

March 5th.

# TAXES WILL REMAIN AND SURPLUS FOR 1930 TO BE HALF-MILLION

## New System of Bookkeeping Will Eliminate "Cross-Entries," Ontario Provincial Treasurer Tells Legislature — Extensive Review of Income and Expenses of Year

## STEADY DEBT CUT, SPEAKER CLAIMS

Provincial Treasurer Monteith's fourth Budget since he assumed office in the Ferguson Government was bared to the Ontario Legislature yesterday, revealing a surplus of \$2,642,000 for the fiscal year ending Oct. 31, 1929—a surplus which is not only the largest in this Province since Confederation, but one



HON. DR. MONTEITH.

which tops by some \$75,000 the official pre-session estimate of last December. In his two-hour and a quarter speech to the House yesterday Hon. Dr. Monteith sprung, with a single exception, no surprises. There were no new tax levies or reductions, and they had not been expected. The single "surprise" in his lengthy review of the Province's finances, and the part the present Administration has played in carrying Ontario's credit to "the high-water mark" in the financial world, was his announcement that in future the Province will amend its accounting system to the extent of introducing the Winston Churchill system of elimination of cross-entries.

### Next Year's Surplus.

On this new basis of reckoning, Dr. Monteith forecasts a surplus of \$490,000 for the current fiscal year. In this estimated surplus, gasoline tax, liquor-control profits, and succession duties are expected to play, as they played during the fiscal year now reported upon, the leading roles of revenue-getters.

In yesterday's Budget speech Dr. Monteith stressed the points that the Provincial debt was now under control, and that more than \$3,470,000 of it had been retired in 1929; that the 4.95 per cent. rate secured by Ontario in its re-funding operations was unequalled by any other Province in the twelve-month period; that \$9,000,000 had been saved to the public since 1923 by reason of the Ferguson Government's tax reductions; that capital expenditures were being held at a low level; and that public services were expanding and being efficiently maintained.

### Ordinary Revenues.

Ordinary revenue for the year amounted to \$64,549,717.93, and ordinary expenditure, \$61,906,824.25, creating the \$2,642,893.68 surplus aforementioned.

Ordinary revenue was slightly more than \$6,000,000 in excess of that of the previous year, "due almost entirely," Dr. Monteith declared, "to the increase in succession duties of nearly \$2,000,000, gasoline tax, over \$3,750,000, and motor licenses, over \$1,250,000."

Ordinary expenditure represented a \$3,708,000 increase over the previous year. "This increase," said the Treasurer, "is explained by grants to schools, \$154,000; fire ranging, \$433,000; highway maintenance, \$256,000; grants to hospitals and charities, \$250,000, and to the Ontario Research Foundation, \$200,000. These, with other smaller amounts, explain \$2,000,000 of the above increase. The balance is accounted for by the increase in Interest Charges on Public Debt."

Dr. Monteith analyzed the operations of the various departments as follows: **Education Activities.**

"The Department of Education covers a wide range of activities, which entail an expenditure of \$10,278,000, with a revenue of \$358,000. Essentially then, it will be noticed that this is an expending department, rather than one of revenue.

"When one considers the great necessity of keeping abreast in the problem of education, it will generally be accepted that this one department demands substantial outlays. It is necessary to keep in mind that 23 per cent. of our population is in educational institutions all the time, numbering some 750,000 students. The Provincial Treasury contributes to all grades of education from the kindergarten to the university, to the amount, as I have stated, of over \$10,000,000. While economy has been rigidly adhered to in this department as in others, yet there are certain fixed and special charges that cannot be avoided. It will be recognized that the Dominion Government has withdrawn its grant of \$350,000 from the support of technical education in our Province. This has been absorbed by the Government, and the whole educational structure maintained at a high standard.

"We may class as chief items of outlay the grants to public and separate schools amounting to over \$5,000,000, and the grants to universities of about \$2,500,000. Other contributions, such as support to the deaf and blind, technical education, teachers' training schools, Royal Ontario Museum, etc., account for the balance.

### Highways Department.

"This is another department that is important both from the standpoint of expenditure and revenue. In recent years there has been a very decided change in the method of transportation. All classes of citizens, rural and urban, have adopted the motor car as a means of transportation. This has created a desire for more roads, and better roads, and the universal demand for increased expenditures on our road system throughout Ontario has been growing year by year. The question comes up as to the justification of expenditure for such a large amount of money for the construction of new roads, but the people have assumed the attitude that these expenditures are really paying investments. The saving on the operation of a motor car more than justifies the overhead

interest and maintenance charges on the roads, and it has now generally been accepted that it is good business and economically sound to provide better roads for the now established method of transportation. The Government, therefore, has been increasing its mileage and improving the highways, the expenditures running into millions of dollars each year.

### Cost in 1929.

"In 1929 there was expended for maintenance and construction a sum of \$19,500,000. When one considers a revenue from this source in the one year of \$17,000,000, then it is plain that these substantial revenues, which have been accepted as logical by the people, easily justify the policy now prevailing in the Department of Public Highways. A portion of this outlay, amounting to some \$6,000,000, is composed of grants to the county and township roads. The balance is devoted to highway maintenance and construction. The main highway arteries throughout the Province have been pretty well cared for at this date. The object, however, is to connect every resident, rural and urban, by means of a good road system. More generous contributions, therefore, will be made to township roads in the future. This problem is uppermost in the minds of the people today, and the thought that is generally reflected is that the people are receiving an efficient service and full returns for the moneys invested. The revenue of \$17,000,000 is derived chiefly from gasoline tax, to the amount of \$8,500,000, and from motor licenses, \$7,750,000. This source of revenue is generally conceded to be fair and just. It will be noticed also that the amount represented by the revenues all goes back on the roads, and some more besides.

### Attorney-General's Department.

"This department has recently been before the public in connection with its activities concerning the Security Frauds Prevention Act, which has assisted considerably in the protection of the public in their investments. High-pressure salesmen have been brought under control, and the safeguarding of the public's money has undoubtedly saved the people of the Province millions of dollars that might have otherwise gone into fraudulent channels.

"Outside of the usual functions of this department in the administration of justice and law enforcement generally, there has been considerable attention paid to welfare laws, resulting in beneficial legislation arising out of such acts as the Parents' Maintenance Act, Children of Unmarried Parents Act, and in the treatment of first offenders of the law.

"The enforcement of the Liquor Control Act, together with amendments directed toward the tightening up of this act, has received wise and vigorous attention at the hands of the Honorable the Attorney-General.

"The investigations pertaining to brokerage houses have also laid the foundation for extra protection to the investor.

"Considering the increased activities of this department, the expenditure however, has been maintained at practically the same level, namely, \$2,250,000, chiefly accounted for by law enforcement, \$700,000, and administration of justice, \$750,000. The revenues for 1929 amount to \$8,000,000, an increase over the previous year of some \$300,000, accounted for largely by profits from the Liquor Control Board.

### Public Institutions.

"The chief activity of the Department of the Provincial Secretary is the administration of the ten public institutions caring for upward of 10,000 inmates; also under the jurisdiction of the Provincial Secretary is the Parole Board, Children's Aid Branch, Bureau of Municipal Affairs, Hospitals and Charities. Marked economy has been practiced in this department, yet the