

APRIL 3

Hepburn Reveals 'Overall' Surplus Will Create Record

Premier's Budget Address Points to Margin
of \$13,326,693 for Province This Year;
Presents Bright Picture With No New Taxes

ASKS NON-ESSENTIAL DRIVING CEASE

(Further details of the Ontario Budget will be found on Page 8.)

In a budget address that renewed pledges of a "pay as you go" war financial policy, Premier Hepburn yesterday estimated an "over-all surplus" of \$1,383,552 on the financial operations of the fiscal year just ended and, by his forecasts of \$136,351,161.65 in revenue and \$123,024,468.50 in expenditures, laid the basis for a \$13,326,693.15 "over-all surplus" for 1942-43.

The Premier, in his eighth budget address, budgeted for gross ordinary revenue of \$105,047,796.04, as compared with 1941-42 returns of \$120,958,245.58. His estimate for ordinary expenditures in the coming year is \$104,574,182.12, as compared with 1941-42 expenditures of \$107,629,222.18. The total estimated revenue is arrived at by adding estimated capital receipts of \$31,303,365.61, and expenditures by adding estimated capital payments of \$18,450,286.38.

An estimated increase of \$11,433,029.30 in capital receipts and an estimated decrease of \$13,365,520.45 in capital expenditures are declared to be major factors in the provision for a higher over-all surplus for 1942-43, as compared with last year's figure.

On estimated net ordinary revenues of \$95,326,938.36 and net ordinary expenditures of \$94,853,324.44, the Premier forecast on this basis a surplus of \$473,613 for the coming year. A comparison of gross ordinary revenue and expenditures for last year gives a surplus of \$13,329,023.04, a figure which is comparable with the surpluses reported in previous years and one that shouldered above last year's record, up till then, of \$12,600,364, and threw into pale relief the celebrated "Sunshine Budget" surplus of \$9,313,938 of the 1937 election year.

While expecting a surplus in token of the \$9,743,063 forecast on March 14, 1941, the Government following reacted with frantic desk thumping applause when the \$13,329,023 figure was laid before the House.

The Premier, in a survey of Highways Department affairs, demanded immediate cessation of pleasure driving.

"The waste in gasoline, oil and tires in purely pleasure driving should be stopped at once in order to make possible the complete move-

ment of basic productions and war materials," he said.

The Premier spoke for forty-five minutes on what was the shortest—and by virtue of war conditions and the lack of expansion programs and taxation—the soberest budget of his career. The debate was adjourned by Leopold Macaulay, South York, Conservative financial critic, who will resume the budget discussions on Tuesday.

In presenting as an official surplus, the over-all amount of \$1,383,552, Premier Hepburn departed from previous custom.

The old method of reporting, said Premier Hepburn, "resembles too much the system of bridge scoring above and below the line." He said: "I prefer to combine the revenues from ordinary account and capital account, and to offset against the sum of these two items, the total expenditures of the Government whether for capital or for ordinary purposes."

Into the web of financial statements he wove the assurance to municipalities that the one mill subsidy will be paid again this year, and to farmers he gave kindred assurance that Agriculture Minister Dewan will introduce a bill that will again provide for bonus payments on premium hogs and cheddar cheese.

"The subsidies," said the Premier, "were a good investment on the part of Old Man Ontario in Canada's war effort." Their renewal, he added, will not only maintain a measure of confidence in "our great basic industry, but will also give a bit of well-merited recognition to the most important and hardest working citizens of our Province—the Ontario live stock farmers."

In the strictly financial theme, he reported a reduction of \$4,159,968 in the gross debt, a reduction of \$6,585,240 in the contingent liabilities (bonds, etc., guaranteed by the Province), and a reduction of \$11,500,000 in the Treasury bills. Contingent liabilities are estimated to amount to \$125,542,645, and Treasury bills, outstanding as at March 31, \$49,500,000.

Into the "pay as you go" policy, Premier Hepburn pledged: "We shall not seek new money nor intrude upon the borrowing fields which should be reserved for the Dominion Government in wartime.

"We shall continue to live within our income.

"We will not increase taxes nor introduce new levies and will, at the same time, persevere in our efforts toward debt reductions."