

Budget Highlights

Ontario's deficit for 1933-34 is \$30,599,000. For the past five months—since the end of the last fiscal year—the deficit is \$7,449,000.

Immediate legislation will place a surtax on all estates exceeding a value of \$1,000,000.

Taxable capital assessed under the Corporations Tax Act is to be enlarged.

Property transfers to trustees or otherwise by ways of marriage settlement are to be subjected to a succession duty.

Further taxation, if needed, will be provided in measures to be brought down in the House during the autumn session to erase estimated \$14,000,000 deficit.

Revenue increase will be \$10,000,000, with \$3,000,000 jump in gas tax alone.

The Government will determine policies with respect to the relationship between the Legislature and the municipalities, and review in detail the present system of municipal government, which was termed "antiquated."

A sum of \$10,000,000 has been earmarked for trans-Canada highway construction, but will not be expended unless the Federal Government agrees on a partnership with Ontario on a "50-50" basis.

The Government proposes to extend loans and freedom from municipal taxation to encourage co-operative cold-storage plants.

The per capita debt at the end of the Henry regime was \$100.53. It was 74 cents in 1904.

A change in the stock transfer tax will result, it is estimated, in a revenue for the fiscal year ending March 31, 1936, of \$1,000,000. Revenue at the end of the present fiscal year from the same source is \$700,000. Under the change, syndicate units, mineral deeds, and oil royalties, when transfers occur, will be taxed three cents for every \$100 or fraction thereof of the value of such securities.

Premier Details Added Services In Budget Speech

Reviews Work of Various Departments of Government

The financial records and plans of his Administration were reviewed when Premier Hepburn brought down his Budget in the Ontario Legislature yesterday. Taking up each of the Ontario Government departments, the Premier opened his review with a discussion of the Department of Agriculture and the administration of loans by the Agricultural Development Board.

Changes Allowed.

"Through amendments to the act," the Premier said, as he continued his discussion of the Agricultural Development Board, "we are proposing to make it possible for the board to make such composition, extension of time, or scheme of arrangement as may be mutually agreed upon. Added to this is the reduction of interest rates from 5 to 4 per cent., effective as of Dec. 1 last."

If the board, the Premier felt, were empowered to consolidate indebtedness—including taxes and insurance premiums—and to capitalize that indebtedness; to postpone principal payments to carry debtors over a crop failure or a calamity; and to reamortize the loan for a period not to exceed thirty years—"we feel that this Government is doing something of a very tangible nature and something which will relieve the heavy burden which a great many farmers are attempting to carry."

Provincial savings deposits, Mr. Hepburn noted, had registered a slight decrease at the close of fiscal 1934, but had climbed to well above the \$22,000,000 mark in the ensuing five months.

"The Province has no intention of closing the savings offices," he said, "in fact, as circumstances permit the services may be extended. There is no intention of going into competition with the chartered banks, but I believe there is a place in our economic structure for the Provincial Savings Offices."

Bright Prospects.

Turning to the Timiskaming & Northern Ontario Railway, the Premier painted a bright picture of its finances. "There is no intention on the part of the Ontario Government of selling that railway. It is to be operated in the service of the people of Northern Ontario."

Freight, passenger and gross revenues were up in November, December and January—the latter by 12.92 per cent. Increased carloadings reflected a picture of rising pulpwood shipments, increasing lumber activity, and new mining work.

The Government contemplated changes in the public service (Civil Service) superannuation regulations—providing superannuation for civil servants retired before fulfilling the present strict stipulation. A further remedial measure had been effected which provided that those civil servants who were not eligible to an annual superannuation allowance might be granted an honorarium of one-quarter month's salary for each complete year of service.

Savings in the Attorney-General's Department amounted to approximately \$1,000,000 per annum. He was to be complimented on his reorganization of cumbersome legal machinery. Amalgamation of outside legal offices had already netted an annual saving of \$50,000—and, when completed, should register total economies of double that amount.

An increase in the revenue derived through the offices of the Provincial Secretary was to be credited to a greater issue of charters of incorporation—a result of increased mining activity.

Crime Lessened.

Ontario's crime as registered by the number of persons serving sentences had sunk from a 1930 high of 21,421 prisoners to a 1934 total of 13,509. "Because of the reduction in the number of female prisoners," the Premier announced, "the Women's Farm at Concord is being closed on April 15, and the prisoners will be taken care of at the Andrew Mercer Reformatory."

Closing of the industrial farm at Fort William was also under consideration. At Burwash, fireproof buildings were under construction, and a power line, sewage-disposal plant and water supply system were to be installed or reconstructed.

The Premier—"being a farmer myself"—devoted lengthy attention to the Department of Agriculture. Achievements of the Milk Control Board were enumerated, with a reference to the Dairy Milk Producers' Association claim that the board's operations had increased the farmers' return by \$500,000 a month.

Cattle raisers were receiving departmental encouragement in moves to organize and improve the export trade and importation of choice feeder stock. The same assistance had been extended to cheese patrons, and to the bean growers of Southwestern Ontario, who had succeeded in marketing their crop at a considerable increase in price. Through various Government agencies co-ordinated market activities were under way and were producing substantial results.

Cold-Storage Aided.

Government aid for co-operative cold-storage plants was announced. A bill would empower the administration to loan 50 per cent. of the cost of construction of a modern cold-storage plant—not to exceed \$50,000 and secured by a first mortgage and amortized for twenty years at 4 per cent.

"To further encourage the building of co-operative cold-storage plants," the Premier announced, "an amendment to the Assessment Act will be introduced to grant exemption from municipal taxes on the buildings themselves."

In his review of the Department of Health, Mr. Hepburn stressed the work of the health unit in Eastern Ontario. "The specific effort in this project," he said, "is to develop a program of local administration on a sound basis, and to centre this administration in the area to be served."

"If the unit proved successful," the Premier said, "such service may be extended. It is as yet experimental."

Mental Cases Deported.

"Very, very regrettable," the Premier said, were the figures showing a steady and continuous increase in the population of the mental hospitals. An increase of 24 per cent. in the last five years had coincided with a decreasing number of discharged cases. In the Orillia Hospital for the feeble-

minded there were 1,794 patients last year and a waiting list of over 1,000.

"The average daily per capita cost of all patients cared for was 96 cents last year," he said. "The Government has been giving considerable thought to this problem and investigations have been in progress with regard to conditions at the various institutions."

The Premier explained that hospital construction at Smiths Falls had been stopped because it was learned that equal facilities could be provided by the construction of an extension at a reduced cost and at a saving in administrative expenses.

"As soon as we are financially able to do so," he said, "we are going to extend the wings on this hospital."

"The Department of Education," the Premier said, "in harmony with the practice being adopted by other departments, has reduced its estimates for the next fiscal year to the lowest point deemed consistent with the maintenance of effective service in the various branches of the educational system of the Province."