

ELLS OF SURPLUS



HON. GEORGE S. HENRY,
Premier and Provincial Treasurer, Who
Yesterday Presented the Provincial
Budget.

FOOLING PEOPLE, NIXON DECLARES OF HENRY BUDGET

Surplus Is Fictitious, Pro-
gressive Leader Says
of Claims

CAPITAL EXPENSES

"Fooling the people and fooling themselves," said Progressive Leader Harry C. Nixon last night, in discussing "the most readily assailable Budget in Ontario's history."

Indicating to some extent what line he would follow in his attack, Mr. Nixon termed Premier Henry's surplus fictitious. He questioned the propriety of listing all unemployment relief outlays with capital expenditure, where they would not affect the surplus on "ordinary" account. Capital expenditure, in Mr. Nixon's view, implied a revenue-producing disbursement.

Cross-entries were employed to conceal the true financial situation of the Province, claimed Mr. Nixon, deploring the difficulties of tracing expenditure through the intricacies of the immense public-accounts volume.

In remarking that the Provincial debt was piling up enormously, Mr. Nixon expressed intention to press his demand for comparative figures of loan yields during the Drury regime. He claims that figures for the Dominion and other Provinces would show that Ontario financing in the early twenties merely reflected the money market, and that other Governments of the day got no better terms.

\$19,367,000 OUTLAY DURING FISCAL YEAR IN CAPITAL ACCOUNT

Amount Not Included in
"Ordinary" Figures
for Province

1933 PUBLIC ACCOUNTS

The Provincial surplus of \$476,425 announced yesterday in Premier Henry's Budget speech shows in the public accounts as the difference between ordinary revenue of \$51,373,051 and ordinary expenditure \$50,896,626—a balance on every-day running expenses of the Government. Not included in the "ordinary" figures are capital expenditures, which amounted to a total of \$19,367,357 during the past fiscal year.

The biggest item in capital expenditures was the Labor Department's \$13,206,272, part of the cost to the Province of direct and public work relief during the twelve months ended last Oct. 31. The Highways Department accounted for another \$3,317,921, and the rest, in amounts all below the million mark, was distributed among other departments of the Government.

Balance of \$28,722,000.

Assets of the Province as at the end of last fiscal year are listed at \$622,850,790.69, and total liabilities as \$594,123,301.82, leaving a balance to Ontario's credit of \$28,722,488.87. On the asset side are Dominion grants and subsidies, and interprovincial funds totalling \$60,287,457; advances to Hydro, the T. & N.O. Railway and municipalities amounting to \$286,028,943; buildings, roads, etc., worth \$252,945,307, and estimated potential natural resources to a value of \$691,250,000, bringing total capital assets to \$538,974,250. Under current assets are cash in banks of \$8,973,885, accounts receivable of \$6,263,731, investments and cash under the Agricultural Development Finance Act totalling \$51,956,155, and minor items bringing the total to \$69,451,800. Deferred assets are given as \$379,704, and direct unemployment relief, less amount written off, as \$14,045,036, a total for these two items of \$14,424,740. Discount on loans is listed as \$8,543,747.

On the other side of the ledger are capital liabilities of \$518,268,408, made up of: Ontario stock and debentures, \$522,687,345, less sinking funds of \$5,496,416; annuities and certificates, \$1,077,479; and contingent liabilities, bonds, etc., guaranteed by the Province, \$102,103,131. Under this item is noted that the Hydro Commission has deposited with the Province of Ontario, bonds of par value \$2,101,000, on account of sinking fund for repayment of advances, in excess of cash payments called for under the debt retirement plan.

Current liabilities total \$75,859,894, comprising: temporary loans, treasury bills, \$36,620,000; deposits in the Province of Ontario Savings Office, \$21,546,006; accounts payable, \$535,202; accrued interest on public debt, \$9,166,384; and special funds, \$7,992,297. In debt retirement reserve, the amount provided out of ordinary revenue to date, in accordance with

the debt retirement plan, is given as \$7,668,561.

The gross Provincial debt increased during the fiscal year from \$572,318,393 to \$592,027,302, a rise of \$19,708,909. Included in this figure, the unfunded debt decreased from \$77,715,148 to \$75,859,894. The increase in the gross debt was due to: capital expenditure on highways, Northern development and Provincial public works, totalling \$6,161,085, and relief outlays, direct, and on municipal works, which brought the total to \$19,146,286; increase in farm loan investments of \$6,631,674; increase in pensions, mothers' allowances and unemployment relief, \$1,975,854; discount on 1933 bonds, \$685,069; miscellaneous, \$11,670, and increase in deferred assets, \$232,887, a grand total of \$28,683,440, from which are deducted cash, Hydro repayments, etc., of \$9,609,792, with book entries of \$635,261 added.

Net Debt Up \$21,767,000.

The net debt rose from \$277,673,821 to \$299,441,296, an increase of \$21,767,475. Biggest item accounting for the increase was the higher capital expenditure shown above.

The Province's \$51,373,052 revenue for the year was made up of: The Dominion subsidy, \$2,941,424; taxation, gasoline, mines, racetrack, stock transfers, etc., \$22,037,485; licenses, cars, liquor permits, hunting, etc., \$8,455,470; fees, Registrars, mine recording, Fire Marshal, etc., \$1,818,964; fines and penalties, \$91,743; profit from trading activities, Liquor Control Board, \$5,515,000; succession duties, \$8,081,322; natural resources, \$1,765,774; interest on drainage and sundry loans, \$211,014; and miscellaneous, \$454,855.

The expenditure of \$70,263,988 was divided between ordinary outlay of \$50,896,626 and capital expenditure of \$19,367,357.

Ordinary revenue amounted to \$51,373,052, and capital revenue to \$221,072, a total of \$51,594,124. The Consolidated Revenue Fund showed a bank balance on Oct. 31 of \$8,973,885.