

Budget Adopted, 57-21, Following Drew's Plea To Reduce It by 10 P.C.

Opposition Leader Urges Government to
Make 'Dramatic Cut'; Premier Replies
That Opponent Offers No Real Solution

CANNOT SAVE WITHOUT HARM—HEPBURN

An hour's address by Opposition Leader George Drew and a twenty minute reply by Premier Hepburn brought the budget debate to a close in the Legislature yesterday. There was no Conservative amendment offered and the vote was 57 to 21 for adoption of the budget.

Colonel Drew urged the Government to make a "dramatic cut" in expenditures, warning that the Provincial debt was within striking distance of the billion-dollar mark. A 10 per cent cut in the estimated expenditures for the fiscal year starting April 1, could be effected, he claimed.

"If I were to move an amendment it would be to cut the budget by 10 per cent," said Colonel Drew. "It can be done. It is a decision businesses have to make day by day. They don't say: 'We can't do it.' It is a case of doing it or bankruptcy. I am still hopeful that the Premier and the members of his Government, who, in the absence of the House assume responsibility for expenditures, will make a dramatic cut in expenditures. It must be really dramatic in order to drive home to the people that the Government realizes the seriousness of the situation. The time has come for the public to become tax-conscious."

The Opposition Leader said it was inexcusable for any member of the Government, or their supporters, to take up time with claims of savings in various departments.

"Here is the amount of money to be spent, a gross of 99 million dollars," continued Colonel Drew. "The fact that the Government has budgeted for a net expenditure of 88 millions does not mean they have to spend that sum. It means nothing of the sort."

"Will Do Differently."

"Year by year the rate of taxation goes up, though there is always talk of reduction in expenditure. The per capita net debt today is \$23.65. In the year before the war it was \$3.96, and I submit that in the twenty-five years that intervened there have not been sufficient reasons to warrant the huge increase."

Colonel Drew developed his argument that estimated revenue was the amount the Government decided it was necessary to arbitrarily extract from the people in order to meet expenditures. He was interrupted a little later by Premier Hepburn, who asked, when the financial record was being assailed: "Would you do differently?"

"Oh, Mr. Speaker, I am going to do very differently before very long," replied Colonel Drew.

"Other countries with a longer economic history found they had to get rid of their capital obligations and they did it," continued Colonel Drew, who pointed to Ontario's capital debt of 881 millions as being within striking distance of the billion-dollar mark. "Most countries wiped out their obligations by the simple expedient of inflation, simple but dangerous. It is no answer to say that all through the years the debt has increased."

The million-dollar item in the Budget in connection with the cost of guarding vital points in Ontario was a Federal obligation imposed by the fact that Canada, as a nation, was at war, said Colonel Drew. He hoped the Ontario Government would take up this matter with the new Government which

would be installed at Ottawa after March 26. The amount spent on guards by the Province, municipalities and private industry almost equalled the amount spent on the militia in recent years, he claimed. A defense force should be set up under military discipline, and armed with adequate weapons along the lines of the defense force in England, which was composed of men unfit for active service.

Premier Hepburn accused the Opposition Leader of having failed to offer a single constructive suggestion in the course of his sixty-minute address.

"He tells us we are spending too much money," the Premier said, "but he does not suggest any place where we can cut down. Does he expect me to go eeny-meeny-miney-mo over the estimates and land, perhaps, at the Department of Health?"

There were no instances in which substantial savings could be effected without crippling important social services, Mr. Hepburn said. The bulk of Ontario's expenditures were set by the demands of the people and not by the whims of the Government.

"The Leader of the Opposition tells me to be dramatic and make a big cut in expenditures," he continued. "Just how dramatic does he expect me to be? A very dramatic thing it would be to let 16,000 insane patients out of our mental hospitals and it would save a lot of money, but would he want that?"

He challenged Colonel's Drew's assertion that Provincial revenue was composed entirely of funds "extracted" from the public in the form of taxes. The T. & N.O. Railway had been badly mismanaged by the Conservative Government, he charged, and his Administration had taken the railroad out of the red and turned it into an enterprise which would bring \$1,300,000 to the Treasury this year. The sale of liquor and the sale of gasoline to tourists also contributed largely to the income of the Province, he said.

Difficulty of War Years.

The Conservative Leader endorsed economies in principle but refused to support them in practice, Premier Hepburn said. He recalled Colonel Drew's opposition to a reduction of university grants as an example.

"A year ago I called attention of universities to the fact that they were not making the proper differentiation in fees between local and outside students," he said. "Ontario was becoming a haven for outsiders and so we asked the universities to revise their fee system. They refused and we cut down their grants. No one opposed that step more than the Conservative Leader."

The Premier refuted W. J. Stewart's suggestion that Toronto had lost money when Ontario took over administration of the income tax, declaring that the city had received more in subsidies and by absorption of old age pension and other social service costs than it had lost in income tax revenue.

War conditions made it difficult to forecast a budget with extreme accuracy, he said, but in six budgets delivered by his Government, revenue forecasts had been found more accurate than in any other budgets brought down in the history of Ontario.