

APRIL 8

Urges Queen's Park Practice Rigid Economy As Help to War Effort

Macaulay Claims War Is Increasing Taxes So Fast It Is Hard for Treasury Department to Keep Up in Spending; Asks Debt Reduction

Charging the Hepburn Government with "plain and fancy extravagance, with no ceiling on expenditure," Leopold Macaulay, financial critic of the Opposition, yesterday in the Legislature called upon the Administration to practice rigid economy as a practical means of aiding the Canadian war effort.

Despite the "glittering and stupendous" surpluses reported each year since 1934, Ontario's overall deficit for seven and a half years was \$147 millions, Mr. Macaulay asserted. This was at the rate of \$19.6 millions annually, he said.

Recalling that the Premier had asked for suggestions, Mr. Macaulay outlined a plan whereby Ontario could substantially reduce its net debt by earmarking for a debt reduction scheme the tax increases imposed by the present Government. The gasoline tax increase of two cents would yield \$6.6 millions; the increase in corporation tax from 2 to 5 per cent would bring another \$12.9 millions, and the personal income tax of \$6.8 millions, less the \$3 million subsidy to the municipalities, would bring the total to \$23.3 millions, he declared.

"This sum of \$23.3 millions represents entirely new taxes imposed by this Government in recent years," said Mr. Macaulay. "They could earmark this sum for debt reduction and thus cut the interest bill of this Province, which is over \$30 millions a year."

Reaches "Dizzy" Height.

Mr. Macaulay claimed the war boom was increasing Provincial taxes so fast it was hard for the treasury to keep up in spending. Why was it, he asked, that there was a reduction of only \$1,000,000 in the net debt when the gross ordinary revenue reached the "dizzy" height of \$121,000,000?

"No reduction in ordinary expenditure is forecast for 1943, except in the Highways Department," continued Mr. Macaulay. "The total ordinary expenditure is forecast at \$104,000,000 instead of \$107,000,000 for the year just closed. That reduction of \$3,000,000 is obtained by a forecast of \$4,000,000 in highway expenditure. The accountants and financial experts may argue about surpluses and net debt of the past, but a new consideration has arisen. The taxpayers' money is needed for war. Disregarding the terrific drain on the country for war expenditures, the Provincial Government is budgeting for all-time high expenditures. It has benefitted by war-con-

trolled revenues, giving large surpluses. None of the betterment in the budget position is the result of economy. Money is flowing into all channels, payrolls, sales of consumers' goods and Government revenues. In the Dominion, luxury consumption and even some ordinary consumption is being discouraged and savings encouraged. High taxes have been placed on corporation and personal income and excess profits taxes have been levied.

"The Provincial Government, however, goes merrily on its way, lapping up this new-found revenue for its functions," declared Mr. Macaulay. "This is hindering Canada's war effort. Instead of easing Provincial tax burdens so that the taxpayer can assume the ever-increasing war taxes, the Provincial levies are maintained at all-time high levels. It is the duty of the Government to sacrifice like private citizens. The Premier in his opening remarks referred to the heavy sacrifices the citizens are being called upon to make. There is no evidence of similar sacrifice in our budget. I repeat, some of this money is needed for war, and Ontario must do better to enable its tax-weary citizens to pay their share of the ever-increasing war expenditure that will be demanded in the future by the Federal Government."

Tells of Plan for Lignite.

W. G. Nixon, Temiskaming Liberal member, and industrial commissioner of the T. & N.O. Railway, who has been delegated by Premier Hepburn to lead the investigation into the potentialities of lignite in Northern Ontario, surveyed the work that has ended in the decision to secure the necessary equipment to permit commercial development on a small scale.

Trained also in agriculture, Mr. Nixon backed the Government's decision to continue the hog and cheese bonus for another year. The farmer, even yet, "feels that he is the forgotten man, although prices have improved," said the speaker. "Anything that will help to stabilize this great primary industry must be regarded as worth while."

He spoke also on behalf of some form of medical plan which would not only assure rural residents health protection, but treatment as well. "As a pioneer in Northern Ontario, I know what it means to see loved ones sick and ill without being in a position to call in adequate help," said Mr. Nixon.