

March 17.

SEES REVENUE FROM LIQUOR DOWN \$3,500,000

The poor position of Ontario's liquor stocks will be reflected in a decrease of over \$3,500,000 in Liquor Board gross revenue for the year ending March 31, 1945, Provincial Treasurer Leslie Frost told the Legislature yesterday in his Budget address.

Liquor revenue for the year closing at the end of this month will total 20 millions, being 10 months actual and two months forecast.

In disclosing that gross revenue from all sources will be down by approximately \$6,393,000, Mr. Frost showed that more than half this amount will be due to an anticipated cut in liquor revenue.

The substantial inventory of spirits and wines which the Liquor Board had at the beginning of the current fiscal year was largely sold, and under present conditions cannot be built up or replaced, he explained.

"The maximum revenue which I can forecast is the amount of profits which are to be guaranteed by the Dominion, amounting to \$16,312,616," Mr. Frost said.

Another reduction in estimated revenue is in the corporation tax field. The Treasurer said this source would yield approximately \$1,250,000 less. The reason for this, he explained, was that collections on tax made in one quarter were deducted from the subventions to be paid in the following quarter. In the year ending March 31, 1942, large amounts of tax were paid by corporations and these were refundable under the terms of the Dominion-Provincial tax agreement and the complementary legislation. As a result the amount of the subvention payable in the current year 1943-44 was correspondingly increased. No such condition applied to 1944-45, Mr. Frost said.

"When the Dominion Government raises its wartime restrictions affecting spirits and wine, the Ontario Government will be prepared to revise its prices to a proper level and to emphasize proper distribution and control," said Mr. Frost.