

\$156,134 Reduction

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\$214,223, leaving a surplus on Current Account of \$1,493,131.

A summary of the Ordinary Revenue for the current fiscal year is as follows:

(A) Government of Canada:

- Subsidies \$ 647,182
- Tax Rental Agreement \$ 3,631,091

Other Subventions \$ 374,767

Total from Federal Government \$ 4,653,080

(B) From Local Sources:

- Taxes:
 - Gasoline \$1,500,000
 - Amusements 132,000
 - Liquor 265,000
 - Tobacco 145,000
 - Succession Duties 237

Total \$2,042,237

(2) Licenses, Permits & Fees:

- Motor Vehicle Licenses \$451,976
- Corporation Licenses \$4,689
- Falconwood, Infirmary & Beach Grove Fees 107,000
- Probate Fees 13,500
- Court Fees 4,650
- Registry Offices Fees 8,500
- Fish & Game Licenses 11,850
- P. W. College Fees 13,234
- Sundry Licenses, Permits and Fees 11,565

Total from local sources \$3,775,287

As I said before, a total revenue on Ordinary Account of \$8,428,317, the highest in the history of the Province.

I should like, Mr. Speaker, to make comment shortly on our sources of revenue and their nature, as well as the different types of expenditures and their relation to our general economy.

Under the Federal Government, by way of Subsidy and the Tax Rental Agreement, the Province will have received during the current fiscal year \$4,278,273. The market value of the nation's total production, as measured by Gross National Product was \$24,242 million in 1953, compared with \$23,110 million in 1952. This represents an increase in the value of the national product of almost five per cent. Inasmuch as prices were relatively steady throughout the year, the total volume increase was about four per cent. It is true that prices for agricultural products declined to some and even material extent, but the general level of production was well maintained so that the net result of agricultural decline was more than made up by the increased non-agricultural output.

The amount received under the Tax Rental Agreement is based annually on the general prosperity of the country and can increase or decrease very sharply.

Our Gasoline Tax increased by some \$32,000 over last year. Amusement Taxes have likewise increased. Liquor Taxes and the profit from the sale of same have been down and it is evident that another year will see a further reduction in these taxes.

Despite expanding receipts, we kept as closely as possible to the plan of expenditures outlined in the budget of a year ago. Ordinary Expenditures will total \$6,935,196—the net result a surplus on Ordinary Account of \$1,493,131. This surplus was derived after making a Sinking Fund provision of \$568,425.

Before going into Capital Account I would like to summarize some of the reductions in Ordinary Expenditures:

- Interest \$ 54,940
- Health and Welfare 72,395
- Education 53,794
- Attorney-General 4,153
- Agriculture 36,732
- Highways, Bridges and Ferries Maintenance 96,985

for a total of \$318,999

To be fair I must also include the amount of increases that have taken place during the current year:

- Legislation \$ 5,465
- Industry & Natural Resources 1,147
- Gasoline Tax Rebates, etc. 79,200
- Other Current Expenditures 6,929
- General Government 12,035

for a total of \$104,776

In other words, we have reduced Current Account Expenditures by \$214,223.

During this year Capital and Extraordinary Expenditures were \$2,495,198 and Capital Receipts \$499,380, together with \$95,000 interest on Sinking Fund investments.

Total Expenditure Ordinary & Capital \$9,430,384

Total Revenues \$9,932,697

Dr. Gross Deficit of \$ 497,687

Deduct from this Sinking Fund Provision 568,425

The net result will be another overall decrease in debt of \$70,738.

During the present fiscal year we spent on Capital Account for:

- Highway Construction including Bridges and Culverts \$ 1,497,000
- New Machinery 134,000
- Trans-Canada Highway 230,700
- Falconwood Hospital 90,000
- Assistance to Rural Schools 96,000
- General Hospital Construction 75,899
- Farm Improvement Machinery 20,775
- Rural Electrification 40,040
- Other items of a capital nature 64,630

for a total of \$2,251,044.

In addition the Government made loans and advances to the amount of \$244,154, which are recoverable at a later date and should not be considered as an

Forecast Debt Position

Before giving a summarized account of the work of the various Departments, which will be discussed in more detail by the responsible Ministers concerned, I should like to present the forecast debt position of the Province as anticipated as at March 31st, 1954—

On March 31, 1953 the net debt of the Province was \$17,213,733.

Total Forecast Expenditures fiscal year 1953-54 including Sinking Fund Provision 9,430,384.

Total Forecast Revenue for the fiscal year ending this month \$ 8,932,697.

Deduct from this Sinking Fund Provision 568,425.

Leaving a Forecast Net Debt as of March 31, 1954 \$17,142,995.

or, as I have said before, a reduction in the debt of this Province for the present fiscal year of \$70,738.

Treasury

Before proceeding with the Budget for the forthcoming fiscal year I should like to inform this House of our recent bond transaction and of the intention of the Government to recall the U. S. A. issue of December 15th, 1951.

On January 28th, 1954, the Province sold on the Canadian market a \$2,500,000 4 1/2% 10 year Debenture Issue, dated February 15, 1954. The proceeds from the sale of this issue converted into U. S. A. currency were transferred to the Bank of Montreal, New York, to be applied to the redemption of our U. S. A. issue of December 15th, 1951, which we intend to recall at 101 on June 15th next, or at an earlier date should the holders wish to do so. By taking advantage of the premium on Canadian dollars on the U. S. A. market we will be replacing this issue on the Canadian market at no cost to the province and avoiding the element of risk that could result if the U. S. A. currency would be above par the day the issue matures.

Budget For The Fiscal Year 1954-55

Before discussing the Estimates of Revenue and Expenditure for the forthcoming fiscal year I would like to comment on the general situation as it affects the Provincial budget.

We have been living for some years in a period of great material prosperity and have experienced a surge of economic activity that has had, and still has, dangerous inflationary tendencies. At various times we thought that the peak of the boom had been reached and that we could look for a reasonable levelling-off of prices without any disastrous economic contraction. Each time, however, it proved only a plateau in the rising curve of production. Much of our thinking, however, must take into consideration the possibility of an economic recession, sudden or gradual.

In a government business we must anticipate matters for a period which does not even commence for a couple of months and which ends nearly fifteen months from the time the Estimates are first prepared.

Estimates of Revenue for the forthcoming fiscal year are based on past experience and future expectations and reflect our considered opinion of what we can anticipate receiving, barring any extreme in the economic situation of the Province and the country as a whole.

I do not look for any drastic changes in the next year but rather a levelling-off and gradual stabilization in line with indications that are becoming more apparent in the situation day by day.

May I now, Mr. Speaker, direct the attention of this House to the estimated Revenue and Expenditure for the ensuing fiscal year as set out in the detailed Estimates which have been tabled for your consideration, which you will note, include expenditures on both Ordinary and Capital Accounts and provision for debt retirement in order to arrive at our estimated budgetary requirements.

These Estimates show that the Province hopes to realize Revenue on Current Account of \$ 8,237,839.

with a proposed Expenditure on similar account of 7,288,394.

for an estimated surplus, after providing \$538,950, for debt retirement, of \$ 940,445.

It is estimated that the outlay of public monies for expenditures of a Capital nature will amount to \$3,392,345, with an offsetting credit of Capital Receipts of \$18,373. Thus—

Total Expenditures are estimated at \$10,680,739.

Total Receipts at 9,156,212.

or a gross deficit of \$ 1,524,527.

after providing for a Sinking Fund Provision of \$38,950.

It is, therefore, forecast that the ensuing year's operations will mean a net increase in Liabilities of \$985,577. However, I am not at all pessimistic as to the outcome for the coming year for I believe that, with the co-operation of my colleagues, we could possibly achieve the third consecutive decrease in the debt of the Province.

It is anticipated, therefore, that the net debt of the Province as at March 31st, 1955 will be—

Forecast net debt March 31, 1954 \$17,142,995.

Add estimated increase to March 31, 1955 985,577

For a total of \$18,128,572.

Ordinary Revenue

The Estimates of Revenue on Ordinary Account for next year, 1954-55 \$ 8,237,839.

From the Federal Government we expect to receive \$ 4,995,584.

and from Provincial sources \$ 3,242,255.

The Revenue from Ottawa is made up as follows:

(A) Subsidy in lieu of taxes and additional payments based on Gross National Product 3,847,479

Total \$ 4,504,411.

Less Hillsboro Bridge Account 9,750.

For a total under the 1952 Tax Rental Agreement of \$ 4,494,661.

(C) Old Age Assistance and Blind Pensions \$ 133,750

(D) Health Grants \$ 287,773

(E) Other Assistance \$ 79,400

Total \$ 4,995,584.

Under the 1952 Tax Rental Agreement the guaranteed payment to this Province for the fiscal year 1954-55 will amount to \$4,504,411, against the Gross National Product of 1953, and that sum this Province will receive in quarterly instalments beginning June 30th, 1954.

From Provincial taxation it is estimated that, at least, \$3,242,255, will be collected from the following sources:

Taxes

- Gasoline \$ 1,250,000
- Amusements 100,000
- Succession Duties Arrears 1,900
- Tobacco 125,000
- Liquor 220,000

Total \$ 1,701,000

Licenses, Permits & Fees: \$ 596,425.

(This amount includes Motor Vehicle Licenses at \$400,000, after transferring over \$20,000 to the Unsatisfied Judgment Fund Account)

Temperance Act \$ 800,000

Fines and Penalties \$ 15,000

Rentals and Sales of Sundry Commodities \$ 20,000

Other Revenues and Refunds \$ 109,830

Total \$ 3,242,255

Supply

The Supply proposed to be granted to Her Majesty involves Expenditures on Ordinary Accounts of \$7,288,394, and these we now submit for your consideration.

1954-55

On Debt Charges Including Sinking Fund Provision \$ 1,235,004

Health and Welfare 1,925,467

Education 1,325,605

Attorney-General 214,780

Legislation 97,080

Agriculture 274,035

Industry & Natural Resources 223,280

Public Works & Highways 1,206,513

Gasoline Tax Rebates and Other Refunds 250,500

Other Current Expenditures 173,866

General Government 362,282

Total \$ 7,288,394

The proposed disbursements provide for an anticipated surplus on Ordinary Account of \$940,445 after providing for Sinking Fund Appropriation of \$538,950.

Alarming Figure

On reviewing these Expenditures I was quite concerned with the alarming figure of \$1,235,004 for servicing the public debt. This amount represents approximately 15% of the Revenues of the Province expected to collect in the forthcoming fiscal year. After careful analysis and comparing the result with previous years I am now convinced that it is not as serious as might appear.

Allow me, Mr. Speaker, to quote a few examples that I have picked at random and with no political motive in view. In the fiscal year 1945-46 over 27% of the Revenues of the Province went to service our debt account; in 1939 over 26%, while in the year 1931 the Province spent \$221,000, or a total Revenue on Ordinary Account of \$1,160,000, or approximately 19%, so that actually we are better able today to carry a public debt of \$18,128,572, than we were in 1931 when the debt was only \$3,342,242.

In Health and Welfare the proposed outlay of \$1,925,467, represents an increase of \$164,768 Health Branch, including General Administration, \$106,165; Maintenance of Falconwood Hospital; Provincial Infirmary, Beach Grove and Health Centre Buildings \$15,000; and the Welfare Branch of the Department \$43,603, or, as I said before, \$164,768, more than that spent in the present fiscal year.

In the Department of Education \$73,000, more will be expended on Teachers' Salaries and Supplements, and the overall increase will be almost \$110,000, including an additional \$5,000, for school book subventions; an additional \$2,400, for Scholarships, some \$14,000, for Teacher Training Loans and Grants and approximately \$3,000, more for our contribution to Schools for Deaf and Blind children.

Agricultural Estimates

Agriculture Estimates are increased by \$36,212, over the forecast Expenditure for 1952-54. The appropriation of \$274,555, voted by this House last year was not fully used and we are again submitting for your approval a similar amount, namely \$274,035, in the hope that the Minister's proposals for his department will be more actively prosecuted.

This well indicates the efforts being put forth by our Government for the encouragement of Agriculture and the progressive policies initiated and expanded by the very capable Minister in charge of the Department.

In the Department of Industry & Natural Resources the extension of services has already been noted as well as the cost. The proposed Expenditure on Current Account for the fiscal year ending next March is \$223,280 as against an appropriation of \$208,020 for the year ending the last day of this month. Mr. Speaker, may I reiterate my remarks of last year's budget wherein I stated that the work of this Department deserves the very complimentary opinion so generally accorded it, and the Minister congratulated on the fertility and soundness of the innovations, initiated.

I have already indicated the scope of operations of the Department of Public Works and Highways for the current year. The program for next year involves an outlay of \$1,206,513 on Ordinary Account for road maintenance, snow removal, etc. as well as Capital Expenditures for gravelled and permanent highway construction, inclusive of the Trans-Canada Highway project.

Capital Expenditures

In our proposals for Capital Expenditures you will find an amount of \$1,000,000, in line with the Government's policy during this and next year of rushing to completion the Trans-Canada Highway from Borden to Charlottetown at the earliest possible date and such parts of the highway east of Charlottetown so as to provide a continuous paved road to Wood Islands terminal ferry.

I should like now to refer to the item "Other Current Expenditures" totalling \$173,866.00. This consists of—

- A. Insurance Premiums on Public Buildings \$ 30,000
- Insurance Reserve Fund Appropriation 20,000
- B. City of Charlottetown in lieu of Corporation Taxes 20,000
- C. Special Grants to municipalities on per capita basis 82,966
- D. Grants to incorporated villages on per capita basis 9,000
- E. Pavement Assistance to incorporated towns 12,000

The vote of \$50,000 for insurance on public buildings again includes, as it did last year, \$20,000, to be paid into a special Reserve Fund intended eventually to enable us to be our own insurers. It is proposed to reduce the amount of insurance each year by the sum standing to the credit of this fund and the premiums thus saved added to the fund.

The vote to cities and incorporated towns is increased from \$250 to \$300 per capita and to villages from \$100 to \$125. This will involve an expenditure of \$111,866, or \$18,729 more than last year. In this way our cities, towns and villages will share in the increased revenue that the Province expects to receive from the Federal Government, due to the growth of the Gross National Product.

The following Expenditures on Capital Account are also proposed:

- Highway Construction Gravelled Roads \$800,000
- Permanent Roads, exclusive of Trans-Canada Highway 275,000 \$1,075,000
- Culverts 50,000
- Bridges 180,000
- Federal-Provincial Highway Projects 1,000,000
- New Machinery 80,000
- Falconwood Hospital Nurses Centre 250,000
- Nurses Residence 25,000
- Snow Plow Sheds 3,000
- Vocational Schools 30,000
- Cold Storage Plant 6,000
- Tourist Accommodation Loans 100,000
- Assistance to Rural and Senior High Schools 110,000
- Charlottetown Driving Park & Provincial Exhibition Assoc. 10,000
- Prince Edward Island Industrial Corporation—Operating Loss 19,545
- Land Purchase—Town Planning 1,000
- Farm Improvement Machinery 5,800
- Fisheries Development 32,000
- Trapper Loss Loans 125,000
- General Hospitals Construction 40,000
- Rural Electrification 250,000

for a total Capital and Extraordinary Expenditure of \$3,392,345 and, as I said before, offsetting this Capital Expenditure will be Capital Receipts estimated at \$18,373, leaving a net capital disbursement for the coming year of \$2,473,972.

These expenditures we deem to be necessary for a proper maintenance of the public services of the Province. Full details have been tabled for your consideration. I do not propose to make any further comment on individual items. Generally, where increases are indicated, these have been noted already in our discussion of the work of the various departments for the current year. This House will have an opportunity to scrutinize and criticize them during the course of this Debate and on the passage of the Estimates.

Rural Electrification

The proposed vote of \$250,000 for Rural Electrification does, however, merit special attention. The Government policy, as announced by the Premier in the Debate on the Speech from the Throne, needs no further elaboration, but, the vote means that for the next five years this Government is prepared to spend a quarter of a million dollars per year so that Prince Edward Island farmers and their wives will enjoy the

Spring Music Recital Rochford Square School

The Junior Music Class of Rochford Square School staged their Spring music recital in the school auditorium in the presence of their parents and friends, on Friday afternoon, March 26.

His Excellency Bishop Boyle presided and congratulated the children on having parents who gave them the opportunity of securing a knowledge of this cultural subject, which will fit them to take part in choir work and community activities in future years.

The children executed their compositions in a satisfactory manner, although for many it was their first appearance. A few showed unusual technique, and no doubt shall become excellent performers in the years to come if encouraged to develop their talent.

The following specialties between the piano selections made a pleasing variety and added much to the enjoyment of the recital: A playette entitled "The Vision of St. Dominic"; selections on the Harmonium; the recitations, "The Heart of Gold" and "The Three Trees"; and vocal solos by Janet Malone and Sharen Mullen.

The following is the program:—

Opening Chorus: O Canada.

The Marian Year—Joan Bell.

Theme—Terrill Blanchard.

Princess Waltz—Patricia Gaudet.

Betty and Bill—Lynn Moran.

Merrily We Roll Along—Joan Saunders.

Little Lullaby—Maureen Paoli.

Pierrot—Anne Howatt.

Imitation—Frances Murphy.

Sleep Baby Sleep—Muriel St. John.

My Bonnie—Lorraine Doucette.

Recitation: Heart of Gold—H. Noonan.

B. Doucette, P. Campbell, A. Kane, A. Pineau, D. Gormley, F. Welsh.

London Bridge—Gail Curley.

Tweedle-Dee—Joyce MacDonald.

Swans on the Lake—Hedwig MacInnis.

May Day—Paula McAvinn.

Three Blind Mice—Lorna Dennis.

Campdown Races—Evelyn McTague.

Sleigh Ride—Carol Joseph.

Vocal solo: A Pleasant Day—Sharen Mullen.

Blue Bells of Scotland—Norma Williams.

Knight and the Lady—Constance Cullen.

Cocella—Janet Malone.

Mountain Climbing—Marjory Curley.

Oranges and Lemons—Eileen MacMillan.

Waltzing with Teddy Bear—Judy Smiley.

Harmony Band—M. Curley, J. Malone, J. MacDonald, P. Doyle, C. Leightner, M. Dunn.

Slumber Song—Sandra Ward.

Birdlings Lullaby—Marjorie Gillan.

Spanish Fiesta—Catherine Dunn.

Hardy-Damery Wedding

The Church of Christ, Bedford, Mass., was the scene of a pretty wedding Saturday afternoon, March 6 when Miss Alice M. Damery, daughter of Mr. and Mrs. Clarence J. Damery, 98 South Road, Bedford, became the bride of Gordon J. Hardy, son of Mr. and Mrs. James W. Hardy, 178 Concord Rd., Bedford. The double ring ceremony was performed at 4 o'clock by Rev. Marvin L. Derby.

Mr. Evan Boynton, soloist, sang "Because" and "The Lord's Prayer" and Mrs. Leslie M. Blake, organist, played the traditional bridal music.

Given in marriage by her father, the bride wore a bouffant, floor-length gown of point L'Alencour lace over lustron bright satin. Lace motifs trimmed her tiered skirt and a Queen Anne collar framed her face. She carried a Colonial bouquet of white carnations, roses and snapdragons.

The maid of honor was Miss Eleanor Hardy, sister of the bridegroom, whose orchid gown was fashioned with a nylon net and lace bodice over taffeta with lace bolero, and nylon net skirt. She carried an old-fashioned bouquet of yellow roses and orchid sweetpeas and white carnations.

The four bridesmaids, gowned in pastel net gowns with lace bolero and Queen Anne's collars, were Miss Joan Stacey in pink; Mrs. Joan Goss in aqua; Mrs. Judy Eumson in blue and Miss Lily Walts in yellow. They carried old-fashioned bouquets of mixed flowers.

The flower girls were Bonnie and Betty Johnson, twin daughters of Mr. and Mrs. Thomas Johnston, attired in orchid gowns and carrying old-fashioned nosegays. Thomas Young, cousin of the bride, was ring-bearer.

Mr. Harry McInnis of Belmont was the best man, and the ushers were John MacIntosh, John Eumson, Charles Goss, all of Bedford, and Gordon Damery of Boston, cousin of the bride.

The mother of the bride wore a pink orchid gown of nylon net

Crokinole Competition At Wheatley River

A crokinole party was held at the Wheatley River Hall on March 29th.

During the evening six teams from rural organizations took part in a round robin series. The teams taking part were as follows:—From Brookfield, The Calf Club and Y. P. U. teams; from Wheatley River, the Wheatley River Red Cross, Y. P. U. and Farm Forum; from Springvale the hockey club. The winning team of this competition was Messrs. Gregory Dolron and Don DeRoche of the Wheatley River Farm Forum. The team in second place consisted Messrs. Jackie Chandler and Emerson MacRae of the Brookfield Calf Club. The team in third place was from Wheatley River Red Cross Club and the member representing this club were Messrs. Harold Stead and Jack Barrett.

During the competition the ladies present served a very delicious lunch which was enjoyed by all.

The teams standing first and second in this competition will compete in Charlottetown at a later date for the rural youth Island crokinole championship.

MAIN EXPORT

Textile exports account for more than half of Japanese merchandise sales to other countries.

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Just bring in ANY OLD PIECE of silverware, no matter how worn and damaged it may be—we will allow you as much as 50c a piece on a completely new set of famous quality William Rogers and Son Silverplate in your choice of "Gardenia", "Exquisite" or "April" patterns.

All set pieces include a lovely Dream Chest in either blonde or walnut finishes with a gay Forest Green tarnish resistant lining.

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28 PIECE SERVICE FOR 20 Pieces of regular cost 49.95

You can turn-in up to 20 Pieces of Old Silver for an allowance of 10.00

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36 PIECE SERVICE FOR 8, regular cost 59.95

You can turn-in up to 24 Pieces of Old Silver for an allowance of 12.00

You pay ONLY 47.95

ONLY 10% DOWN On The HOLMAN HOME PLAN Balance Weekly or Monthly

Big 10-Day Offer APRIL 1st Through APRIL 10th

Trade-In Your Old Silverware TODAY!

New! INTERNATIONAL SILVER POLISH

Developed by world's largest silverware maker

This magic housekeeping help is gentle, rubs away tarnish, not silver, and is kind to your hands. Yet the scientific triple-action formula speeds away tarnish with only the lightest and most effortless rubbing. In convenient liquid form, it's a joy to use.

8 oz. Bottle 75c

HOLMAN'S S'IDE — CH'TOWN

Drive out ACHES

JUST RUB IN MINARD'S LINIMENT

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