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THESE ARE THE FACTS

of the Dominion-Provincial Conference on the Sirois Report

(CONTINUED)

HON. T. B. McQUESTEN, K.C., ONTARIO MINISTER OF HIGHWAYS AND MUNICIPAL AFFAIRS. (Vol. 2, pages 83 to 87):

"Mr. Prime Minister and gentlemen, before this conference dissolves, the province of Ontario would like to place before it its financial position with regard to the effects of the Sirois report on the province's finances.

Perhaps I might properly preface what I have to say to-day by referring to two points touched upon by the Premier of Manitoba (Mr. Bracken) in the presentation of his argument before the opening session of the conference yesterday. Hon. Mr. Bracken made what I might call an earnest plea to the delegates of this conference, and particularly to the Premier of Ontario, to consider the attitude taken by the late Hon. George Brown at the various conferences leading up to confederation. In bringing Mr. Brown's name into the conference he has suggested that Mr. Brown very properly forgot his own personal feelings in the matter and joined hands with Macdonald and others in shaping confederation as expressed by the British North America Act.

I consider it rather an unfortunate choice of argument to ask that the Premier of Ontario emulate Brown. I hold that in taking the attitude he has, Hon. Mr. Hepburn has been but living up to the traditions of Brown, and has defended and upheld all that Brown stood for, and is safeguarding the rights and responsibilities vested in the separate provinces by confederation. I prefer to support and adopt the material structure which was created by Brown, rather than attempt to interpret its spirit, as Mr. Bracken has purporting to do. If Mr. Bracken's argument were to prevail, history would be degraded, our ideals shattered, and the names of our public men cast into the ossuary of time.

Mr. Bracken was on better ground when he advanced the idea that provincial autonomy, without adequate revenues for discharging the functions of government for which provinces are responsible, is but little more than a farce. To put the same idea in another way, without fiscal independence there can be no provincial autonomy.

I am prepared to-day to review the financial history of the province of Ontario, particularly relating to the years since the present government has been in charge at Toronto.

Ontario Balances Budget

Briefly, let me state that we have followed since the 1st of April, 1936, a sound financial policy, as shown by our budgetary position. In 1936-37, 1937-38, and 1938-39, we had balanced budgets. This year we are promised by our premier who is also the provincial treasurer, a balanced budget, a surplus and a reduction in debt.

This wholesome and enviable budgetary position has placed us in a position to carry out a policy of assistance to the 900 municipalities which form the local government administrations of Ontario. For example, the province has assumed the entire capital cost of construction of our great highway system, the financial burden of which formerly rested in part upon the municipalities. The province also contributes in various ways toward highway construction expenditures by municipalities.

In matters of public health, Ontario has made great strides and has, since this government took charge, at an annual cost of millions of dollars, assumed the entire burden of the care of indigent tubercular patients. Public health in Ontario costs the province of Ontario a sum exceeding \$900,000 per month.

Then, in exchange for the income tax, which was formerly collected by a few of the 900 municipalities, we have substituted a profit-sharing income tax, and have assumed the entire cost of the share formerly borne by the municipalities of old age pensions and mothers' allowances.

The annual cost to the government of Ontario for old age pensions, as represented by the present fiscal year, amounts to three and a half million dollars. This includes the province's share of pensions for the blind.

The annual cost to the province of mothers' allowances this year will exceed the sum of five and a quarter million dollars. All of these items—that is, old age pensions, pensions for the blind and mothers' allowances—are annually increasing in amount. I quite agree with the estimate made by prominent actuaries that they will continue to increase for the next fifty years. It is difficult at this time to estimate the final limit of the cost of these three social services, which, as you are aware, were never dreamed of by the Fathers of Confederation.

We also pay to the municipalities an annual subsidy of one million, based on the general assessment of the municipalities in round figures to the sum of three million dollars per annum. Another function of government that is growing annually is education, and it is estimated that for the present fiscal year the province will spend upwards of thirteen million dollars.

Compares Relief Costs

One of the services that has cost enormous sums during the past decade is that of the cost of relief. Under the present basis of contribution the dominion pays 40 per cent. of direct relief costs, excluding medical services. Including medical services the dominion contribution is 38 per cent. of the total expenditure. For the present fiscal year, that is, the period ending March 31 next, relief will cost Ontario the sum of ten million dollars. Of this the dominion's share will be \$3,800,000, the provincial share \$4,300,000, and the municipalities' share \$1,900,000.

Estimating the cost of relief for the fiscal year which begins April 1, 1941, calculated on the present basis of sharing the cost of relief, and estimating from the best available information, the relief picture in Ontario will be represented as follows:

Dominion share.....	\$2,555,000
Provincial share.....	2,892,000
Municipal share.....	1,278,000
If the Sirois basis be adopted, for the fiscal year 1941-42, the cost is estimated as:	
Dominion share.....	\$ 566,000
Provincial share.....	4,927,000
Municipal share.....	1,232,000

Thus it will be observed that by adopting the Sirois basis the dominion will enjoy a saving of \$1,989,000, while the province of Ontario would be called upon to increase its expenditures by the sum of \$2,085,000, and the burden of the municipalities would be practically the same as under the present plan, the difference being less than \$50,000. The officers of the treasury and welfare departments are here, and are supplied with all details with respect to relief figures, and in fact other relief figures, and we are prepared to discuss these matters in detail if and when required. At this juncture I desire to make a statement with respect to the estimated saving or gain to the province of Ontario, as contained on page 96, Book II, of the recommendations of the Sirois commission.

The estimated savings or gain to the province of Ontario, on the 1937 base, is \$5,326,000 per annum. But a careful analysis of the figures indicates that instead of a gain of \$5,326,000, the actual net loss to the province for the 1937 period would be \$6,432,000. Thus it will be seen that the information given on page 96 of the Sirois report as to the expected improvement in the financial position of the province on the 1937 base is inaccurate and not in accordance with the findings of the treasury department of the province.

of Ontario. This inaccuracy amounts to the large figure of \$11,758,000. The reconciliation of these amounts is available and can be explained by the technical officers of the treasury department.

With respect to the present fiscal year, the situation is infinitely worse. If the Sirois plan were adopted and made effective for the present fiscal year, which ends on March 31 next, the province of Ontario would be faced with a certain net loss in revenues of the sum of \$17,000,000. This for the present fiscal year alone.

The province will be required to give up annual revenues of.....\$40,000,000
Deduct from this, expenditure assumed by the dominion, and the one million subsidy to the municipalities, which could not longer be paid, a total sum of..... 23,000,000
Leaves a loss of.....\$17,000,000

One of the first results of this loss in revenue, brought about by the giving up of the succession duty taxes, would be the loss in revenue to the University of Toronto of the sum of \$500,000. I would refer you to the Revised Statutes of Ontario (1937) chapter 372, section 129, which is the statutory authority for payment from the proceeds of succession duties to the University of Toronto in the sum of \$500,000 per annum.

Set Education Back 50 Years

But that is just one indication of what the loss in revenues would mean to education in our province. Education in Ontario would be set back fifty years. This would apply particularly to the "little red school house" and to the struggling separate schools, which under present conditions receive the so-called conference schools—annual grants from the provincial treasury.

The splendid work done by the department of health of Ontario in waging a successful fight to stamp out the menace of tuberculosis, which fight is being conducted at an annual cost to the province of upwards of \$3,000,000, could not be carried on, unless revenues from some other source were forthcoming.

This would involve some new type of taxation, but inasmuch as taxes on estates, taxes on incomes, taxes on corporations, and taxes on mining profits, would no longer be available to the province of Ontario, any additional burden of taxation required to raise revenue to continue a reasonable standard of education would inevitably fall upon real estate upon the farmer, the home-owner and the business man.

I also bring to your attention the fact that municipalities of the province of Ontario will suffer for the present fiscal year by the implementation of the Sirois report, the loss in revenue exceeding \$5,000,000.

Now, if you will add the net loss in revenue to be sustained by the province of Ontario of \$17,000,000 to the \$5,000,000 certain loss to be sustained this year by the municipalities of Ontario, you have the enormous sum of \$22,000,000—net loss to the province and the municipalities.

This, Mr. Chairman, is only the beginning. These losses are bound to increase, because the functions of government left with the province are, from their very nature, increasing in their burdensome character, in so far as the need for revenue is concerned.

Real Estate Burden Intolerable

No one conversant with the problems of public finance that beset the provinces and the municipalities in Canada to-day will attempt to deny that the burden on real estate at present has reached a point where it is difficult for the farmer to meet his rates and taxes; it is discouraging for anyone to attempt to build a home; and, in fact, daily in Ontario discouraged home-owners are attempting to salvage something from their equities, and are parting with their homes, which represent in large measure their only life savings.

The real estate owner to-day, who can barely raise the amount of his taxes, will find that for every dollar of taxes he pays to-day in Ontario he will be called upon next year to pay \$1.20. And this under war conditions, where the cost of living is something mounting, and is, generally speaking, ten per cent. higher than it was at the outbreak of the war.

As the Prime Minister has said, "You leave us with the expensive functions of government."

And I hold that the figures I have submitted prove that we will have insufficient funds to discharge these functions of government, that health and education in particular will suffer, and the standard of living of our citizens who are in the class of what might be described as the lower economic scale will be akin to a condition of servile dependence.

Now, Mr. Prime Minister, I have finished with my presentation of the financial effect of the report as it appears to this province, and I am authorized on behalf of the premier of the province of Ontario, the Ontario delegation, and the people of the province, to announce that our association with the so-called conference is over. Some other members may take this opportunity to present their reply to the financial address of the Hon. Mr. Dickey, and to withdraw as we are doing. We leave it to the rest of the members to continue their efforts to do what we are bound to say would result in wrecking confederation, as we understand it, and in destroying provincial autonomy and rights. We are returning to our business, and our final word to the dominion is that with respect to the Sirois report, if the dominion decides to prosecute the Quebec on a basis of cooperation we shall be ready, as we have always been in the past, to cooperate in every known way and to throw the full weight of our great province into the dominion's war endeavour."

RT. HON. ERNEST LAPOINTE, MINISTER OF JUSTICE AND ATTORNEY-GENERAL OF CANADA. (Vol. 2, page 100):

"I read the Ontario newspapers, and this morning I read a statement in a Toronto newspaper to the effect that this commission report was a Quebec report, prepared by and for Quebec, for the benefit of that province. That article urged the people of Ontario to oppose it. My friends who are here know that at the same time in the province of Quebec this report is considered by some as leading to the destruction of provincial autonomy and the sacred rights of the citizens of that province. It has been stated that the French-Canadian race will be enslaved if this report is adopted and accepted."

RT. HON. W. L. MACKENZIE KING, PRIME MINISTER OF CANADA. (Vol. 2, page 112):

"May I say this next. When my colleagues and I considered the calling of this conference there was between us a great diversity of view as to the wisdom of having such a gathering at this time. In saying that I do not think I am betraying any cabinet secret which I am sworn to respect, I for one took the view that it was very doubtful whether it would be wise to have a conference in war time."

HON. ADELARD GODBOUT, PRIME MINISTER OF THE PROVINCE OF QUEBEC. (Vol. 2, page 117).

(The Prime Minister's remarks were given in French, the following is the English translation):

"Should the continuation of this conference constitute a menace to Canadian unity, I would suggest, Mr. Prime Minister, that it be dissolved."

Newtonbrook Ont. Crop Improvement Association to Meet

An Officers Conference of the Suburban Area of Toronto Centre Presbytery Y.P.U. was held in Newtonbrook United Church last week with over sixty in attendance. The various departments in the Y.P.U. organization were very ably discussed by leaders of the Young People's Council in Toronto. The members of Newtonbrook Y.P.U. served refreshments at the close of the meeting and a very happy social hour was enjoyed.

Last Monday evening the Y.P.U. entertained the Young People of Lansing United Church. Mr. Reg. Hewett, the new president of Newtonbrook Y.P.U., presided. Mr. Norman McDonald read the scripture lesson and Miss Margaret Shaw offered prayer. The meeting was under the direction of the Christian Fellowship convener. A Bible Quiz was an interesting feature of the meeting. The captains were Miss Ann Elliot of Lansing and Miss Margaret Shaw of Newtonbrook. Miss Shaw's group were the winners. Refreshments were served.

The United Church Choir enjoyed a sleighing party to the home of Mr. and Mrs. Reid Brumwell on Bayview Ave. last Friday evening. After the practice Mrs. Brumwell served lovely refreshments.

Choir practice will be held on Friday evening at the home of Miss Edna Street.

The Women's Association will hold their regular monthly meeting next Thursday afternoon, February 6 in the S.S. hall.

The Mission Band met last Saturday afternoon with over thirty in attendance. The special theme for this year is "Worship". The devotional topic was "Worshipping God by Song". Jean Taylor recited the 121st Psalm. The study on "Trinidad" was continued and was made very interesting. A miniature house of Trinidad was on display. Margaret and Wilma Adair contributed piano solos. Plans were made for a St. Valentine party on Saturday, February 8th to follow the regular meeting.

Mr. Roy Gurney, past president of the Y.P.U. is drilling every Monday evening and is instructing in signalling. A number of the young men of the United Church Y.P.U. are in Active Service now.

Miss Jean Taylor entertained a number of her school friends to dinner last Friday evening.

The World Day of Prayer Service for this district will be held in Newtonbrook United Church on Friday afternoon, Feb. 28th at 3 o'clock.

Several members of Newtonbrook United Church Sunday School are preparing to take part in an Oratorical Contest on "Temperance". This is an annual event in the Sunday School.

Rev. A. H. and Mrs. Halbert and Mrs. A. W. Galbraith attended the Sunday School Convention held at Victoria Square last Thursday.

A sewing meeting for the Red Cross was held at the home of Mrs. Thomas Street last Thursday afternoon. The ladies of the United Church have already made about fifty quilts for refugees.

Mrs. Kent of Goulding Ave. was able to leave the hospital last week and is recuperating at the home of her mother, Mrs. F. Foreman in Toronto.

SPRAY CALENDARS NOW AVAILABLE

1941 editions for apples, stone and bush fruits, and vegetable protection may be obtained free of charge from Agricultural Representatives and Ont. Dept. of Agriculture.

The 1941 Ontario Department of Agriculture Spray Calendars for apples, pears, stone fruits, bush fruits, and vegetable protection are just off the press and available at the offices of Agricultural Representatives. They may also be obtained free of charge by writing direct to the Fruit Branch, Ont. Dept. of Agriculture, Toronto.

The spray calendar for apples contains seven illustrations and in addition to the regular sprays, outlines special sprays for bud moth, rosy aphid, green aphid, leaf rollers and European red mite.

There is also a special spray schedule for orchards heavily infested with codling moth.

No fruit grower should be without the two spray calendars for (1) apples and (2) stone fruits and bush fruits.

The vegetable protection calendar lists both field and greenhouse pests and methods of control. It should prove a boon to every vegetable grower in the province.

Ont. Crop Improvement Association to Meet

Representatives from 41 counties and District Branches of the Ontario Crop Improvement Association will convene at the King Edward Hotel, Toronto, February 11th and 12th, at what promises to be the best annual meeting ever held by the Association.

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Tuesday afternoon will be devoted entirely to a discussion of the potato situation in the Province and how it may be improved. The following will participate—Dr. G. P. McRostie, O.A.C., Guelph; J. T. Cassin, Toronto; A. W. Lachine, Guelph; Norman Parks, O.A.C., Guelph; H. Whiteside, Guelph; and G. C. Burt, Hillsburg.

W. R. Reek, Ont. Dep. Minister of Agriculture, Dr. L. H. Newman, C.E.F., Ottawa, James Laughland and Prof. R. G. Knox, O.A.C., Guelph, Douglas Hart, Woodstock, C. C. Tennant, Toronto, and W. Alex. Muir, Woodstock, will deliver addresses and take part in the discussions Tuesday evening.

A highlight of the annual meeting will be addresses Wednesday forenoon by Lawrence M. Kerr, B.S.A., of Chatham on "Farm Management" and a discussion led by Wm. Brechin of Freeman. Dr. G. P. McRostie will discuss "Recent Developments with Field Crops" followed by Alex. Stewart, Ailsa Craig who will lead the discussion.

Wednesday afternoon will feature addresses on "Cultural Practices" by Dr. E. S. Hopkins, C.E.F., Ottawa, and "Conservation and Utilization of Manure" by Prof. G. N. Ruhnke, O.A.C., Guelph, Wm. Wallace, B.S.A., Woodslee and I. B. Whale, Wildwood Farm, London, will lead the discussion on these subjects.

Hon. P. M. Dewar, Ont. Minister of Agriculture and Dr. G. I. Christie, President of the Ontario Agricultural College, Guelph, will speak at the annual banquet Wednesday evening.

A display of seed for sale has also been arranged, the object being to assist those who have surplus seed of high quality to sell and to assist those who need to arrange for their requirements.

Mr. J. O. Little of Newmarket is recovering from a serious attack of pneumonia.

Officers elected by Bolton Red Cross for 1941 were: President, Mrs. B. R. Leavens; secretary, Mrs. Agnes Raynor; treasurer, S. Ruthenford. 3,819 articles were made in 1940 and \$700 was raised in the October appeal. The group showed a year end balance of \$215.00.

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1 Large Congolem Rug, nearly new
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Last week the local "Wallis" Red Cross Unit, (Vaughan Township No. 10), shipped 57 articles made in the past few weeks. They also forwarded to headquarters the \$10.00 in cash raised at the Humber Summit Christmas Tree and Entertainment. Articles sent were: 3 quilts, 5 pair of pyjamas, 4 scarves, 1 sweater, 10 pair of seamen's socks, 10 pair of soldiers' socks, 12 Hampton pads, 4 pair of gun mitts, 2 pair of children's mitts, 6 hot water bottle covers.

On Monday night, January 20th, Thistletown ratepayers presented a petition to Etobicoke council requesting that Thistletown be made part of Etobicoke township. Reeve W. A. Armstrong said special legislation would have to be passed to annul that which made Thistletown a police village seven years ago. He proposed that Thistletown trustees confer with the council before any steps toward inclusion of the village in the township be taken.