

In estimating a surplus of \$150,872.17 for the next fiscal year, let me say that we shall continue our vigorous campaign to stamp out the scourge of tuberculosis, and, as I have indicated in the earlier part of my address, sanatorium treatment for tubercular patients cost the province \$1,300,000 last year. It

will cost us not less than two million dollars this year.

The government believes that this expenditure is fully warranted on economic as well as humanitarian grounds. Tuberculosis, unfortunately, strikes at the individual at a time in his life when he or she is a wage-earner, and often its ravages extend to the whole family and menace an entire community.

We hope and believe that the efforts of the Health Department, backed, as they are, by the financial resources of this government, will bear fruit and will eventually result in completely eradicating this scourge from our province.

### Public Works

We have placed in the estimates the sum of \$4,762,000, which sum will be expended for the following purposes:

Educational buildings .....	\$ 50,000
Agricultural buildings .....	46,500
District buildings .....	46,500
Reformatories .....	152,000
Hospitals .....	3,940,000
Provincial parks .....	5,000
Hatcheries .....	82,000
Forestry buildings .....	30,000
Public works .....	410,000
	\$4,762,000

### Highways

The sum of \$15,200,000 has been placed in the estimates for highway construction and this sum represents the amount necessary to complete projects already under-

taken. Beyond completing projects already undertaken, let me say that it is not the intention of the government to embark upon any new highway construction projects during the coming fiscal year.

You have before you a printed statement of the forecast of revenue and you will observe that some increase in revenue is expected from the Corporation Tax Act, which is being amended at this season. We are budgeting for ten million dollars and, in this connection, it should be stated that, owing to the amendments presented this week to the House, the incidence of the tax is altered from capital employed to revenue earned. Formerly the tax on capital employed was one-tenth of 1 per cent, and it is the view of the government that to impose too large a tax on capital that should properly be based on the revenue-earning power of a business is a mistake. It is collecting at seed time what should be collected at harvest time, and we have therefore cut in half the tax formerly imposed and based on the capital employed by corporations. The tax on the net revenue of corporations will be 2 per centum of the net corporation income; and it is believed that, by shifting a part of the tax from capital to income, the revenue will be increased and, at the same time, the tax burden resting upon industries that are carrying on at a loss will be cut in two.

### Estimates

I take this opportunity of presenting to this House estimates for the coming fiscal year. We estimate that the net ordinary revenue for the coming fiscal year from April 1, 1939, to March 31, 1940, will amount to \$90,261,982.40, and the net expenditure, not including unemployment relief, will amount to \$80,291,110.23, providing an excess of ordinary revenue over ordinary expenditure of \$9,970,872.17. It being, however, the policy of the government to treat the cost of unemployment direct relief as an ordinary expenditure, and this being estimated to reach the sum of \$9,820,000, a surplus, after providing for all expenditures, including unemployment relief and sinking fund provisions, is forecast in the amount of \$150,872.17.

With the permission of the House, I shall place upon the records the Budget forecast of ordinary revenue, ordinary expenditure, capital receipts and capital payments for the fiscal year April 1, 1939, to March 31, 1940.