

March 5th.

inmates have received every care toward general health, including good food, proper ventilation, heat, etc.

"The amount of money required by way of expenditure in carrying out the various operations of this department is \$7,500,000. Inmates who are able to pay for maintenance are required to do so on a certain schedule. From this source revenues amount to \$856,000. The care of the sick and suffering is a State responsibility that must cheerfully be assumed, and the amount of money involved in carrying out this humane service must appeal to the general public.

"The total revenue of this department, including patients' maintenance, registration of companies and brokers, etc., is over \$2,250,000.

"In the Department of Mines expenditures amounted to \$364,000, and revenue \$800,000. The Government, through the Minister of Mines, has given mature consideration and substantial financial support to the development and expansion of our mining resources, resulting year by year in an increased output of precious metals and additional dividends to investors. In gold alone, our output in 1929 amounted to \$33,000,000.

#### Game and Fisheries.

"In the Department of Game and Fisheries the expenditure amounted to \$500,000 and revenue \$774,000. This department in a financial way carries itself, and has for its purpose the conservation of wild life, and the replenishing from time to time of our many lakes and rivers with suitable fish, and the regulation of the fishing and fur industries of the Province.

"Generally accepted as our principal industry, the Department of Agriculture has devoted constant attention to the improvement of the soil, its cultivation and products. Outstanding advantages have accrued to agriculture and those concerned during recent years. The Minister of Agriculture is greatly interested in the scientific side of this problem, feeling that it is essential to encourage the young farmer to make his calling a career and remain on the farm.

"Over \$2,600,000 was expended in 1929, spread over the various branches of this department, such as dairy, fruit, agricultural colleges and societies, and the work in combating the weed nuisance. Short classes on scientific agriculture to young farmer boys have proved a great incentive to the young farmer of the Province, to view more favorably the advantages of this calling.

"This department is not looked upon as revenue-producing, although in 1929 there came into the Treasury something over \$500,000 in respect of college fees, sales of produce, etc.

#### Health.

"In this department there was spent in 1929 \$750,000, which must appeal to the average citizen as being a most logical expenditure. Every part of the Province has been served through this department. Thus as a utility service the expenditure cannot appeal to the general public otherwise than as a necessary outlay of money. Revenue from this department is not great, yet incidentally there came into the Treasury something over \$125,000.

#### Labor.

"Expenditure in this department for 1929 was \$2,800,000, accounted for principally by mothers' allowances, which amounted to \$2,300,000. Other activities, such as factory and boiler inspection, Minimum Wage Board, etc., make up the balance. Of the revenue received in this branch—\$1,200,000—repayment from the municipalities of their 50 per cent. share of mothers' allowances accounts for \$1,100,000. The activities of this department are aimed at improved conditions for the industrial workers in various ways.

#### Lands and Forests.

"The operations carried on by this department are very wide and far-reaching, spreading over great reaches of the North country. Among the outstanding features of endeavor are forest ranging and fire ranging and protection.

"In the year 1929 there was expended in these services over \$3,400,000, of which \$2,180,000 was chargeable to ordinary account, which was an increase of \$500,000 over 1928, due entirely to the abnormal fire hazard conditions that prevailed last season.

"The Minister of Lands and Forests, while enthusiastic in all the phases of this department, is especially interested in fire protection and reforestation. This expenditure is conserving for the future citizenship of this Province our almost boundless territory of forest wealth. The sales of timber from time to time are safeguarded so as to encourage settlement, colonization and national development. Pulpwood, for instance, has to be manufactured into newsprint before leaving our borders.

"As a source of revenue, the Department of Lands and Forests is quite important, yielding in the year 1929 \$5,000,000, chiefly derived from bonuses and timber dues. The main endeavor of the Government is to secure for the people of the Province by its expenditure a healthy investment that not only permits of immediate returns but preserves its potential possibilities for generations to come.

"The expenditures under this head are outlays made under the Northern Development Act of 1912. The work under this branch entails the construction and improvement essentially of roads and bridges. The revenues are practically nil, while the expenditures amount to slightly under \$5,500,000, of which \$1,900,000 covers maintenance and \$3,500,000 construction of roads.

#### Provincial Treasurer.

"In the Treasury, the Consolidated Revenue Fund is supervised and under control by a regular system of book-keeping and accounting. All revenues from all departments find their way into this department, and all expenditures are checked out. The sum of \$2,000,000 was spent in 1929. The chief items were our contribution to the Teachers' and Inspectors' Superannuation Fund, amounting to \$725,000, and to the Public Service Superannuation Fund of \$400,000. Other branches such as the Controller of Revenue, the Succession Duty Office, Motion Picture Bureau, Censor Board and House Post Office are attached to this department.

"The Treasury is essentially a Department of Revenue. In 1929 there came into this department direct: Dominion subsidies, \$2,600,000; amusement tax, \$1,300,000; corporation taxes, including race tracks, \$5,200,000, and succession duty, \$6,600,000. These, with other smaller amounts, land transfer \$600,000, law stamps over \$400,000, and liquor permits \$985,000, represent the total revenue of \$18,335,000.

"The expenditure complete for 1929 in interest and discount is \$19,702,000.

"It will be noted that in 1929 we were in receipt of interest from the Hydro, \$8,200,000; T. & N. O., \$1,100,000; housing and drainage loans, \$374,000; Agricultural Development Board (farm loans), \$758,000, and other smaller amounts, such as bank interest on special deposits, represent a revenue of \$10,717,000. Our actual net outlay, therefore, on interest charges is slightly under \$9,000,000."

#### Record Surplus.

Of the surplus the Treasurer said: "In the first place, it is a record surplus for this Province, the largest in its history. Although the Government happens to have a buoyancy in revenue, and a substantial surplus, it does not mean that it necessarily spends money just because it has it. Likewise, it will appeal to the taxpayer that, while an era of balanced Budgets and surpluses has been reached, the Govern-

ment has not grown reckless and extravagant in the use of its money. It may be observed, also, that it is not absolutely necessary to have a particularly large surplus in order to represent healthy finance. In 1928 our surplus was \$228,000, still our financial year was a successful one. In 1927, the first balanced Budget in many years and a surplus of \$359,000 was shown. Yet this was an outstanding year in the finances of the Province. However, there are times when a large surplus is very necessary, and 1929 is an example of such.

"Six months prior to the end of the fiscal year 1929, the Government was aware that there was a new expenditure facing them in the fiscal year 1930, amounting to approximately \$2,000,000 to meet the requirements of old-age pensions. In order not to be forced to new sources of revenue, the moneys of 1929 were conserved. This surplus cannot be used to pay old-age pensions in 1930. It automatically reduces the debt, the same as a deficit would be charged up against the debt. As you know, Mr. Speaker, a debt retirement scheme is in operation, and annual payments thereunder are the first charge on the finances of the Province each year. In the payment of the debt quota of 1930, amounting to \$3,858,000, the Province will pay \$2,275,000, and the balance by Hydro. The amount of \$2,275,000 paid by the Province as its share of the debt quota will be provided by the surplus, thus relieving the revenues of 1930 to that extent, to meet the additional demands made by old-age pensions. The Government is, in effect, in advance of its commitments in connection with the debt retirement scheme."

On the matter of taxation and revenues he stated emphatically that the policy of the Government as a basic principle was to secure revenue from services rendered. "Less than 25 per cent. of our revenues," he declared, "are derived from taxation, such as the amusement tax, corporations, betting tax at race-tracks, gasoline, etc. Some \$15,000,000 comes from such sources.

"The \$8,000,000 from the Liquor Control Board is a profit, not a tax. Much of our revenue comes from licenses, which is payment for a privilege; also from fees, which is payment for a service rendered. Some \$10,000,000 of interest cannot be considered in the light of a tax. Three-quarters of our entire revenues come into the Treasury through these sources.

"Then, again, in the Province of Ontario a very small percentage of our revenue is a general tax on all the people. Of our revenue of \$64,000,000 less than \$2,000,000 is derived from a general tax on all the people. There are the mothers' allowances of \$1,000,000 contributed by the municipalities; \$345,000, which represents 20 per cent. of the Provincial highways maintenance; and contributions at the rate of 10 cents a day per indigent inmate in the Provincial institutions. These represent the amount of ordinary revenue of the Province derived from a general tax of the people; \$17,000,000, the revenue from the highways, is received from those who drive the motor car and use the highways. This does not apply to the yet large percentage of our people who do not own or operate a motor car.

#### Succession Duties.

"There came into the Treasury over \$6,000,000 in 1929 from succession duty. This, it will be seen, is not a general tax; also, in the same category might be placed \$2,250,000 as subsidy from the Federal Government; the \$3,750,000 from lands and forests resources; the \$5,000,000 from the Corporations Tax Act; and other amounts, such as \$8,000,000 from the Liquor Control Board; \$10,000,000 interest; and revenue derived from licenses, etc., the idea being to have the public acquainted with the principle underlying our method of receiving revenue for the payment of services rendered, as stated above."

The following table, representing the saving to the public in taxation and loss to the Province in revenue during the six years of the Ferguson Govern-