

Amusement Tax Ends, Truck Licenses Cut, Subsidies Are Given

Gross Revenue for Fiscal Year \$6,000,000 More Than Estimated — Pledge to Stay Within Accounts Kept by \$940,000

ROAD PROGRAM READY

Following is the text of the Budget speech delivered in the Ontario Legislature yesterday by Premier Hepburn in his capacity as Provincial Treasurer:

"Mr. Speaker: In moving, as I do, that you now leave the Chair and that the House resolve itself into Committee of Supply, it comes to my mind that this is the third occasion on which I have had the honor to bring to this honorable body a statement of the receipts and expenditures and an outline of the financial program of the Government for the ensuing fiscal year.

"In my first Budget Speech, delivered on April 2, 1935, it might be said, to employ a metaphor, that the dominant note of the speech was that which came from the resounding blows of the pioneer axe clearing away the financial debris of the former Administration. In my second Budget Speech, delivered on March 12, 1936, when the results of the financial policies of this Government began to take shape, you were able to distinguish, from the evidences of good management on the part of the Government, the progress that was being made to put the financial affairs of the Province on a sound basis and to bring us out of the condition of economic disorder that had hampered the progress of our Province and brought misery to its people. And now, on March 9, 1937, with the experience of two full years of administration under the financial policies of this Government, I invite your attention to that portion of my report which speaks of the results of the "Pay-As-You-Go" policy which I announced in my Budget Address of last year and to which policy we have faithfully adhered from the first day of April, 1936, up to the present moment.

Public Accounts of 1936

"Before I proceed to review the year's transactions and to give you a faithful and accurate account of the business of the Province, it is fitting that I should say a few words regarding the Public Accounts for the fiscal year ended March 31, 1936. Honorable members of this House are aware of the fact that the Public Accounts are prepared by the Provincial Auditor and his staff. At certain times during the year there are as many as three score of the Auditor's staff preparing the Public Accounts, keeping the work up, separating the various items, preparing headings, and doing everything possible to assemble the accounts of the Province in such a way that it will show in the clearest possible manner the most important transactions that have been dealt with during the fiscal year.

"These Accounts must be accurate. There is a tremendous amount of material to be assembled. Hundreds of thousands of items have to be placed in their proper categories. This is done as speedily as is possible, and the Accounts last year were furnished early in September. With the summer vacation intervening and with the consequent shortage of staff, I think you will agree that the Accounts were furnished without any reasonable delay.

Figures Reliable.

"In regard to the presentation of the Accounts, however, let me draw the attention of honorable members of this House to the fact that these Accounts are required by Statute, subsection 2, section 20, chapter 25 of the Audit Act, to be laid before the Assembly. This means they must be laid before the Assembly at its first session after the close of the fiscal year. It is plain, therefore, that a statement made in August or September that the Public Accounts were overdue was incorrect and entirely at variance with the facts.

"Before I leave this subject, let me say that in the Budget Address delivered last March we estimated a deficit of \$13,496,609.07. When all accounts were in and revenues taken into account, the deficit was actually \$13,342,705.74, this being an improvement shown by the Public Accounts over that estimated in the Budget Address of over \$153,000. This fact, Mr. Speaker, proves that the figures presented in my Budget Address were reliable and well within the mark.

Problems of Public Finance

"Public finance is a great problem, and it is an especially difficult one in that it is a continuing problem. No matter how well a Government may do in one year, it never arrives at a position where those in charge of the financial policy may sit down and fold their arms and feel that their work is done. The people are always discovering new social needs. I do not complain of this because I recognize the fact that society is on its way upward; and it is the business of the Government to develop the human resources, to raise the standard of living, and to keep in mind the fact that there is no real wealth but humanity.

"In striving to achieve the best results for our citizens, this Government has kept before it the ideal of a balanced Budget. This has been for the Administration its pillar of cloud by day and its pillar of fire by night. For we recognize and command this to this Honorable House, as the alphabet of all our thinking, that a balanced Budget is the real basis of the national credit and is likewise the bulwark of private credit. How well we have succeeded in achieving the desired results, I hope to be able to show so clearly that every citizen of our land may read and understand the Accounts as I place them before you, and, understanding them, will support the policy which we have adopted and which we have followed consistently. I mean the policy of "Pay-As-You-Go."

Taxation

"Last year when I brought before the House the estimates of revenue to be collected, I did so with confidence, because I believed that times were improving and that we had installed the necessary fiscal machinery to gather in the amount that we had estimated. We have reversed the policy of the former Administration in our attitude toward taxation, and the truth of this statement may be found by a consideration of the debates on taxation legislation that have taken place in this House. You will recall the opposition that we had to face last year in attempting to place on the statute books a fair and sound fiscal measure. 'The Provincial Income Tax.' This year, in amending the Income Tax Act, we again met with objection, and in the amendments to the Succession Duty Act we again encountered stubborn and unpromising resistance. This revealed

the policy of the former Administration, which was one of taxing the many for the benefit of the privileged few. The policy of this Government has been, and is, and will be, to tax the few in proportion to their capacity to pay, for the benefit of the underprivileged and the common people as a whole. This Government holds to the opinion that a person who dies possessed of great wealth furnishes proof to the world that he passed through this life favored by fortune and enabled to amass great wealth largely because of the fact that he and his class enjoyed favors and privileges and was able, because of loopholes in the laws and bad administration, to escape contributing to the State by way of taxation, that portion of his wealth which he should have contributed in order to comply with the axiom laid down by Adam Smith and recognized by every democratic country in the world that the 'subject of every State should contribute to the support of the Government as nearly as possible in proportion to his ability to pay.'

Right Side of Ledger.

"Last year I expressed the hope that we would collect more revenue

than would be required to meet all ordinary expenditures. Realizing that determination is the better part of hope, the Administration began on the first day of April, 1936, to ensure a balanced Budget. Let me say here that there has never been a single day in the present fiscal year, from the first day of April until the time I am now speaking, when the accumulated cash revenues of the Province did not exceed the accumulated cash expenditures. That is the surest way to finish the fiscal year with a balance on the right side of the ledger.

"Mr. Speaker, as nearly as I can at this moment estimate and as nearly as the officials of the Provincial Auditor's Department are able to compute, the gross ordinary revenue for the present fiscal year, which we estimated would amount to the sum of \$86,415,649.28, will reach the sum of \$92,221,809.51. Every department of the Government that has to do with revenue has completed its allotted task and will return in gross revenue an amount in excess of that set as the 1936-37 objective.

"With the permission of the House, I shall place upon the records an interim statement of gross ordinary revenue for the fiscal year April 1st, 1936, to March 31st, 1937. This statement consists of ten months actual results and two months forecast, and has been prepared under the supervision of the Provincial Auditor, who vouches for its accuracy.