

'Pay-as-You-Go' Pledge, Gross Debt Reduction Feature Ontario Budget

Hepburn Promises Continued Health Program and Provision for Technical Training Plan; Agriculture and Labor Assure Major Output

Premier Hepburn, in his eighth Budget address and third wartime Budget, yesterday before the Legislature, for the third time also, presented a statement of the year's financing which gave a surplus of ordinary revenues over expenditures and a reduction in the gross debt.

Coupled to pledges of a "pay as you go" policy, the Premier declared the Government would continue its efforts toward the preservation of health and providing for the general education of children "with particular attention paid to the splendid program of our technical training schools."

"The Department of Agriculture and Labor are working in complete harmony with the central Government in order to assure the maximum production of the farm and factory," he said in brief reference to the war effort.

He added: "In seeking to reach the goal which I have outlined briefly, the Government has been greatly heartened by the patriotism and spirit of self-sacrifice of Mr. and Mrs. Ontario. . . . I am confident that unprecedented world events will arouse the people of Ontario to the appalling dangers which threaten their homes and their altars. My earnest hope is that when the time of testing comes, even though the price may be in

terms of human lives, Ontario citizens will not be found wanting but rather will prove themselves worthy of the rock from which they are hewn."

In reporting an over-all surplus of \$1,383,552, rather than the \$13,329,023 figure, which would have been designated as the surplus under the system of reporting followed in previous years, Mr. Hepburn asserted: "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."

Defines Two Classes.

He said it was the custom of accountants to differentiate between ordinary receipts and capital receipts, and likewise to separate expenditures into two classes—one for ordinary account and one for capital account. The result, he added, sometimes is to have a surplus on ordinary account and a deficit on capital account, the latter being greater than the former.

"This," he said, "to my way of thinking, resembles too much the system of bridge scoring above and below the line. So today, it is a matter of solid satisfaction to me that the total receipts from what are called ordinary and capital sources exceed the total expenditures on ordinary and capital accounts by the sum of \$1,383,552.88."

On last Budget day, the Premier forecast a surplus of \$9,743,063, an amount \$4,000,000 below that of his interim report. Behind this surplus increase lies a major item of revenue increase in the Treasurer's branch. Last year he forecast revenue of \$56,654,424 from his own department, and he now estimates that, when the books are closed for 1941-42, he will receive \$60,473,897.

While corporations tax revenue is down \$1,071,656 from his forecast, the amount is boosted by a \$2,896,403 item, payable on March 31 by the Federal Finance Branch, as the initial corporations tax subsidy payment under the new tax transfer agreement. Liquor Control Board revenues of \$13,650,000 are up \$1,650,000 above last year's forecast, and the revenues of the Highway Branch, second only to the Treasury Branch as a paying department, are \$37,533,000, an increase of \$1,433,000 above the forecast.

Gross Income.

Gross ordinary revenue for 1941-42 was \$120,958,245 as compared with gross ordinary expenditure of \$107,629,222.

On Budget day, 1941, Premier Hepburn forecast gross ordinary revenue of \$115,179,775 and a gross ordinary expenditure of \$105,436,711. For 1942-43, he forecasts gross ordinary revenue of \$105,047,796 and gross ordinary expenditure of \$104,574,182. His estimate of net ordinary revenue for 1942-43 is \$95,326,938 and of net ordinary expenditure, \$94,853,324. For 1941-42 he forecast net ordinary revenue of \$104,863,617 and net ordinary expenditure of \$95,120,553.

The Premier has budgeted for expenditures of \$14,210,252 in education, an increase of \$636,218, accord-

ing to the forecast of the gross ordinary expenditures as compared with the interim 1941-42 statement of gross ordinary expenditures. Health will be \$11,851,480, an increase of \$734,436; highways will be down to \$12,157,800, a reduction in \$4,971,105. Increases in old-age pensions and pensions for the blind help to bring Welfare up from \$8,509,901 to \$9,025,870 in 1942-43. The amounts in the majority of the other departments show an economy tendency for the new year.

Past Year's Capital Outlay.

Capital payments for the fiscal year just ended amount to \$31,815,806, made up as follows: Works and resources, \$18,871,435; loan advances, \$11,629,055 and trust fund payments \$1,315,315. The Premier forecasts capital payments of \$18,450,286, made up of: Works and resources, \$5,542,638; loan advances, \$11,296,538, and trust fund repayments, \$1,611,109. At the same time he forecasts capital receipts of \$31,303,365, made up of: Works and resources, \$2,245,266; loan repayments, \$27,621,037, and trust fund deposits, \$1,437,061. The largest item in the capital receipts forecast is one of \$14,248,148 from the Hydro Commission.

The funded debt of the Province, at March 31, after deducting sinking funds, stood at \$619,306,686—an increase of \$2,722,488 over the position a year ago.

The Premier, in enlargement on his statement on technical education in relation to training men and women for war industry and pre-enlistment classes for the armed forces, declared it was conceivable before the end of the year "we may be confronted with the problem of retraining men returning from overseas. The department is anxious that boys whose training was interrupted by the war may have the opportunity of completing it and that those who by reason of disabilities suffered during the war, are compelled to seek new vocations may likewise find our schools not only willing but able to assist in the difficult adjustments to a new mode of life."

No provision is being made for the summer courses for school teachers. "Teachers in both elementary and secondary schools are being urged to spend part, at least, of their holidays in farm work," said the Premier.

Game and Fish Record.

He stressed that the Department of Game and Fisheries during the ten months period up to the end of January, 1942, has collected \$1,068,764 more revenue than has been the case in any previous complete fiscal year. During the next two months it expects to derive \$76,675, or an estimated total of \$1,145,439. Fifty-five per cent of the entire ten months revenue was derived from non-resident angling and hunting licenses, largely from the United States, divided \$469,776 and \$118,423, respectively.

In a survey of Health Department work, Premier Hepburn stressed laboratory activities designed to protect the health of the armed forces, the war on communicable diseases and the fact that the T. B. program last year dropped the death rate to an all-time low of 26.7 deaths per 100,000. He stressed also nutrition developments and the department's plan to extend school dental services in rural Ontario.

In the first public statement relative to fever heat treatments for paresis in mental hospitals, the Premier said that to date 95 patients so treated have been released and that 88 per cent of these have become self-supporting. The treatment has been extended to a number of general hospitals, he added, to prevent the development of the late crippling results of the disease, and during the year 245 patients have been treated. Most of these, he said, would otherwise have gone on to total and permanent disability.