

Friday, March 12th

NO NEW TAXATION IN ONTARIO, AS IMPROVEMENT IN REVENUE MATERIALLY REDUCES DEFICIT

The Budget in a Nutshell

Abandonment of Luxury Tax on carbonated drinks.
Estimated deficit of \$1,500,000 for 1926.
Improved method of treating accounts.
Interest Account separated from Revenue and Expenditure.
Sixty-seven audits conducted during the year bring substantial savings.
Revenue and Expenditure Accounts shows \$2,200,000 surplus.
Eleven million six hundred thousand dollars improvement in revenue over 1923.
Striking improvement in public finances.
Savings Office and Agricultural Development Board Reserve Fund firmly established.
Provincial roads have cost \$95,000,000 since 1915.
Gas tax and license revenues fall short of paying for roads.
Borrowing Bill, including refunding, is \$40,000,000.
Supplementary Estimates total \$1,951,504.
During 1925 Province borrowed at lowest rate in history, 4 1-2 per cent.
Taxation reforms promised.
Provincial Sinking Fund to be launched in 1927.
Likelihood of a balanced Provincial Budget in two years.

LEGALITY OF "GAS" TAX IS UPHOLD BY PREMIER

**Thinks B. C. Decision Will
Have No Effect on On-
tario Impost**

Queried in the Legislature yesterday regarding what effect the judgment of the British Columbia Supreme Court, in declaring that Province's gasoline and oils tax ultra vires, might have on Ontario's impost regulations. Premier Ferguson said that from the newspaper reports he was inclined to believe that entirely different points were involved. In British Columbia the Premier believed the arrangement to be one of indirect taxation, while in Ontario it was direct. The Premier added that until he had a copy of the judgment he could not give a definite opinion on the situation.

**Likelihood of Balanced
Budget in Two Years
Indicated by Provincial
Treasurer—Entire Debt
of Hydro to Be Wiped
Out in Forty Years**

SOFT DRINKS TAX TO BE ABANDONED

**Increase in Revenue Over
1923 Is Placed at \$11-
600,000, With Deficit for
1926 of \$1,500,000 —
Public Finances Strik-
ingly Improved, Claims
Hon. W. H. Price**

Abandonment of taxation on carbonated drinks, which has been the subject of difficulties and contention during the past year, was announced by Provincial Treasurer Price in his third Budget address before the Ontario Legislature yesterday.

The tax, which brought deputations in protest and resulted in conflict between the manufacturers and the department as to collection and the affixing of stamps to pop bottles, yielded only a little over \$80,000 since its imposition last spring, and Mr. Price estimated receipts would not be more than \$100,000 for the year. For that reason it was abandoned.

Later he announced that it would involve some tax collection department reorganization in May and the release of some of the inspectors.

Deficit Reduction.

No other taxation changes were announced by the Treasurer. He estimated the 1926 deficit at \$1,500,000, as compared with the present \$5,000,000 deficit, and announced an \$11,600,000 improvement in revenue over 1923, noting at the same time a striking improvement in public finances. Intensified audits, of which no fewer than 67 were conducted during the year, he said, had resulted in substantial savings.

Definite announcement was forthcoming of the institution of a debt-retirement policy in the year 1927. This, he admits, necessitates a balanced Budget by that time. If the present fiscal year works out according to departmental estimates, "it may not be necessary to put on any further taxation. Should it be found, however, that these anticipations are not realized, then the Government will have to take under advisement the providing of new revenues."