

10 Million Surplus In Ontario Budget; No New Taxation

Treasurer Promises More Labor for Farmers Engaged in Growing Crops Essential to War Economy

A current year surplus on ordinary account of more than \$10,000,000, and an overall surplus taking in capital account of twice that figure, featured Provincial Treasurer St. Clair Gordon's Budget address in the Legislature yesterday. His forecast for the fiscal year ending March 31, 1944, was a surplus of \$5,000,000 on ordinary account, and \$20,000,000 on an overall basis.

The \$10,269,902 surplus on ordinary account this year was due largely to liquor revenues, Mr. Gordon told the House. Last year he had estimated revenue from this source at \$10,500,000, while the amount by the end of March this year would be \$17,275,000, an increase of \$7,275,000.

Last year the Budget had estimated a surplus of \$473,613 for this year on ordinary account.

Presenting the fourth wartime Ontario Budget, Mr. Gordon, in his maiden effort as Provincial Treasurer, said the Province would stand fast to its pledge of no new taxation. He announced, amid applause, that the Government proposed to participate in the coming Victory Loan to the extent of \$5,000,000 in Victory bonds for the Provincial sinking funds.

Referring to the stabilization of revenues under agreement with the Dominion Government, Mr. Gordon said \$73,798,567 was frozen in this manner, and represented 72 per cent of the net revenue of \$102,113,025 estimated to be collectable during the fiscal year ending March 31, 1944.

The gross debt of the Province was cut by \$20,750,632 during the year ending March 31 of this year, the figures being \$724,770,880 and \$704,020,248. The net decrease was \$3,853,457. The Province's net debt now stands at \$503,274,649. There was a reduction of \$6,500,000 in temporary loans and treasury bills outstanding as at March 31, 1943. The contingent liability of the Province was lowered from \$125,245,722 to \$122,876,836, a decrease of \$2,368,886.

The interim surplus for the year ending the 31st of this month was set at \$10,269,802, the Provincial Treasurer informed the House. The overall surplus, taking in capital revenue, was announced as \$20,700,042.

Agriculture in War.

In a survey of departments of Government, he said of agriculture that Ontario could look forward with confidence to meeting the extra wartime demands on it this year. "Material encouragement from the Government is imperative and will be forthcoming," he promised. The Government had "stepped into the breach" with subsidies when, two years ago, low prices for hogs and cheese "appeared about to down increased Ontario production." Since then subsidy payments had amounted to \$6,638,099 on these, and the subsidies would be continued during the next fiscal year.

The efforts of the county agricultural war committees already set up, whose duty it would be to report upon and organize locally for labor from town, city, war prisoners' camps or from unproductive farms throughout the country, would be co-ordinated with the efforts of urban centres to provide "commando" and other farm labor, under the Farm Service Force. A much larger urban force of farm helpers was counted upon this year.

Alive to wartime requirements, the Government had been thoroughly alert in other fields of agriculture. Under direction of the Growers' Marketing Boards \$5,000,000 worth of fruit and vegetable crops had been marketed last year and emphasis had been placed, too, on live stock production. Beans, flax, sugar beet crops also were important and in 1942 22,000 acres had been planted to sugar beets, whereas the refining capacity of the two plants available was sufficient for 40,000. "Labor is the deciding factor since an agreed-upon price has been reached."

Mr. Gordon was given an ovation when he rose to speak. It marked the first time since the Liberals came to power in 1934 that the Budget speech was not delivered by Mr. Hepburn. The new Provincial Treasurer spoke for 90 minutes, and his address was frequently interrupted by applause. Leopold

Macaulay (Prog. Con., South York), who will speak on the Budget next week, congratulated Mr. Gordon on his excellent presentation and remarked that the debt figures gave details not previously dealt with in Budget speeches.

The practice adopted last year of estimating an overall surplus as well as a surplus on ordinary revenue, was followed by Mr. Gordon. The overall surplus of \$20,700,042 was obtained by comparing total ordinary revenue and capital revenue with total ordinary expenditure and capital expenditure. Taken separately the surplus on ordinary account was \$10,269,902 and the surplus on capital account was \$10,430,239. The overall surplus for the last fiscal year was \$1,383,552.

Tribute to Mr. Hepburn's efforts during his years as Provincial Treasurer was paid by Mr. Gordon. He referred to Mr. Hepburn's "hard fight" to obtain lower interest rates for the Province, and credited his predecessor with establishing the excellent financial positions now enjoyed by Ontario.

The surplus for the coming fiscal year was based on net expenditure and revenue. Mr. Gordon estimated net ordinary revenue at \$102,113,002, and net ordinary expenditure at \$96,602,413, creating a surplus of \$5,510,612. Capital account estimates were: Receipts, \$34,356,394; payments, \$19,194,108; surplus, \$15,172,285.

The Provincial Treasurer reviewed all departments of Government, giving a progress report on the activities of each. There was enthusiastic applause when he announced, though it was not news to the members, that the Provincial subsidy of one mill to municipalities would be continued. He also informed the House there would be a decrease in interest from four to three per cent on loans under the Tile Drainage Act.

The Treasurer contrasted Ontario's favorable financial position with the fact that the Dominion Government is faced with a deficit of over five and a half billion dollars.

Clean Up Gambling.

Special anti-gambling and liquor control police squads, appointed since the last session of the Legislature, had rendered material service in cleaning up sources of gambling activity and bringing about more effective enforcement of the Liquor Act, Mr. Gordon reported. Civilian Defense forces in Ontario, under a committee of which the Attorney-General is chairman, and made up largely of senior civil servants, had made considerable progress, and nearly 100,000 volunteer workers are enrolled in 113 municipalities under these forces. Provincial Police had supervised placing of guards at Hydro generating and transmission stations and sabotage attempts had not occurred there. War needs had extended work of the Fire Marshal's branch.

The Department of Game and Fisheries, it is estimated, will have a revenue of \$950,000 for the current fiscal year, \$230,000 less than the previous year, when the department set an all-time revenue high. Falling off in American tourist trade due to the war is blamed for nearly all, \$195,000, of the lost revenue, and fur royalties, trapping fees and fur dealers' licenses also fell off, due to prevailing con-