

Friday, March 6th

923.65, as compared with \$34,110,212.62 the previous year, leaving a net increase of \$6,430,711.03. The increase in the revenue in the various departments was explained, the outstanding ones being the Prime Minister's Department, \$1,036,057.45; Lands and Forests, \$1,341,757.63; Treasurer, \$1,966,513.94; Highways, \$972,100.61. All this increase was brought about with no increased taxation, but by competent and careful collections, the Treasurer said.

In the Department of the Attorney-General revenue increased \$277,254.26, induced by an increase of \$100,000 from the Government dispensaries. In 1923 the department received from fines \$359,345.80; in 1924, \$426,665.80, an increase of \$67,320. In 1923 the department received from confiscated liquor \$71,649.58; in 1924, \$106,596.53, an increase of \$34,946.95. The expenditure of the department decreased by \$10,000, the Treasurer said, a remarkable achievement when it was considered that it was the Ontario Temperance Act which was being administered, Mr. Price added.

Expenses Cut; Debt Reduced.

Ordinary expenditures for the year were \$49,009,688.16, a net decrease of \$295,750.99. As the public debt was reduced between two and three millions, Mr. Price claimed a net decrease outside the public debt of \$2,629,453.22. In 1923 the interest on the public debt amounted to \$13,510,703.26, while in 1924 it stood at \$16,173,592.43. In 1924 there was paid in interest \$2,662,884.17 more than in 1923, which accounted for the small net decrease in expenditures.

The Treasurer explained that under C. C. Hele the advertising bill had been reduced \$48,742, and that funds for rural distribution of electric power lines totalled \$769,422.71 during the year. This was \$579,026.95 more than was chargeable to the year, but it had been decided to pay the amount and be done with it.

In the Lands and Forests Department reorganization of various

branches of construction resulted in a saving, and the saving in the Forest Patrol Branch was announced as \$202,916.24. The cost of the construction and maintenance of roads decreased \$312,495.56. In the King's Printer's office there was a saving of \$68,340.47 on printing and binding, and \$63,000 on stationery. Mr. Price took pride in announcing an increase of collections in the Amusements Tax Branch of \$232,946.89.

Reduction in Expenditure.

Touching expenditure, the Treasurer said that only one-third was controllable, the balance being uncontrollable. The former amounted to nineteen and one-half millions, and the Government had cut off two and one-half millions from this since last year. For 1924 the uncontrollable expenditure was \$32,090,620.99, a decrease of a little over two millions from 1923.

One of the reasons for the great reduction in highway costs had been the active supervision of the Minister, said Mr. Price. The Nipigon Hydro plant last year paid \$150,000 of previous deficits, and the Treasurer expected to obtain the balance of these deficits this year. The total deficits had amounted to \$567,621.58. He presented a statement showing rentals still due from the Ontario Power Company of \$394,952.29, from the Toronto Power Company, \$64,471.98, and other miscellaneous amounts, the total coming to \$1,180,693.69.

Deficit of \$8,468,764.

Mr. Price announced the deficit this past year to be \$8,468,764.51, a betterment of over six millions over the previous year—a result, he said, which was satisfactory, seeing there had been increased demands in uncontrollable expenditures. These included more interest on the public debt, withdrawal of Federal grant to agriculture, bonus to rural Hydro distribution lines, and payment of old accounts in the Highways Department.

The capital revenue for 1924 was \$9,011,578.70, as against \$3,912,795.16 in 1923. This was brought about by an increase of \$2,179,775.19 in refunds from the Hydro Electric Power Commission, \$530,845.05 collections in the Lands and Forests Department, and Federal payments had increased receipts by \$2,004,589.63.

Capital expenditures were \$36,035,218.79, a net decrease of \$7,658,565.26. These decreases were: \$1,051,639.36 in the Lands and Forests Department, \$294,018.16 in Public Works, and \$11,075,095.66 in Highways. Increases in capital expenditures were noted in additional advances to Hydro of \$4,229,540, this being an investment in a direct revenue-producing asset.

\$73,000,000 on Roads in Six Years.

"The expenditure on roads during the past six years has been prodigious," said Mr. Price. He produced a statement of these expenditures which showed that the total capital expenditure since 1919 was \$72,926,487.35, and the total maintenance charges for the same period of time \$15,342,642.70. Prior to 1919, going back fifteen years, he estimated that \$25,000,000 had been spent.

Gasoline and motor license taxes would bring in at the most nine millions, he said, and, while this amount would not be sufficient, it would go a long way toward making new roads pay for themselves. In discussing the gas tax the Provincial Treasurer reminded his hearers that gasoline a few years ago was 40 cents a gallon and now it was much lower in price.

The Province, he said, had been fortunate during the past year in its borrowings. The Province had taken advantage during the year of the rates on short-term loans and was in a position to keep out of the market for long-term money until it got a good rate.

Field for Municipal Taxation.

Coming to the question of municipal taxation, Mr. Price showed sources of revenue utilized in other Provinces of the Dominion which Ontario as yet had not touched. He quoted instances of taxation in all the other Provinces and declared that if Ontario instituted these taxes and collected them from the people through the municipalities and otherwise it would be collecting forty millions of dollars that it does not collect at the present time. Many people, he said, were of the opinion that income tax was a Provincial affair. In no other Province of Canada were municipalities treated so well as they were in Ontario.

Proceeding, Mr. Price itemized amounts which the Government had returned to municipalities, and which, he said, must be taken cognizance of in consideration of Provincial finances. In education alone, he said, there was paid out in school grants over \$8,000,000; another \$5,000,000 for hospitals and kindred institutions, and in mothers' allowances \$1,708,000.

On the amusement tax impost, of which there had been criticisms, Mr. Price proceeded to show that the Government was extremely lenient, exempting numerous kinds of entertainment, from which, if taxation were collected, another \$180,000 would be received.

Government Savings Offices.

Reviewing the machinery of the Government Savings Offices as related to the Agricultural Development Board and the Farm Loans Branch, Mr. Price said that, while there had been certain declines in deposits, these had now returned to approximately the same amount of a year ago, approximately \$21,000,000. Of the \$21,000,000 deposited with the Treasurer, \$7,600,000 had been advanced for farm loans. In line with other interest rates, the Government interest payments on this had been reduced from 5 1/2 to 5 per cent., and he proceeded to restate his explanation that the decline in interest rates on Government borrowing had proceeded so far that the Administration found itself in a position to borrow outside money cheaper than by paying 4

per cent. to the savings banks. For this economic reason the Government had cut the interest to 3 per cent.

While the Government had been concerned some time with the lowering of farm property values in relation to its loanings, the situation had been fairly satisfactorily straightened out, Mr. Price said. The Government had been alarmed, however, by the "muddled" situation in regard to short-date loans, in connection with which the auditors had reported very unfavorably. According to Government calculations, however, if the Agricultural Development Board operated as advantageously as it did last year, the rate of interest to the farmer could be reduced from 6 to 5 1/2 per cent.

Per Capita Debt of \$39.50.

Announcing Ontario's funded debt as \$285,339,948, and its unfunded debt at \$49,689,827, the Provincial Treasurer noted that there was invested in Hydro \$135,045,216; in T. & N.O., \$30,207,934, and in loans to municipalities, housing, highways, etc., \$8,773,467. If one added current assets one would find a total of \$216,515,201, leaving a net non-revenue-producing debt of \$118,514,574. It worked out that the per capita debt in Ontario was

\$39.50, which Mr. Price considered not so bad.

The Provincial Treasurer heralded Government borrowings during the year of \$40,000,000 to meet maturing loans of \$25,000,000, and estimated expenditures of \$20,000,000 on Hydro, T. & N.O., Northern Ontario, road building, etc. The Government could make up the differences with unexpended balances from other years.

The Provincial Treasurer stated that the capital expenditure on highways decreased from \$19,206,220.46 in 1923 to \$8,131,024.80 in 1924, a slackening in cost of \$11,075,095.66. This was a most remarkable showing, he said. "The department here has reached an outstanding achievement, namely, that it was able to construct practically the same mileage in 1924 as in 1923 at about half the cost per mile of the former road construction, making a saving to the Province in road construction last year of \$4,101,000."

**MANY ORGANIZATIONS
WILL RECEIVE GRANTS
FROM ONTARIO'S TILL**

**Supplementary Estimates
Tabled in House Yesterday
Total \$2,187,592.92**

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Supplementary estimates, tabled yesterday in the Legislature, amount to \$2,187,592.92. Last year the supplementary estimates totalled \$16,950,388.45. Together with the main estimates tabled a year ago, the total estimates for the fiscal year ending Oct. 31, 1925, are \$53,486,278.27. The year before the total estimates were \$71,149,452.12.

The small total apparently is made up of routine items. The biggest estimate is for the Public Works Department, \$1,523,279.50. The Provincial Secretary's Department budgets for \$286,698.56; each of the other departments is under \$100,000 and many of them under \$50,000.