

Budget's Highlights

Following are highlights of the Ontario Budget:

Overall surplus of \$20,700,042 estimated for fiscal year ending March 31, 1943, made up of \$10,269,902 surplus on ordinary account and \$10,430,239 on capital account.

Reduction of \$20,750,632 in gross Provincial debt and reduction of \$3,853,457 in net Provincial debt.

No new taxation.

Overall surplus of \$20,682,897—with \$5,510,612 on ordinary account and \$15,172,285 on capital account—estimated for fiscal year ending March 31, 1944.

Subsidies paid to cheese and hog producers and one-mill subsidy to municipalities to be continued.

Ontario to subscribe \$5,000,000 in forthcoming Victory Loan.

Liquor revenue \$17,275,000, increase of \$7,275,000.

Grants to public and separate schools increase \$500,000.

Judicial Board of Review to have power to reduce arrears of principal or interest or both on loans to farmers under Agricultural Development Act.

Seventy-two per cent of Provincial revenue for 1933-34 — \$73,798,567 — stabilized through agreements with Federal Government.

Program of youth training and assistance to armed forces to be greatly extended.

Medical service to recipients of old-age and blind pensions and mothers' allowances to be continued.

Government Grants to Schools Increased \$500,000 Next Year

Public and separate schools of the Province will benefit by an increase of \$500,000 in Government grants over last year's record of \$4,981,000, the largest sum ever paid in general legislative grants to elementary schools in the history of Ontario.

This was one of the highlights of Provincial Treasurer St. Clair Gordon's Budget address in the Legislature yesterday. Mr. Gordon's statement aroused applause from both sides of the House.

"It behooves us to see to it," said the Treasurer, "that the children attending our schools are being prepared adequately to assume the responsibilities of what we hope will be a happier mode of life—the abiding compensation for the enormous sacrifice of life and treasure the war will claim."

The teaching profession should not be unduly handicapped by the competition of other vocations offering more substantial financial rewards. It was necessary that the

profession attract those possessed of higher qualities of intellect, and this justified "a more generous attitude on the part of the Province to its elementary schools." Equality of opportunity for obtaining an education in all parts of the Province also was important and the trend of rural teachers to city jobs would continue "as long as there is a serious disparity in financial rewards." Also, it interfered with the chance of a country boy enjoying the same educational advantages as his "city cousin."

"The existence of this condition," said Mr. Gordon, "justifies a gradual increase in the financial aid for schools in poorer communities, found mainly in rural districts."

"For that reason the general legislative grants are apportioned on a basis which recognizes the need of the poorer community." Rural schools, which now get about 70 per cent of these grants, will find them gradually increased as the resources of the Province warrant.

Budget Summary

Following are significant figures summarizing the financial position of Ontario for the fiscal year, ending with March 31, 1943, and some of the comparative figures for the coming fiscal year, which ends March 31, 1944:

Fiscal year ending March 31, 1943 (10 months actual, two months estimated):

Gross ordinary revenue	\$115,233,177
Gross capital revenue	32,487,628
Gross total revenue	147,720,805
Gross ordinary expenditure	104,963,375
Gross capital expenditure	22,057,388
Gross total expenditure	127,020,783
Interim over-all surplus	20,700,042
New fiscal year, ending March 31, 1944 (estimated):	
Net ordinary revenue	\$102,113,025
Capital receipts	34,356,394
Net ordinary expenditure	96,602,413
Capital payments	19,184,108
Total over-all surplus	20,682,897

Ontario's Liquor Revenues \$15,250,000 for Next Year

The total net revenues from liquor for the fiscal year ending March 31, 1944, will be \$15,250,000, an increase in the amount estimated prior to Dominion negotiations of \$3,500,000, Provincial Treasurer St. Clair Gordon told the Legislature yesterday during his Budget speech.

"This figure will be augmented if necessary by the Dominion Government in accordance with its guarantee to ensure the liquor revenues of any Province on the basis of such revenues received during the 12 months ending June 30, 1942," said Mr. Gordon. "In that period Ontario liquor revenues were about \$15,750,000."

Mr. Gordon revealed that had no Dominion restrictions been imposed, the total net revenue which would have been realized from liquor during the fiscal year ending March 31, 1943, would have reached the sum of \$18,860,000. The revenue totalled \$17,275,000. With the restrictions in effect for a full year, starting April 1, 1943, the estimated

total net income would be \$11,750,000, a decrease of \$7,110,000. It was at this stage that Ontario began making representations to Ottawa for financial aid.

The Provincial Treasurer detailed the offer of the Dominion and declared that the acceptance of this offer was "imperative to ensure continuity of Provincial income in these abnormal times." This Federal guarantee of Provincial liquor revenues was contingent on the Provinces raising the retail price of spirits by an amount at least sufficient to absorb a two dollar per proof gallon increase in the duty on spirits which the Dominion put into effect.

"With respect to the liquor board operations for the 12 months which expires at the end of this month," said Mr. Gordon, "it is estimated that the Provincial Treasury will receive \$17,275,000, which is an increase of \$3,525,000 over the revenue of \$13,750,000 received in the last fiscal year."