March 13

company, he stated, had estimated that generation cost 7 per cent., transmission 14 per cent., and primary and secondary distribution cost 79 per cent. in the total cost of power.

Thus it was extremely important that transmission and distribution should be in the hands of one large Commission like the Hydro, so that the effect of every possible economy should be felt. Thus it was that powers which no private corporation would or could have obtained were given the Hydro, so that it might make its enterprise successful.

Rural Power Problem.

At present the Hydro was struggling with a problem which was not as easy of solution as might appear on the surface. Many thought that electricity could be as easily distributed in rural sections, with the same facility that telephone lines could be established. But the situation was entirely different. It was a question of power used and needed. He ventured to believe that more power was used in the Parliament Buildings than was needed for all the telegraph and telephone companies in Ontario. One electric lamp would probably take more electricity than would be needed for the average rural telephone line.

The Government, he said, was doing its best to encourage the use of Hydro power in the rural districts. It contributed 50 per cent. of the cost of the primary and secondary distribution lines. This was as a bonus. Today there were 6,640 miles of rural power lines, serving 43,251 customers. The estimated increases for this year were 1,862 miles and 9,700 users. The bonus paid to date was $7,534,221. Almost 500,000 customers were served by Hydro throughout Ontario today.

The Province's investment in the T. & N.O. Railway was $30,000,000. The gross earnings of the railway last year had been $4,900,000. To date the railway had repaid to the Treasury $13,788,000. The railway had opened up a great country, and would before long give Old Ontario its own line to tidewater at Hudson Bay.

The mines in the area tapped by the railway up to October last had paid dividends to their shareholders of $211,000,000. The gold production of the Province in the last ten years, most of it in this district, had been $278,000,000. Gold mines in the area had paid dividends of $107,000,000.

The Agricultural Development Board, lending money to the farmers at 5½ per cent., had outstanding loans of $23,835,000 on Oct. 31, 1929, and on the same date in 1930 had loans of $29,442,000, an increase of $5,607,000. In the last year 2,764 loans had been made to the total of $6,803,000 on property valued at $22,930,000.

Improved Roads.

Ontario had 5,732 miles of improved roads, or two-thirds of all this type of roads in Canada. Concrete road mileage was 1,298, or seven-eighths of all Canada's. The revenue from the system was $5,574,000 in license fees and $10,736,000 in gas taxes, a total of $16,304,000. Highways kept free of snow at all times totalled 2,221 miles. Notwithstanding the severe storm of the last week-end, he said, there was very little interruption in motor traffic on main highways.

Further revenue from the highways system came from the great annual influx of United States tourists. Last year 5,409,000 cars had entered Canada from the United States. Of this number, 4,164,000 visited Ontario, or 75.92 per cent.

Revenue from tourist purchases of liquor permits was $223,000, or one-quarter of the total, while $72,000 was paid in hunting license fees and $209,000 for fishing, a total of over $500,000. The total estimated revenue to Canada from the tourist business was $200,000,000, of which Ontario's share would be $150,000,000, or $4,000,000 more in one year than the entire Ontario investment in the Provincial highways system.

Tax Collections.

The question of revenue was quite as important as the close supervision of expenses. Of succession duties of $11,229,000 levied last year, only $278,000 was outstanding at the end of the fiscal year on Oct. 31, 1930. Of a $4,845,000 corporation tax total, only $46,000 had been uncollected then. This showed tax collections for the Province were closely watched.

The Workmen's Compensation Act, Mr. Dunlop said, was a model for the whole Dominion. Some 600,000 employees were insured under it. In 1929 damage payments were $8,113,000 and 69,270 claims had been settled. The cost of administration was only 4 1-4 per cent.

The Government Savings Department had had a successful year. There were now over 80,000 depositors, with $23,707,000 to their credit, and the board had a surplus of $186,000.

Liquor Sale Receipts.

Mr. Dunlop said that $7,495,000 in revenue had accrued to the Treasury during the past fiscal year from the sale of liquor, and from the sale of permits and the imposition of fines in regard thereto. Had the Liquor Commission been given more to selling whiskey than controlling it, a greater revenue undoubtedly would have been returned. But Ontario was not, he contended, operating its liquor act like the Province of Quebec, where sale was the sole thing in mind. The board there was a selling institution, pure and simple; here, he said, the board was an institution for control.

Mr. Dunlop contrasted the prices of various liquors in Ontario with prices obtaining elsewhere in Canada to support his claim that liquor was sold in this Province considerably cheaper than in any other Province with a Liquor Control Act. With some vigor he denied recent Opposition argument that $50,000,000 worth of booze was consumed annually by the people of Ontario. "Such talk," he added, "is nonsense."

Where the Money Goes.

By way of explanation of his denial he claimed that of every dollar which went into the purchase of a bottle of Scotch whiskey, at least 74 cents of it went to the Dominion Government for excise and to the Liquor Control Board for the maintenance of its staff and the operation of its services. Nor was all the liquor that was bought here consumed by residents of the Province of Ontario. The annual influx of tourists—represented from the liquor control point of view by the purchase of $225,000 worth of permits last year—would, undoubtedly, dispose of a considerable amount, and, he said, it was also reasonable to suppose that a lot of the liquor sold by the Ontario board might find its way across the forty-ninth parallel, despite "our efforts to enforce the Volstead law" to the north of it.

"It's far beyond possibility," Mr. Dunlop argued, "for the people of this Province to drink $50,000,000 worth of booze a year."

Research Activities.

At some length Mr. Dunlop dealt with the work of the Ontario Research Foundation, tracing its history from its inception down to its present day activities, and its desire to aid in the great industrial development of Northern Ontario by bringing new scientific methods to the aid of the people of the North. At the present time, he intimated, Hon. Thomas L. Kennedy, Minister of Agriculture, was approaching the Foundation to secure its help in dealing with many of the baffling problems with which the agricultural industry is confronted at the present time.

Getting down to the question of his forecast for the current fiscal year, Mr. Dunlop brought the crowded House to rigid attention with the statement that the Government expected to increase its revenue from the sale of liquor by $2,500,000.

"And not from the consumption of liquor either," he flung out, when Opposition members of the House made as if to challenge his remark.

Higher Liquor Prices.

"We have asked the Chairman of the Liquor Control Board," said Mr. Dunlop, "to so adjust his prices that without encouraging the sale of liquor, or without enhancing Ontario prices beyond the prices obtaining in other Provinces, that they will increase our revenue to the extent I have stated."

"Are the prices going up?" asked Charles A. Robertson (Liberal, North Huron).

"Most likely," replied the Treasurer.

"It is also the intention of the Government," he went on to declare, "to raise $2,000,000 by imposing a tax of one-tenth of 1 per cent. on the capital stock of all corporations in the Province of Ontario."

There were several ways, stated Mr. Dunlop, in which the predicted deficit for 1930-31 could have been avoided, and one was neglect to carry out its policy of debt retirement. "If our debt retirement plan was deferred—and, by the way, we are the only Province with a debt-retirement plan," said he, "we could have balanced our Budget for this year. But continuity of payment is the main factor in the success of any such plan; it is the keystone of the arch. So we could not, and would not, forsake our policy to cover up any threatening deficit."

Old-Age Pensions.

The Government would carry its present deficit into the new year without inaugurating any new measures of revenue to take care of old-age pensions, which, had they been left out of our calculations, would also, he claimed, have given the Province a balanced Budget.

"Aren't you contemplating any relief from old-age pensions?" asked Hon. Harry C. Nixon, Progressive Leader.

"We don't anticipate any this year," replied Mr. Dunlop. "We plan to keep it through the present era."

In respect of unemployment relief, Mr. Dunlop announced that the Government would carry it on capital account and dispose of it in five yearly payments, commencing next year.