \$700,000 was advanced to the T. & N. O. Railway, \$270,000 for good roads and over half a million on public buildings."

A Case of Bookkeeping.

The leader of the Opposition had contended that money spent on public buildings should be put in a column called "General Expenditure," but there never was any justification