

testator occurring before the said amendment to the Dominion Income Tax Act was passed. Moreover, in the majority of cases that we have investigated, our investigation has resulted in uncovering fraud practiced on the Income Tax Department at Ottawa; and I am told that, through our co-operation, the Dominion Exchequer has been enriched by millions of dollars.

**Collection Costs Low.**

"Just a word as to the cost of collection of succession duties. I was interested in an article which appeared in the Arizona Star on Jan. 21st of this year, which contained the information that Governor Stanford of the State of Arizona pointed out in his annual message that, during the year 1936, the cost of collecting inheritance tax in Arizona was 40 cents for every dollar of revenue collected. The experience of the Province of Ontario is quite different, for, in the fiscal year which ended March 31st, 1936, it cost this Province, not \$40 to collect \$100, as in the case of the State of Arizona, but only 83 cents to collect \$100 of succession duties.

"This, Mr. Speaker, you will agree, reflects credit on the Administration, and is conclusive proof that Succession Duty is a sound tax, at least in so far as economical administration is concerned, for it conforms to the axiom that a tax should return to the Exchequer the

largest possible proportion of the tax collected.

**Estimates for 1937-38**

"Having made what I hope will be accepted as a comprehensive report of the financial transactions of the Province for the fiscal year, let me place before you the Government's program for the year commencing April 1, 1937. At the outset, let me assure you, Mr. Speaker, that, proud as we are of the surplus of revenues over expenditures for the present fiscal year, and certain as we are that we could repeat the success in the ensuing year, it is the opinion of the Government that, having reduced the gross debt by \$33,000,000 and having reorganized the finances of the Province, and with assured revenues which we believe will exceed those of any year in the history of the Province, some of the fruits of a balanced Budget should be passed on to the people during this coming year.

**Estimated Revenue for 1937-38**

"We estimate the gross ordinary revenue of the Province for the fiscal year April 1, 1937, to March 31, 1938, will amount to the sum of \$94,849,324.20. With the permission of the House I shall place upon the records the Budget forecast of ordinary revenue for the fiscal year April 1, 1937, to March 31, 1938.

**BUDGET FORECAST OF ORDINARY REVENUE**  
Fiscal Year April 1, 1937—March 31, 1938

DEPARTMENT	Detail	Gross Ordinary Revenue	Application of Revenue to Expenditure	Detail	Net Ordinary Revenue
1—AGRICULTURE	.....	\$ 302,134.00	\$ 302,009.00	.....	\$ 125.00
2—ATTORNEY-GENERAL	.....	729,991.00	66,820.00	.....	663,171.00
3—EDUCATION	.....	120,000.00	118,400.00	.....	1,600.00
4—GAME AND FISHERIES	.....	675,000.00	1,000.00	.....	674,000.00
5—HEALTH:					
Main Office and Branches	\$ 50,470.00		9,300.00	\$ 41,170.00	
Hospitals Branch	1,295,765.00	1,346,235.00	1,294,975.00	790.00	41,950.00
6—HIGHWAYS					
Main Office	\$ 162,600.00			162,600.00	
Gasoline Tax Branch	16,000,000.00			16,000,000.00	
Motor Vehicles Branch	10,000,000.00	26,162,600.00		10,000,000.00	26,162,600.00
7—INSURANCE	.....	233,550.00		.....	233,550.00
8—LABOR	.....	108,925.00	108,250.00	.....	675.00
9—LANDS AND FORESTS:					
Lands Branch	\$ 614,418.60		13,692.60	600,725.00	
Forests Branch	3,538,400.00	4,152,818.60	505,000.00	3,032,400.00	3,533,125.00
10—LEGISLATION	.....	16,900.00	7,200.00	.....	9,700.00
11—MINES	.....	2,500,000.00	5,000.00	.....	2,495,000.00
12—MUNICIPAL AFFAIRS:					
Main Office & Municipal Board	\$ 7,810.00			7,810.00	
Housing Branch	58,000.00	65,810.00	58,000.00	.....	7,810.00
13—PRIME MINISTER:					
King's Printer—Ont. Gazette	.....	22,000.00	.....	.....	22,000.00
14—PROVINCIAL SECRETARY:					
Main Office and Registrar-General's Branch	\$ 457,000.00			457,000.00	
Reformatories & Prisons Branch	659,550.00	1,116,550.00	653,150.00	6,400.00	463,400.00
15—PROVINCIAL TREASURER:					
Main Office—Subsidy	\$ 2,941,424.00			2,941,424.00	
Interest	73,000.00			73,000.00	
Liquor Control Board	9,500,000.00			9,500,000.00	
Controller of Revenue:					
Succession Duty	17,000,000.00			17,000,000.00	
Corporations Tax	9,000,000.00			17,000,000.00	
Income Tax	5,000,000.00			5,000,000.00	
Stock Transfer Tax	1,800,000.00			1,800,000.00	
Land Transfer Tax	250,000.00			250,000.00	
Law Stamps	400,000.00			400,000.00	
Amusements Revenue Branch:					
Amusements Tax	500,000.00			500,000.00	
Theatres, etc.	85,000.00			85,000.00	
Board of Censors	100,000.00			100,000.00	
Savings Office	262,625.00	46,912,049.00	262,625.00	.....	46,649,424.00
16—PUBLIC WELFARE	.....	75,000.00	75,000.00	.....	
17—PUBLIC WORKS	.....	49,360.00	44,172.00	.....	5,188.00
MISCELLANEOUS	.....	100,000.00	100,000.00	.....	
PUBLIC DEBT—INTEREST	.....	10,160,401.60	10,160,401.00	.....	
<b>TOTAL</b>		<b>\$94,849,324.20</b>	<b>\$13,785,996.20</b>		<b>\$81,063,328.00</b>

**SUMMARY**

Net Ordinary Revenue	\$81,063,328.00
Net Ordinary Expenditure (not including Unemployment Relief)	69,731,932.38
<b>EXCESS OF ORDINARY REVENUE OVER ORDINARY EXPENDITURE</b>	<b>\$11,331,395.62</b>
Estimated Net Expenditure on account of Unemployment Direct Relief and the administration thereof	9,048,490.00
<b>SURPLUS FORECAST</b>	<b>\$ 2,282,905.62</b>

**Ordinary Expenditures**

"The Government estimates that it will spend on ordinary account for the fiscal year April 1, 1937, to March 31, 1938, the sum of \$92,566,418.58. This amount includes \$9,048,490 for unemployment relief and the administration thereof.

"I estimate that for the fiscal

year which we are about to enter, the gross ordinary revenue will exceed the gross ordinary expenditure by the sum of \$2,282,905.62. In budgeting for a surplus of over \$2,000,000, I do so with the confidence that one year from today I shall be able to report to the Legislature a year's operations as creditable as I

have the pleasure of recording today with respect to the fiscal year which will end on the 31st of this month.

"With the permission of the House I shall place on the records the Budget forecast of ordinary expenditure for the fiscal year April 1, 1937, to March 31, 1938.