

April 3

ing credit as ordinary revenue for the total amount of \$2,525,275.91, the ordinary revenue of the Province was incorrectly credited with the sum of \$1,530,240.17.

**Real Deficit.**

The following statement shows how the real deficit for the year ended Oct. 31, 1933, is made up:

Surplus for the year ended Oct. 31, 1933, as per Public Accounts .....	\$ 476,425.61
<b>DEDUCT:</b>	
1—Items taken into ordinary revenue in error:	
Hydro-Electric Power Commission water rentals..	197,711.15
(Note: This item was shown as ordinary revenue of both the Province and the Niagara Parks Commission, and was properly the revenue of the Commission.)	
2—Ordinary expenditures which were classified as capital expenditures:	
Railway aid certificates .....	\$ 125,120.54
Sinking fund instalments .....	840,219.94
	965,340.48
3—Ordinary expenditures which were charged direct to surplus account:	
Interest on municipal sinking funds .....	55,544.16
Amortization of discount on debentures .....	92,975.82
	148,519.98
4—Ordinary expenditures charged to 1934 appropriations which should properly have been charged to 1933 appropriations .....	1,369,333.86
5—Capital receipts shown as a reduction of interest paid by the Province:	
Agricultural Development Board:	
Total receipts paid over to the Treasury.....	2,525,275.91
Less:	
Interest collected by the board during the year 1932-1933 .....	995,035.74
	1,530,240.17
Total of deductions .....	\$4,211,145.94
Deficit for the year ended Oct. 31, 1933 .....	\$3,734,720.03
"Turning now to the Public Accounts for the fiscal year ended Oct. 31, 1934, permit me to point out that the ordinary expenditures for the fiscal year amounted to .....	
The ordinary revenue amounted to .....	\$80,667,091.15
Resulting in a deficit for the year of .....	50,067,841.37
	\$30,599,249.78

"What is the reason for this pitiful showing—this tremendous deficit of all deficits? When the address I am now delivering is printed, a comparative statement showing Budget items and actual items for the fiscal year ended Oct. 31, 1934, will be included in order that it may be carefully examined by any one who is sufficiently interested so to do. In his forecast of the ordinary revenue for the fiscal year ended Oct. 31, 1934, my honorable friend the former Provincial Treasurer shows:

Ordinary revenue .....	\$51,079,100.00
Ordinary expenditures .....	50,864,100.00
	215,000.00
Forecast surplus .....	215,000.00
The results as shown in the Public Accounts for 1933-34 show that the revenues were overestimated by the sum of .....	
	\$ 1,011,258.63
The expenditures, exclusive of public debt charges and unemployment relief were underestimated for a total of all departments in the amount of .....	
	4,110,518.96
Public debt charges, including sinking fund requirements, exchange, discount, etc., were underestimated by the sum of...	
	8,813,511.62
And to these amounts should also be added expenditure for unemployment relief:	
Direct relief .....	\$15,018,647.99
Municipal relief works .....	1,860,312.58
Total .....	16,878,960.57
So that the total expenditures exceeded the estimates in the amount of .....	
	\$29,802,991.15
Adding to this excess of expenditures the shortage of revenue ..	
	1,011,258.63
we make up the total deficit of the Henry Administration for the fiscal year ended Oct. 31, 1934 .....	
	30,814,249.78
Less: Surplus of forecast .....	215,000.00
	\$30,599,249.78

"Before finishing with the deficit of the fiscal year ended Oct. 31, 1934, permit me to point out that some of the largest items which overran the estimates were:

Prime Minister's Dept. ....	\$104,966.16
Attorney-General's Dept. ....	934,345.64
Dept. of Education .....	627,436.45
Dept. of Lands and Forests..	946,974.90
Dept. of Public Works .....	166,237.31
Dept. of Highways .....	116,762.08
Dept. of Health .....	987,024.15

"You will observe that the total direct liabilities of the Province have reached the stupendous figure of \$655,760,852.70, in addition to which there are contingent liabilities representing bonds and other instruments guaranteed by the Province in the amount of \$97,782,015.91.

**Net Debt.**

"In the opening remarks of my address I told you that on Dec. 31, 1904, the net debt of the Province was \$1,664,000, and the net per capita debt was 74 cents. As at Oct. 31, 1934, the net per capita debt of the Province was \$100.53. It is interesting to observe how this debt has grown. At the end of the Whitney regime the net per capita debt was \$2.30; at the end of the Hearst regime, \$4.65; at the end of the Drury regime, \$33.45; at the end of the Ferguson regime, \$64.23; and at the end of the Henry regime, \$100.53. A statement showing the details of this increase will be included in the printed report of the Budget address.

"The net debt of the Province at the end of the Whitney regime was \$6,294,000. During the Hearst regime it was increased by \$6,821,000. During

the Drury regime the net debt increased by \$87,863,000. During the Ferguson regime the net debt increased by \$111,800,000, and during the Henry regime the net debt of the Province increased by the sum of \$145,699,000.

"The estimated net public debt charges for the fiscal year April 1, 1935, to March 31, 1936, represented by items of interest, exchange, etc., amount to \$22,300,055.40 for the year, a monthly cost of \$1,858,337.95, a daily cost of \$61,096.04, and, if you care to carry the calculation down further, the cost per hour for interest and exchange to the Province of Ontario exceeds \$2,500.

**New Fiscal Year.**

"As honorable members may well

understand, when the present Government took office in July of last year it was compelled to carry on with appropriations voted by the previous Administration, and, in administering the affairs of the Province from Nov. 1 up to the present time, let me emphasize the fact that this Government has been carrying on with supply voted a year ago; has been meeting obligations incurred by the former Administration; carrying

out contracts and agreements; and paying grants and generally being tied up to a financial program with which it was not in accord. A statement of the revenue and expenditure for the five months ended March 31, 1935, is as follows:

"This Government announced in the Speech from the Throne and in the press its intention of amending Section 20 of the Audit Act to change the fiscal year from the present period—Nov. 1 to Oct. 31—to a new date, from April 1 to March 31. The change is in accordance with a resolution passed at a conference of Provincial and Dominion representatives held in Ottawa in September, 1933, which recommended that all fiscal years should terminate on March 31.

**Benefits Summarized.**

"Some of the benefits which will accrue from the change in the fiscal year may be said to be as follows:

"(a) The Government is able to present the main estimates (which are now in your possession) based on present conditions. They will be used by the departments immediately, whereas formerly they were not effective until seven months had elapsed.

"(b) There will be less necessity for Treasury Board minutes to supplement votes; less need for special warrants where no provision had been made in the estimates; or for supplementary estimates to increase appropriations in the main estimates which.