

creases, exemptions will be entirely eliminated, except to religious, charitable, patriotic or philanthropic organizations, which may be granted a rebate of the tax collected, on production of a statement showing that at least two-thirds of the gross receipts of the entertainment have been available and paid over for the above purposes. The schedule of increases has still to come.

Gas-Tax Increase.

The gas-tax increase will be 1 cent—from 5 to 6 cents per gallon. All rebates will be abolished except to farmers or fishermen in the pursuit of their respective callings.

A tax of 10 cents per bottle will be applied to all spirituous liquors and imported wines sold through the stores of the Liquor Control Board. Domestic wines sold through the wineries of the Province will be taxed 25 cents per gallon.

The law-stamps rises are still unscheduled.

Labelling the entire program an "emergency measure," Mr. Dunlop served notice that, with a return to normal times, the Government expects to reduce these and other long-standing levies.

Estimated revenue for the current year was set by the Treasurer at \$56,005,000, as compared with \$54,390,092 in 1931. Estimated expenditure was placed at \$55,640,000. In 1931 it was \$54,846,994.

Speaks for Hour and Half.

Presentation of the Budget and Public Accounts was accomplished by an hour-and-a-half address by Mr. Dunlop, in which he paid particular tribute to the loyalty of his fellow-Ministers, the Deputy Ministers and the civil servants of Queen's Park in aiding the Treasury to reach a satisfactory solution of a difficult financial situation; in which he emphasized the part that the quickly oversubscribed Ontario domestic loan had played in maintaining not only the high credit of the Province, but the Dominion's as well; and in which, generally speaking, he dealt with general departmental administration from every angle of revenue and expenditure, and stressed the retrenchment program to which the Government had firmly set its hand as a partial means of effecting a balanced Budget on Oct. 31 next.

Money Not "Stolen," He Says.

At some length he dwelt on the operations of the Liquor Control Board to show, as he claimed, that the Treasury, in calling on the board's reserves to the tune of some \$2,000,000

last year, had not "stolen" this money, as certain press reports might suggest.

In regard to the increased motor taxes now effective—from which the Government expects a considerable revenue increase this season—Mr. Dunlop contended that, whatever criticism might be offered of them, they still were lower than any other Province's.

A vigorous defense of the present elimination of cross-entries system of bookkeeping, and a detailed statement regarding the remarkable increase of \$54,000,000 in Hydro reserves in the last ten years, were two other highlights of his address.

The schedule of amusement tax increases which have been announced by the Provincial Treasurer has still to be worked out and will, it is understood, be submitted to the Tory caucus for its approval before formally and finally being made public.

Economy Program.

The \$5,000,000 saving and economy program on which the Government is now operating was outlined by Mr. Dunlop as follows:

"The estimated ordinary revenue for the present financial year is \$56,005,000, as compared with \$54,390,000 last year—an increase in ordinary revenue for the year of \$1,615,000.

"The estimated ordinary expenditure, exclusive of public debt charges and direct unemployment relief, is \$37,920,000, as compared with \$42,595,000 for the year 1931—a decrease of \$4,675,000. Adding interest charges on the public debt in the amount of \$13,560,000 and estimated payments for New York exchange \$1,660,000, and an estimated expenditure on account of direct unemployment relief of \$2,500,000, the total expenditure during the year will be \$55,640,000, leaving an estimated surplus

on account of the year's operations in the amount of \$365,000. We estimate to take care of the debt retirement requirements on behalf of the moneys advanced to the Hydro-Electric Power Commission in full, but there is no provision in this estimate for any debt retirement on account of Provincial debt exclusive of the Hydro-Electric Power Commission.

Receipts and Outlay.

"The statement of receipts and expenditures, as presented herewith, is unique, and I doubt if a similar statement has often, if ever, been presented to a legislative body. The expenditures in connection with the administration of the affairs of this Province show a substantial decrease in every department of the Administration excepting that of the Provincial Treasurer. In accordance with our system of government, expenditures are grouped into twenty main classifications, and nineteen of these have been able to effect substantial reductions owing to a policy of rigorous economy and retrenchment which has been applied to the most minute detail of Government expenditure. For the information of honorable members I will make a comparison as between the actual expenditure for last year and the estimated expenditure for this year in each of these various departments.

"The classification under the heading Lieutenant-Governor, at \$6,000, is the same as last year.

"Prime Minister's Department, at \$158,000, shows a saving of \$15,000 as compared with last year. Legislation, at \$365,000, shows a saving of \$15,000. The Attorney-General's Department, at \$2,750,000, shows a decrease of \$35,000 from the figures of last year, but this does not truly indicate the saving effected in that department of the Government, as, in accordance with a recent judgment of the Privy Council, the Province is not entitled to retain fines received in certain cases, and we are ordered to make return to various municipalities of fines which we had collected, and which we contended belonged to the Province. The return of these fines, amounting, in round figures, to \$300,000, of which one item alone of \$250,000 has to be returned to the City of Toronto, are included in the estimated expenditures of the Attorney-General's Office. This item is an extraordinary and unusual expenditure, and the elimination of this item would have shown a reduction in the ordinary expenditures of the Attorney-General's Office of \$335,000.

Insurance Department.

"The Insurance Department shows an expenditure this year of \$65,000, as compared with \$72,000 in the previous year. Education is estimated at \$10,048,000 this year, as compared with \$11,829,000 last year, a saving in this department of \$1,781,000. Lands and Forests estimate an expenditure of \$1,330,000 this year, as against \$2,130,000 last year, an estimated saving in this department of \$800,000. Northern Development shows an expenditure of \$1,922,000 this year, which is a reduction of \$144,000 on the amount expended last year. Mines, at \$363,000 this year, are \$20,000 below their last year's figure.

"Game and Fisheries likewise has reduced its expenditure for this year by \$11,000. Public Works Department shows a reduction of \$51,000.

"The Highways Department, for maintenance and repairs, are effecting a reduction of \$290,000, as compared with their expenditures for 1931. This expenditure, too, perhaps, indicates a greater economy than would be apparent from these figures, as the highways expenditure for maintenance and repairs last year showed a reduction of \$754,752 from the year 1930, so that, comparing the Highways expenditure on maintenance in 1932 with 1930, there is a reduction in this item of over \$1,000,000.

Public Health.

"Public Health in 1932, at \$787,000, shows a reduction of \$72,000 from the previous year, and Hospitals, at \$4,960,000, a reduction of \$269,000 from the year previous. Labor, at \$334,000, shows a saving of \$9,000. Children's Aid, at \$240,000, a saving of

BRINGS DOWN BUDGET



HON. E. A. DUNLOP.

Provincial Treasurer, who yesterday, in the Legislature, delivered his Budget speech, forecasting a surplus, but announcing the imposition of many new taxes.

\$7,000. Old-Age Pensions, a reduction in expenditure of \$527,000. This is not due to any reduction in the scale of old-age pensions, but is almost entirely accounted for by the increase in the proportion of the cost of old-age pensions, which is now taken care of by the Federal Government.

"The payments under the heading of Mothers' Allowances this year are \$1,615,000, as compared with \$1,479,000 last year; and miscellaneous expenditures in the Department of Welfare at \$315,000, show a saving of \$73,000. The Provincial Treasurer's Department, in so far as services are concerned, indicates a saving of \$31,000, but expenditures which are made through the Provincial Treasurer's Office, such as the Government's contribution to the Public Service Superannuation Fund and to the Teachers' and Inspectors' Superannuation Fund, are uncontrollable items—the contributions thereto being fixed by statute—and account for an increase of \$43,000 this year as compared with similar expenditures last year.

"The Legislative Postoffice also comes under the jurisdiction of the Provincial Treasurer, and as all of the mail of the various departments and branches of the Government is handled through this office the postal increase of one cent in the letter rate substantially increases the expenditure of this office, when it is considered that last year almost \$100,000 was paid for postage.

Treasurer Convinces Mr. Dunlop.

"The Treasurer has had a very unhappy time with the remainder of his colleagues in the Government because of the fact that he alone of all the members of the Cabinet has been unable this year to show a net saving in administration expenses. However, the Treasurer has been able to advance arguments in support of his exceptional position which quite convinces me that the \$12,000 net increase in the Department of the Provincial Treasurer has been quite unavoidable.

"The Department of the Provincial Auditor shows a saving of \$10,000; the Provincial Secretary a saving of \$72,000.

"In Agriculture there is a reduction in expenditure this year as compared to last of \$456,000, and miscellaneous expenditures, at \$400,000, compared with expenditures under the same item last year of \$559,000—a total saving in expenditure for the year, excluding debt charges, of \$4,675,000.

The Past Year.

The Treasurer's statement on revenue and expenditure for the past fiscal year was as follows:

"Referring to the financial activities of the past year, honorable members will note from the Public Accounts that the revenue of the Province was \$54,390,092, as compared with a revenue in 1930 of \$52,235,019, an increase in ordinary revenue for the year of \$2,155,075.