

SURPLUS EASY IF MINISTERS JUGGLE FUNDS

Hon. Peter Smith Proud of
Deficit on Business
Financing

ONTARIO WHOLLY SOUND

Mr. Sinclair Criticizes Budget
and Twits Farmers
as Spenders

Ontario's New Taxes

Two-mill tax on all real estate transfers.

One-quarter of one per cent. tax on all bank reserve funds.

Extension of amusement tax to billiard parlors and pool rooms.

Railway taxation increased from \$25 to \$40 per mile.

Increased taxes under Mining Tax Act.

Estimated Increased Revenue.

Property tax.....	\$ 250,000
Bank reserve fund tax	450,000
Billiard parlor tax...	280,000
Railway tax.....	420,000
Mining Act tax.....	100,000

Total increase....\$1,500,000

Taxation of bank reserve funds, billiard parlors and poolrooms, and all real estate transfers and an increased measure of taxation on railways and mining operations were announced by the Provincial Treasurer, Hon. Peter Smith, yesterday, in his second Budget address before the Ontario Legislature. These new sources of revenue, Hon. Mr. Smith stated, would bring to the Province additional income of \$1,500,000, necessary to meet estimated increased expenditure.

"The Province of Ontario," said the Provincial Treasurer, amidst general applause, "is absolutely sound." He added that it would be necessary for some time to invade the financial markets in search of funds. Therefore, he felt it to be incumbent upon all parties in the Legislature to do or say nothing that would have an adverse effect upon the borrowing powers of the premier Province.

Proud of Deficit.

"I want to say that I am proud of the deficit we have this year," proceeded the Provincial Treasurer. "I believe myself that Governments in this country and in other countries should not be out to make money and to make claims to surpluses. I want to tell you candidly I would prefer to see a little surplus rather than a deficit, but we expected a much bigger deficit than that which we have, and I believe the public at large expected a much larger deficit."

All the ordinary expenditure, he said, amounted to \$25,880,842 and ordinary revenue to \$25,078,094, leaving ordinary revenue short of ordinary expenditure \$802,748. "You will readily see," he declared, "that this statement and this result could have been easily changed to a more favorable showing had the accounting been treated as in 1918 and in