

profits made by wealthy refining and distributing oil companies, I offer this House my considered opinion that these money-making companies are in a better position to absorb a part of this increase than is the Province of Ontario to refrain from collecting the extra tax.

Encouragement to Builders.

"A general survey of this my fifth Budget presentation indicates clearly that there has been no deviation from the policy of giving greater and greater assistance to the municipalities and joining with them in their sincere efforts to bring about a reduction in the taxation on real property, in order that some ray of hope and encouragement may be given to home owners and some inducement as well to those who would be prospective builders. The building industry probably has more to do with the problem of unemployment among skilled workers, the consumption of raw material, the general stimulation of the wheels of commerce, than any other case that might be cited or illustrated. Prior to 1934 the building trades were in a state of stagnation, but after a careful perusal of this Budget presentation, indicating as I

have a reduction over a period of the last few years in the funded debts of the municipalities and in direct municipal taxation, there is no doubt that individuals and capital will be seized with the desire to do the thing which we hope to encourage by the policies to which I have alluded.

"While some may be critical of the increase in gasoline tax, at the same time in all fairness such individuals should not be unmindful of former tax reductions in motor and truck license fees, the abolition of the amusements tax, the school children's examination tax and the wine tax, not forgetting the several benefits to which I have referred with respect to increased subsidies for township roads, the total assumption of the cost of provincial highways, the cost now being borne with respect to old-age pensions, and mothers' allowances. This year alone the cash contribution in the way of a direct subsidy of \$4,500,000 to be paid by the provincial treasury to the municipalities, coupled with the two million dollars which is the minimum estimate of the amount required to take care of indigent tubercular patients, totals more than the amount estimated from the gasoline tax increase and provides a corresponding reduction in direct taxation.

"I pause now to ask any member of the House whether he would recommend that as treasurer of this province I should strike these two items from our estimates of expenditures and saddle, as a consequence, that additional burden on those who pay realty taxes. I say the answer is no, and I doubt if any public-spirited motorist, fully informed of this whole situation, would suggest for a moment that to save him this increase in gasoline tax the province should withhold these benefits from the municipalities and the overburdened owner of real estate. If this further reduction in the tax on real estate brings about the objective the government has in mind, then at this moment I can do no better than to quote a concluding paragraph in last year's Budget address, which reads as follows:

"Housing conditions, both in town and in country, are primarily the result of bad economic policies and I long for the day when it will be possible to lift the burden from real estate, so that it will be profitable for a man to own his own home, and for the man with money to invest to build homes which may be rented at reasonable prices; also for those with surplus funds

to advance money on building loans at low rates of interest. That, Mr. Speaker, is the sure road to a solution of the housing problem in this country.'

Better Place to Live In.

"I believe, as a result of this year's operations, the province is not only richer, but a better place in which to live. Ontario, to my way of thinking, is one of the very few jurisdictions which employ a

proper system of bookkeeping and charge all current expenses against ordinary revenues. All too frequently imprudent financiers, instead of reporting a true state of affairs, have charged relief and other similar expenditures to the debt structure, which items under careful analysis do not show any corresponding asset, but rather conceal capitalized losses. I need only go back to the period prior to 1934, at which time our predecessors were burdening future generations of this province with the amount of relief expenditures and plowing back into the debt structure deficit after deficit. This government now presents for the consideration of this House a true and accurate picture of all financial transactions of the fiscal year which ends tomorrow.

"The province is richer, its credit is higher, the burden of taxation on real estate is being continuously lightened, responsibilities are being met frankly and fearlessly, confidence is being strengthened, and a sound foundation is being laid to safeguard the destinies of those noble men and women—our fellow-citizens—who constitute the population of this our great Province of Ontario."

Privy Council To Get Request

Prior to the opening of Premier Hepburn's Budget address yesterday the Ontario Legislature was informed that formal acknowledgement of its resolution, asking the Federal Parliament to mobilize the wealth and manpower of Canada in the event of war, had been received from Ottawa.

A letter from E. J. Lemaire, clerk of the Privy Council, saying that the resolution "will immediately be brought to the attention of council," was read to the crowded House by the Speaker. It was addressed to Major Alex. Lewis, clerk of the Assembly.