



BUDGET STATEMENT

of

THE HONOURABLE JAMES N. ALLAN

TREASURER of ONTARIO

1961

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THE HONOURABLE JAMES N. ALLAN

Treasurer of Ontario

in the

LEGISLATIVE ASSEMBLY OF ONTARIO

Thursday, March 9, 1961

On Moving the House into Committee of Supply

Also

Financial and Economic Statements



ONTARIO

TORONTO

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BUDGET STATEMENT
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TREASURER OF ONTARIO
in the
LEGISLATIVE ASSEMBLY OF ONTARIO
THURSDAY, MARCH 9, 1961

MR. SPEAKER:

In moving the traditional motion which ushers in this year's Budget, may I say that in this particular year we are faced in many ways with an entirely different situation from that which has prevailed in the past. This year the Legislature commenced its deliberations on the 22nd of November. Since then the Estimates of most Departments have been considered and passed. The plans of the Government for the coming year are, therefore, very largely common knowledge. It is true there remains a small balance of Departmental Estimates to be placed before the Members to round out the picture. Nevertheless, in general, the Members of this House are familiar with the details of the expenditures provided for in the Budget for 1961-62.

I think the procedure adopted this year is an improvement over that of the past. It has enabled more time with less pressure to be given to the consideration of the Province's business. From my own standpoint, it has relieved me from delivering at this time a comprehensive statement in relation to the activities and programs of the various Departments. In most cases, statements have already been made by the Ministers of the various Departments, and the consideration of these, together with the approval of their Estimates by the House, has left me free to present to the Honourable Members and through them to the people of Ontario an outline of the ways and means that we propose to employ to meet the challenging days with which we are faced.

May I say by way of introduction that Ontario is a dynamic Province in which conditions are ever changing. During the last decade and a half the population has increased by more than two million. In the next 15 years we will be faced with an expansion which will add nearly three million more people to our population or another 50 per cent. These forces of growth have imposed upon us huge demands for the development of our human and material resources

on a scale that has been completely unprecedented. While the outlook is one that is full of opportunity, at the same time it is full of challenges and perplexities. It is my task to place before you today a review of our stewardship for the current fiscal year and of our plans for the future.

I shall adopt in general the plan of first giving you the results of the operations for the fiscal year which ends on March 31. I shall then deal with the fiscal year which commences on the first day of April, and with this take the opportunity of discussing with you such things as our tax position in the Canadian economy, which includes Federal-Provincial relations, the debt position of our Province and our fiscal requirements. Then, having regard to the need in both Canada and the United States for stepping up the pace of economic activity to the tempo required in a developmental age, I shall submit our plans, involving public projects and services, taxation and borrowings, for meeting the essential human and material requirements of our Province as well as stimulating the expansion of our industry and employment.

SUMMARY OF FINANCIAL POSITION FOR 1960-61

I now submit our estimates of the net ordinary expenditure, net capital disbursements and combined net ordinary and net capital expenditures for the fiscal year ending March 31, 1961. Included in the expenditures for this fiscal year will be Supplementary Estimates totalling \$5.5 million as follows:

SUPPLEMENTARY ESTIMATES, 1960-61

Education:

Teachers' Superannuation Fund—special contribution	\$1,000,000
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Health:

Special Grants to Public Hospitals under the authority of The Public Hospitals Act and the regulations thereunder	\$3,000,000	
(This will provide a grant of \$75 per bed to all qualified public hospitals in Ontario)		
Ontario Heart Foundation	100,000	
Ontario Cancer Treatment and Research Foundation—Ontario Cancer Institute—for capital purposes	300,000	
Senior Convalescent Camp, Burlington	6,100	
Illahee Lodge, Cobourg	4,800	
Ontario Society for Crippled Children—for Convalescent Camps	48,100	
Canadian Mothercraft Centre, Toronto	4,000	
	<hr/>	3,463,000

Treasury:

Public Service Superannuation Fund—special contribution	1,000,000
	<hr/>
	<u>\$5,463,000</u>

The estimated net ordinary expenditures, including the supplementary payments as well as \$17.0 million for sinking funds and \$77.0 million for capital projects financed out of ordinary revenue, total \$738.3 million. In addition to these net ordinary expenditures, an estimated \$211.6 million is being spent in the current fiscal year for capital purposes. Of this amount \$171.0 million is for Provincial highways and roads (including \$45.8 million for municipal road subsidies) while \$36.9 million is for Ontario Hospitals and other public works, and \$3.7 million is for logging, mining and access roads, rural power extensions and other physical assets. Thus, after deducting from the net ordinary expenditure the \$77.0 million of capital construction financed out of ordinary revenue, the combined ordinary and capital expenditure of the Province for the fiscal year ending March 31, 1961 is estimated at a total of \$872.9 million—an increase of \$55.6 million over the combined net ordinary and net capital expenditures in 1959-60.

I am very glad to report to the Honourable Members that we have lived well within our Estimates and that the net debt increase as at March 31, 1961, will be considerably smaller than that indicated in the Budget I brought down a year ago. At that time I estimated that our increase in the net debt on March 31 next would be \$142 million and I am happy to inform the House that the increase will be reduced to an estimated \$118.2 million.

I now come to a statement of our net ordinary revenue, our net capital receipts and our combined net ordinary revenue and capital receipts. As our net capital receipts amounted to only \$2.1 million in 1960-61, representing receipts mainly from the sale of lands and buildings, I shall only summarize the combined net ordinary and net capital revenues.

In 1960-61, Ontario's combined net ordinary revenue and net capital receipts amounted to \$740.7 million. This is an increase of \$35.8 million over net combined revenues in 1959-60 and is attributable exclusively to the growth of population and the general expansion of business activity. The principal sources of revenue are: corporations tax, \$187.0 million; personal income tax rental agreement, \$113.8 million; succession duty, \$36.0 million; gasoline and diesel fuel taxes, \$163.8 million; motor vehicle licences and fees, \$68.4 million; and Liquor Control Board profits and fees, \$80.5 million.

This provides us with a residual surplus on ordinary account of \$293,000 after financing \$77.0 million of capital works out of current revenues and providing \$17.0 million for sinking funds. After taking into account our net capital expenditures of \$211.6 million, our shortfall of revenue is therefore \$132.2 million while the increase in our net debt, after making the aforementioned provision for sinking funds and making certain other adjustments, is estimated for the fiscal year ending March 31, 1961 to be \$118.2 million. In conclusion, therefore, we have not only operated well within the Estimates approved by this House a

year ago but will come to the end of our fiscal year with a smaller increase in our net debt than we had estimated last February.

At this point I should like to outline our debt position in somewhat greater detail.

IMPACT OF EXPANSION ON THE PROVINCE'S NET CAPITAL DEBT

The vast program of expanded services and accretion of physical stock could not have been achieved with the very moderate structure of taxation that we have been employing without some additions to our net debt. In these years of rapid expansion and development we have never attempted an overall surplus, believing that in such years it was an unfair burden to cast upon the present generation. We have always felt that if we could provide for the payment, including sinking funds, of approximately 60 per cent of our capital expenditures from current revenues, we were doing an exceedingly good job. In the last decade and a half we have spent well over \$2 billion in enlarging the public physical assets of our Province, more than in all the previous years of our history.

Many benefits have stemmed from this course. Since 1945 we have created one of the most modern and efficient highway systems on the North American Continent. We have met the prodigious increase in our school population by modernizing and more than doubling our school and university facilities. We have carried out a program of hospital construction which has resulted, after the elimination of obsolete facilities, in greatly increased capacity for our mental and public general hospitals. We have radically changed the conventional approach to water and sewage problems through the establishment of the Ontario Water Resources Commission, and are providing new and improved works in this field on a scale hitherto unknown. We have extended this program to many other fields and this has been of incalculable value to our people.





In carrying out this expansion we have not hesitated to make rational use of our capital money markets. By adopting this course we have been able to impose a more moderate rate of taxation than would otherwise have been possible and thus gave impetus to the growth and development of our Provincial economy. At the end of March, 1961, it is estimated that our net capital debt will total \$1,112 million, an increase of \$644 million since March 31, 1948. Thus, over this period we have been able to finance two-thirds of our investment in capital works and assets out of current revenue. The balance we have borrowed.

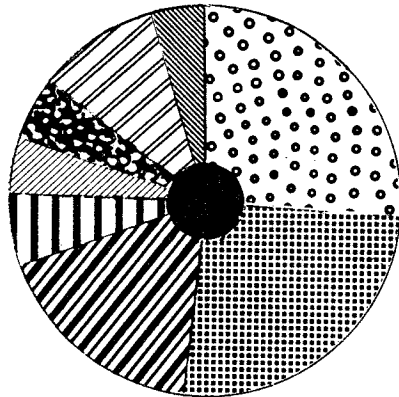
Although population growth and higher real incomes have tended to reduce the burden of this net capital debt, nevertheless, the greatly increased capital program that has been undertaken has meant that with our present system of taxation we have been obliged to make greater use of capital borrowing and this is reflected in the rise in our net capital debt. To illustrate, in the last three years we have had successive increases in our net capital debt of \$81.9 million, \$93.0 million and \$118.2 million. While the rise in this net debt by any reasonable standard is most moderate, nevertheless, we recognize that increases in debt have to be kept moderate.





EXPENDITURE PROGRAM FOR 1961-62

From the Departmental Estimates for the fiscal year 1961-62 already submitted to and approved by the Legislature, it will have become apparent to the Honourable Members that we are committed to a major increase in our expenditures for the fiscal year commencing on April 1, 1961. In aggregate, the estimated net ordinary expenditure of the Province for 1961-62 amounts to \$772.9 million (excluding \$40 million for capital disbursements to be financed out of ordinary revenue)—an increase of \$111.6 million over the corresponding net ordinary expenditure of \$661.3 million in the fiscal year 1960-61. There is no escaping the fact that this is a huge increase, and I propose to give to the Honourable Members a detailed explanation of the reasons for this increase and then to discuss the fiscal problems with which this Province will be confronted next year and in the ensuing years. If we could leave out of our considerations the pressing requirements of education, hospitals and other health services, we could manage very well indeed. But of course, education and health are two of the primary responsibilities of the Province and its municipalities, and cannot be left out of account. Of the \$111.6 million increase in net ordinary expenditure to which I have referred, the increase in the Department of Education's expenditure accounts for \$41.8 million or 38 per cent of the total, while the increase in the Department of Health's expenditure accounts for an additional \$40.3 million or 36 per cent of

**COMBINED NET ORDINARY AND
NET CAPITAL EXPENDITURES**
Fiscal Year Ending March 31, 1962*
Total \$1,015,251,000.

	Education	\$268,851,000.
	Highways & Roads	267,940,000.
	Health & Public Welfare	181,790,000.
	Public Works	55,356,000.



	Natural Resources	45,210,000.
	Public Debt.— Interest, etc.	52,518,000.
	Other Departments	97,851,000.
	Municipal Affairs	45,735,000.

*Forecast

the total increase. Thus, the expenditures of these two Departments, Health and Education, will require next year an additional \$82.1 million, and absorb 74 per cent of the increase in the Province's net ordinary expenditure. The remainder, representing 26 per cent, is made up of—the Department of Municipal Affairs, whose outlays are being increased by \$8.2 million; the Department of Highways for maintenance work, \$3.7 million; Public Debt—interest, etc., \$7.6 million; increase in sinking fund instalments, \$3.0 million; and all other Departments, \$7.0 million.

I shall return to give a fuller outline of the increases in the expenditures of the Departments of Education and Health after I have summarized our expenditures for capital purposes and then for combined ordinary and capital purposes.

Our projected net capital expenditure for 1961-62 totals \$242.3 million. This is an increase of \$30.7 million over our estimated capital expenditure in the current fiscal year. Of this increase, \$19.4 million is for highways and roads and the remainder is for a large volume of construction of Ontario Hospitals and other public buildings, conservation projects, rural power extensions and logging, mining and access roads. Thus, the combined total of our net ordinary and net capital expenditures for the coming fiscal year is at an all-time record level of \$1,015.3 million, an increase of \$142.4 million over the estimated expenditures in our current fiscal year 1960-61. This is, of course, by far the largest Budget ever introduced in this Legislature.

OUR CAPITAL EXPANSION PROGRAM

The problem with which we as a people are faced is that of ordering our economy and our business in such a way that we create new physical assets for the orderly and efficient development of our communities and industries and thus promote high and stable levels of income and employment. In our judgment, we must step out boldly in this matter, having high confidence in the future of our Province and our country.

We are very conscious of the need in our modern society for a social security system that makes provision for persons who through illness or other reasons, often beyond their control, are unable to support themselves and their families. Indeed, Ontario has a distinguished record of achievement in the field of social welfare, having pioneered legislation for disabled persons and having played a leading role in the adoption of the old age security system in this country. Together with mothers' allowances, general welfare assistance, child welfare and many other services, they form a comprehensive system of protection for our less fortunate citizens. While such measures provide relief and assistance to those in need, they also serve as a built-in stabilizer, helping to maintain income during times when the pace of our economic activity has slackened. While we must provide for the needs of these people, we are also cognizant of the fact that, in general, men and women want work and not relief or other welfare assistance, and that this must be one of our primary objectives—to maintain a satisfactory rate of growth and development and a high level of prosperity.

In carrying out this huge program we do not have to resort to make-work projects. We have a very large volume of work of a valuable, and indeed, essential nature with which we can proceed. We do, of course, face the limitations that our financial resources impose upon us.

In the coming fiscal year we shall either undertake ourselves or contribute to, the largest volume of new capital construction in our history. This will include new highways and roads, hospitals, teachers' colleges and a variety of physical structures, including conservation projects for the preservation and development of our natural resources. The main elements in this program are as follows:

	1960-61 (Estimated) (\$ Millions)	1961-62 (Forecast) (\$ Millions)	Increase or (Decrease) 1961-62 over 1960-61 (\$ Millions)
Provincial Highways and Roads.....	171.0	190.4	19.4
Mining, Logging and Access Roads.....	1.6	1.8	0.2
Public Works, including Ontario Hospitals.....	36.9	44.0	7.1
Conservation Grants.....	1.0	4.4	3.4
Rural Power Bonus.....	0.8	1.5	0.7
Dominion-Provincial Housing Undertakings.....	2.3	5.8	3.5
Capital Development Expenditures on Ordinary Account, (Parks, Picnic Sites, Building Grants for Hospitals, Homes for the Aged, Community Centres, etc.).....	19.8	22.4	2.6
Winter Works Incentive Program.....	3.6	14.0	10.4
Total Estimated Repairs to and Maintenance of Provincial Buildings and Structures.....	62.8	70.0	7.2
Ontario Water Resources Commission.....	15.0	35.0	20.0
Other Provincial Commissions and Agencies.....	188.0	184.9	(3.1)
Estimated Municipal Capital and Repair Program, including School Boards, etc.....	355.0	380.0	25.0
Total.....	<u>857.8</u>	<u>954.2</u>	<u>96.4</u>

Taking all these projects into consideration, it is estimated that the new capital and repair expenditure of the Province together with its various commissions and other agencies and the municipalities, will total \$954 million in 1961-62, an increase of \$96 million over the \$858 million spent in 1960-61. The increased outlay in 1961-62 will create an additional 25,000 employment opportunities throughout Ontario over the number employed last year.

HEALTH, EDUCATION AND MUNICIPAL ASSISTANCE

I now return to the two services—health and education—which are responsible for nearly three-quarters of the increase in our net ordinary expenditure¹ and in discussing education, I wish as well to make reference to the assistance that the Province has been providing to its municipalities.

Health

Expenditures of the Department of Health next year show an increase of \$40.3 million over those in the current fiscal year. Of this amount, approximately \$8 million is required for additional staff and services in our mental

¹Before provision for capital disbursements financed out of ordinary revenue.

hospitals, including retarded children's schools which are associated with them. The detailed Estimates of the Department of Health will show the particulars of this increase. The principal factor, however, is the Province's contribution to the Ontario Hospital Care Insurance Plan which is being raised from \$18.0 million in the current fiscal year to \$50.0 million for next year—an increase of \$32 million. This contribution does not include the cost of administration which is also borne by the Province. In order that everyone may understand the astronomical rise in the cost of Ontario's hospital and health services, I am including here a statement comparing the expenditures being made on Ontario's hospital and health services system, together with sources of funds, for the fiscal years 1945-46, 1960-61 and 1961-62.

OPERATIONS OF THE ONTARIO HOSPITAL AND HEALTH SERVICES SYSTEM
1945-46, 1960-61 and 1961-62

(\$ Million)

	1945-46	1960-61	1961-62	Increase or (Decrease) 1961-62 over 1960-61
		(Estimated)	(Forecast)	
<i>Operating Costs:</i>				
Net Costs of Operating the Ontario Hospital Care Insurance Plan— including administration	—	194.0	229.3	35.3
Mental Hospitals—Net Cost	7.2	42.6	50.1	7.5
T.B. Sanatoria	2.2	5.6	5.3	(0.3)
Other Health Services (Health Units, Laboratories, Nursing and Dental Services, etc.)	2.2	9.4	10.8	1.4
	<u>11.6</u>	<u>251.6</u>	<u>295.5</u>	<u>43.9</u>
<i>Sources of Funds:</i>				
Province's Contribution:				
Premiums (Net)	—	82.5	85.4	2.9
Direct Contribution to Plan	—	18.0	50.0	
Administration	—	0.7	0.9	
Mental and T.B. Care	9.4	48.2	55.4	
Cost of Health Units, Labora- tories, etc.	2.2	9.4	10.8	
Federal Contribution	—	87.1	101.7	14.6
Miscellaneous Income (Investments, etc.)	—	0.6	—	(0.6)
	<u>11.6</u>	<u>246.5</u>	<u>304.2</u>	<u>57.7</u>

CAPITAL CONSTRUCTION COSTS AND GRANTS AND SPECIAL GRANTS
PAID BY THE PROVINCE

(\$ Million)

	1945-46	1960-61	1961-62	Increase or (Decrease) 1961-62 over 1960-61
		(Estimated)	(Forecast)	
Construction Grants to Public Hospitals and Grants for Organized Out-Patient Depart- ments	1.1	11.0	13.5	2.5
Special Grants to Public Hospitals, etc.	—	3.0	— ¹	(3.0)
Construction of Mental Hospitals, etc.	0.1	16.5	17.0	0.5
	<u>1.2</u>	<u>30.5</u>	<u>30.5</u>	<u>—</u>

¹Special Grants to Public Hospitals have been voted in the past as supplementary estimates.

**SUMMARY OF SOURCES OF OPERATING AND CAPITAL FUNDS OF THE
ONTARIO HOSPITAL AND HEALTH SERVICES SYSTEM**

(\$ Million)

	1945-46	1960-61 (Estimated)	1961-62 (Forecast)	Increase or (Decrease) 1961-62 over 1960-61
Province's Contribution:				
Premiums.....	—	82.5	85.4	2.9
Provincial Payments.....	12.8	106.8	147.6	40.8
Federal Government.....	—	87.1	101.7	14.6
Other.....	—	0.6	—	(0.6)
Total.....	<u>12.8</u>	<u>277.0</u>	<u>334.7</u>	<u>57.7</u>

I think the Honourable Members will agree that the Ontario Hospital Care Insurance Plan introduced January 1, 1959, has been a distinct success. Not only have people received far more comprehensive protection under this Plan than otherwise would have been available to them, but both the hospitals and the municipalities have benefited from it financially. The number of persons covered by the Plan has increased from 5,540,688 in 1959 to 5,832,842 in 1960 providing coverage for 95 per cent of Ontario's population. Having regard to economic conditions, this is a very remarkable achievement.

We in Ontario, however, have been faced with rising hospital costs. Last year these costs increased by 20 per cent, an experience common to virtually all Canadian provinces. Such increases arise from a variety of causes as discussed in the Committee on Health. It should be pointed out that salaries and wages represent 70 per cent of the net operating costs of all public general hospitals and these have risen by 52.5 per cent in the last three years alone. Neither present Federal-Provincial contributions nor the revenue from hospital insurance premiums at present rates are sufficient to finance these rising costs.

The present premiums are \$2.10 monthly for a single person and \$4.20 monthly for a family. If the increases in the Province's costs, exclusive of the Federal Government's contribution, were translated into the premiums it would mean that for the coming three years the monthly premiums would have to be increased to \$3.15 for a single person—an increase of \$1.05 per month—while the monthly family premium would have to rise to \$6.30—an increase of \$2.10. After the most intensive consideration of this problem, we have come to the conclusion that it is in the public interest to maintain the premiums at the present level of \$2.10 and \$4.20 respectively for the next three years and to meet from general revenues the additional costs totalling \$120 million which will not be met from other revenue sources. Under present conditions, increases in the premiums of the magnitude required could produce hardships and increase the number of "drop-outs". Thus, we are including in this Budget an additional appropriation of \$32 million from general revenue to meet this situation. In

the following years larger appropriations will be required. The explanation of the increase in Health Estimates is therefore, first, the extension and improvement in hospital and health services and second, the stabilization of hospital insurance premiums at the present rates.

I now turn to the second point, namely the very large increases in our expenditures on education.

Education

This Budget brings out in bold relief the massive assistance that is being provided across the whole spectrum of education. Legislative grants to the elementary and secondary schools have been raised from \$8.2 million in 1943-44 to \$160.8 million in 1960-61, and now for next year we are increasing them to a total of \$191 million. This will be composed of the increase of \$23.2 million in our grants arising from what we refer to as the normal increment of growth and \$7 million which is being provided under an entirely new program.

This year we intend to initiate an additional assistance payment for the benefit of residential and farm municipal taxpayers, based upon a new approach, namely, without interfering with our existing grants system, to pay to each school board for the reduction of residential and farm real estate taxes the sum of \$5 for every pupil in elementary and secondary schools, including vocational schools.

In the next fiscal year, 1962-63, this special additional assistance payment will be increased to \$12 per pupil of average daily attendance in the elementary and secondary schools.

In the third fiscal year from now, namely 1963-64, this special additional payment will be increased to \$20 per pupil for elementary schools, \$20 per pupil for continuation schools, \$30 per pupil for academic secondary schools and \$40 per pupil for vocational schools.

With grants so large as this, it is necessary to have a ceiling on the amount of the combined regular school grant and the special per pupil assistance in reduction of taxation. No combined grant will therefore exceed 95 per cent of the cost of operation in any school section. The regulations will be issued to the school boards shortly in connection with this new program.

The special additional per pupil assistance will apply in reduction of taxes on residential and farm properties. Municipalities will be required to deduct from the tax levy for educational purposes the amount of the per pupil grant in each school district. Honourable Members will recognize in this a completely new feature as applied to school costs, although this innovation was adopted by the Province in the case of the unconditional grants, payment of which commenced in the year 1954. The purpose of confining this assistance to residential and farm property is quite plain. Residential property owners, unlike the proprietors of business, have no means of treating their school taxes

as an expense and, therefore, as a deductible item for income tax purposes. Many farm owners have been caught in the squeeze of stable prices and rising expenses, with the result that such taxes have become burdensome. It will, therefore, be seen that this plan is of signal importance and assistance to our home owners and farmers who are in the main unable to charge these taxes to cost of production and upon whom the pressures and burdens are the heaviest.

This gives me the opportunity of pointing out the dramatic assistance which we are giving to our school boards. This plan will cost the Province an additional \$54 million and, when combined with the normal growth of our school grants, will produce a total increase of over \$104 million in the third year. Thus, in 1963-64 the school grants under this plan will total \$265 million or \$104 million more than those payable in the current fiscal year.

When one looks ahead and sees the magnitude of the cost of these school grants which will be borne by the Province, one might seriously question where we can find all the money to finance them. But, of course, the grants to school boards are only one item in the Province's total educational bill.

Another cost assumed by the Province and often overlooked is the contribution that it makes to the Teachers' Superannuation Fund. Such contributions from the Province have pyramided sharply from \$1.4 million at the end of World War II to \$15.6 million in the current fiscal year, and a further increase to \$17.2 million is being projected for next year.

The Province's grants to universities have also been increased very substantially. They have been raised for both maintenance and capital purposes from \$2.6 million in 1945-46 to \$29.9 million in the current fiscal year, 1960-61, and are being further augmented in this Budget by an additional \$6.7 million to \$36.6 million for the coming fiscal year.

The Province also is required to provide funds for public libraries, scholarships, bursaries and a host of other things including the operation of teachers' colleges, which all together add up to an expenditure by the Department of Education in the coming fiscal year of \$268.9 million. This is an increase of \$41.8 million over the current fiscal year, and indeed far exceeds the Department's total bill for education in 1945-46 which amounted to \$30.8 million. This is a measure of the prodigious assistance which the Province is providing for education.

From these hard facts one can gain some idea of the magnitude of the problems which face this Province from the standpoint of education alone. I emphasize again that it is definitely necessary for our Province and our Country to assess the problems which have to be met and then be selective about the other things which it might be desirable to do but which we cannot afford to do at the present time.

The following table provides a summary of the rise in the Province's contribution to education from 1942-43 to 1961-62 inclusive.

GOVERNMENT OF ONTARIO NET EXPENDITURES ON EDUCATION 1942-43 TO 1961-62

(\$ Million)

Fiscal Year	Legislative School Grants	Contributions to Teachers' Superannuation Fund	Maintenance and Capital Grants to Universities	Other Expenditures of Department of Education	Total Expenditures of Dept. of Education ³	Capital and Repair Expenditures on Teachers' Colleges, etc. ¹	Ordinary and Capital Expenditures in Respect of the Agricultural Colleges, etc.	Total	Increase Over Previous Year
1942-43	8.4	0.8	2.6	2.4	14.2	*	0.9	15.1	
1943-44	8.2	0.9	4.0	2.6	15.7	*	0.9	16.6	1.5
1944-45	17.7	1.3	2.8	2.9	24.7	*	1.0	25.7	9.1
1945-46	23.2	1.4	2.6	3.6	30.8	0.1	1.6	32.5	6.8
1946-47	22.9	1.7	3.8	3.6	32.0	0.2	2.7	34.9	2.4
1947-48	29.4	1.9	7.2 ⁵	4.4	42.9 ⁵	0.1	3.0	46.0	11.1
1948-49	34.3	2.1	4.8	6.6	47.8	0.1	3.4	51.3	5.3
1949-50	37.8	2.3	4.8 ⁵	6.4	51.3 ⁵	0.2	3.4	54.9	3.6
1950-51	42.6	2.6	5.7	6.8	57.7	0.2	3.6	61.5	6.6
1951-52	47.9	4.0	8.6	7.1	67.6	0.5	4.2	72.3	10.8
1952-53	53.9	4.6	8.5	8.7	75.7	0.8	5.0	81.5	9.2
1953-54	57.2	5.0	10.0	9.7	81.9	0.8	5.2	87.9	6.4
1954-55	66.0	2.7	12.9	9.9	91.5	1.3	5.7	98.5	10.6
1955-56	68.4	6.0	14.5	11.2	100.1	1.2	6.0	107.3	8.8
1956-57	79.1	6.7	9.8 ⁴	11.8	107.4	1.8	7.2	116.4	9.1 ⁴
1957-58	97.6	10.5	20.1	13.5	141.7	4.3	11.1	157.1	40.7
1958-59	128.4	11.8	21.3	15.0	176.5	5.9	11.5	193.9	36.8
1959-60	147.0	13.5	24.6	18.8	203.9	4.0	11.2	219.1	25.2
1960-61 (Est.)	160.8	15.6	29.9	20.7	227.0	4.4	10.7	242.1	23.0
1961-62 (Forecast)	191.0	17.2 ²	36.6	24.1	268.9	3.6	11.5	284.0	41.9

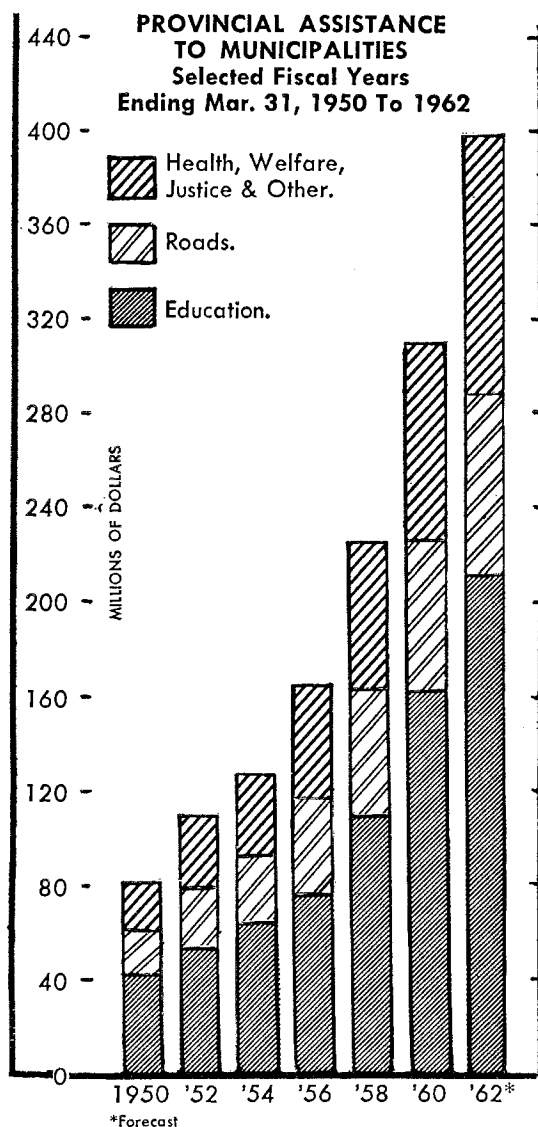
^{*}Less than \$100,000.¹Made through the Department of Public Works.²Excludes any special contribution which may be voted by the Legislature as a supplementary estimate.³Excludes expenditures on student-aid loans which amounted to \$3.0 million between 1958-59 and 1960-61. An additional \$3.0 million is being made available for this purpose in 1961-62.⁴Prior to 1956-57, Capital Grants to universities had been voted as supplementary estimates of the previous fiscal year. Thus for 1956-57, Capital Grants had already been provided in the supplementary estimates of 1955-56 and amounted to \$7.2 million. Commencing in 1957-58 Capital Grants were provided in the regular estimates.⁵Includes grants to universities of \$4.0 million in 1947-48 and \$250,000 in 1949-50 paid through the Treasury Department.

Provincial Assistance to Municipalities

My remarks concerning the growth in the Province's contributions to the elementary and secondary school boards illustrate the dramatic assistance that is being given to municipalities and their local agencies—in many cases for services which 20 years ago were financed predominantly if not exclusively by the municipalities themselves.

The blunt truth is that the Provincial Budget is being bled white by the huge grants to municipalities and school boards. In the current fiscal year, such assistance totals \$344 million and absorbs 45 cents out of every dollar of Provincial revenue. Nevertheless, we have been prepared to extend our assistance to the municipalities and to the school boards in recognition of the stern facts of the growth forces we have been experiencing and the tremendously increased weight of cost imposed upon the municipalities by expansion and development, in part the outcome of more people, more children, more schools, more industry, and more municipal services of all kinds.

During the period since the end of World War II when the pressures of growth have exerted such a pronounced effect on the Province's expenditures for its own direct services, we have been able to bring into operation a provincial-municipal partnership system that has been instrumental in enabling the municipalities to provide a higher standard of services while keeping their local rates within manageable dimensions.



Prior to 1945, the amount contributed by the Province totalled about \$21 million per year. In the current fiscal year we are supporting local services to the extent of \$344 million and in the coming fiscal year we will provide an

unprecedented increase of \$54.9 million, raising the level of our assistance to the staggering total of \$398.9 million, a nineteen fold increase since 1943-44 and bringing our aggregate contribution in this period to \$2.8 billion. Of this amount, no less than 55 per cent, or \$1.5 billion, will have been provided in the last five years alone. The Provincial assistance to the municipalities this year, as I have now pointed out, is also marked by a special per pupil assistance payment for the reduction of school tax rates on residential and farm properties. The varied methods adopted of assisting the local ratepayer and the magnitude of that assistance provide the best testimony of the interest of the Province in maintaining local tax rates at the lowest possible levels.

An explanation has now been given of the main factors occasioning the large increase in our expenditures for 1961-62. As has been observed, the burdens of operating our hospital and health services and our educational system and the methods we have adopted to provide assistance to municipalities, to afford relief from taxation to home and farm owners and to expand our departmental program—aimed at extending and improving the physical and capital stock of our Province and stimulating employment—all underlie the Budget plan for next year involving net ordinary and net capital expenditures of \$1,015 million.

I now wish to turn to the matter of financing this huge but essential program which is aimed at the betterment of our Province and our people.

THE NECESSITY OF OBTAINING NEW SOURCES OF REVENUE

The task of developing new revenues to finance the expanding demands imposed upon the Province to meet the requirements that I have outlined is one to which we have given intensive, indeed almost exhaustive, consideration. The revenue difficulties of the provinces, as well as the municipalities, today spring, in part at least, from the exigencies of World War II and the Federal-Provincial fiscal arrangements that emerged from it, particularly the Conference of 1945-46. By the very nature of the division of powers and functions contained in our Constitution, the expenditures, and therefore the need for revenues, of the Federal Government tend to grow swiftly during times of war while those of provinces and municipalities tend to grow more rapidly in times of peace.

During World War II the rates of direct taxation imposed by the Government of Canada were raised to extraordinarily high levels to meet the conditions of total war. At its termination this left the Federal Government deeply entrenched in the main direct tax fields to which the provinces are confined by the Constitution. From time to time adjustments have been made in these rates to provide a larger area of taxation for the provinces but at the present time they occupy only one-fifth of the total corporation income tax field and one-seventh of the personal income tax field. Even with the improvements which are projected for 1962 to 1966, the provinces are still left with a minor proportion of these major direct progressive tax fields to which, under our Constitution, they have at least equal rights with the Federal Government.

At the Federal-Provincial Conference in 1955, the Province, while asserting its right to a 50 per cent occupation of the fields of personal income tax, corporation tax and succession duties, advanced as a compromise proposal the 15-15 and 50 formula which would have given the Province \$100 million more each year. That this was required as an absolute minimum has been completely and amply borne out by the fiscal operations of the last four or five years. To the extent that we did not receive this sum, we are behind at the present time. In the Conference commencing last July, we again asserted our equal rights to the fields mentioned, proposing that we should move progressively year by year to that objective. It was impressed that, at a very minimum, the Province needed and was entitled to at least an additional \$150 million annually from these fields. Again, to the extent to which we do not derive these amounts we are faced with the problem of financing not only the deficiencies occurring in the previous five years but those which will accrue in the next five years.

At the Federal-Provincial Conference last February 23-24, the Government of Canada advanced new proposals for the five-year period from April 1, 1962 to March 31, 1967. These proposals have several advantages:

1. Since the tax rental system will be discontinued and each province will be free to impose whatever tax in the individual income, corporation and succession duty fields it deems to be necessary to meet its financial operations, the provinces are provided with greater flexibility in the raising of their revenues than they have enjoyed in the past.

2. The Federal Government will undertake to collect individual income tax or corporation income tax or both for any province, free of charge, provided that the province adopts a definition of income and certain other terms contained in the Federal Income Tax Act and Regulations.

3. A more realistic equalization or fiscal need formula has been adopted. While this will not benefit Ontario, it does channel Federal fiscal need payments to provinces more accurately and equitably in accordance with their need.

4. The Federal Government will undertake, effective January 1, 1962, to reduce its individual income tax by 16 per cent, thereby raising the provincial share by about 2 percentage points above the present standard rate of approximately 14 per cent, and will reduce its rate by an additional 1 percentage point in each of the succeeding four years until in 1966 the provincial tax will be equivalent to 20 per cent of their tax.

Two other proposals were advanced which may be of advantage to this Province. First, the Federal Government undertook to work out reciprocal arrangements concerning the application of sales or excise taxation on Crown agencies, and second, it agreed to discuss new methods relating to the taxation of companies engaged in logging operations. These matters are now being negotiated.

Although these proposed arrangements afford some improvement, they fall far short of meeting our revenue requirements. On the basis of current yields,

the additional two per cent of personal income tax has a value of \$17 million. Accordingly, the additional six per cent, which will not be fully available until 1966, has a value, computed at current yields, of approximately \$50 million. The new arrangements, helpful as they are, cannot therefore be considered as an answer to our revenue problems. They are a step in the right direction but they do not obviate the necessity of the Province finding additional sources of revenue.

The Federal Government has given partial recognition to the justice of our claims by agreeing to the three per cent increase in the personal income tax abatement in 1958 and the additional two per cent effective in 1962, supplemented by one per cent in each of the succeeding four years. However, even by 1966-67 we will not have reached the equivalent of the 15-15-50 formula which we proposed as an initial step in 1955 for the tax-sharing arrangements of 1957-62. There is no doubt that the present proposals are more fair and realistic than those that have preceded them but the Federal Government has not succeeded in turning back the pages of history to overcome the disabilities of the 1945 fiscal arrangements.

In determining our course, we have given careful consideration to keeping the increase in our tax rates at the barest minimum consonant with sound finance and maintaining an economic climate best calculated to promote expansion, development and the creation of jobs. The essential program which is projected in this Budget will, of course, go far to create employment, but we have also been conscious of the need to make no greater demands upon the taxpayers than are absolutely necessary to maintain a viable financial position. Even with the steps that we are proposing to take in this Budget, we are still required to finance part of our capital program from borrowing. This will continue to be our policy. In order to keep our taxation reasonable in relation to—and where possible below—that of other jurisdictions and thus to impart the maximum stimulus to industry, we shall continue to make wise and prudent use of our credit to finance part of our capital program.

It has been pointed out that our additional minimum revenue requirements, which have been rising and will continue to rise, approximate \$150 million. A number of suggestions have been made as to how this additional revenue should be raised. I shall briefly discuss the possible tax alternatives. In doing so, I again underline the necessity both from a Canadian and an Ontario standpoint of keeping our Province competitive. Otherwise, our producers and our people will be under a great disadvantage. As I have said, our additional requirement of \$100 million annually in the five years ending March 31, 1962 and the \$150 million required in the ensuing five years are minimum figures. Even with additional revenues in the coming fiscal year, it will still leave us with a net debt increase much larger than we would like. However, there should be some relief to this situation in the fiscal year commencing on April 1, 1962. The question we must ask ourselves is where and how we can obtain the additional revenue to meet our minimum requirements. No one likes taxes, but

clearly if we are to supply the services that are demanded we must be prepared to pay for them. I think it will be agreed that what we propose in connection with health, hospital insurance premiums and education will be of great assistance to the ordinary taxpayer. I should for a moment like to look at some of the sources of revenue which, of course, can be considered now and in the future.

Personal Income Tax

It may be proposed that personal income tax could be increased. This would not be possible until the expiration of the tax rental agreement on March 31, 1962, and even at that time to obtain \$150 million in personal income taxes would involve raising the rates on Ontario taxpayers by 17 per cent across the Province. Generally speaking, that would be an increase of 17 per cent above the national average. I think that it will be conceded that such an increase would have a very serious effect on the willingness and ability of our people to work and save. Next year, due to the new Federal-Provincial proposals, we shall be able to increase our revenue by imposing an additional rate of two per cent of personal income tax, taking up the amount vacated by the Federal Government, without raising the level of this tax. In each succeeding year for four years, we shall be enabled to take up an additional one per cent, so that by 1966 our rates will be 20 per cent of the Federal personal income tax. This will still leave us completely in line with the national average in so far as other provinces adhere to it. In the meantime, we shall be able to assess any changes that are made and a course can be taken that will best contribute to work and saving on the part of our people. I should emphasize that it is from employment and savings that the real possibilities lie for the development of our country, the increase in its productivity and the sale of our goods at home and abroad.

Corporation Taxation

To obtain the sum mentioned from corporation income tax would necessitate an increase in the rate of this tax, now approximating 52 per cent, to 63 per cent. Ontario and Quebec presently have a 52 per cent rate while the rest of Canada has a 50 per cent rate. Economists generally contend that in times such as these, corporation taxes should be reduced and not raised. The reason is simply this. Corporation taxes, as I have said, now absorb about 52 cents out of every dollar of profits. From the remaining 48 cents along with depreciation reserves must come the means to provide for plant extension and modernization, which are an absolute necessity if industry is to expand and provide more work and employment for our growing work force. The slower rate of industrial growth today is one of our problems. Obviously to increase our corporation tax by 11 percentage points and indeed by any amount at the present time could not help. On the contrary it would place our Province at a disadvantage and retard its development. Many of these observations relating to corporation

tax apply with equal and perhaps increased force to personal income tax. As I have stated, economists generally will agree that in times of recession a reduction in personal income and corporation taxes would stimulate the economy. While it is easy to suggest that further percentage points be added to these tax schedules, it is clear that this can only be done at the expense of expansion and development.

Fringe Taxes

The gasoline tax, the diesel fuel tax and the proceeds of motor vehicle licences are, of course, generally devoted to the construction and maintenance of our highways and roads. As has been pointed out, our difficulties arise principally from the increasing demands of health, hospitals and education. To produce the minimum new revenue to which I have referred would necessitate the imposition of an additional 12 cents per gallon on the gasoline tax, raising our tax from 13 to 25 cents. In this area in which we are highly competitive with the states of the American Union as well as with our sister provinces, we would be completely out of line. Furthermore, we would be departing from the purpose of the tax which has been the basis of the superb highway system which Ontario has. Such a move would encourage more tank filling in the states along our borders and in the adjoining provinces. It would also be a deterrent to an increase in the tourist trade which is one of the natural elements of business expansion. In connection with liquor, experience has shown that increased prices do not necessarily increase profits and revenues. Actually in this field the law of diminishing returns may operate very quickly. Even small imposts alter buyer habits. This has been shown by the reports of the Alcoholism Research Foundation. Moreover, by raising prices, consumer purchases are diverted into the lower-priced products and this entails lower profits and smaller revenues. The sale of liquor involves social habits and customs. Therefore, profits and tax revenues are only a part of a very complex picture.

Combination of Personal Income and Corporations Taxes, Gasoline Tax and Liquor Profits

No doubt small increases could be made in each of the above categories, but in every case the results would be as I have outlined them to a reduced degree. By this method nothing approaching our requirements could be obtained unless increases in tax rates were substantial across the board and this would produce undesirable effects. Under present conditions, every good reason suggests that these taxes should not be raised, and in fact could not be raised, without affecting development and employment in this Province.

Sales Tax

For a number of years the sales tax in Ontario has been a subject of lively discussion and speculation. Indeed, the imposition of such a tax has been an imminent possibility in this Province for several years. However, by various

means, such as stretching out our revenues and making wise use of our credit, we have been able to avoid imposing it. As will be seen, we are now very much in the minority of the states and provinces that have not imposed it. One of the strong arguments we have used against employing such a tax is that constitutionally the Province is entitled to a 50-50-50 division of the direct tax fields—a right we have repeatedly asserted at the Federal-Provincial Conferences. For the best part of a decade we have been able to stave off a provincial sales tax in Ontario.

We have now, however, arrived at the point where even a superficial analysis of our financial position will demonstrate to you quite unequivocally that a large increase in revenues is a necessity. At the present time thirty-four states in the American Union as well as seven Canadian provinces are already administering this tax. The lowest rate being employed in any of the Canadian provinces imposing this tax is three per cent. The sales tax in other provinces may be summarized as follows:

Newfoundland	5 per cent
Nova Scotia	5 per cent (April 1, 1961)
New Brunswick	3 per cent (tobacco 10 per cent)
Prince Edward Island	4 per cent
Quebec	6 per cent in major municipalities and in others depending on the municipality in which the sale is made. (tobacco 10%).
Saskatchewan	3 per cent
British Columbia	5 per cent

The imposition of a three per cent sales tax in Ontario has the great advantage that, on the basis of present estimates, it would produce the \$150 million required in the first full year of operation. A sales tax at this rate would not put our Province out of line with the other provinces. Indeed, it would keep us parallel with the minimum at present being imposed. The regressive nature of this tax can be minimized by providing for very broad and generous exemptions.

At this point may I say a word about the proposals Ontario made at the Federal-Provincial Conference concerning an indirect retail sales tax. It was never the intention of the Government that such a tax would be hidden. As a matter of fact, a study of merchandising methods in Ontario and the implications of our retail trade across Canada indicate that this is wholly impracticable and undesirable. However, certain indirect methods would simplify the work of many retailers and contribute to a more economical collection of the tax. Under no circumstances was it considered that this would entail concealing the amount of the tax payable. When the matter was discussed at the Federal-Provincial Conference, by far the largest number of the provincial premiers agreed that an indirect method of sales tax collection would give assistance. For the provinces to obtain that power, however, requires a constitutional amendment and it was decided that the consideration of this amendment should be deferred until the present Federal-Provincial Conference on constitutional amending procedures has reached what is confidently expected to be an agreement. Then at that

time consideration can be given to provisions enabling amendments to the constitution and delegation of powers as between the provinces and the Federal Government which will permit attention to be given to an indirect sales tax at the retail level. At the moment, however, due to the fact that there has been no amendment this method is not feasible.

The Only Possible Solution

Having carefully examined all the foregoing possibilities of raising revenues to finance Ontario's imperative needs—among these, corporation income tax, personal income tax and gasoline and other fringe taxes—we have come to the conclusion that the Government should ask the Legislature for its approval of a three per cent sales tax to become effective on September 1, 1961. This tax will be imposed only at the retail level. The main elements of the tax, including the exemptions which will be the broadest and most generous of any province in Canada, are as follows:

1. Any purchase where the consideration is less than 17 cents, no matter what the object of the purchase may be, will be exempt.
2. All food products with the exception of candy, confections and soft drinks will be exempt. Candy, confections and soft drinks will also be exempt where the purchase price is less than 17 cents.
3. All children's clothing will be exempt.
4. All drugs, medicines and dental and optical appliances sold on the prescription of a physician, dentist or optometrist, and artificial limbs, wheel chairs and hearing aids will be exempt.
5. Any meals costing \$1.50 or less purchased in restaurants will be exempt. This is the most generous exemption of all provinces levying such a tax.
6. All machinery used in the production of goods or tangible personal property when such goods or personal property are subject to sale at retail, will be exempt no matter where sold. (Nova Scotia is the only province which now permits such a broad exemption. Most provinces exempt only certain tangible personal property which is used to become incorporated in the manufacture of other tangible personal property for sale. Ontario will exempt all such tangible personal property.)
7. All products that are for sale outside the Province or sold for shipment outside the Province, whether to other parts of Canada or abroad, will be exempt. Where such goods are manufactured in Ontario no part of the price of such goods will include the retail sales tax. Thus under the proposed Act the machinery used in the production of goods for sale, the materials and products which become ingredients in the goods for sale as well as the goods or personal property sold outside the Province will be exempt from tax.
8. Products used by farmers in the business of farming will be substantially exempt from tax. The list of exemptions follows that adopted by Saskatchewan, whose exemptions from retail sales tax for the benefit of agriculture are the most generous in Canada.
9. As the tax will be imposed at the retail level only, the amount of the tax can in each case be shown separately from the price.

10. Every vendor of tangible personal property in Ontario will be required for purposes of the administration of this tax to hold a permit to sell with respect to every outlet or place where he makes such sales in Ontario. There will be no charge for these permits. A vendor who holds a permit will become an agent of the Treasurer for the collection of the tax. Provision is being made for each vendor to receive remuneration as compensation for the work of recording the tax he has collected, the filing of returns and for the cost of remitting the tax collected. The rate of this remuneration will be established as a percentage of the tax collected and remitted by the vendor.

The Ontario retail sales tax has been carefully designed in the light of the necessity of obtaining additional revenue to achieve two main purposes:

(a) To be progressive in its incidence. By exempting necessities such as food and children's clothing, it will bear lightly upon persons of relatively low incomes and more heavily upon persons with high incomes in accordance with the principle of ability to pay;

(b) To maintain a high rate of economic development. By exempting from the tax, machinery used in the production of goods and tangible personal property whether sold inside or outside the Province, we best ensure the continuing expansion of our industry and our exports to other provinces and to other countries.

It is estimated that the revenue from the three per cent sales tax in a full year dating from the time the tax is fully operating will amount to \$150 million. The anticipated revenue during the fiscal year 1961-62 is estimated at \$60 million.

No additional tax will be imposed or additional tax increases made. A Personal Income Tax Act will be introduced to give effect to the proposed tax-sharing arrangements advanced at the Federal-Provincial Conference last February 23 and 24, to come into effect in 1962, but there will be no increase in personal income tax rates or corporation income tax rates. There are to be minor amendments to The Corporations Tax Act and The Succession Duty Act. These are mainly of a technical nature and will involve no additional tax increases.

SUMMARY FORECAST OF REVENUE AND EXPENDITURE FOR THE FISCAL YEAR 1961-62

At this stage, I should like to summarize the forecast of our revenue for the fiscal year 1961-62 in relation to the forecast of our expenditure in that period.

In the coming fiscal year 1961-62 we are anticipating combined net ordinary revenue and net capital receipts of \$815.3 million, including the \$60 million which it is estimated will be realized from the sales tax. This will provide an increase in our revenue over that in the current fiscal year of \$14.7 million (excluding the sales tax) and \$74.7 million including the tax. Despite the imposition of a three per cent sales tax on September 1, the estimated increase in the net capital debt of the Province will amount to \$180 million. This increase is far in excess of any past increase in our net debt. This demonstrates very clearly why the Province must impose this increase in taxation.





We shall of course be required to lean upon our credit to the extent of this net debt increase, believing that at this time we should make extensive use of our credit in order to keep our taxation as low as possible. In my judgment, this forecast of a net debt increase of \$180 million is the maximum which the Province would be justified in incurring this year, particularly as the Province,

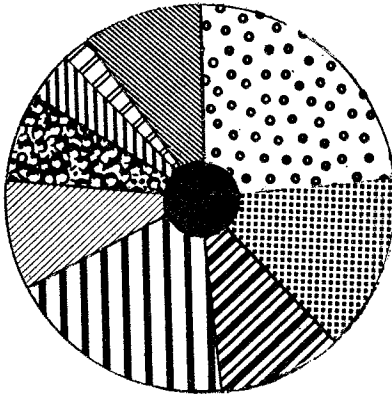
in addition to borrowing to cover this revenue need, will be called upon to raise funds for the Ontario Water Resources Commission and the Ontario Municipal Improvement Corporation, and to borrow directly or provide a guarantee for issues of the Hydro-Electric Power Commission. It is estimated in this coming fiscal year the Province together with the various Provincial Commissions and Boards will require capital by way of borrowing to the extent of \$350 million. I therefore point out with the utmost emphasis that our fiscal policy is balanced between a modest increase in taxation and a reasonably heavy reliance on our credit. In this way, we utilize the best means to encourage expansion, development and employment and at the same time keep our financial house in order.






We have intentionally budgeted for the lowest tax increase possible, and in our next fiscal year commencing on April 1 we will have to rely extensively upon our credit, which of course is very strong. In the succeeding fiscal year, namely, 1962-63, we shall have the advantage of a full year's operation of the three per cent sales tax. We shall also have the advantage of an additional two per cent personal income tax under the new

COMBINED NET ORDINARY AND NET CAPITAL REVENUES

Fiscal Year Ending March 31, 1962*
Total \$815,308,000.

	Corporations Tax	\$192,000,000.
	Income Tax Rental Agreement	120,000,000.
	Liquor Control Board Profits, Fees	81,100,000.
	Gasoline Tax	159,000,000.



	Motor Vehicle Licenses, Fees, etc.	\$ 71,905,000.
	Retail Sales Tax	60,000,000.
	Succession Duty	35,000,000.
	Timber Dues, etc.	18,750,000.
	Other Revenues	77,553,000.

*Forecast

Federal-Provincial proposals. Finally, we should benefit, revenue-wise, from an expanding economy. We look confidently for an upturn in the tempo of business which will bring improved revenues. The influence of our expanding economy upon our revenue position has of course been of vital importance to us in the post-war years. Indeed, all three factors which I have mentioned should help to place us in 1962-63 in a position in which our net debt increase will be relatively modest in relation to the expansion of the Province and the increase in our capital stock.

The following table summarizes our net ordinary revenues and net capital receipts and compares them with our combined net ordinary and net capital expenditures.

**COMPARISON OF NET ORDINARY REVENUES AND NET CAPITAL RECEIPTS
WITH COMBINED NET ORDINARY AND NET CAPITAL EXPENDITURES
1960-61 AND 1961-62**

	1960-61 (Estimated) (\$000's)	1961-62 (Forecast) (\$000's)	Increase or (Decrease) 1961-62 over 1960-61 (\$000's)
Corporations Tax.....	187,000	192,000	5,000
Income Tax Rental Agreement.....	113,790	120,000	6,210
Succession Duty.....	36,000	35,000	(1,000)
Gasoline Tax.....	157,000	159,000	2,000
Diesel Fuel Tax.....	6,800	7,300	500
Motor Vehicle Licenses, Fees etc.....	68,410	71,905	3,495
Liquor Control Board—Profits and Fees.....	80,500	81,100	600
Mining Profits Tax.....	18,000	15,500	(2,500)
Logging Tax.....	1,650	2,000	350
Timber Dues, Bonus, etc.....	12,600	12,750	150
Other Net Ordinary Revenues.....	56,840	57,303	463
Net Capital Receipts.....	2,065	1,450	(615)
	<u>740,655</u>	<u>755,308</u>	<u>14,653</u>
Retail Sales Tax.....	—	60,000	60,000
Total Net Ordinary Revenues and Net Capital Receipts	<u>740,655</u>	<u>815,308</u>	<u>74,653</u>
	1960-61 (Estimated) (\$000's)	1961-62 (Forecast) (\$000's)	Increase (\$000's)
Combined Net Ordinary and Net Capital Expenditures.	872,891	1,015,251	142,360
Combined Net Ordinary Revenues and Net Capital Receipts.....	<u>740,655</u>	<u>815,308</u>	<u>74,653</u>
Shortfall of Revenue.....	132,236	199,943	67,707
Deduct Sinking Fund Instalments.....	16,954	20,000	3,046
Increase in Net Capital Debt.....	<u>118,191¹</u>	<u>179,943²</u>	<u>61,752</u>

¹Estimated. This does not balance exactly. The difference of \$2.9 million arises from the effects of other miscellaneous financial transactions.

²Projected.

CONCLUSION

In assessing the appropriateness of a sales tax at this time a clear distinction must be made between the duties and responsibilities of the Provincial and Federal Governments in promoting expansion. The Federal Government has control over fiscal and monetary policies, foreign trade and immigration, and thus has the main responsibility for adopting contracyclical measures. It has the financial strength and the powers for this purpose.

The Provincial Government, on the other hand, is called upon to supply a variety of developmental and social services. Its task is to create a framework in which our industries can expand and prosper and promote higher living standards for all. The provision of education, health, water and sewage works, highways and roads, and other services and assets for the advancement of our people and industries is the primary responsibility of the Province and its municipalities. To carry out these important tasks, Ontario is obliged to find sufficient revenue from a relatively narrow tax base. The amount of money that can be borrowed to augment its revenues is limited.

The program of essential services and employment-stimulating works that I have outlined in this Budget calls for increases in expenditures that can only be financed by additional taxation, and the only source which can yield the revenues needed without imposing conditions that would affect expansion is a sales tax. We do not have the latitude of choice in the imposition of taxes that the Federal Government has. We must utilize those sources which are open to us. We would prefer to avoid any increase in taxation. By a judicious and balanced policy of taxation and borrowing, we have been able to put off the imposition of a sales tax for a number of years. We have now come to the conclusion that a further postponement of the imposition of a sales tax could only be realized at the expense of imperilling our financial position and therefore our capacity to assist our municipalities and our ability to promote the orderly extension of services, without which communities cannot grow nor industry expand. Lack of action at this time would only undermine our financial position, jeopardize our credit and slow down the rate of our economic expansion both now and in the future, thus detracting from rather than contributing to high and stable levels of employment and income.

We must face up to realities. The program we have announced is designed to promote expansion and increase employment. If we forego the revenue from our sales tax, we must cut back on our services, our capital works and our assistance to municipalities and school boards. I think you will agree that at this time—when the pace of our economy has slackened—we need courage, vision, enterprise and bold action. The Budget that I am introducing today responds to this need.

We have formulated policies that are designed to stimulate a resurgence of economic activity and to lay the foundations for the continued development and expansion of industry and employment in Ontario. We have not resigned

ourselves to a sluggish rate of growth. Recognizing our responsibilities, we have fostered a program to promote economic recovery within the limitations imposed by our financial resources and our constitutional jurisdiction.

In carrying forward the Provincial program, we have been deeply conscious of the needs of our municipalities. To preserve and strengthen local government institutions and to facilitate their efforts in providing essential services to our people, we have brought into effect a Provincial-Municipal partnership surpassing anything that has gone before. We have consistently striven to raise the standards of health and education available to our people and to provide those services conducive to industrial development and the maintenance of our competitive position in a rapidly changing world.

You must not, however, expect the Province to solve all the problems confronting us today. This Budget has presented a positive program—a program designed to ensure that the underlying strength of our economy is not mitigated by the lack of purposeful leadership on the part of the Provincial Government. But the Province alone cannot provide a panacea for all ills. Government action, at all levels, together with the co-operation of business and labour is required. United we can forge ahead, confident in our ability to meet the challenges and profit from our opportunities.

SUMMARY

1. This Budget contains plans involving public projects and services, taxation and borrowing for meeting the essential human and material requirements of our Province as well as stimulating the expansion of industry and employment. (p. 6)
2. Supplementary Estimates for 1960-61 total \$5.5 million. These special grants and contributions include:
 - (a) \$75 per bed for all qualified public hospitals in Ontario, aggregating \$3 million;
 - (b) \$100,000 for the Ontario Heart Foundation;
 - (c) \$300,000 for the Princess Margaret Hospital;
 - (d) \$1 million each for the Teachers' Superannuation Fund and the Public Service Superannuation Fund; and
 - (e) \$48,100 for the Ontario Society for Crippled Children. (p. 6).
3. The Departments have lived well within their estimates and the net debt increase at March 31, 1961 will be considerably smaller than that indicated in the Budget brought down a year ago. At that time the increase in the net capital debt was expected to be \$142 million, and is now estimated at \$118.2 million. (p. 7)
4. The net ordinary expenditure of the Province for 1961-62 is forecast at \$772.9 million (excluding \$40 million for capital disbursements to be financed out of ordinary revenue). This represents an increase of \$111.6 million over the corresponding net ordinary expenditure in the fiscal year 1960-61. Of this increase in expenditure, the Departments of Education and Health

account for 74 per cent; the increase for the Department of Education amounts to \$41.8 million, representing 38 per cent of the total, while the increase for the Department of Health amounts to \$40.3 million or 36 per cent of the total increase. (pp. 9, 10)

5. Projected net capital expenditures for 1961-62 total \$242.3 million—\$30.7 million higher than in the current fiscal year. Of this increase \$19.4 million is for highways and roads. (p. 10)
6. Ontario's all-time record Budget in 1961-62 amounts to \$1,015.3 million, \$142.4 million higher than in the current fiscal year. The Budget reflects the Government's policy of promoting the orderly and efficient development of industries and communities and the fostering of high and stable levels of employment and income. (p. 10)
7. The combined capital and repair program of the Government of Ontario, the municipalities and their various emanations in 1961-62 is nearly \$100 million higher than in the current year, and will create additional employment opportunities for 25,000 workers. (p. 11)
8. To avoid a 50 per cent increase in premiums to meet the increased costs of the Hospital Care Insurance Plan, the Province will raise its contribution by \$32 million to \$50 million in 1961-62 and to higher amounts in the two subsequent years. (p. 13)
9. Special additional per pupil grants amounting to \$5 in 1961-62, \$12 in 1962-63 and \$20 to \$40 in 1963-64 will be paid in relief of local school tax rates. These payments, which will cost \$54 million over the next three years, will accrue to the benefit of residential and farm property. (pp. 14, 15)
10. As a result of the normal increase in the school grants formula and these special additional per pupil payments, the combined grants for elementary and secondary schools will be raised by \$30.2 million, from \$160.8 million in 1960-61 to \$191.0 million in 1961-62. By 1963-64 the school grants will rise by \$104 million over the current fiscal year to \$265 million. (pp. 14, 15)
11. Assistance to universities will be greatly increased in 1961-62, and will amount to \$36.6 million—an increase of \$6.7 million over those paid in 1960-61. (p. 15)
12. The Province's assistance to municipalities and school boards which amounts to \$344 million in the current fiscal year will be increased in 1961-62 by \$55 million to the staggering total of \$399 million. (pp. 17, 18)
13. Ontario's need for additional revenue is placed at \$150 million. To obtain this minimum revenue requirement would necessitate a 17 per cent increase on Ontario income taxpayers, or an 11 percentage point increase in the corporation tax or a 12c. per gallon increase in the gasoline tax. After careful examination of these possibilities the Government will ask approval of the Legislature for a three per cent sales tax, which will contain the most generous exemptions of any such tax imposed in Canada. (pp. 20-25)

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14. The sales tax, which will be collected at the retail level by the vendor, has been carefully designed to achieve two main purposes:
 - (a) To be progressive in its incidence. By exempting food and children's clothing, it will bear lightly upon persons of relatively low income.
 - (b) To maintain a high rate of economic development, sales of machinery will be exempted from the tax. (p. 25)
 15. The three per cent sales tax to be effective on September 1, 1961 will yield \$60 million in 1961-62 and \$150 million in a full year of operation. (p. 25)
 16. The forecast of net ordinary revenue and net capital receipts in 1961-62, including \$60 million from the sales tax, is \$815.3 million. The Government will lean on its credit to the extent of an estimated \$180 million in order to provide services and the undertaking of the record-breaking new construction program, at the same time keeping Ontario's taxation as low as possible. (p. 25)
 17. The Government has budgeted for the lowest tax increase possible in the light of its expanding requirements. (p. 26)
 18. This Budget presents a positive program designed to stimulate a resurgence of economic activity and to lay the foundations for continued development and expansion. It fully recognizes the Province's responsibilities within the limitations of its financial resources and constitutional jurisdiction. (pp. 28, 29)

APPENDIX I

GOVERNMENT STATEMENTS

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**INTERIM STATEMENT OF ORDINARY REVENUE, ONTARIO,
FISCAL YEAR APRIL 1, 1960 TO MARCH 31, 1961**

9 MONTHS' ACTUAL PLUS 3 MONTHS' FORECAST

DEPARTMENT	Gross Ordinary Revenue	Application of Revenue to Expenditure	Net Ordinary Revenue
AGRICULTURE.....	\$ 1,840,000	\$.....	\$ 1,840,000
ATTORNEY-GENERAL.....	7,264,000	886,000	6,378,000
COMMERCE AND DEVELOPMENT.....	92,000	.....	92,000
EDUCATION.....	3,313,000	585,000	2,728,000
ENERGY RESOURCES.....	345,000	.....	345,000
HEALTH.....	5,752,000	4,395,000	1,357,000
HIGHWAYS.....	1,404,000	.....	1,404,000
INSURANCE.....	635,000	.....	635,000
LABOUR.....	1,082,000	32,000	1,050,000
LANDS AND FORESTS.....	20,225,000	.....	20,225,000
MINES.....	19,186,000	27,000	19,159,000
MUNICIPAL AFFAIRS.....	2,753,000	2,445,000	308,000
PROVINCIAL SECRETARY AND CITIZEN- SHIP.....	2,505,000	.....	2,505,000
PUBLIC WORKS.....	370,000	3,000	367,000
REFORM INSTITUTIONS.....	3,779,000	3,086,000	693,000
TRANSPORT.....	68,500,000	.....	68,500,000
TRAVEL AND PUBLICITY.....	294,000	.....	294,000
TREASURY:			
Main Office—Subsidy.....	3,641,000	.....	3,641,000
Interest.....	71,000	.....	71,000
Ontario Racing Commission.....	125,000	.....	125,000
Liquor Control Board—Profits.....	80,500,000	.....	80,500,000
Province of Ontario Savings Office.....	850,000	850,000	.....
Provincial share of Income Tax collected from privately-owned corporations operating public utilities.....	1,100,000	.....	1,100,000
Water Rentals.....	6,000,000	.....	6,000,000
Comptroller of Revenue:			
Income Tax Rental Agreement.....	113,790,000	.....	113,790,000
Corporations Tax.....	187,000,000	.....	187,000,000
Succession Duty.....	36,000,000	.....	36,000,000
Gasoline Tax.....	157,000,000	.....	157,000,000
Motor Vehicle Fuel Tax.....	6,800,000	.....	6,800,000
Hospitals Tax.....	4,000,000	.....	4,000,000
Race Tracks Tax.....	5,733,000	.....	5,733,000
Security Transfer Tax.....	1,950,000	.....	1,950,000
Land Transfer Tax.....	3,500,000	.....	3,500,000
Law Stamps.....	1,850,000	.....	1,850,000
Logging Tax.....	1,650,000	.....	1,650,000
Total for Treasury.....	<u>\$611,560,000</u>	<u>\$ 850,000</u>	<u>\$610,710,000</u>
	\$750,899,000	\$12,309,000	\$738,590,000
PUBLIC DEBT—Interest, etc.....	<u>25,078,000</u>	<u>25,078,000</u>	<u>.....</u>
	<u>\$775,977,000</u>	<u>\$37,387,000</u>	<u>\$738,590,000</u>

**INTERIM STATEMENT OF ORDINARY EXPENDITURE, ONTARIO,
FISCAL YEAR APRIL 1, 1960 TO MARCH 31, 1961**

9 MONTHS' ACTUAL PLUS 3 MONTHS' FORECAST

DEPARTMENT	Gross Ordinary Expenditure	Application of Revenue to Expenditure	Net Ordinary Expenditure
AGRICULTURE.....	\$ 15,888,000	\$.....	\$ 15,888,000
ATTORNEY-GENERAL.....	22,116,000	886,000	21,230,000
COMMERCE AND DEVELOPMENT.....	4,564,000	.....	4,564,000
ECONOMICS.....	410,000	.....	410,000
EDUCATION.....	227,630,000	585,000	227,045,000
ENERGY RESOURCES.....	636,000	.....	636,000
HEALTH.....	94,899,000	4,395,000	90,504,000
HIGHWAYS.....	73,823,000	.....	73,823,000
INSURANCE.....	436,000	.....	436,000
LABOUR.....	3,139,000	32,000	3,107,000
LANDS AND FORESTS.....	24,485,000	.....	24,485,000
LIEUTENANT-GOVERNOR.....	28,000	.....	28,000
MINES.....	1,636,000	27,000	1,609,000
MUNICIPAL AFFAIRS.....	39,772,000	2,445,000	37,327,000
PRIME MINISTER.....	179,000	.....	179,000
PROVINCIAL AUDITOR.....	437,000	.....	437,000
PROVINCIAL SECRETARY AND CITIZEN- SHIP.....	3,404,000	.....	3,404,000
PUBLIC WELFARE.....	50,690,000	.....	50,690,000
PUBLIC WORKS.....	11,527,000	3,000	11,524,000
REFORM INSTITUTIONS.....	16,129,000	3,086,000	13,043,000
TRANSPORT.....	4,500,000	.....	4,500,000
TRAVEL AND PUBLICITY.....	1,910,000	.....	1,910,000
TREASURY.....	13,525,000	850,000	12,675,000
	<u>\$611,763,000</u>	<u>\$12,309,000</u>	<u>\$599,454,000</u>
PUBLIC DEBT—Interest, etc.....	69,967,000	25,078,000	44,889,000
	<u>\$681,730,000</u>	<u>\$37,387,000</u>	<u>\$644,343,000</u>
PUBLIC DEBT—Sinking Fund Instalments...	16,954,000	.....	16,954,000
	<u>\$698,684,000</u>	<u>\$37,387,000</u>	<u>\$661,297,000</u>
Capital Disbursements on Highways, Public Works, etc., financed out of Ordinary Revenue	77,000,000	.....	77,000,000
	<u>\$775,684,000</u>	<u>\$37,387,000</u>	<u>\$738,297,000</u>

SUMMARY

Ordinary Revenue and Ordinary Expenditure, Fiscal Year April 1, 1960 to March 31, 1961

9 MONTHS' ACTUAL PLUS 3 MONTHS' FORECAST

NET ORDINARY REVENUE.....		\$738,590,000
Less: Net Ordinary Expenditure.....	\$644,343,000	
Provision for Sinking Funds....	16,954,000	
Capital Disbursements financed out of Ordinary Revenue..	77,000,000	
	<u>738,297,000</u>	
INTERIM SURPLUS.....		<u>\$ 293,000</u>

**INTERIM STATEMENT OF CAPITAL RECEIPTS, ONTARIO,
FISCAL YEAR APRIL 1, 1960 TO MARCH 31, 1961**

9 MONTHS' ACTUAL PLUS 3 MONTHS' FORECAST

DEPARTMENT	Gross Capital Receipts	Application of Receipts to Disbursements	Net Capital Receipts
COMMERCE AND DEVELOPMENT.....	\$ 1,449,000	\$.....	\$ 1,449,000
EDUCATION.....	144,000	.....	144,000
HIGHWAYS.....	940,000	.....	940,000
LABOUR.....	10,600,000	.....	10,600,000
LANDS AND FORESTS.....	800,000	.....	800,000
MINES.....	75,000	.....	75,000
PUBLIC WELFARE.....	12,015,000	12,015,000	.....
PUBLIC WORKS.....	96,000	.....	96,000
TRANSPORT.....	4,400,000	.....	4,400,000
TREASURY.....	74,918,000	.....	74,918,000
	<u>\$105,437,000</u>	<u>\$12,015,000</u>	<u>\$93,422,000</u>

SUMMARY

Sale of Land, Buildings, etc.....	\$ 2,065,000
Repayment of Loans and Advances.....	30,888,000
Special Funds.....	41,758,000
Deferred Assets, etc.....	18,711,000
	<u>\$93,422,000</u>

**INTERIM STATEMENT OF CAPITAL DISBURSEMENTS, ONTARIO,
FISCAL YEAR APRIL 1, 1960 TO MARCH 31, 1961**

9 MONTHS' ACTUAL PLUS 3 MONTHS' FORECAST

DEPARTMENT	Gross Capital Disbursements	Application of Receipts to Disbursements	Net Capital Disbursements
AGRICULTURE.....	\$ 450,000	\$.....	\$ 450,000
COMMERCE AND DEVELOPMENT			
—realizable assets.....	2,250,000	.....	2,250,000
—conservation works, etc.....	1,000,000	.....	1,000,000
EDUCATION.....	1,500,000	.....	1,500,000
ENERGY RESOURCES.....	805,000	.....	805,000
HIGHWAYS.....	171,039,000	.....	171,039,000
LABOUR.....	11,000,000	.....	11,000,000
LANDS AND FORESTS.....	100,000	.....	100,000
MINES.....	1,500,000	.....	1,500,000
MUNICIPAL AFFAIRS.....	1,520,000	.....	1,520,000
Ontario Water Resources Commission....	15,000,000	.....	15,000,000
PUBLIC WELFARE.....	12,015,000	12,015,000	.....
PUBLIC WORKS.....	36,900,000	.....	36,900,000
TRANSPORT			
Unsatisfied Judgment Fund.....	2,600,000	.....	2,600,000
TREASURY.....	32,576,000	.....	32,576,000
	<u>\$290,255,000</u>	<u>\$12,015,000</u>	<u>\$278,240,000</u>
Less: Financed out of Ordinary Revenue.....	77,000,000	.....	77,000,000
	<u>\$213,255,000</u>	<u>\$12,015,000</u>	<u>\$201,240,000</u>

SUMMARY

Highways, Buildings, etc.....	\$211,594,000	
Less: Financed out of Ordinary Revenue.	77,000,000	
	<u>\$134,594,000</u>	
Loans and Advances.....		39,782,000
Special Funds.....		23,801,000
Miscellaneous.....		3,063,000
		<u>\$201,240,000</u>

**ESTIMATED INCREASE IN THE GROSS CAPITAL DEBT, ONTARIO,
FOR THE FISCAL YEAR ENDING MARCH 31, 1961**

Estimated Gross Capital Debt as at March 31, 1961.....	\$1,710,167,641.63
Gross Capital Debt as at March 31, 1960.....	1,642,671,623.66

ESTIMATED INCREASE IN GROSS CAPITAL DEBT.....	<u>\$ 67,496,017.97</u>
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GROSS CAPITAL DEBT INCREASED BY:

Capital Disbursements on Highways, Buildings, Public Works, etc.....	\$211,594,000.00	
Less: Capital Receipts.....	\$ 2,065,000.00	
Capital Disbursements financed out of Ordinary Revenue.....	77,000,000.00	
	<u>79,065,000.00</u>	
	\$132,529,000.00	
Increase in Investments of The Ontario Junior Farmer Establishment Loan Corporation.....	390,000.00	
Increase in Investments of The Ontario Municipal Improvement Corporation.....	2,660,000.00	
Increase in Advances under The Housing Development Act (net).....	965,000.00	
Increase in Advances to Ontario Water Resources Commission.....	15,000,000.00	
Increase in Advances re Student Aid Loans (net).....	1,356,000.00	
Investment in The International Transit Company Limited.....	477,000.00	
Purchase of Bonds of International Bridge Authority....	7,615,000.00	
Increase in Co-operative Loans (net).....	245,000.00	
Increase in Tile Drainage Loans (net).....	410,000.00	
Increase in Advances to Improvement District of Elliot Lake (net).....	445,000.00	
Purchase of Debentures of Sandwich, Windsor and Amherstburg Railway Company.....	2,100,000.00	
Discount on Debentures issued during year.....	1,925,000.00	
Repayment to Government of Canada under Tax Rental Agreement, 1952-56.....	3,063,000.00	
	<u>\$ 169,180,000.00</u>	

GROSS CAPITAL DEBT DECREASED BY:

Sinking Fund Provision charged to Ordinary Expenditure. \$	16,954,000.00	
Estimated Surplus on Ordinary Account.....	293,000.00	
	<u>\$ 17,247,000.00</u>	
Discount and Exchange on Debentures, written off.....	1,731,000.00	
Net Repayments of Loans Receivable— The Hydro-Electric Power Commission of Ontario		
—on secured advances.....	\$ 3,704,000.00	
—on unsecured advances....	16,139,000.00	
Miscellaneous (net).....	57,500.00	
	<u>19,900,500.00</u>	
Decrease of Advances to The Ontario Telephone Development Corporation.....	655,000.00	
Decrease in Investments of Housing Corporation Limited	655,000.00	
Increase in Reserves (net).....	347,500.00	
Decrease in Temporary Investments.....	39,950,000.00	
Decrease in Cash on Hand and in Bank.....	21,197,982.03	
	<u>101,683,982.03</u>	

ESTIMATED INCREASE IN GROSS CAPITAL DEBT.....	<u>\$ 67,496,017.97</u>
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**ESTIMATED INCREASE IN THE NET CAPITAL DEBT, ONTARIO,
FOR THE FISCAL YEAR ENDING MARCH 31, 1961**

Estimated as at March 31, 1961:

Estimated Gross Capital Debt.....	\$1,710,167,641.63
Less: Estimated Revenue-Producing and Realizable Assets.....	598,422,381.69

Estimated Net Capital Debt.....	\$1,111,745,259.94
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As at March 31, 1960:

Gross Capital Debt.....	\$1,642,671,623.66
Less: Revenue-Producing and Realizable Assets.....	649,116,863.72

Net Capital Debt.....	993,554,759.94
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ESTIMATED INCREASE IN NET CAPITAL DEBT.....	<u>\$ 118,190,500.00</u>
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NET CAPITAL DEBT INCREASED BY:

Capital Disbursements on Highways, Buildings, Public Works, etc.....	\$ 211,594,000.00
Less: Capital Receipts.....	\$ 2,065,000.00
Capital Disbursements financed out of Ordinary Revenue.....	77,000,000.00
	<u>79,065,000.00</u>

Discount on Debentures issued during year.....	\$ 132,529,000.00
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Repayment to Government of Canada under Tax Rental Agreement, 1952-56	1,925,000.00
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	<u>3,063,000.00</u>
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	<u>\$ 137,517,000.00</u>
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NET CAPITAL DEBT DECREASED BY:

Sinking Fund Provision charged to Ordinary Expenditure \$	16,954,000.00
Surplus on Ordinary Account.....	293,000.00

	<u>\$ 17,247,000.00</u>
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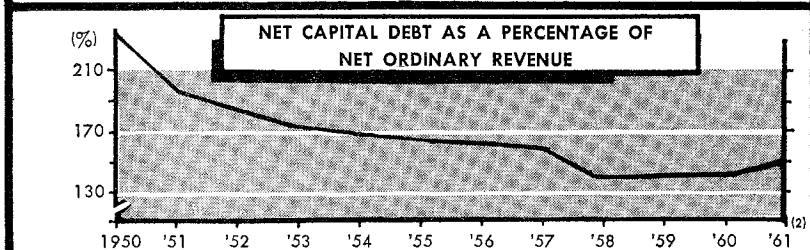
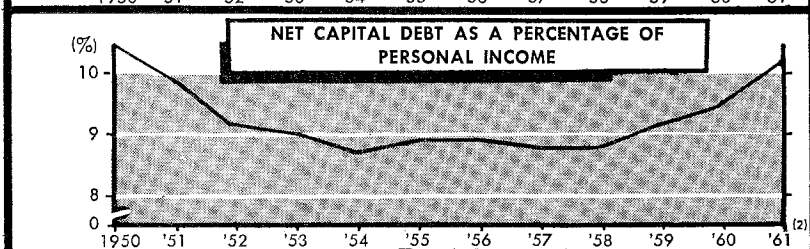
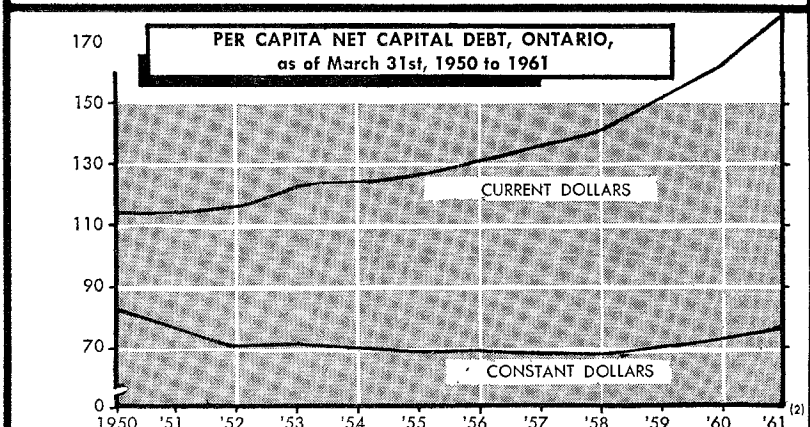
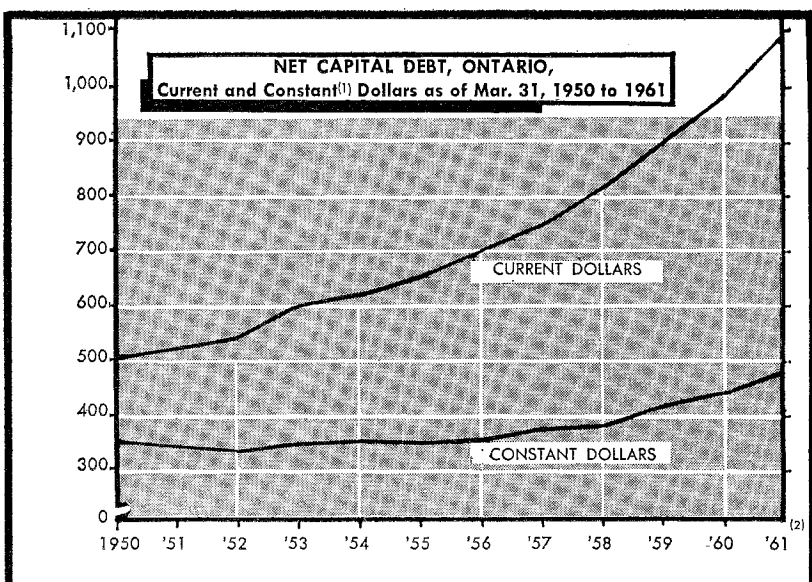
Discount and Exchange on Debentures, written off....	1,731,000.00
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Increase in Reserves (net).....	347,500.00
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Miscellaneous Decreases.....	1,000.00
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	<u>19,326,500.00</u>
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ESTIMATED INCREASE IN NET CAPITAL DEBT.....	<u>\$ 118,190,500.00</u>
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(1) Deflated by National Accounts Implicit Price Index of Government Expenditures (1943 = 100)

(2) Estimated

**ESTIMATED INCREASE IN THE FUNDED DEBT, ONTARIO,
FOR THE FISCAL YEAR ENDING MARCH 31, 1961**

Estimated as at March 31, 1961 (after deducting Sinking Funds).....	\$1,441,782,816.18
As at March 31, 1960 (after deducting Sinking Funds).....	1,393,580,798.21

ESTIMATED INCREASE IN FUNDED DEBT.....	<u>\$ 48,202,017.97</u>
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FUNDED DEBT INCREASED BY:

Debentures Issued:

Series "TI"—4½% due November 1, 1962*.....	\$25,000,000.00
Series "CY"—5½% due May 1, 1970.....	10,000,000.00
Series "CZ"—5½% due May 1, 1980.....	50,000,000.00

\$85,000,000.00

Add: Debentures retired from Sinking

Funds.....	\$25,459,517.97
Less: Provision for Sinking Funds..	16,954,000.00

8,505,517.97

\$ 93,505,517.97

FUNDED DEBT DECREASED BY:

Redemption of Debentures:

On Maturity.....	\$41,599,500.00
Prior to Maturity.....	3,704,000.00

45,303,500.00

ESTIMATED INCREASE IN FUNDED DEBT.....	<u>\$ 48,202,017.97</u>
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*Issued under The Teachers' Superannuation Act.

**ESTIMATED INCREASE IN CONTINGENT LIABILITIES, ONTARIO,
(Before Deducting Guaranteed Bonds Held in Sinking Funds)
FOR THE FISCAL YEAR ENDING MARCH 31, 1961**

Estimated as at March 31, 1961.....	\$1,572,212,089.13
As at March 31, 1960.....	1,492,543,589.13

ESTIMATED INCREASE IN CONTINGENT LIABILITIES.....	<u>\$ 79,668,500.00</u>
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CONTINGENT LIABILITIES INCREASED BY:

New guarantees or increases in existing guarantees during the fiscal year ending March 31, 1961—

The Hydro-Electric Power Commission of Ontario...	\$100,000,000.00
Ontario Northland Transportation Commission.....	1,300,000.00

\$ 101,300,000.00

CONTINGENT LIABILITIES DECREASED BY:

Principal maturities redeemed, or to be redeemed, including redemptions prior to maturity, during the fiscal year ending March 31, 1961—

The Hydro-Electric Power Commission of Ontario...	\$ 18,698,500.00
Sandwich, Windsor and Amherstburg Railway Company.....	2,100,000.00
Ontario Northland Transportation Commission.....	755,000.00
Co-operative Associations.....	21,000.00
Schools.....	4,000.00
Municipality.....	3,000.00
Miscellaneous.....	50,000.00

21,631,500.00

ESTIMATED INCREASE IN CONTINGENT LIABILITIES.....	<u>\$ 79,668,500.00</u>
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**BUDGET FORECAST OF ORDINARY REVENUE, ONTARIO,
FISCAL YEAR APRIL 1, 1961 TO MARCH 31, 1962**

DEPARTMENT	Gross Ordinary Revenue	Application of Revenue to Expenditure	Net Ordinary Revenue
AGRICULTURE.....	\$ 1,955,000	\$.....	\$ 1,955,000
ATTORNEY-GENERAL.....	7,462,000	933,000	6,529,000
COMMERCE AND DEVELOPMENT.....	455,000	.....	455,000
EDUCATION.....	3,636,000	1,200,000	2,436,000
ENERGY RESOURCES.....	275,000	.....	275,000
HEALTH.....	7,186,000	5,504,000	1,682,000
HIGHWAYS.....	1,348,000	.....	1,348,000
INSURANCE.....	623,000	.....	623,000
LABOUR.....	1,052,000	17,000	1,035,000
LANDS AND FORESTS.....	20,200,000	.....	20,200,000
MINES.....	16,653,000	26,000	16,627,000
MUNICIPAL AFFAIRS.....	9,681,000	9,333,000	348,000
PROVINCIAL SECRETARY AND CITIZEN- SHIP.....	2,336,000	.....	2,336,000
PUBLIC WORKS.....	1,001,000	3,000	998,000
REFORM INSTITUTIONS.....	4,214,000	3,529,000	685,000
TRANSPORT.....	72,000,000	.....	72,000,000
TRAVEL AND PUBLICITY.....	294,000	.....	294,000
TREASURY:			
Main Office—Subsidy.....	3,641,000	.....	3,641,000
Interest.....	71,000	.....	71,000
Ontario Racing Commission.....	120,000	.....	120,000
Liquor Control Board—Profits.....	81,000,000	.....	81,000,000
Transfer Fees.....	100,000	.....	100,000
Province of Ontario Savings Office.....	855,000	855,000	.....
Provincial share of Income Tax collected from privately-owned corporations	1,000,000	.....	1,000,000
operating public utilities.....	6,000,000	.....	6,000,000
Water Rentals.....	.....	.....	.....
Comptroller of Revenue:			
Income Tax Rental Agreement.....	120,000,000	.....	120,000,000
Corporations Tax.....	192,000,000	.....	192,000,000
Succession Duty.....	35,000,000	.....	35,000,000
Retail Sales Tax.....	60,000,000	.....	60,000,000
Gasoline Tax.....	159,000,000	.....	159,000,000
Motor Vehicle Fuel Tax.....	7,300,000	.....	7,300,000
Hospitals Tax.....	4,000,000	.....	4,000,000
Race Tracks Tax.....	5,500,000	.....	5,500,000
Security Transfer Tax.....	2,000,000	.....	2,000,000
Land Transfer Tax.....	3,500,000	.....	3,500,000
Law Stamps.....	1,800,000	.....	1,800,000
Logging Tax.....	2,000,000	.....	2,000,000
Total for Treasury.....	<u>\$684,887,000</u>	<u>\$ 855,000</u>	<u>\$684,032,000</u>
	\$835,258,000	\$21,400,000	\$813,858,000
PUBLIC DEBT—Interest, etc.....	22,838,000	22,838,000	.....
	<u>\$858,096,000</u>	<u>\$44,238,000</u>	<u>\$813,858,000</u>

**BUDGET FORECAST OF ORDINARY EXPENDITURE, ONTARIO,
FISCAL YEAR APRIL 1, 1961 TO MARCH 31, 1962**

DEPARTMENT	Gross Ordinary Expenditure	Application of Revenue to Expenditure	Net Ordinary Expenditure
AGRICULTURE.....	\$ 16,700,000	\$	\$ 16,700,000
ATTORNEY-GENERAL.....	22,670,000	933,000	21,737,000
COMMERCE AND DEVELOPMENT.....	4,828,000	.....	4,828,000
ECONOMICS.....	453,000	.....	453,000
EDUCATION.....	270,051,000	1,200,000	268,851,000
ENERGY RESOURCES.....	622,000	.....	622,000
HEALTH.....	136,297,000	5,504,000	130,793,000
HIGHWAYS.....	77,500,000	.....	77,500,000
INSURANCE.....	449,000	.....	449,000
LABOUR.....	3,575,000	17,000	3,558,000
LANDS AND FORESTS.....	24,900,000	.....	24,900,000
LIEUTENANT-GOVERNOR.....	21,000	.....	21,000
MINES.....	1,886,000	26,000	1,860,000
MUNICIPAL AFFAIRS.....	54,818,000	9,333,000	45,485,000
PRIME MINISTER.....	178,000	.....	178,000
PROVINCIAL AUDITOR.....	470,000	.....	470,000
PROVINCIAL SECRETARY AND CITIZEN- SHIP.....	3,590,000	.....	3,590,000
PUBLIC WELFARE.....	50,997,000	.....	50,997,000
PUBLIC WORKS.....	11,384,000	3,000	11,381,000
REFORM INSTITUTIONS.....	17,953,000	3,529,000	14,424,000
TRANSPORT.....	5,175,000	.....	5,175,000
TRAVEL AND PUBLICITY.....	2,106,000	.....	2,106,000
TREASURY.....	15,163,000	855,000	14,308,000
	<u>\$721,786,000</u>	<u>\$21,400,000</u>	<u>\$700,386,000</u>
PUBLIC DEBT—Interest, etc.....	75,356,000	22,838,000	52,518,000
	<u>\$797,142,000</u>	<u>\$44,238,000</u>	<u>\$752,904,000</u>
PUBLIC DEBT—Sinking Fund Instalments...	20,000,000	.....	20,000,000
	<u>\$817,142,000</u>	<u>\$44,238,000</u>	<u>\$772,904,000</u>
Capital Disbursements to be financed out of Ordinary Revenue.....	40,000,000	.....	40,000,000
	<u>\$857,142,000</u>	<u>\$44,238,000</u>	<u>\$812,904,000</u>

SUMMARY

Ordinary Revenue and Ordinary Expenditure, Fiscal Year April 1, 1961 to March 31, 1962

NET ORDINARY REVENUE.....	\$813,858,000
Less: Net Ordinary Expenditure.....	\$752,904,000
Provision for Sinking Funds...	20,000,000
Capital Disbursements to be financed out of Ordinary Revenue.....	40,000,000
	<u>812,904,000</u>
FORECAST SURPLUS.....	<u>\$ 954,000</u>

**BUDGET FORECAST OF CAPITAL RECEIPTS, ONTARIO,
FISCAL YEAR APRIL 1, 1961 TO MARCH 31, 1962**

DEPARTMENT	Gross Capital Receipts	Application of Receipts to Disbursements	Net Capital Receipts
COMMERCE AND DEVELOPMENT.....	\$ 1,162,000	\$.....	\$ 1,162,000
EDUCATION.....	200,000	.....	200,000
HIGHWAYS.....	700,000	.....	700,000
LABOUR.....	11,000,000	.....	11,000,000
LANDS AND FORESTS.....	700,000	.....	700,000
MINES.....	50,000	.....	50,000
PUBLIC WELFARE.....	12,472,000	12,472,000	.....
TRANSPORT.....	4,500,000	.....	4,500,000
TREASURY.....	53,615,000	.....	53,615,000
	<u>\$84,399,000</u>	<u>\$12,472,000</u>	<u>\$71,927,000</u>

SUMMARY

Sale of Land, Buildings, etc.....	\$ 1,450,000
Repayment of Loans and Advances.....	6,068,000
Special Funds.....	42,584,000
Deferred Assets, etc.....	21,825,000
	<u>\$71,927,000</u>

**BUDGET FORECAST OF CAPITAL DISBURSEMENTS, ONTARIO,
FISCAL YEAR APRIL 1, 1961 TO MARCH 31, 1962**

DEPARTMENT	Gross Capital Disbursements	Application of Receipts to Disbursements	Net Capital Disbursements
AGRICULTURE.....	\$ 450,000	\$.....	\$ 450,000
COMMERCE AND DEVELOPMENT.....	10,262,000	.....	10,262,000
EDUCATION.....	3,000,000	.....	3,000,000
ENERGY RESOURCES.....	1,500,000	.....	1,500,000
HIGHWAYS.....	190,440,000	.....	190,440,000
LABOUR.....	11,000,000	.....	11,000,000
LANDS AND FORESTS.....	200,000	.....	200,000
MINES.....	1,550,000	.....	1,550,000
MUNICIPAL AFFAIRS.....	37,132,000	.....	37,132,000
PUBLIC WELFARE.....	12,472,000	12,472,000	.....
PUBLIC WORKS.....	43,975,000	.....	43,975,000
TRANSPORT.....	3,000,000	.....	3,000,000
TREASURY.....	9,414,000	.....	9,414,000
	<u>\$324,395,000</u>	<u>\$12,472,000</u>	<u>\$311,923,000</u>
Less: To be financed out of Ordinary Revenue..	40,000,000	.....	40,000,000
	<u>\$284,395,000</u>	<u>\$12,472,000</u>	<u>\$271,923,000</u>

SUMMARY

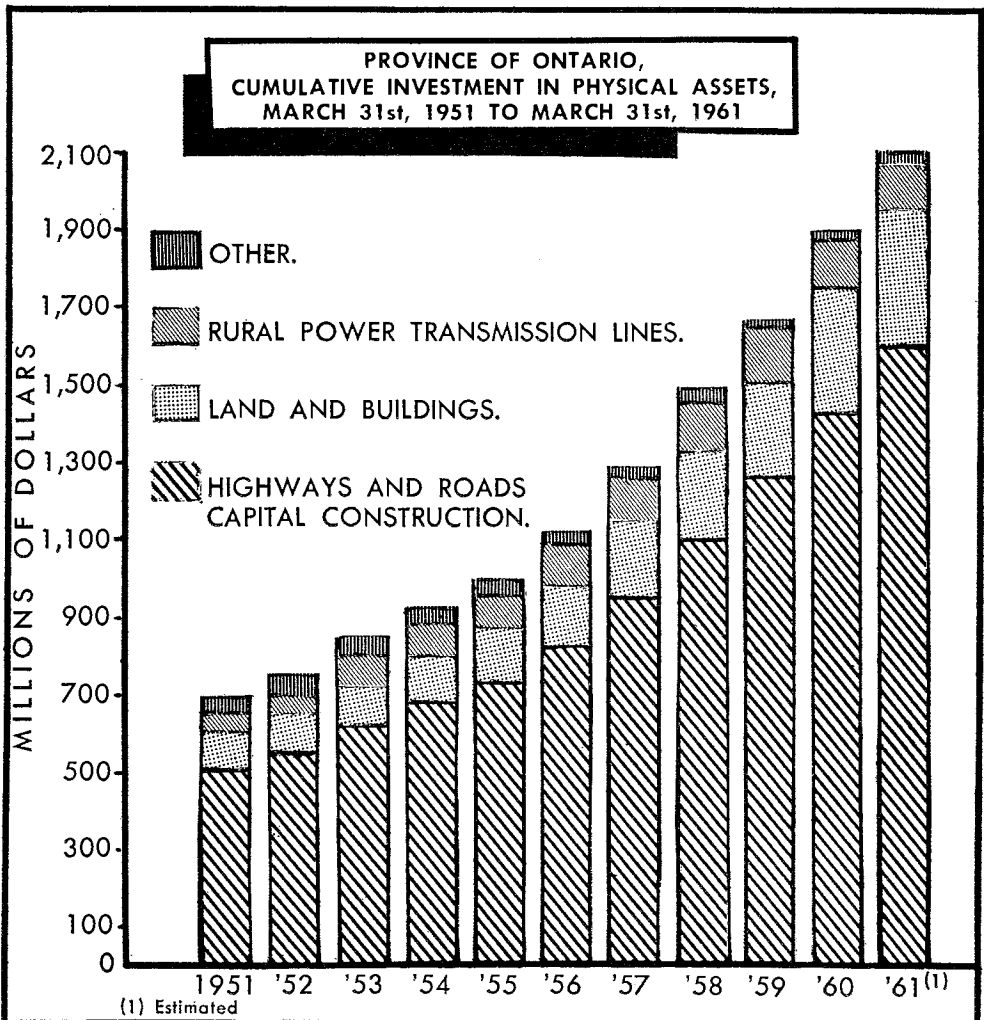
Highways, Buildings, etc.....	\$242,347,000	
Less: To be financed out of Ordinary Revenue.....	<u>40,000,000</u>	\$202,347,000
Loans and Advances.....		47,362,000
Special Funds.....		22,214,000
		<u>\$271,923,000</u>

ONTARIO'S INVESTMENT IN PHYSICAL ASSETS AND HUMAN BETTERMENT,
FISCAL YEARS 1943-44 TO 1960-61

PHYSICAL ASSETS		Estimated Eighteen-year Total 1943-44 to 1960-61
	Estimated 1960-61	
Highways and Roads.....	\$172,439,000	\$1,253,512,665*
Land and Buildings.....	34,326,000	290,937,258
Rural Power Transmission Lines.....	805,000	96,182,640
General Works and Improvements, etc.....	1,959,000	16,977,268
	<u>\$209,529,000</u>	<u>\$1,657,609,831*</u>

*Including expenditure from Highway Construction Account.

HUMAN BETTERMENT		Estimated Eighteen-year Total 1943-44 to 1960-61
	Estimated 1960-61	
Education.....	\$227,045,000	\$1,571,819,083
Health.....	90,504,000	811,104,376
Public Welfare.....	50,690,000	453,741,375
	<u>\$368,239,000</u>	<u>\$2,836,664,834</u>



ONTARIO'S HIGHWAY EXPENDITURE, FISCAL YEARS 1960-61 AND 1961-62

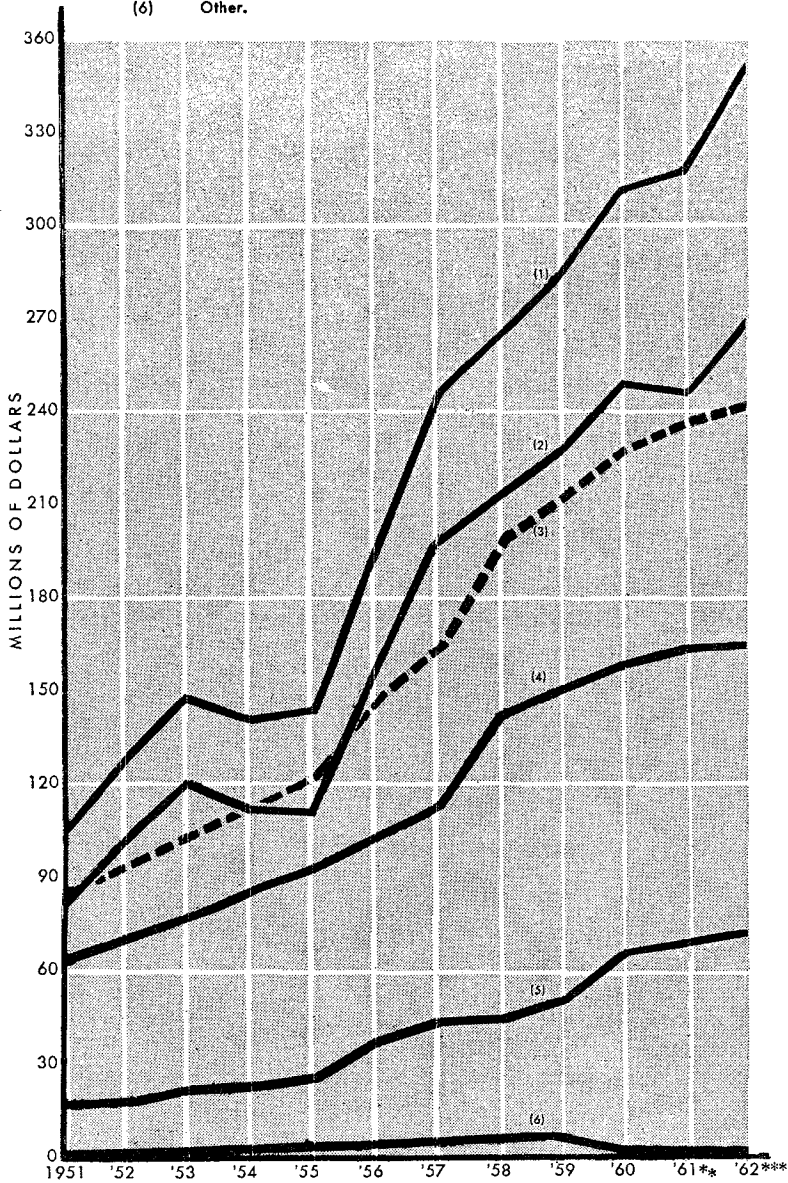
		Estimated Expenditure (9 Months' Actual plus 3 Months' Forecast) 1960-61	Allocation of Appropriation 1961-62
CAPITAL EXPENDITURE			
1. South Western Ontario Districts.....	Chatham, London, Stratford and Owen Sound—including continued work on closing the gap between London and Windsor on Highway 401; grading, drainage, granular base, paving and structures on various roads in all Districts.	\$17,394,000	\$ 27,674,000
2. Central Southern Ontario Districts.....	Hamilton, Toronto and Port Hope—including granular base, paving and structures on the Queen Elizabeth Way, commencement of the widening of the Toronto By-Pass (Highway 401); commencement of Highway 405 connecting the Lewiston International Bridge with the Queen Elizabeth Way; continuation of work on the Skyway at Homer and the Chedoke Expressway; grading, drainage, granular base, paving and structures on various roads in all Districts.	30,896,000	37,214,000
3. South Eastern Ontario.....	Kingston, Ottawa and Bancroft—including grading and drainage on Highway 401; grading, drainage, granular base, paving and structures on various roads in all Districts.	23,598,000	26,458,000
4. North Central and North Eastern Districts.....	Huntsville, North Bay, Sudbury, New Liskeard, Cochrane and Sault Ste. Marie—including grading, drainage, granular base, paving and structures on T.C.H. in Huntsville and Sault Ste. Marie Districts; commencement of the Tri-Town By-Pass (Cobalt, Haileybury and New Liskeard); grading, drainage, granular base, paving and structures on various roads in these Districts.	34,209,000	20,608,000
5. North Western Ontario.....	Fort William and Kenora—including grading, drainage, granular base, paving and structures on T.C.H., and similar work on various roads in these Districts.	14,359,000	14,720,000
6. Property Purchases.....		8,500,000	9,000,000
7. Surveys, Soils and Testing Laboratory, etc.....		6,875,000	7,491,000
8. Municipal Roads.....		54,208,000	56,335,000
9. Forest Access Roads.....		.....	940,000
		<u>\$190,039,000</u>	<u>\$200,440,000</u>
Less: Estimated amount recoverable under the Trans-Canada Highway Agreement, the Ottawa Queensway Agreement, and from the Board of Transport Commissioners.....		<u>19,000,000</u>	<u>10,000,000</u>
		<u>\$171,039,000</u>	<u>\$190,440,000</u>
10. Mining, Logging and Access Roads.....		<u>1,600,000</u>	<u>1,750,000</u>
Total Capital.....		<u>\$172,639,000</u>	<u>\$192,190,000</u>

ONTARIO'S HIGHWAY EXPENDITURE—continued

ORDINARY EXPENDITURE	Estimated Expenditure (9 Months' Actual plus 3 Months' Forecast) 1960-61	Allocation of Appropriation 1961-62
Maintenance of King's Highways and Secondary Highways and Administration of the Department.....	\$ 45,188,000	\$ 47,500,000
Repaving Present Roads.....	1,085,000	1,000,000
Amount allotted to Municipalities under Municipal Roads Branch.....	27,550,000	29,000,000
Total Ordinary.....	<u>\$ 73,823,000</u>	<u>\$ 77,500,000</u>
TOTAL ORDINARY AND CAPITAL.....	<u><u>\$246,462,000</u></u>	<u><u>\$269,690,000</u></u>

**COMPARISON OF MOTOR VEHICLES REVENUES
AND EXPENDITURES ON HIGHWAYS AND ROADS**
Fiscal Years Ending March 31, 1951 To 1962

- (1) Total Provincial and Municipal
Expenditure on Highways and Roads.
- (2) Provincial Expenditures on Highways
and for Municipal Road Subsidies.
- (3) Total Provincial Revenue From:—
- (4) Gasoline and Diesel Fuel Taxes.*
- (5) Motor Vehicle Licenses.
- (6) Other.



ONTARIO MOTOR VEHICLE REGISTRATIONS, SELECTED YEARS 1946 TO 1960

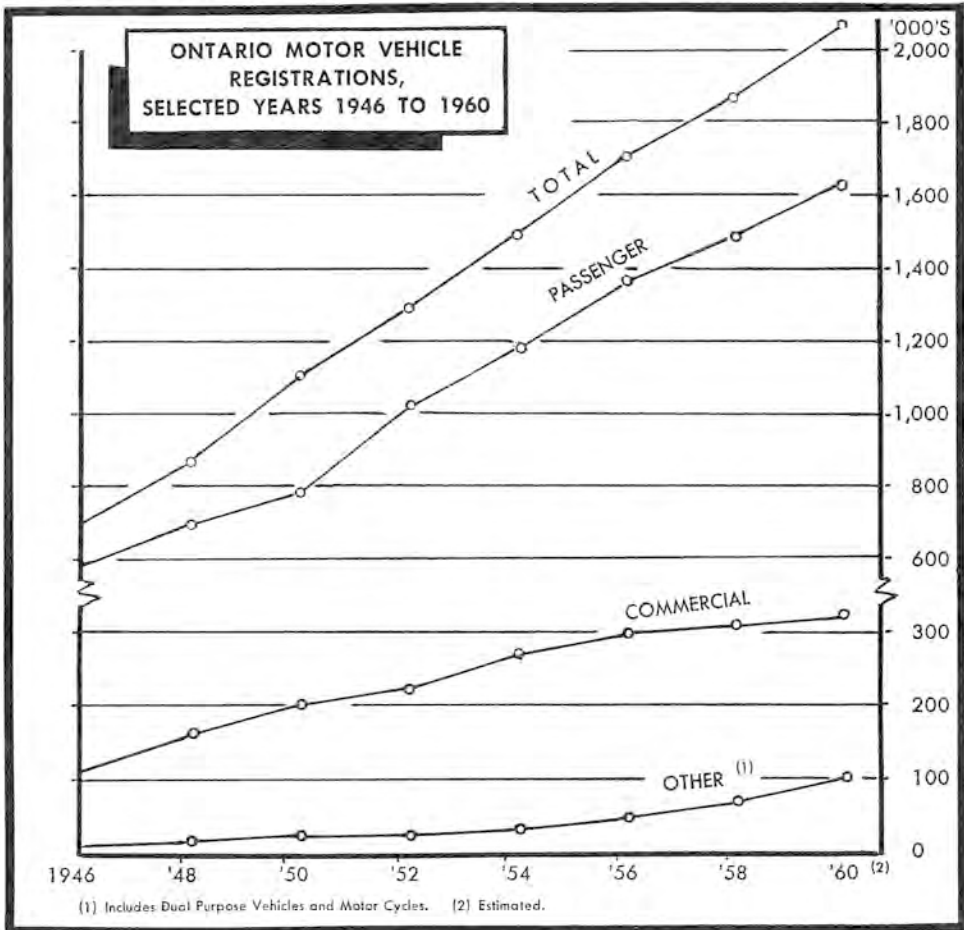
	Passenger	All Commercial ¹	Heavy Commercial ²	Dual Purpose ³	Total ⁴
1946.....	585,604	117,217	2,840	1,303	711,106
1947.....	645,252	140,930	4,389	1,294	796,947
1948.....	698,384	162,589	5,887	1,199	873,258
1949.....	771,709	183,598	7,551	1,035	969,369
1950.....	881,143	202,800	10,187	6,428	1,104,080
1951.....	958,082	225,271	12,899	8,275	1,205,098
1952.....	1,024,816	243,591	15,437	9,939	1,291,753
1953.....	1,117,175	261,923	18,197	13,707	1,406,119
1954.....	1,187,725	272,241	20,485	17,560	1,489,980
1955.....	1,292,133	287,942	24,951	25,457	1,617,853
1956.....	1,365,874	297,329	28,911	35,385	1,710,240
1957.....	1,431,438	304,568	31,166	45,971	1,793,499
1958.....	1,492,039	308,317	32,647	58,418	1,868,922
1959.....	1,573,365	316,272	36,350	74,014	1,973,737
1960 (estimated)....	1,640,300	320,200	40,000	92,600	2,062,500

¹Includes all trucks and buses.

²Includes trucks and buses over 10 tons gross weight but does not include trailers. Between 1946 and 1959, the number of heavy trailers (over 10 tons gross weight) rose from 299 to 14,183.

³Beginning in 1950, station wagons and similar vehicles included in dual purpose.

⁴Includes motorcycles. These have declined each year from a high of 13,709 in 1950 to an estimated 9,360 in 1960.



MINING, FOREST AND COMMUNITY ACCESS ROADS

Roads to Resources

Further progress was made during 1960 in building access roads in Northern Ontario under the Federal-Provincial "Roads to Resources" program. Of the 383.5 miles covered by the six major projects now approved, more than 155 miles have been constructed and 47 miles cleared. The degree of completion of individual projects at the end of 1960 was as follows:

Project	Total Length	Completed miles	Cleared
Foleyet to Chapleau	60	29	21
Nakina via Cavell to Terrier Lake .	47	47	—
Spruce River Road (from Highway No. 17, east of Port Arthur to Cheeseman Lake)	75	43	13
Savant Lake south to Highway No. 17	90	15	13
Minaki south to Highway No. 596 at Pellatt	21.5	21.5	—
Goldpines to Uchi Lake	90	—	—
Total	<u>383.5</u>	<u>155.5</u>	<u>47</u>

The Federal Government and the Government of Ontario each pay half of the costs of this program, which calls for an expenditure of \$15 million by March 31, 1967. Where a particular company derives considerable direct benefits from the building of a particular road, it also shares in the cost of construction. This is the case with Anaconda Iron Ore (Ontario) Limited, which contributed part of the cost of the road between Cavell and Terrier Lake. At the end of March 31, 1961, the Province will have spent \$3 million for these projects, while the Federal Government will have provided a matching outlay. For the coming fiscal year, Ontario allocated \$1.5 million for this purpose.

Mining and Community Access Roads

Prior to the inception of the Federal-Provincial "Roads to Resources" program in 1959, the major portion of access road mileage in the Province was constructed under the Mining and Access Roads Program initiated in 1951 by the Department of Mines. By the end of 1959, over 500 miles of mining and community access roads had been built. During 1960, the following additional projects were fully or partially completed:

Kowkash to Jeffries Lake (completed)	6 miles
Caland Mine Road (completed)	2 miles
Renabie Mine Road	9 miles
Kam-Kotia Mine Road (completed)	5 miles
Total	<u>22 miles</u>

Mining companies shared in the costs of these four roads. During 1960, the Province spent close to \$100,000 on these projects and a further \$18,500 on maintenance of existing roads.

Timber Access Roads

During 1960, the Department of Lands and Forests continued to extend the network of forest access roads. The following completions were reported:

Englehart Access Road (an extension south of previous construction)	5 miles
Hearst Access Road (by-pass of an Indian village)	1¼ miles
Glenorchy Access Road (to open up a block of mature timber in the Rainy Lake Management Unit)	16 miles
Total	<u>22¼ miles</u>

The Government's expenditure on the first two roads was \$45,000, while the costs of the Glenorchy Access Road will be shared with a private company.

Although many of these access roads are built primarily to further a specific development, most of them serve a multiplicity of purposes in the course of years. Not only the mineral and forest-based industries benefit, but also other sectors of the economy. Frequently, access roads spearhead the general growth of an area and stimulate economic development to a point where the original resource roads have to be upgraded and converted into highways. In the interest of an optimum utilization of the Province's potential, the Government will continue to extend roads into areas that—although not yet densely populated—are rich in resources.

PROVINCIAL PARKS

In response to the rising number of persons using our parks—a trend expected to climb at an annual rate of 15 per cent over the next few years—the Ontario Government will continue to improve existing park facilities and also will rapidly develop new recreational areas. Every attempt is being made to establish parks in areas presently without facilities with the objective of forming a pattern of Provincial parks within reasonable motoring distance of one another.

This year, under the Winter Works Program, the Government has appropriated a total of \$1.5 million to be spent on park and picnic area improvements by the Departments of Lands and Forests, Highways and the Ontario-St. Lawrence Development Commission. Last year, the Government embarked upon a plan to aid municipalities in the acquisition and development of parks considered to be complementary to those operated by the Province. Grants on a matching dollar-for-dollar basis up to a maximum of \$50,000 will be paid to municipalities for the provision of overnight camping and picnic grounds.

With the opening of the extensive Ontario section of the Trans-Canada Highway, some of the most beautiful vacation areas in the country have become more readily accessible and will require park facilities. When the international bridge at Sault Ste. Marie is completed, the entire region north of Lake Superior will enter a new stage of park development. To meet the need for recreational facilities in the upper Great Lakes area of our Province, the Department of Lands and Forests is now in the process of extending park beaches, building new park roads and creating parking lots and campsites. Camping units in the Lake Superior Park, for example, will be increased from the present 54 to 400. Provincial Parks now being developed in this part of the Province include Killarney (36,700 acres), Silver Falls (12,000 acres), Arrow Lake and Pakwash.

The 71 Provincial Parks administered by the Department of Lands and Forests, which are available for public use and embrace a total of almost 3.4 million acres of natural vacation land, received over ten per cent more visitors in 1960 than in the previous year. It is expected that a further eight parks, comprising 60,900 acres, will be opened for public use this year, while 11 other areas—covering a total of 56,800 acres—are either being developed now or are scheduled for future development. Included in those listed for opening in 1961 are the 10,000-acre Greenwater Park near Cochrane, the 5,000-acre Ojibwa Park near Sioux Lookout and the 3,000-acre White Lake Park near White River.

Under The Wilderness Areas Act of 1959, some 28 areas, comprising mainly Crown Land, have been designated and reserved for their historic, scientific or aesthetic value. The largest of these is Cape Henrietta-Maria on Hudson and James Bays which is noted for its arctic flora. Others include a number of Great Lakes sites such as the Sleeping Giant promontory and Porphyry Island in western Lake Superior, Rondeau Park and Turkey Point along Lake Erie and Gull Island in the Bay of Quinte, Lake Ontario. The Department of Lands and Forests is now examining a further 60 areas to determine their suitability in accordance with provisions of the Act.

The opening ceremonies of the Ontario-St. Lawrence parks system are scheduled to be held at Chrysler Farm Battlefield Park and Upper Canada Village on June 24 of this year. Attendance at these parks which was well in excess of 900,000 persons in 1960, is expected to rise substantially in the current year. The Niagara Parks system, containing 2,800 acres of continuous parklands extending from Lake Erie to Lake Ontario, continues to attract millions of visitors each year. An estimated \$1 million will be spent by the Niagara Parks Commission on new construction in the coming fiscal year. The flood control project for the Metropolitan Toronto and Region Conservation Authority, expected to be implemented in 1961, involves the creation of ten recreational areas covering 2,500 acres over a ten-year period. This will bring the number of parks in conservation areas to 56. The appropriation for our parks program in 1961-62 totals \$5.1 million.

CONSERVATION

Since the passing of The Conservation Authorities Act in 1944, 30 Conservation Authorities have been established throughout Ontario, embracing 438 participating municipalities, and covering an area of 19,353 square miles. During the past five years alone, 17 new ones have been formed. In 1960, three new Authorities—the Nottawasaga, the Lower Thames and the Sydenham (Lambton County)—were established, while two older Authorities—the Otonabee and the Holland—were enlarged.

The most important, and most costly, phase of the work of the Conservation Authorities is the construction of water conservation and flood control projects. On all schemes costing less than \$5 million, the Province's contribution amounts to 50 per cent of administrative expenses, and 50 per cent of construction costs. The grant in larger capital works is 37.5 per cent, and is supplemented in most cases by a further 37.5 per cent grant from the Federal Government. The Authorities are responsible for raising the remainder from their participating municipalities. The total cost of projects completed, under way, or planned at the present time amounts to nearly \$136 million.

Agreements have just been reached with the Federal Government on two large projects—the \$10 million flood control scheme on the Thames River and the \$1 million Parkhill Dam on the Ausable River. The Thames River scheme will consist of eight sub-projects including the construction of five dams, two near St. Mary's, two near Woodstock, and one near Thamesford, and three major channel improvement projects on the Upper Thames. Work will be started immediately on more than three miles of channel improvement at St. Mary's, Mitchell and Woodstock and is expected to be completed this year. The five dams on the Thames River will provide reservoirs with a storage capacity of about 110,000 acre feet of water, which will also serve as permanent lakes for camping, boating, fishing, and other recreational activities.

Perhaps of even greater significance is the fact that the flood control scheme of the Metropolitan Toronto and Region Conservation Authority, which has been approved by the Ontario Government, is reaching the agreement stage with the Federal Government and it is hoped that work on it will be started soon. The program involves the construction of 15 dams and the creation of ten new recreation areas extending over 2,500 acres. It is expected to take ten years to complete and will cost about \$38 million. On this scheme the Ontario Government will defray 37½ per cent of the costs. The proposed College Street Dam on the Moira River—estimated to cost \$400,000—is also under negotiation with the Federal Government. In addition, the Credit Authority has requested that arrangements be made for a delegation to present its flood control brief to Ottawa. This covers nine projects to be undertaken during the next ten years, estimated to cost \$6,004,000.

During the past year major flood control and water conservation projects completed included channel improvements at Mitchell in the Upper Thames Authority as well as the construction of a channel at Black Creek, a flood retardation dam at Lambton and channel improvements at Scarlett Road, Lambton and Bloor-Dundas on the Humber and at York Mills on the Don—all within the Metropolitan Toronto and Region Authority.

The large number of smaller projects which have been encouraged over the past six years by the increased Government of Ontario grant—from 37½ to 50 per cent of total costs—include the following projects completed in 1960: the Houghton Township Water Control project and the construction of a dam and pond at Sutton in the Big Creek Authority; ground water recharging at Aylmer in the Catfish Authority; dam repairs at Allan's Mills and Marmora in the Crowe Authority; the construction of a dam and reservoir at Garden Hill in the Ganaraska Authority; an extension of the flood warning system in the Metropolitan Toronto and Region Authority; the construction of dams at Lingham Lake in the Moira Authority, at Parkhead in the Sauble Authority, and at Bolton in the Metropolitan Toronto and Region Authority; stream improvement on the Indian River at Peasmarsh in the North Grey Authority; dam improvement below McNab Lake in the Sauble Authority; streambank erosion control at the University of Western Ontario and St. Peter's Seminary, and roadwork and river bank improvement in the Upper Thames Authority.

In 1960, complete conservation reports were prepared for three Authorities—Sixteen-Mile Creek, Twelve-Mile Creek and Spencer Creek.

Fourteen Conservation Authorities have also undertaken the establishment and management of Authority forests through agreements with the Department of Lands and Forests. Under these agreements, which run for fifty years, the Ontario Government advances to the Authority one-half of the cost of land and it assumes the entire cost of establishing and managing the forest. During this past year, 6,000 additional acres were acquired, bringing the total area of Authority forests to 50,000 acres. As part of their forestry program these Authorities assisted private landowners in planting 1,600,000 trees in 1960—a substantial increase over previous years. In addition, Authorities have continued to subsidize and provide technical assistance in the construction of community and mill ponds. Last year 235 ponds were constructed, bringing the total to 2,350.

Another aspect of the overall conservation program is the acquisition of surplus land, not already devoted to Authority forests, bordering a large reservoir, a community pond, or mill dam constructed by an Authority and the conversion of some of the attractive and otherwise suitable sections into parks, thus providing recreational and other facilities. During 1960, 1,600 acres were added to these conservation areas, bringing the total coverage to 25,000 acres. Within the 90 conservation areas, 49 parks have been established covering more than 3,000 acres. Visitors to the parks have increased substantially each year, particularly in the last four years. In 1957 there were 69,000 visitors, whereas in 1960 there were 1,800,000—about 26 times as many.

Last spring, The Parks Assistance Act was passed in the Legislature which provided grants to municipalities on a matching dollar-for-dollar basis—up to \$50,000 each—for the acquisition and development of parks that are complementary to Provincial parks. This Act provides much needed assistance to smaller urban and rural municipalities in acquiring and developing land suitable for picnic and camping purposes. Numerous enquiries have been received and, as a result, three grants have already been approved under the Act. These were to the municipalities of Wiarton, Kenora and Innisfil. In addition, six more applications are under consideration. Municipalities have now had time to prepare their future budgets and considerable use of this legislation is expected in 1961.

During the winter season, Conservation Authorities participate in the Winter Works Program. This winter to date, ten Authorities are undertaking 19 projects with an estimated expenditure of more than a million dollars. Under the terms of the Program, 50 per cent of the labour cost of the projects is contributed by the Federal Government and 25 per cent by the Province of Ontario. Additional winter work will also be provided as projects are commenced on the Upper Thames Authority, the Ausable and possibly the Metropolitan Toronto and Region Authority.

During the coming year, one Authority is expected to be enlarged and surveys will be carried out on three new ones. Additional work will also be done on two older Authorities—the Saugeen and the North Grey Region.

For the fiscal year 1961-62, the sum of \$72.0 million has been set aside in the estimates of the various Departments concerned, for works and services in connection with conservation projects.

**MAJOR FLOOD CONTROL AND WATER CONSERVATION PROJECTS
COMPLETED BY CONSERVATION AUTHORITIES**

Authority	Project	Year of Completion	Ontario Grant %	Total* Cost \$
Ausable.....	Port Franks Diversion.....	1950	75	158,802
	Morrison Dam, Exeter.....	1957	50	199,198
Catfish.....	Aylmer Ground Water Recharging...	1960	75	30,000*
Crowe.....	Marmora Dam Repairs.....	1960	50	29,000*
Grand Authority.....	Guelph: Speed Flood Control—			
	Phase I.....	1958	50	739,934
	Phase II.....	1959	50	39,000*
	Wellesley Dam.....	1958	50	41,808
Grand Commission....	Shand Dam.....	1942	37½	2,056,487
	Luther Marsh Dam.....	1953	37½	233,985
	Conestogo Dam.....	1959	37½	5,400,000*
Holland.....	Fairey Lake Dam.....	1955	37½	36,914
Metropolitan Toronto and Region.....	Flood Plain Land Mapping.....	1960	50	54,630
	Etobicoke—			
	Brampton Diversion.....	1952	75	976,600
	Long Branch:			
	River Diversion.....	1949	75	92,280
	Piers at Mouth.....	1949	75	64,405
	Channel Improvement.....	1959	50	69,980
	Don—			
	Dredging, Lower Don.....	1956	50	69,436
	West Branch, York Mills: Flood Plain Lands and Channel Im- provements.....	1960	50	202,000*
	Erosion Control, Queen Street....	1956	37½	69,804
	Humber—			
	Albion Hills Dam.....	1959	50	76,000*
	Black Creek Channel: At Lambton	1960	50	306,680*
	Flood Retardation Dam.....	1960	50	392,000*
	Lower Humber: Channel Improve- ments:			
	Bloor-Dundas.....	1959	50	207,336
	Lambton.....	1959	50	273,750*
	Scarlett Road.....	1960	50	580,430
	Rouge-Duffin-Highland-Petticoat—			
	Duffin Creek: Goodwood.....	1958	50	30,938
Moira.....	Deloro Dam.....	1953	37½	51,621
Napanee.....	Second Depot Lake Dam.....	1957	50	193,418
North Grey Region....	Sydenham Mill Dam, Owen Sound:			
	Structural Repairs.....	1959	50	32,000*
South Nation.....	Casselman Dam.....	1958	50	35,936
Upper Thames.....	Ingersoll Channel.....	1950	75	1,002,992
	Fanshawe Dam.....	1953	37½	4,895,896
	Streambank Erosion Control, London:			
	University of Western Ontario and St. Peter's Seminary.....	1960	50	26,160*
	Mitchell Channel Improvement:			
	Phase I.....	1960	50	35,000*

*Estimated cost where accounts not settled.

PROVINCIAL ASSISTANCE FOR WATER AND SEWAGE WORKS

The major objectives of the Ontario Water Resources Commission are the elimination of pollution from Ontario's lakes and watercourses and the provision of a sufficient water supply to meet the needs of our industrial and domestic markets.

Fulfillment of these goals will not be achieved this year or within the space of the next few years, but the beneficial results accruing from the increasing efforts of the Commission are becoming more and more apparent. Two focal points of the Commission's attack on stream pollution when it commenced operations in 1957 were the Credit and Grand Rivers. By mid-1960, the Credit River was almost clear and with the exception of a few points the river met all the rigid water quality standards laid down by the Commission. With continued Commission leadership, municipalities and industries along the Grand River are co-operating fully in a unified effort to have that waterway returned to a condition where it will be fit for all normal human uses. We expect that it will be clear of pollution within two years. Similar pollution abatement activities are being carried out in other sections of the Province. The new program of the Federal Government which offers financial assistance for municipal sewage treatment should provide a splendid opportunity to further intensify the campaign against water pollution. The Commission will co-operate fully with the Federal authorities in their new venture.

Intensive construction activities were undertaken during 1960 by the Commission. No less than 30 projects were completed and put into operation, bringing the estimated value of O.W.R.C.-built and operated sewage and water works to almost \$30 million. In addition, by the end of 1960, projects estimated to cost \$3.3 million were in partial operation, and construction valued at an estimated \$13 million was proceeding on 13 water works and 14 sewage undertakings. Projects under O.W.R.C.-municipal agreement which had not reached the construction stage were valued at nearly \$10 million. Since 1957 Commission projects to a value of \$55.7 million have been completed, are underway, or are projected. Of this total, \$15.5 million is for water systems and \$40.2 million for sewage works located within 116 municipalities.

The essential services of water resource and stream pollution surveys, carried out on an area basis by the Commission, were further expanded during the year. Survey work covered the counties of Wentworth, Peel and Waterloo, while comprehensive water resource and pollution studies were made in Carleton County and the District of Sudbury. In total, there were 45 complete and 10 partial stream surveys conducted in 1960 and many more are planned for 1961. These surveys play an important role in the development of water supplies and the abatement of pollution.

In support of these and the many other services undertaken by the Commission, the Province provided \$1.6 million for operating expenses and \$15.0 million for capital purposes in 1960-61. The appropriations for 1961-62 are increased to \$2.2 million for operating and to \$35.0 million for capital purposes.

ASSISTANCE TO MUNICIPALITIES BY THE PROVINCE OF ONTARIO, FISCAL YEARS ENDING MARCH 31, 1952 TO 1962

	1952	1953	1954	1955	1956	1957	1958	1959	1960	1961 ¹	1962 ²
Education:											
General Legislative Grants, etc...	48,863	55,438	59,044	68,104	70,757	81,201	99,932	131,066	150,255	164,420	195,160
Provincial Contributions to the Teachers' Superannuation Fund	3,974	4,551	4,973	2,739	5,960	6,686	10,509	11,836	13,501	15,636	17,156
Total—Education.....	52,837	59,989	64,017	70,843	76,717	87,887	110,441	142,902	163,756	180,056	212,316
Hospitals:											
Maintenance, Construction and Contributions to Hospital Care Insurance Plan.....	11,716	14,761	12,580	15,754	15,696	16,100	15,127	21,072	27,332	29,904	32,592 ³
Special Grants for Rehabilitation and Other Capital Purposes...	5,750	7,111	7,070	6,243	5,754	6,865	5,837	4,547	5,000	3,000	....
Total—Hospitals.....	17,466	21,872	19,650	21,997	21,450	22,965	20,964	25,619	32,332	32,904	32,592 ³
Health Units, School Medical Inspection and School Dental Services.	580	646	672	700	775	856	896	960	1,042	1,165	1,265
Roads.....	25,232	28,025	28,084	33,526	40,519	46,794	52,490	55,123	63,435	73,758	76,835
Police Act.....	1,894	2,311	2,727	131	137	162	167	181	198	198	225
Fire Departments Act.....	1,721	2,076	2,273	106	117	128	131	148	157	157	175
Unconditional Grants.....	....	....	....	15,235	12,396	12,702	20,670	20,962	23,996	25,620	26,700
Grants for Urban Redevelopment Projects.....	64	324	....	303	288	48	....	109	208	918	2,400
Grants for Municipal Winter Works Incentive Program.....	....	....	....	....	....	....	....	889	929	1,178	14,000
Day Nurseries.....	217	217	213	204	196	197	212	250	241	231	241
Child Welfare.....	1,152	1,340	1,487	1,615	1,730	2,127	3,321	4,563	4,928	4,643	5,261
Homes for the Aged.....	2,238	1,971	1,829	2,357	2,978	4,373	5,346	2,828	4,662	4,791	4,981
Erection of Housing Units for Elderly Persons.....	3,038	2,831	69	76	39	18	190	101	29	428	70
General Welfare Assistance.....	423	204	187	300	3,667	3,900	4,556	6,380	5,516	8,688	7,974
Community Centres.....	....	....	....	....	150	265	352	340	335	275	275
Conservation, Drainage Aid and Flood Control.....	1,367	1,251	1,256	1,142	1,125	1,759	1,794	1,747	2,729	2,108	5,442
Mining Municipalities.....	372	1,427	1,493	1,498	1,499	2,000	2,276	2,628	3,246	4,733	5,750
Payments in Lieu of Certain Municipal Taxes.....	....	376	375	448	530	628	788	922	1,035	1,224	1,500
Miscellaneous.....	820	752	506	212	350	377	1,170	688	787	969	903
Total Assistance to Municipalities.	109,421	125,612	127,649	154,031	164,663	187,186	225,764	267,340	309,561	344,044	398,905 ³

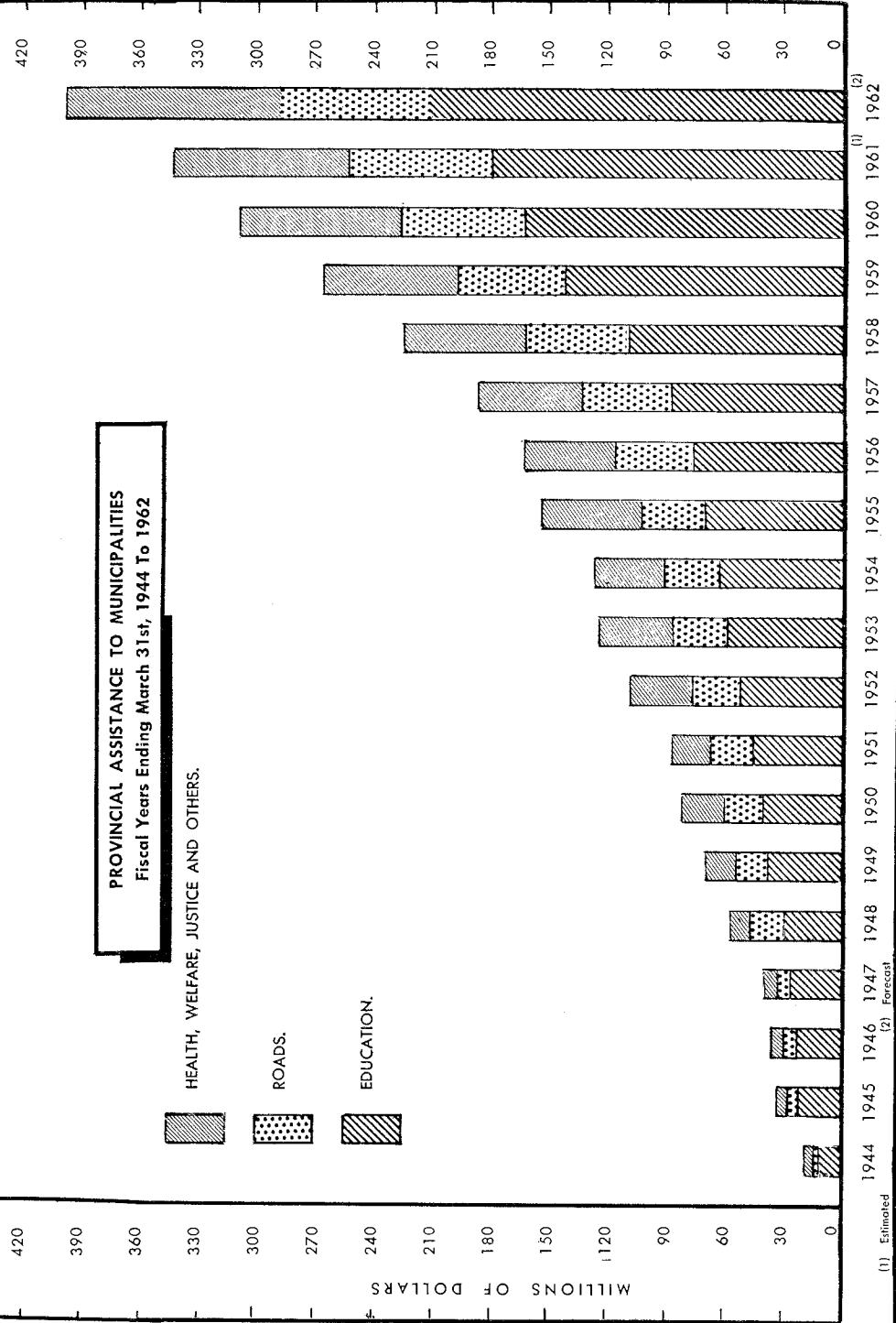
¹Estimated.²Forecast.³Does not include \$32.0 million additional appropriation for the Ontario Hospital Services Commission.

PROVINCIAL ASSISTANCE TO MUNICIPALITIES
Fiscal Years Ending March 31st, 1944 To 1962

HEALTH, WELFARE, JUSTICE AND OTHERS.

ROADS.

EDUCATION.



(1) Estimated

(2) Forecast

**ONTARIO GROSS MUNICIPAL TAX LEVY IN CURRENT AND CONSTANT¹ DOLLARS, WITH LEVY IN PER CAPITA TERMS
AND AS A PROPORTION OF ASSESSMENT, DEBENTURE DEBT AND PERSONAL INCOME IN ONTARIO,
SELECTED YEARS 1929 TO 1960**

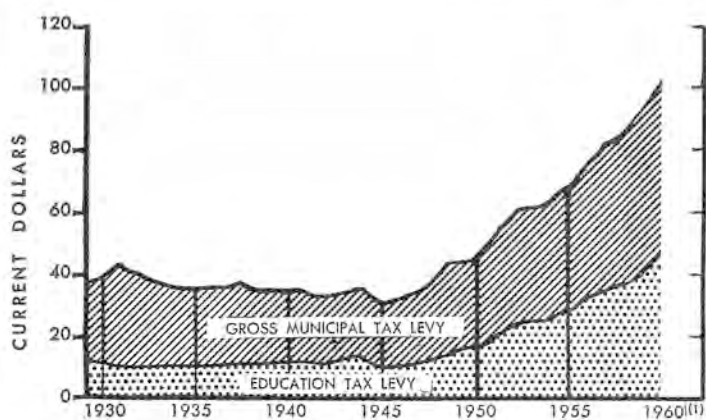
Year	Gross Tax Levy ²				Education Tax Levy				Gross Tax Levy as Percent of							
	Current		Constant		Current		Constant		As % Gross Tax Levy		Total Municipal Assessment		Municipal Debt		Personal Income in Ontario (%)	
	Assessed Population (000's)	Total Amount (\$000's)	Per Capita (\$)	Total Amount (\$000's)	Per Capita (\$)	Total Amount (\$000's)	Per Capita (\$)	Total Amount (\$000's)	Per Capita (\$)	(%)	(%)	(%)	(%)	(%)	(%)	
1929	3,065	115,787	37.78	107,498	35.07	37,847	12.35	35,137	11.46	32.7	3.8	25.6	6.1			
1935	3,322	117,466	35.36	121,760	36.65	34,557	10.40	35,820	10.78	29.4	3.9	25.4	8.3			
1939	3,443	114,255	33.18	111,819	32.48	39,297	11.41	38,459	11.17	34.4	3.9	29.4	6.5			
1940	3,479	114,921	33.03	106,865	30.72	40,287	11.58	37,463	10.77	35.1	3.9	31.4	5.6			
1941	3,509	112,256	31.99	100,509	28.64	40,852	11.64	36,577	10.42	36.4	3.8	33.5	4.5			
1942	3,545	110,277	31.11	90,091	25.41	41,420	11.68	33,838	9.55	37.6	3.7	36.1	3.7			
1943	3,580	111,546	31.16	88,260	24.65	43,023	12.02	34,042	9.51	38.6	3.6	39.6	3.3			
1944	3,580	111,381	31.11	84,103	23.49	43,502	12.15	32,848	9.18	39.1	3.6	44.1	3.1			
1945	3,612	108,163	29.95	77,716	21.52	34,485	9.55	24,778	6.86	31.9	3.5	46.8	2.9			
1946	3,695	117,629	31.83	86,892	23.52	37,125	10.05	27,424	7.42	31.6	3.7	54.8	3.1			
1947	3,854	135,348	35.12	93,980	24.39	44,608	11.57	30,974	8.04	33.0	4.0	61.5	3.3			
1948	3,942	151,361	38.40	92,643	23.50	51,180	12.98	31,325	7.95	33.8	4.4	62.5	3.3			
1949	4,083	171,450	41.99	99,167	24.29	59,864	14.66	34,625	8.48	34.9	4.3	61.6	3.5			
1950	4,203	190,312	45.28	105,336	25.06	67,244	16.00	37,219	8.86	35.3	4.5	55.1	3.6			
1951	4,326	228,271	52.77	113,235	26.18	85,313	19.72	42,320	9.78	37.4	5.2	52.2	3.8			
1952	4,490	262,491	58.46	124,753	27.78	100,079	22.29	47,564	10.59	38.1	5.5	52.9	3.9			
1953	4,648	282,116	60.70	129,505	27.86	112,217	24.14	51,513	11.08	39.8	5.6	47.2	3.9			
1954	4,842	308,216	63.65	136,502	28.19	121,836	25.16	53,959	11.14	39.5	5.1	44.7	4.2			
1955	5,013	338,350	67.49	145,395	29.00	139,841	27.90	60,092	11.99	41.3	5.2	44.1	4.3			
1956	5,131	384,624	74.96	156,888	30.58	163,947	31.95	66,874	13.03	42.6	5.3	43.6	4.5			
1957	5,320	433,789	81.54	168,392	31.65	185,882	34.94	72,157	13.56	42.9	5.5	42.6	4.6			
1958	5,504	468,086	85.04	175,124	31.82	197,781	35.93	73,995	13.44	42.3	5.7	40.0	4.8			
1959	5,682	528,331	92.98	191,348	33.68	232,074	40.84	84,051	14.79	43.9	6.1	40.5	5.0			
1960 ³	5,820	590,000	101.37	206,568	35.49	268,000	46.05	93,830	16.12	45.4	6.4	40.5	5.4			

¹Computed in 1935-39 dollars by National Accounts Implicit Price Deflator for Government Expenditures after arithmetically converting the Deflator from a 1949 to a 1935-39 base.

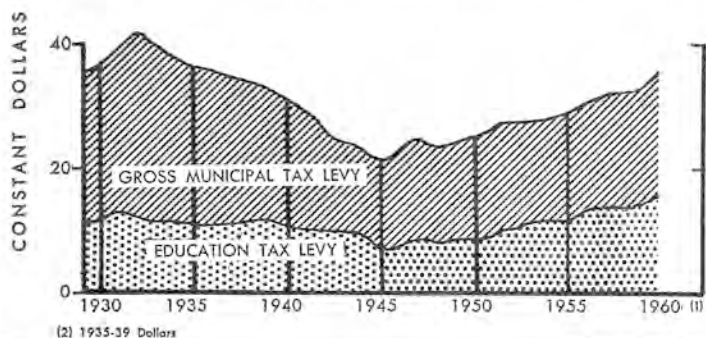
²Including miscellaneous charges on the roll.

³Estimated by the Ontario Department of Economics.

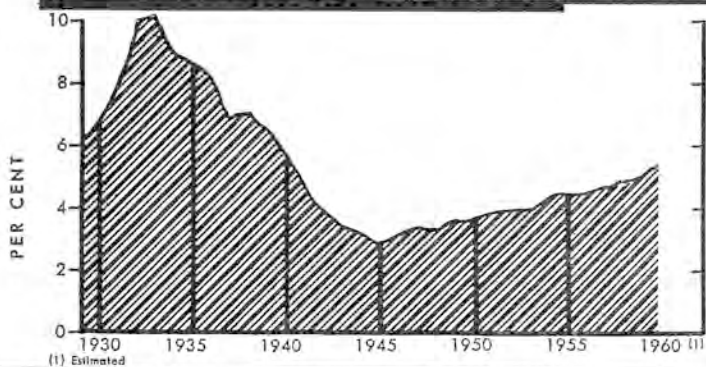
THE PER CAPITA MUNICIPAL TAX LEVY IN
CURRENT DOLLARS, 1929 TO 1960



THE PER CAPITA MUNICIPAL TAX LEVY IN
CONSTANT DOLLARS,⁽²⁾ 1929 TO 1960



THE TOTAL MUNICIPAL TAX LEVY AS
A PER CENT OF PERSONAL INCOME



**DISTRIBUTION OF ONTARIO MUNICIPAL GROSS DEBENTURE
DEBT OUTSTANDING, 1929 TO 1960**

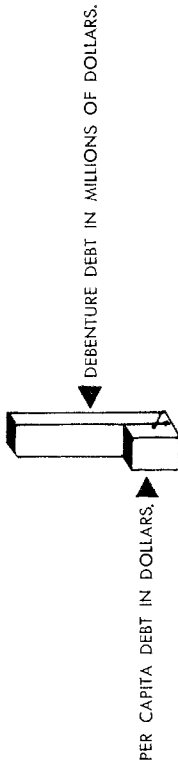
Year	Municipal (\$000's)	Education (\$000's)	Utilities and Municipal Enterprises (\$000's)	Total Debenture Debt Current Dollars		Constant Dollars ¹	
				Amount (\$000's)	Per Capita \$	Amount (\$000's)	Per Capita \$
1929	218,715	86,354	146,868	451,937	147.44	419,583	136.88
1930	247,971	86,552	150,757	485,280	154.47	458,637	145.99
1931	257,689	88,782	152,531	499,002	156.22	486,716	152.37
1932	260,343	88,144	156,269	504,756	155.82	520,412	160.65
1933	255,734	84,723	153,977	494,434	151.78	520,912	159.90
1934	243,349	83,068	157,535	483,952	147.76	509,869	155.67
1935	225,570	79,571	156,512	461,653	138.98	478,531	144.07
1936	209,229	76,624	145,693	431,546	128.81	441,000	131.64
1937	230,435	67,520	127,840	425,795	126.06	420,273	124.42
1938	219,334	64,695	120,310	404,339	119.13	395,719	116.59
1939	215,364	59,499	113,386	388,249	112.76	379,972	110.36
1940	207,138	56,961	101,525	365,624	105.09	339,995	97.72
1941	188,887	53,114	93,419	335,420	95.58	300,320	85.58
1942	171,552	49,418	84,492	305,462	86.17	249,547	70.40
1943	159,404	45,070	76,989	281,463	78.61	222,706	62.20
1944	136,181	46,483	70,023	252,687	70.59	190,802	53.30
1945	123,954	43,042	63,911	230,907	63.93	165,909	45.93
1946	115,337	42,182	57,151	214,670	58.10	158,576	42.92
1947	120,447	46,412	53,089	219,948	57.06	152,723	39.62
1948	137,399	57,333	47,611	242,343	61.48	148,329	37.63
1949	150,777	71,745	55,644	278,166	68.13	160,891	39.41
1950	170,322	89,100	86,222	345,644	82.25	191,311	45.52
1951	197,141	120,916	119,520	437,577	101.16	217,062	50.18
1952	221,902	145,552	128,351	495,805	110.42	235,640	52.48
1953	243,236	178,546	175,531	597,313	128.51	274,195	58.99
1954	281,593	204,977	202,250	688,820	142.26	305,064	63.01
1955	291,513	238,284	237,548	767,345	153.07	329,742	65.77
1956	335,266	289,927	256,671	881,864	171.87	359,712	70.11
1957	394,131	343,371	280,526	1,018,028	191.37	395,186	74.29
1958	467,886	392,455	309,180	1,169,521	212.48	437,549	79.50
1959	535,243	449,186	320,574	1,305,003	229.67	472,638	83.18
1960 ²	605,000	505,000	345,000	1,455,000	250.00	509,418	87.53

¹Computed in 1935-39 dollars by National Accounts Implicit Price Deflator for Government Expenditures after arithmetically converting the Deflator from a 1949 to a 1935-39 base.

²Estimated by the Ontario Department of Economics.

ONTARIO MUNICIPAL DEBENTURE DEBT In Constant Dollars ⁽¹⁾

LEGEND



MUNICIPAL DEBT IN MILLIONS OF DOLLARS

600

500

400

300

200

100

0

1929 1935 1939 1942 1948 1949 1950 1951 1952 1953 1954 1955 1956 1957 1958 1959 1960 (2)

PER CAPITA DEBT IN DOLLARS

200

100

0

(1) 1935-1939 Dollars (2) Estimated

THE ONTARIO MUNICIPAL IMPROVEMENT CORPORATION

Summary by Municipalities Showing Debentures Purchased and Unmatured Balance from Inception to December 31, 1960

Municipality	Type of Work	Purchased	Unmatured Balance
Acton, Town of.....	Watermains, Sewers and Schools.....	\$625,850.00	\$580,500.00
Ajax, Town of.....	Schools.....	140,000.00	127,800.00
Ajax, Town of—Bd. of Trustees of Roman Catholic Separate Schools.	Schools.....	70,000.00	64,000.00
Albion, Township of—Bd. of Trustees of Roman Catholic Separate School, Section No. 8.....	Schools.....	40,000.00	36,600.00
Alliston, Town of—Bd. of Trustees of Roman Catholic Separate Schools.	Schools.....	60,000.00	60,000.00
Amherstburg, Town of.....	Schools.....	175,000.00	170,700.00
Ancaster, Township of.....	Schools.....	107,000.00	81,000.00
Anderdon and Sandwich West, Town- ships of—Bd. of Trustees of Roman Catholic Union Separate School, United Sections Nos. 2 and 8.....	Schools.....	54,000.00	42,400.00
Armstrong—Public School Board of School Section No. 1.....	Schools.....	60,000.00	60,000.00
Atikokan, Township of.....	Water, Sewers and Schools.	791,886.96	598,000.00
Atwood, Township of.....	Schools.....	58,400.00	12,800.00
Aurora, Town of.....	Watermains, Sewers and Schools.....	664,419.50	607,500.00
Aurora, Town of—Bd. of Trustees of Roman Catholic Separate Schools.	Schools.....	40,000.00	38,900.00
Badgerow, Field, Gibbons and Grant, Townships of—Bd. of Trustees of Roman Catholic Union Separate School for United Sections Nos. 1, 1, 2 and 4, 1, 1.....	Schools.....	200,000.00	200,000.00
Bala, Town of.....	Schools.....	37,000.00	36,100.00
Balfour, Township of.....	Schools.....	120,000.00	109,700.00
Bancroft, Village of.....	Schools.....	107,000.00	94,000.00
Bancroft, Village of—Bd. of Trustees of Roman Catholic Separate Schools	Schools.....	100,000.00	97,300.00
Bath, Village of.....	Waterworks.....	35,000.00	33,000.00
Beardmore, Improvement District of— Bd. of Trustees of Roman Catholic Separate Schools.....	Schools.....	60,000.00	56,700.00
Bertie, Township of.....	Water.....	137,000.00	88,000.00
Bicroft, Improvement District of....	Schools.....	60,000.00	56,700.00
Black River, Township of.....	Water.....	87,378.00	64,000.00
Blenheim, Township of—Bd. of Trus- tees of Roman Catholic Separate School Section No. 21.....	Schools.....	47,000.00	41,100.00
Blezard, Township of.....	Schools.....	80,000.00	73,100.00
Blind River, Town of.....	Watermains, Sewers and Schools.....	730,400.00	684,500.00
Blind River, Town of—Bd. of Trustees of Roman Catholic Separate School	Schools.....	385,000.00	359,400.00
Bolton, Village of.....	Schools.....	52,162.00	47,600.00
Bonfield, Township of.....	Schools.....	80,700.00	76,200.00
Bothwell, Town of—Bd. of Trustees of Roman Catholic Separate Schools	Schools.....	43,000.00	43,000.00
Bracebridge, Town of.....	Water and Schools.....	665,000.00	595,200.00
Braeside, Village of—Bd. of Trustees of Roman Catholic Separate Schools	Schools.....	40,000.00	39,100.00
Brampton, Town of—Bd. of Trustees of Roman Catholic Separate School	Schools.....	120,000.00	109,700.00

Municipality	Type of Work	Purchased	Unmatured Balance
Brantford, City of—Bd. of Trustees of Roman Catholic Separate Schools	Schools.....	\$90,000.00	\$86,400.00
Broder, Township of—Bd of Trustees of Public School Section No. 2....	Schools.....	28,800.00	25,900.00
Broder and Dill, Townships of—Bd. of Trustees of Public School Union Section No. 1.....	Schools.....	120,000.00	115,800.00
Broder and Dill, Townships of—Bd. of Trustees of Roman Catholic Separate School for United Sections Nos. 1 and 1.....	Schools.....	85,000.00	85,000.00
Bruce Mines, Town of.....	Schools.....	120,000.00	109,700.00
Brudenell and Lyndock and Radcliffe Union, Townships of—Bd. of Trustees of Roman Catholic Separate School Sections Nos. 3 and 3.....	Schools.....	20,000.00	18,300.00
Brunel, Township of.....	Schools.....	53,600.00	49,300.00
Burchell Lake—Public School Board of School Section No. 1.....	Schools.....	41,500.00	40,500.00
Burks Falls, Village of.....	Schools.....	390,000.00	380,500.00
Burlington, Town of.....	Schools.....	1,022,000.00	922,000.00
Burlington, Town of—Bd. of Trustees of Roman Catholic Separate School	Schools.....	378,135.38	362,550.00
Burlington and Nelson—Bd. of Management of the Inter Urban Area of Caledonia, Village of—Bd of Trustees of Roman Catholic Separate School	Water.....	327,000.00	190,000.00
Calvert, Township of.....	Schools.....	38,900.00	36,600.00
Calvert, Township of—Bd of Trustees of Roman Catholic Union Separate School, United Sections Nos. 1 and 4.....	Schools.....	109,800.00	102,900.00
Calvert, Township of—Bd of Trustees of Roman Catholic Separate School Section No. 4.....	Schools.....	202,300.00	196,300.00
Capreol, Town of.....	Schools.....	160,000.00	139,600.00
Cardiff, Improvement District of....	Sewers and Watermains...	54,240.00	40,900.00
Carew and Cavell, Townships of—Bd. of Public School Trustees of Union School Section No. 1.....	Waterworks and Schools ..	617,000.00	563,500.00
Carnarvon, Township of.....	Schools.....	30,000.00	29,200.00
Cartier, Township of—Bd. of Trustees of Public School Section No. 1....	Schools.....	112,000.00	109,200.00
Casgrain and Cochrane, Townships of—Bd. of Trustees of Roman Catholic Separate School Section No. 2.....	Schools.....	4,150.00	2,300.00
Cayuga, Village of—Bd of Trustees of Roman Catholic Separate School	Schools.....	38,900.00	35,300.00
Chapleau, Township of.....	Schools.....	40,000.00	34,600.00
Chatham, Township of.....	Sewers.....	310,000.00	200,000.00
Chelmsford, Town of.....	Watermains.....	64,700.00	49,000.00
Chippawa, Village of.....	Watermains and Schools...	24,250.00	22,350.00
Chippawa, Village of—Bd. of Trustees of Roman Catholic Separate School	Sewage and Disposal Plant		
Christie, Township of.....	Watermains and Schools..	686,533.00	657,800.00
Cobalt, Town of.....	Schools.....	120,000.00	112,000.00
Cobden, Village of.....	Schools.....	37,880.00	35,780.00
Cobden, Village of—Bd. of Trustees of Roman Catholic Separate Schools	Schools.....	224,000.00	204,700.00
Cochrane, Town of.....	Waters and Sewers.....	77,900.00	47,600.00
Colchester North, Township of.....	Schools.....	19,514.00	19,514.00
	Sewers.....	109,000.00	71,000.00
	Schools.....	100,000.00	91,300.00

Municipality	Type of Work	Purchased	Unmatured Balance
Colchester North, Township of—Bd. of Trustees of Roman Catholic Union Separate School for United Sections Nos. 2 and 5.....	Schools.....	\$30,000.00	\$29,300.00
Conger and Cowper, Townships of—Bd. of Public School Trustees of Union School Section No. 4.....	Schools.....	18,000.00	18,000.00
Conmee, Township of.....	Schools.....	45,000.00	42,500.00
Cornwall, City of.....	Schools and Watermains...	227,000.00	98,000.00
Crowland, Township of—Bd. of Trustees of Roman Catholic Separate School Section No. 9.....	Schools.....	120,000.00	109,700.00
Crystal Beach, Village of.....	Waters and Sewers.....	183,594.31	117,000.00
Crystal Beach, Village of—Bd. of Trustees of Roman Catholic Separate Schools.....	Schools.....	40,000.00	38,900.00
Delhi, Village of.....	Water and Sewers.....	50,000.00	
Dorion, Township of.....	Schools.....	38,900.00	37,700.00
Dover, Township of—Bd. of Trustees of Roman Catholic Union Separate School Sections Nos. 3, 7, 9, 13, 14	Schools.....	140,000.00	127,900.00
Dowling, Township of.....	Schools.....	42,800.00	41,500.00
Dowling, Township of—Bd. of Trustees of Roman Catholic Separate School Section No. 3.....	Schools.....	42,000.00	38,400.00
Draper, Township of.....	Schools.....	45,000.00	39,600.00
Drury, Denison and Graham, United Townships of.....	Schools.....	100,000.00	96,300.00
Dryden, Town of.....	Waterworks.....	55,100.00	29,600.00
Dryden and Awrey, Townships of—Bd. of Public School Trustees of Union School Section No. 3 and 1.	Schools.....	65,000.00	63,400.00
Dungannon, Township of.....	Schools.....	39,200.00	37,000.00
Dymond, Township of.....	Schools.....	55,000.00	53,500.00
Dryart, Guilford, Harburn, Dudley, Harcourt, Bruton, Havelock, Eyre and Clyde, Townships of.....	Schools.....	30,000.00	24,000.00
Ellice, Township of—Bd. of Trustees of Roman Catholic Separate School Section No. 6.....	Schools.....	6,000.00	1,600.00
Elliot Lake, Improvement District of Elliot Lake, Improvement District of—Bd. of Trustees of Roman Catholic Separate School.....	Schools, Water and Sewers.	9,041,000.00	8,364,300.00
Elmvale, Village of.....	Schools.....	640,000.00	604,100.00
Essa, Township of.....	Water.....	4,100.00	1,600.00
Essex, County of.....	Schools.....	40,964.00	37,000.00
Etobicoke, Township of.....	Schools.....	302,000.00	294,500.00
Etobicoke, Township of—Bd. of Trustees of Roman Catholic Union Separate School Sections Nos. 11 and 15.....	Water and Sewers.....	1,416,113.75	631,000.00
Eton, Aubrey, Wainwright and Van Horne, Unorganized Townships of—Public School Bd. of Township School Area.....	Schools.....	320,000.00	306,100.00
Faraday, Township of.....	Schools.....	90,000.00	90,000.00
Fisher, Unorganized Township of—Bd. of Trustees of Roman Catholic Separate School Section No. 1....	Schools.....	94,024.00	88,700.00
Fisher and Herrick, Townships of—Bd. of Trustees of Public School Union Section No. 1.....	Schools.....	15,600.00	14,100.00
Fonthill, Village of—Bd of Trustees of Roman Catholic Separate School..	Schools.....	19,000.00	17,900.00
Fort Frances, Town of.....	Schools.....	120,000.00	115,500.00
	Water and Sewers.....	34,463.66	16,700.00

Municipality	Type of Work	Purchased	Unmatured Balance
Fort Frances, Town of—Bd. of Trustees of Roman Catholic Separate Schools.....	Schools.....	\$60,000.00	\$60,000.00
Freeman, Township of.....	Schools.....	9,000.00	6,800.00
Frontenac, County of.....	Schools.....	775,000.00	708,000.00
Garson, Township of—Bd. of Trustees of Roman Catholic Separate School Sections Nos. 2 and 3.....	Schools.....	252,000.00	241,700.00
Georgetown, Town of.....	Watermains, Sewers and Schools.....	1,182,895.52	1,087,240.00
Georgetown, Town of—Bd. of Trustees of Roman Catholic Separate Schools.....	Schools.....	170,000.00	160,500.00
Gladstone, Improvement District of.....	Schools.....	20,000.00	12,600.00
Geraldton, Town of.....	Water and Schools.....	305,000.00	190,700.00
Glackmeyer, Township of.....	Schools.....	22,000.00	22,000.00
Gladstone, Bright, Parkinson, Patton and Eley, Townships of.....	Schools.....	40,000.00	36,600.00
Glencoe, Village of—Bd. of Trustees of Roman Catholic Separate Schools.....	Schools.....	20,000.00	18,300.00
Gloucester, Township of.....	Schools.....	172,000.00	138,000.00
Gore Bay, Town of.....	Schools.....	160,000.00	155,600.00
Gorham and Ware—Public School Board of Township School Area... ..	Schools.....	54,000.00	54,000.00
Grantham, Township of.....	Sewers, Water and Schools.....	569,293.21	411,000.00
Grantham, Township of—Bd. of Trustees of Roman Catholic Separate School Section No. 2.....	Schools.....	120,000.00	109,700.00
Grantham, Township of—Bd. of Trustees of Roman Catholic Separate School Section No. 8.....	Schools.....	40,000.00	36,600.00
Grimsby North, Township of.....	Schools.....	38,259.60	28,900.00
Gwillimbury West, Township of.....	Sewers.....	128,430.00	93,830.00
Hagar, Loughrin and Awrey, Townships of—Bd. of Trustees of Roman Catholic Union Separate School for United Sections Nos. 1; 1 and 2; and 1.....	Schools.....	60,000.00	58,500.00
Haultain, Milner and Nicol—Public School Board of Township School Area.....	Schools.....	80,000.00	73,900.00
Hawkesbury, Town of.....	Water and Sewers.....	638,800.00	46,300.00
Hearst, Town of.....	Water and Sewers.....	52,000.00	37,000.00
Hensall, Village of.....	Schools.....	112,500.00	98,200.00
Hespeler, Town of—Bd. of Trustees of Roman Catholic Separate Schools.....	Schools.....	79,000.00	77,000.00
Houghton, Township of—Bd. of Trustees of Roman Catholic Separate School Section No. 9.....	Schools.....	45,000.00	39,700.00
Ignace, Township of.....	Schools.....	92,000.00	69,000.00
Ingram, Township of—School Area... ..	Schools.....	20,000.00	15,200.00
Innisfil, Township of.....	Schools.....	145,638.00	139,500.00
Innisfil, Township of—Bd. of Trustees of Roman Catholic Separate School Section No. 12.....	Schools.....	79,000.00	68,900.00
Jaffray and Melick, Townships of... ..	Schools.....	38,562.90	34,900.00
Joan and Phyllis, Townships of.....	Schools.....	25,000.00	23,600.00
Johnson, Township of.....	Schools.....	48,000.00	43,800.00
Kashabowie, Township of—Public School Board of School Section No. 1.....	Schools.....	24,000.00	23,400.00
Keewatin, Town of.....	Schools.....	325,000.00	307,000.00
Keewatin, Town of—Bd. of Trustees of Roman Catholic Separate Schools.....	Schools.....	93,000.00	88,600.00
Kendrey, Improvement District of... ..	Sewers and Watermains... ..	73,500.00	67,200.00
King, Township of.....	Drainage Works.....	67,650.50	35,900.00

Municipality	Type of Work	Purchased	Unmatured Balance
Kingston, Township of—Bd. of Trustees of Roman Catholic Separate School for School Section No. 2....	Schools.....	\$60,000.00	\$60,000.00
Korah, Township of.....	Watermains, Schools.....	102,750.00	95,100.00
Korah, Township of—Bd. of Trustees of Roman Catholic Separate School Section No. 3.....	Schools.....	93,100.00	85,100.00
Korah, Township of—Bd. of Trustees of Roman Catholic Union Separate School for United Sections Nos. 3 and 5.....	Schools.....	65,000.00	65,000.00
Lakefield, Village of.....	Schools and Watermains..	273,700.00	245,900.00
Lakefield, Village of—Bd. of Trustees of Roman Catholic Separate School	Schools.....	40,000.00	36,600.00
Larder Lake, Township of.....	Schools.....	49,000.00	49,000.00
Lewis and Spragge, Townships of—Bd. of Trustees of Public School Union Section No. 2.....	Schools.....	35,000.00	33,000.00
London, Township of.....	Schools and Sewers.....	283,806.36	123,762.07
London, Township of—Bd. of Trustees of Roman Catholic Separate School Section No. 20.....	Schools.....	77,000.00	71,300.00
London, Township of—Bd. of Trustees of Roman Catholic Separate School Section No. 21.....	Schools.....	80,000.00	75,600.00
London, Township of—Bd. of Trustees of Roman Catholic Separate School Section No. 22.....	Schools.....	140,000.00	136,200.00
London, Township of—Bd. of Trustees of Roman Catholic Separate School Section No. 23.....	Schools.....	135,000.00	131,300.00
Lion's Head, Village of.....	Schools.....	87,000.00	83,200.00
Long Branch, Village of.....	Water.....	106,700.00	.....
Long and Striker, Townships of—Bd. of Trustees of Public School Union Sections No. 1 and 1.....	Schools.....	59,000.00	53,900.00
Lutterworth, Township of.....	Schools.....	40,000.00	36,600.00
Lybster and South Marks—Unorganized Township of School Area....	Schools.....	20,000.00	18,300.00
Macaulay, Township of.....	Schools.....	80,000.00	77,900.00
Macdonald, Meredith and Aberdeen Additional, Townships of.....	Schools.....	64,344.00	62,700.00
Machin, Township of.....	Schools.....	12,000.00	5,200.00
Madoc, Village of.....	Water and Sewers.....	22,000.00	17,000.00
Maidstone, Township of—Bd. of Trustees of Roman Catholic Separate School Section No. 7.....	Schools.....	15,000.00	13,700.00
Manitouwadge, Improvement District of.....	Schools and Waterworks..	1,996,829.00	1,985,200.00
Markdale, Village of.....	Schools.....	50,000.00	41,300.00
Markham, Township of—Bd. of Trustees of Roman Catholic Separate School Section No. 1.....	Schools.....	80,000.00	69,900.00
Marmora, Village of.....	Schools.....	90,000.00	79,400.00
Massey, Town of.....	Schools.....	45,000.00	41,800.00
Matheson, Town of.....	Water.....	91,800.00	80,700.00
Mattawa, Town of.....	Water and Sewers.....	193,500.00	115,400.00
Michipicoten, Township of.....	Schools.....	95,000.00	92,400.00
Milton, Town of.....	Sewers and Schools.....	326,000.00	297,800.00
Middleton, Township of—Bd. of Trustees of Roman Catholic Separate School Section No. 2....	Schools.....	50,000.00	48,700.00

Municipality	Type of Work	Purchased	Unmatured Balance
Middleton and North Walsingham, Townships of—Bd. of Trustees of Roman Catholic Union Separate School for United Sections Nos. 6 and 22.....	Schools.....	\$70,000.00	\$68,300.00
Monteagle, and Herschel, Unorganized Townships of.....	Schools.....	37,500.00	28,400.00
Moore, Township of—Bd. of Trustees of Roman Catholic Separate School Section No. 5.....	Schools.....	15,000.00	13,100.00
Morrisburg, Village of.....	Sewers.....	8,500.00	1,000.00
Neelon and Garson, United Townships of.....	Water.....	63,926.97	27,000.00
New Liskeard, Town of.....	Water and Sewers.....	116,000.00	7,200.00
Newmarket, Town of—Bd. of Trustees of Roman Catholic Separate Schools.....	Schools.....	116,700.00	113,300.00
Niagara, Town of—Bd. of Trustees of Roman Catholic Separate School.....	Schools.....	120,000.00	109,700.00
Niagara, Township of.....	Sewers and Drainage.....	52,311.98	5,600.00
Niagara, Township of—Bd. of Trustees of Roman Catholic Separate School Section No. 5.....	Schools.....	40,000.00	37,800.00
Niagara Falls, City of.....	Water.....	598,000.00	.....
Nipigon, Township of.....	Sewage Plant.....	85,000.00	73,900.00
North Fredericksburg, Township of..	Schools.....	18,500.00	12,300.00
North Gwillimbury, Township of....	Schools.....	230,000.00	216,200.00
North York, Township of.....	Incinerator, Water and Sewers.....	1,747,367.59	869,367.59
Oakley, Township of.....	Schools.....	39,800.00	38,800.00
Oakville, Town of.....	Water.....	490,000.00	314,400.00
Onaping, Improvement District of...	Schools.....	117,000.00	88,500.00
Oro, Township of.....	Schools.....	40,000.00	30,300.00
Paipoonge, Township of.....	Schools.....	106,000.00	103,400.00
Parkhill, Town of, Williams West, Township of—Bd. of Trustees of Roman Catholic Union Separate School for United Sections No. 10.	Schools.....	40,000.00	40,000.00
Parry Sound, Town of.....	Water and Sewers.....	17,500.00	2,200.00
Pelham, Township of—Bd. of Trustees of Roman Catholic Separate School Section No. 9.....	Schools.....	40,000.00	37,800.00
Pembroke, Township of.....	Schools.....	70,000.00	64,300.00
Penetanguishene, Town of.....	Schools.....	261,000.00	254,000.00
Petawawa, Township of.....	Schools.....	87,000.00	80,600.00
Pic, Township of—Bd. of Trustees of Public School Section No. 1.....	Schools.....	70,000.00	64,000.00
Pickering, Township of.....	Schools.....	1,018,300.10	987,917.58
Pickering, Village of.....	Schools.....	110,000.00	96,000.00
Port Carling, Town of.....	Watermains.....	16,000.00	15,100.00
Port Credit, Village of.....	Water and Schools.....	348,779.00	249,400.00
Port Credit, Village of—Bd. of Trustees of Roman Catholic Separate Schools.....	Schools.....	120,000.00	117,100.00
Port Dalhousie, Town of.....	Watermains.....	20,000.00	15,200.00
Port Dalhousie, Town of—Bd. of Trustees of Roman Catholic Separate School.....	Schools.....	70,000.00	61,500.00
Port McNicoll, Village of.....	Water.....	16,500.00	10,900.00
Powassan, Town of.....	Schools, Water and Sewers	366,000.00	324,100.00
Prescott, Town of.....	Schools.....	269,000.00	204,000.00
Prince, Township of.....	Schools.....	19,500.00	18,900.00
Rayside, Township of.....	Schools.....	60,000.00	54,900.00
Rainy River, Town of.....	Schools.....	135,000.00	127,400.00

Municipality	Type of Work	Purchased	Unmatured Balance
Red Lake, Improvement District of— Bd of Trustees of Roman Catholic Separate Schools.....	Schools.....	\$86,000.00	\$81,200.00
Redditt, Township of—Bd. of Trustees of Public School Section No. 1.....	Schools.....	23,375.00	22,000.00
Red Rock, Improvement District of.	Water, Sewers and Schools.	87,145.00	32,300.00
Red Rock, Improvement District of— Bd. of Trustees of Roman Catholic Separate School.....	Schools.....	80,000.00	75,500.00
Renfrew, Town of—Bd. of Trustees of Roman Catholic Separate School	Schools.....	178,000.00	164,000.00
Richmond Hill, Town of.....	Schools.....	300,500.00	265,500.00
Richmond Hill, Town of—Bd. of Trustees of Roman Catholic Separate Schools.....	Schools.....	80,000.00	73,100.00
Riverside, Town of.....	Water and Sewers.....	261,530.41	114,778.00
Riverside, Town of—Bd. of Trustees of Roman Catholic Separate School	Schools.....	340,000.00	317,100.00
Rockland, Town of.....	Water.....	35,000.00	26,600.00
Rodney, Village of and Aldborough, Township of—Bd. of Trustees of Roman Catholic Union Separate School Section No. 5.....	Schools.....	40,000.00	36,600.00
Ryan, Kincaid, and Herrick, Town- ships of—Bd. of Public School Trustees of Union School Section Nos. 1, 1 and 2.....	Schools.....	12,200.00	12,200.00
Saltfleet, Township of—Bd. of Trus- tees of Roman Catholic Separate School Section No. 3.....	Schools.....	160,000.00	155,600.00
Sandwich East, Township of.....	Storm Sewers, Schools and Watermains.....	887,816.68	572,930.00
Sandwich East, Township of—Bd. of Trustees of Roman Catholic Separate School Section No. 1.....	Schools.....	80,000.00	69,700.00
Sandwich East, Township of—Bd. of Trustees of Roman Catholic Separate School Section No. 3.....	Schools.....	14,000.00	10,600.00
Sandwich East, Township of—Bd. of Trustees of Roman Catholic Separate School Section No. 5.....	Schools.....	40,000.00	38,900.00
Sandwich South, Township of.....	Schools.....	44,000.00	37,000.00
Sandwich South, Township of—Bd. of Trustees of Roman Catholic Separate School Section No. 20....	Schools.....	75,000.00	70,800.00
Sandwich West, Township of.....	Watermains and Schools...	1,483,117.15	1,207,674.40
Sandwich West, Township of—Bd. of Trustees of Roman Catholic Separate School Section No. 1.....	Schools.....	75,000.00	73,000.00
Sandwich West, Township of—Bd. of Trustees of Roman Catholic Union Separate School United Sections No. 2, 3, 4, 7, 9.....	Schools.....	750,000.00	713,700.00
Sault Ste. Marie, City of—Bd. of Trustees of Roman Catholic Separate School.....	Schools.....	225,000.00	205,500.00
Savant Lake—Bd. of Trustees of Public School Section No. 1.....	Schools.....	12,500.00	11,800.00
Scarborough, Township of.....	Water and Sewers.....	4,772,800.00	.....
Schreiber, Township of.....	Water.....	35,000.00	24,000.00
Schreiber, Township of—Bd. of Trus- tees of Roman Catholic Separate School Section No. 1.....	Schools.....	23,000.00	21,000.00
Seneca, Township of—Bd. of Trustees of Roman Catholic Separate School Section No. 11.....	Schools.....	20,000.00	19,100.00

Municipality	Type of Work	Purchased	Unmatured Balance
Shebandowan—Public School Board of School Section No. 1.....	Schools.....	\$24,000.00	\$23,400.00
Shedden, Township of—Bd. of Trustees of Public School Section No. 1	Schools.....	74,000.00	67,600.00
Shedden, Township of—Bd. of Trustees of Roman Catholic Separate School.....	Schools.....	158,000.00	151,300.00
Sherwood, Jones and Burns, Townships of.....	Schools.....	37,407.00	33,000.00
Sidney, Township of—Bd. of Trustees of Roman Catholic Separate School Section No. 1.....	Schools.....	19,600.00	17,900.00
Sioux Lookout, Town of.....	Sewers and Watermains...	228,185.00	170,300.00
Sioux Lookout, Town of—Bd. of Trustees of Roman Catholic Separate School.....	Schools.....	98,000.00	93,100.00
South River, Village of.....	Water.....	120,000.00	70,000.00
Spragge, Township of—Public School Bd. of School Section No. 1.....	Schools.....	60,000.00	58,400.00
Stafford, Township of.....	Schools.....	38,000.00	35,700.00
Stamford, Township of.....	Water and Watermains...	1,231,000.00	826,000.00
Stamford, Township of—Bd. of Trustees of Roman Catholic Union Separate School Sections Nos. 4, 5, 6	Schools.....	100,000.00	94,400.00
Stamford, Township of—Bd. of Trustees of Roman Catholic Union Separate School Sections Nos. 3, 4, 5, 6.....	Schools.....	120,000.00	116,700.00
Stamford, Township of—Bd. of Trustees of Roman Catholic Separate School Section No. 7.....	Schools.....	120,000.00	108,900.00
Stouffville, Village of.....	Sewage Disposal.....	500,000.00	456,800.00
Strathroy, Town of—Bd. of Trustees of Roman Catholic Separate School	Schools.....	17,000.00	14,900.00
Streetsville, Village of.....	Schools.....	102,196.55	96,000.00
Strong, Township of.....	Schools.....	185,000.00	174,700.00
Sturgeon Falls, Town of.....	Water, Sewers and Schools.	287,921.00	225,200.00
Sudbury, City of.....	Water and Sewers.....	3,500,281.66	2,198,700.00
Sudbury, City of—Bd. of Trustees of Roman Catholic Separate Schools.	Schools.....	300,000.00	300,000.00
Sunnidale, Township of.....	Schools.....	60,000.00	54,900.00
Sutton, Village of.....	Waterworks.....	294,000.00	268,600.00
St. Clair Beach, Village of.....	Water and Schools.....	151,430.00	115,150.00
Tarentorus, Township of.....	Water and Sewers.....	341,834.00	294,100.00
Tarentorus, Township of—Bd. of Trustees of Roman Catholic Separate School for School Section No. 4	Schools.....	85,000.00	85,000.00
Tay, Township of.....	Water.....	93,000.00	59,300.00
Teck, Township of.....	Water.....	100,000.00	48,000.00
Tecumseh, Town of.....	Sewers.....	22,385.00	2,700.00
Thamesville, Village of—Bd. of Trustees of Roman Catholic Separate Schools.....	Schools.....	45,000.00	45,000.00
Thessalon, Town of.....	Water, Schools and Sewers.	102,160.00	82,680.00
Thorold, Town of—Bd. of Trustees of Roman Catholic Separate School..	Schools.....	194,000.00	178,300.00
Timmins, Town of.....	Sewers.....	188,675.00	79,100.00
Timmins, Town of—Bd. of Trustees of Roman Catholic Separate Schools.	Schools.....	606,300.00	588,000.00
Tisdale, Township of.....	Water and Sewers.....	381,430.00	334,400.00
Toronto, Township of.....	Water, Schools and Sewers.	2,305,534.41	1,724,600.00
Toronto, Township of—Bd. of Trustees of Roman Catholic Separate School Section No. 1.....	Schools.....	100,000.00	97,300.00
Toronto, Township of—Bd. of Trustees of Roman Catholic Separate School Section No. 2.....	Schools.....	80,000.00	75,600.00

Municipality	Type of Work	Purchased	Unmatured Balance
Toronto, Township of—Bd. of Trustees of Roman Catholic Separate School Section No. 4.....	Schools.....	\$177,300.00	\$171,300.00
Toronto, Township of—Bd. of Trustees of Roman Catholic Separate School Section No. 5.....	Schools.....	140,000.00	126,900.00
Toronto, Township of—Bd. of Trustees of Roman Catholic Separate School Section No. 7.....	Schools.....	80,000.00	69,900.00
Toronto Gore, Township of—Bd. of Trustees of Roman Catholic Separate School Section No. 6.....	Schools.....	40,000.00	35,300.00
Trafalgar, Township of.....	Schools.....	1,525,957.00	1,306,800.00
Trafalgar, Township of—Bd. of Trustees of Roman Catholic Separate School Section No. 13.....	Schools.....	175,800.00	159,300.00
Trafalgar, Township of—Bd. of Trustees of Roman Catholic Separate School Section No. 18.....	Schools.....	150,000.00	131,000.00
Twenty-Seven and Twenty-Eight, Townships of—Bd. of Trustees of Roman Catholic Separate School for Union School Section No. 1....	Schools.....	39,000.00	39,000.00
Umfreville, Township of—Bd. of Trustees of Public School Section No. 1.....	Schools.....	10,500.00	.....
Upsala, Public School Bd. of the Township School Area.....	Schools.....	40,000.00	37,800.00
Vaughan, Township of—Bd. of Trustees of Roman Catholic Separate School for School Section No. 25 ..	Schools.....	80,000.00	80,000.00
Vermilion Additional, Drayton, Jordan and Vermilion, Townships of—Bd. of Trustees of Public School Union Sections Nos. 1, 2, 1 and 1 ..	Schools.....	110,000.00	100,400.00
Vespra, Township of.....	Schools.....	60,000.00	48,700.00
Wallaceburg, Town of—Bd. of Trustees of Roman Catholic Separate School.....	Schools.....	100,000.00	91,300.00
Waterford, Village of—Bd. of Trustees of Roman Catholic Separate Schools.....	Schools.....	23,000.00	22,400.00
West Ferris, Township of.....	Water.....	710,572.00	673,672.00
Waters, Township of.....	Schools.....	125,000.00	118,900.00
Webbwood, Town of.....	Schools.....	36,000.00	35,100.00
Westminster, Township of.....	Schools and Sewers.....	168,000.00	109,000.00
Westminster, Township of—Bd. of Trustees of Roman Catholic Separate School for School Section No. 17	Schools.....	40,000.00	40,000.00
Whitney, Township of.....	Sewers.....	41,000.00	25,100.00
Wicksteed, Township of.....	Schools.....	50,000.00	43,800.00
Wicksteed, Township of—Bd. of Trustees of Roman Catholic Separate School for School Section No. 1....	Schools.....	100,000.00	97,600.00
Widdifield, Township of.....	Water.....	62,450.00	36,600.00
Windsor, City of.....	Water.....	2,000,000.00	1,000,000.00
Windsor, City of—Bd. of Trustees of Roman Catholic Separate Schools ..	Schools.....	1,063,800.00	987,900.00
Wollaston, Township of.....	Schools.....	40,000.00	40,000.00
Woodbridge, Village of.....	Schools and Waterworks ..	177,000.00	161,700.00
Wyoming, Village of—Bd. of Trustees of Roman Catholic Separate School	Schools.....	40,000.00	35,300.00
Yarmouth, Township of—Bd. of Trustees of Roman Catholic Separate School Section No. 18.....	Schools.....	115,000.00	111,900.00
		<u>\$74,114,106.15</u>	<u>\$56,385,095.64</u>

PROVINCIAL SUPPORT OF THE HOSPITAL SYSTEM

In the years following World War II the Province greatly increased the level of its assistance to public hospitals in Ontario through the development of a comprehensive program of hospital grants. As a first step, grants were made available to all public hospitals on the basis of public ward patients instead of indigent patient days. This marked a major advance in hospital financing. Other forms of assistance were progressively introduced, including capital grants, special maintenance grants, special rehabilitation grants, and nurse training grants. As a result of these developments, Provincial assistance to public hospitals, which in 1947-48 amounted to \$3.2 million, had increased by eight times to \$25.1 million in 1958-59.

With the introduction of the Ontario Hospital Care Insurance Plan in 1959 hospital financing in Ontario entered a new era. Despite the very generous assistance which had been provided by the Province prior to that date, many public hospitals had been incurring deficits. With the advent of the Plan, which the Ontario Government was largely instrumental in bringing to fruition, this situation no longer prevails. Public hospitals are now assured of sufficient operating income to meet approved expenditures.

No scheme of hospital insurance would have been as successful as the Ontario Plan if adequate hospital facilities had not been made available. The remarkable expansion in the number of hospital beds which has taken place during the last decade-and-a-half has been due in no small measure to the financial assistance granted by the Government of Ontario. In 1947-48 we introduced capital construction grants to encourage and assist hospitals to undertake new construction. These grants, which were doubled in 1958, presently range from \$2,000 per bed to \$8,500 per bed. We are continuing to make regular capital construction grants available to public hospitals, and in 1960-61, \$10 million has been paid.

We are again providing special capital assistance to public hospitals, and have placed \$3 million in the Supplementary Estimates for 1960-61 for this purpose. A basic grant of \$75 per bed will be paid to all public hospitals in the Province, to be used for debt retirement and other capital purposes. In addition, special grants-in-aid will be made to those hospitals which are encountering unmanageable debt problems.

In total, maintenance and capital grants to public hospitals in 1961-62, including the Provincial contribution to the Hospital Care Insurance Plan, will be almost doubled. Next year Provincial payments will amount to \$64.4 million, compared with \$32.7 million in 1960-61—an increase of \$31.7 million in a one-year period. Our payments next year will be more than six times as great as those provided just ten years ago.

**PROVINCIAL ASSISTANCE TO PUBLIC HOSPITALS,
FISCAL YEARS 1947-48 TO 1961-62**

Fiscal Year	Maintenance Grants, Provincial Contributions to Hospital Care Insurance Plan, etc.	Capital and Special Grants	Total
1947-48.	\$ 2,200,000	\$ 1,037,190	\$ 3,237,190
1948-49.	6,291,079	2,187,015	8,478,094
1949-50.	7,077,107	2,252,630	9,329,737
1950-51.	7,840,518	2,162,925	10,003,443
1951-52.	8,208,527	9,000,112	17,208,639
1952-53.	9,267,577	14,382,487	23,650,064
1953-54.	9,352,448	11,142,061	20,494,509
1954-55.	9,617,592	13,007,433	22,625,025
1955-56.	11,182,729	10,722,287	21,905,016
1956-57.	12,865,969	9,601,698	22,467,667
1957-58.	13,187,176	7,897,268	21,084,444
1958-59.	14,364,205	10,730,219	25,094,424
1959-60.	19,512,972	12,440,677	31,953,649
1960-61 (Estimated).....	19,660,000	13,039,000	32,699,000
1961-62 (Forecast).....	51,915,000	12,447,000	64,362,000

The incidence of tuberculosis in Ontario has been rapidly declining. In 1959 the death rate from this disease at 2.8 per hundred thousand of the population was not only lower than in any of the other provinces in Canada, but also was the lowest in the history of this Province. Preliminary figures for 1960 indicate that the rate has further declined to 2.5 per hundred thousand of the population.

The remarkable progress which has been made in fighting what was once one of the greatest scourges afflicting our people is attributable in large measure to the vigorous manner in which our campaign against T.B. has been waged. The introduction, in 1948, of anti-microbial drugs, which have enabled a large proportion of T.B. patients to be successfully treated in their own homes, marked a vital stage in our fight against tuberculosis. Since that time even greater advances have been made and Ontario has continued to be in the forefront in introducing the latest techniques.

As a result of this program, the need for new hospital facilities has been greatly alleviated. In fact, bed requirements have been reduced by almost 40 per cent from 4,217 in 1953, to 2,628 at the end of 1960. Many beds which were previously used for T.B. patients have been made available for patients suffering from other ailments.

In 1959-60 the Province provided \$6.5 million in grants to T.B. sanatoria. Requirements in 1960-61, reflecting the successful campaign which we are waging, are almost \$900,000 less at \$5.6 million. In 1961-62, they are forecast at \$5.3 million.

**PROVINCIAL ASSISTANCE TO TUBERCULOSIS SANATORIA,
FISCAL YEARS 1947-48 TO 1961-62**

Year	Maintenance Grants	Building Grants, etc.	Total
1947-48.....	\$4,135,111	\$.....	\$4,135,111
1948-49.....	4,083,021	.....	4,083,021
1949-50.....	6,086,039	308,429	6,394,468
1950-51.....	5,336,686	43,750	5,380,436
1951-52.....	5,453,522	586,375	6,039,897
1952-53.....	5,663,937	339,001	6,002,938
1953-54.....	6,150,286	388,413	6,538,699
1954-55.....	6,318,256	80,750	6,399,006
1955-56.....	5,895,784	32,500	5,928,284
1956-57.....	5,511,782	.....	5,511,782
1957-58.....	5,788,324	.....	5,788,324
1958-59.....	5,773,252	22,639	5,795,891
1959-60.....	6,471,981	28,000	6,499,981
1960-61 (Estimated).....	5,600,000	.....	5,600,000
1961-62 (Forecast).....	5,300,000	.....	5,300,000

One of the Province's major responsibilities in the field of health is the care and treatment of the mentally ill. Ontario has always been in the forefront in providing the latest methods and techniques in dealing with mental illness, and has developed one of the best mental health programs on the North American Continent.

Since the end of World War II we have opened new Ontario Hospitals at Aurora, Gravenhurst, Smiths Falls, Port Arthur, North Bay, Thistletown, and London, and have modernized facilities at our other hospitals. With the opening of the new treatment centre for retarded children at Cedar Springs, which is expected to take place in the Spring of 1961, there will be 20 hospitals caring for the mentally ill in Ontario. Our program to date has also included the establishment of 20 Mental Health Clinics, three special service centres, and three day-care centres. The construction of these latter facilities has not only enabled a considerable number of patients, who might formerly have required hospitalization, to be successfully treated within their own community environment but has also reduced the need for hospital beds.

As a result of our expanded program, the number of beds available for treatment of the mentally ill has risen from 15,471 in 1946, to 21,844 in 1960—an increase of 41.2 per cent over the period.

The costs of mental health services have increased almost six-fold since the end of World War II, rising from \$10.8 million in 1947-48 to \$62.2 million in 1960-61. Maintenance costs have risen in this period from \$9.4 million to \$45.7 million, or by 400 per cent, while capital expenditures at \$16.5 million are now more than twelve times as great as the \$1.3 million expended for this purpose in 1947-48. A further rise in costs of \$8.3 million is forecast for 1961-62, when maintenance and capital expenditures on Ontario Hospitals will amount to \$70.5 million.

**PROVINCIAL EXPENDITURES ON MENTAL HOSPITALS,
FISCAL YEARS 1947-48 TO 1961-62**

Fiscal Year	Ordinary Expenditure	Capital Construction, Alterations, Repairs, etc. ¹	Total
1947-48	\$ 9,431,293	\$ 1,330,305	\$10,761,598
1948-49	11,031,253	1,855,484	12,886,737
1949-50	12,524,525	2,480,640	15,005,165
1950-51	14,015,492	3,815,038	17,830,530
1951-52	16,024,155	4,990,947	21,015,102
1952-53	17,261,053	5,297,952	22,559,005
1953-54	18,798,706	7,965,972	26,764,678
1954-55	20,901,026	9,200,131	30,101,157
1955-56	23,406,082	12,225,960	35,632,042
1956-57	26,343,446	14,190,404	40,533,850
1957-58	30,320,367	16,239,736	46,560,103
1958-59	35,803,077	16,390,558	52,193,635
1959-60	41,226,469	16,304,293	57,530,762
1960-61 (Estimated)	45,670,500	16,546,000	62,216,500
1961-62 (Forecast)	53,515,000	16,975,000	70,490,000

¹Includes Federal grants.

In the post-war period the number of beds in operation in our public hospitals—comprising active, chronic, and convalescent treatment units—more than doubled, rising from 16,378 in 1946 to 33,205 in 1960. The rate of increase in the number of beds has been greater than that of the population. Whereas in 1946 there were 3.9 public hospital beds per thousand of the population, this ratio had been raised to 5.5 in 1960. These figures refer only to beds in public hospitals. With the introduction of hospital insurance the number of beds of this type available for use by persons insured under the Plan was greatly augmented. The Ontario Hospital Services Commission approved, for purposes of the Plan, an additional 4,751 active, chronic, and convalescent beds in Federal and private hospitals and nursing homes. If these are included, there were 37,956 beds available in 1960 for active, chronic and convalescent care under the Hospital Care Insurance Plan, or 6.2 beds per thousand of the population.

Over the same period, the number of beds in our mental hospitals also grew rapidly, rising from 15,471 in 1946 to 21,844 in 1960—an increase of 41.2 per cent. In contrast, the number of beds in T.B. sanatoria, which rose to a high point of 4,281 in 1954, has been declining and in 1960 totalled 2,628. This trend reflects the success which we have achieved in combatting the incidence of tuberculosis.

In total, the number of beds in operation in our Public, T.B. and Mental hospitals, which in 1946 numbered 35,494, reached a level of 57,677 by 1960—an increase of 62.5 per cent over the period. If the 4,751 beds in Federal and private hospitals and nursing homes approved for use under the Hospital Care Insurance Plan are included, the number of beds in our hospital system in 1960 totalled 62,428, or 10.3 beds per thousand of the population.

**BEDS IN OPERATION IN ONTARIO PUBLIC, TUBERCULOSIS
AND MENTAL HOSPITALS, 1946 TO 1960¹**

Year	Public Hospitals	Tuberculosis Hospitals	Mental Hospitals	Total
1946.....	16,378	3,645	15,471	35,494
1947.....	16,492	3,750	15,988	36,230
1948.....	17,458	3,936	16,459	37,853
1949.....	17,968	3,999	16,754	38,721
1950.....	19,057	4,045	17,240	40,342
1951.....	21,023	4,064	17,852	42,939
1952.....	22,181	4,043	18,393	44,617
1953.....	22,980	4,217	19,025	46,222
1954.....	26,258	4,281	19,649	50,188
1955.....	27,014	4,238	20,155	51,407
1956.....	28,937	4,204	20,671	53,812
1957.....	29,296	4,138	21,086	54,520
1958.....	29,780	4,102	21,273	55,155
1959.....	31,530 ²	3,658	21,663	56,851 ²
1960.....	33,205 ²	2,628	21,844	57,677 ²

¹Increases in the number of beds as shown in the table are net figures after taking into account beds which have been withdrawn from service due to obsolescence and other causes. The number of new beds actually constructed has therefore been much higher than the above figures would indicate.

²Excludes beds in Federal and private hospitals and nursing homes approved for use under the Hospital Care Insurance Plan.

**SURPLUS ON ORDINARY ACCOUNT, ONTARIO,
FISCAL YEARS 1956-57 TO 1960-61**

	1956-57	1957-58	1958-59	1959-60	Estimated 1960-61
	(Thousands of Dollars)				
Net Ordinary Revenue.....	479,783	591,849	642,374	702,470	738,590
Less: Net Ordinary Expenditure—before provision for Sinking Funds and Capital Disbursements financed out of Ordinary Revenue.....	437,250	510,150	570,129	604,552	644,343
Surplus—before provision for Sinking Funds and Capital Disbursements.....	42,533	81,699	72,245	97,918	94,247
Less: Provision for Sinking Funds.....	40,729	17,833	17,941	31,054	16,954
Capital Disbursements financed out of Ordinary Revenue.....	.....	63,000	54,000	66,000	77,000
Balance carried to Surplus Account.....	1,804	866	304	864	293

**SUMMARY OF INCREASES IN NET CAPITAL DEBT, ONTARIO,
FISCAL YEARS 1956-57 TO 1960-61**

	1956-57	1957-58	1958-59	1959-60	Estimated 1960-61
	(Thousands of Dollars)				
Capital Disbursements on Highways, Buildings, Public Works, etc.....	171,812	200,846	207,068	221,736	211,594
Less: Expenditure from Highway Construction Account.....	58,127	57,500	57,500	40,000	.....
Capital Disbursements financed out of Ordinary Revenue.....	.....	63,000	54,000	66,000	77,000
	113,685	80,346	95,568	115,736	134,594
Less: Capital Receipts relating thereto.....	2,023	1,482	5,317	2,415	2,065
	111,662	78,864	90,251	113,321	132,529
Miscellaneous Decrease or (Increase).....	16,157*	(164)	(9,920)	(11,620)	(2,909)
	95,505	79,028	100,171	124,941	135,438
Less: Surplus (before providing for Sinking Funds).....	42,533	18,699	18,245	31,918	17,247
Increase in Net Capital Debt.....	52,972	60,329	81,926	93,023	118,191
Net Capital Debt includes—					
Highway Construction Account.....	37,500	37,500	25,000	.....	.....

*After the transfer of \$17,533,010 Corporations Tax Reserve Account to Surplus Account.

NET ORDINARY REVENUE BY MAJOR SOURCES, ONTARIO
(Adjusted to Give Effect to Changes in Departmental Functions)

FISCAL YEARS 1956-57 TO 1960-61

	1956-57	1957-58	1958-59	1959-60	Estimated 1960-61
(Thousands of Dollars)					
Government of Canada:					
Statutory Subsidies.....	3,641	3,641	3,641	3,641	3,641
Interest—Common School Fund.....	71	71	71	71	71
Share of Income Tax collected from privately-owned Corporations operating Public Utilities.....	1,428	1,333	1,590	1,043	1,100
Income Tax Rental Agreement.....	160,558	74,379	89,928	109,605	113,790
	165,698	79,424	95,230	114,360	118,602
Taxation:					
Corporations Tax.....		148,016	158,783	175,850	187,000
Gasoline Tax.....	112,971	138,532	145,913	152,158	157,000
Motor Vehicle Fuel Tax.....		4,729	5,518	6,331	6,800
Succession Duty.....	29,161	31,980	33,518	33,736	36,000
Hospitals Tax.....	4,615	4,509	4,409	4,512	4,000
Race Tracks Tax.....	4,294	4,643	5,203	5,348	5,733
Mining and Sundry Taxes.....	8,208	9,807	7,440	13,139	18,219
Security Transfer Tax.....	3,503	2,631	2,554	2,530	1,950
Logging Tax.....	861	1,663	1,688	1,624	1,650
Land Transfer Tax.....	3,691	3,413	4,174	4,131	3,500
Other Taxes.....	1,022	1,504	1,694	1,713	1,854
	168,326	351,427	370,894	401,072	423,706
Other Revenue:					
Agriculture.....	1,216	1,279	1,527	1,541	1,840
Attorney-General.....	4,988	5,328	5,654	5,774	5,787
Education.....	1,392	926	2,577	2,084	2,728
Health.....	4,358	4,638	4,152	1,483	1,357
Highways.....	506	535	850	1,387	1,404
Transport—					
Motor Vehicles—Permits and Licenses..	44,850	47,591	51,545	60,096	62,316
—Fees and Fines.....	4,251	4,971	5,266	5,841	6,094
Miscellaneous.....	65	80	82	96	90
Insurance.....	504	430	497	532	635
Labour.....	685	703	729	966	1,037
Lands and Forests—					
Timber Dues, Bonus, etc.....	13,557	14,431	12,520	11,565	12,600
Rentals, Fish and Game Licenses, Sales, etc.....	4,974	5,298	5,732	5,929	6,375
Mines.....	1,222	1,257	1,309	1,074	940
Municipal Affairs.....	298	319	337	349	308
Provincial Secretary and Citizenship—					
Registrar-General.....	300	305	293	320	328
Other Revenue.....	1,786	1,629	1,947	1,993	2,177
Reform Institutions.....	659	707	704	676	693
Treasury—					
Liquor Control Board—					
Profits.....	56,100	66,000	76,000	76,300	80,500
Transfer Fees, etc.....	494	673	539	629	
Law Stamps.....	1,288	1,358	1,440	1,549	1,850
Water Rentals.....	1,554	1,627	1,683	5,437	6,000
Other.....	87	98	125	130	125
Various Other Departments.....	625	815	742	1,287	1,098
	145,759	160,998	176,250	187,038	196,282
Total Net Ordinary Revenue.....	479,783	591,849	642,374	702,470	738,590

NET ORDINARY EXPENDITURE BY MAJOR CLASSIFICATIONS, ONTARIO
(Adjusted to Give Effect to Changes in Departmental Functions)
FISCAL YEARS 1956-57 TO 1960-61

	1956-57	1957-58	1958-59	1959-60	Estimated 1960-61
Education, Health and Welfare:	(Thousands of Dollars)				
Legislative Grants for Education.....	79,113	97,567	128,362	147,000	160,800
Education of Non-resident Pupils.....	846	967	1,167	1,350	1,420
Regular Maintenance Grants to Universities	8,224	9,566	11,261	12,772	16,162
Capital and Other Special Grants to					
Universities, etc.....	1,900	10,764	10,075	11,800	13,775
Public Libraries—Legislative Grants.....	875	990	1,104	1,404	1,650
Teachers' Superannuation Fund.....	5,686	9,509	10,836	12,501	14,636
Special Contribution.....	1,000	1,000	1,000	1,000	1,000
Grants to Health Units.....	795	848	900	980	1,100
Grants to Sanatoria.....	5,512	5,788	5,796	6,500	5,600
Grants to Public Hospitals ¹	13,820	12,849	20,621	26,954	29,699
Special Capital or Rehabilitation Grants to					
Hospitals.....	6,865	5,837	4,473	5,000	3,000
Grants—Nurse Training.....	1,783	1,798	.....	.....	.....
Grants to Ontario Cancer Treatment and					
Research Foundation and Ontario Cancer					
Institute.....	965	1,692	1,224	1,064	1,169
Ontario Hospitals—Administrative and					
Operating Expenses.....	26,343	30,320	35,803	36,665	42,598
Grants, Services, etc., under the Child					
Welfare Act.....	2,414	3,657	4,563	4,939	4,653
Grants for Upkeep of Day Nurseries.....	197	212	250	241	231
Mothers' Allowances.....	6,985	8,947	11,033	12,138	12,880
Old Age Assistance and Blind Persons'					
Allowances.....	4,897	5,880	6,991	6,864	6,941
Disabled Persons' Allowances.....	1,850	2,517	3,474	3,838	4,153
Medical, Dental and Rehabilitation Services	1,766	1,845	1,973	2,293	2,466
Homes for the Aged—					
Grants for Maintenance.....	1,109	3,557	945	1,883	1,222
Grants for New Homes.....	3,087	1,979	1,983	2,808	3,997
Charitable Institutions—					
Grants for Maintenance.....	389	475	372	584	530
Grants for New Buildings.....	697	444	1,598	834	1,635
General Welfare Assistance.....	3,908	4,556	6,380	5,515	8,688
Other Expenditure.....	17,698	19,878	23,176	25,183	28,234
Total Education, Health and Welfare.....	198,724	243,442	295,360	332,110	368,239
Agriculture, Forestry and Mining:					
Ontario Agricultural College.....	3,554	4,019	4,473	4,883	5,066
Ontario Veterinary College.....	976	1,154	1,434	1,731	1,809
Other Schools and Farms.....	1,005	1,155	1,298	1,435	1,661
Extension Branch.....	1,678	1,903	2,061	2,263	2,532
Agricultural and Horticultural Societies					
Branch.....	853	959	900	831	919
Basic Organization—District Offices					
(Forestry).....	11,641	14,493	15,626	15,880	17,595
Park Improvement.....	.....	.....	.....	2,812	1,850
Mines.....	1,236	1,409	1,475	1,501	1,609
Other Expenditure.....	6,982	7,435	8,088	8,146	8,941
Total Agriculture, Forestry and Mining.....	27,925	32,527	35,355	39,482	41,982

¹Includes contributions to the Hospital Services Commission.

NET ORDINARY EXPENDITURE, ONTARIO

(Continued)

	1956-57	1957-58	1958-59	1959-60	Estimated 1960-61
	(Thousands of Dollars)				
Highways:					
Highways and Secondary Roads.....	35,421	37,381	40,326	43,117	41,683
Repaving Present Roads.....	4,645	1,810	2,119	1,594	1,085
Development Roads.....	219	299	177	206	150
Roads in Unincorporated Townships in Northern Ontario.....	489	600	730	643	900
Municipal Subsidies.....	19,382	21,295	21,530	24,496	26,500
Other Expenditure.....	2,483	2,945	3,344	3,138	3,505
Total Highways.....	62,639	64,330	68,226	73,194	73,823
Transport:					
Motor Vehicles Administration.....	1,649	2,192	2,813	3,153	3,488
Other.....	405	618	791	902	1,012
Total Transport.....	2,054	2,810	3,604	4,055	4,500
Public Works:					
Government Buildings—Maintenance, Repairs, etc.....	4,986	5,913	7,144	7,439	8,665
Maintenance—Locks, Bridges, etc.....	110	116	117	94	100
Grants in Aid of Drainage Work.....	489	499	600	775	600
Grants—New Jail Accommodation.....	.....	940	447	.....	350
Other Expenditure.....	1,142	1,111	1,534	1,470	1,809
Total Public Works.....	6,727	8,579	9,842	9,778	11,524
Municipal Affairs:					
Subsidies—for Police Departments.....	162	167	181	198	198
Subsidies—for Fire Departments.....	128	131	148	157	157
Payments to Mining Municipalities.....	2,000	2,276	2,628	3,246	4,733
Payments in Lieu of Certain Municipal Taxes.....	628	788	922	1,035	1,224
Unconditional Per Capita Grants.....	12,702	20,670	20,962	23,996	25,620
Ontario Water Resources Commission.....	278	518	952	1,260	1,615
Community Planning.....	294	303	463	565	1,337
Winter Works Projects.....	.....	.....	889	929	1,178
Other Expenditure.....	792	936	1,043	1,237	1,265
Total Municipal Affairs.....	16,984	25,789	28,188	32,623	37,327
Commerce and Development:					
Trade and Industry.....	1,488	811	1,028	1,011	1,034
Conservation.....	443	498	627	733	748
Ontario-St. Lawrence Development Commission.....	.....	.....	205	2,414	1,814
Other Expenditure.....	919	983	912	822	968
Total Commerce and Development.....	2,850	2,292	2,772	4,980	4,564
Labour.....	2,024	2,349	2,647	2,798	3,107

NET ORDINARY EXPENDITURE, ONTARIO
(Continued)

	1956-57	1957-58	1958-59	1959-60	Estimated 1960-61
	(Thousands of Dollars)				
Attorney-General:					
Ontario Provincial Police.....	8,097	9,803	11,256	12,171	12,685
Election Expenses.....	77	61	141	2,750	33
Other Expenditure.....	6,780	7,469	7,049	7,503	8,512
Total Attorney-General.....	14,954	17,333	18,446	22,424	21,230
Reform Institutions:					
Ontario Reformatories.....	2,850	3,961	4,411	4,716	5,126
Industrial Farms.....	2,480	2,942	3,018	3,021	3,361
Ontario Training Schools.....	1,107	1,392	1,616	1,711	1,896
District Jails.....	.....	.....	988	994	1,028
Grants—Training Schools.....	181	486	700	741	608
Other Expenditure.....	591	598	644	708	1,024
Total Reform Institutions.....	7,209	9,379	11,377	11,891	13,043
Provincial Secretary and Citizenship:					
Registrar-General.....	525	588	629	647	669
Other Expenditure.....	2,212	2,324	2,558	2,994	2,735
Total Provincial Secretary and Citizenship...	2,737	2,912	3,187	3,641	3,404
Lieutenant-Governor.....	19	20	21	40	28
Prime Minister.....	138	135	193	160	179
Treasury:					
Public Service Superannuation Fund.....	3,121	5,296	6,494	7,289	7,940
Special Contribution to Fund.....	1,000	1,000	1,000	1,000	1,000
Other Expenditure.....	2,289	2,746	3,104	3,304	3,735
Total Treasury.....	6,410	9,042	10,598	11,593	12,675
Provincial Auditor.....	333	371	389	402	437
Travel and Publicity:					
Publicity Division.....	516	620	692	967	804
Other Expenditure.....	650	759	891	1,060	1,106
Total Travel and Publicity.....	1,166	1,379	1,583	2,027	1,910
Insurance.....	275	327	363	384	436
Economics.....	198	233	280	316	410
Energy Resources.....	108	113	252	498	636
Queen's Printer.....	.....	162	102	.....	.....
Total of above Departmental Expenditure...	353,474	423,524	492,785	552,396	599,454
Public Debt—Interest, etc.....	26,276	29,126	32,344	37,156	44,889
Total Ordinary Expenditure before Special Provisions.....	379,750	452,650	525,129	589,552	644,343
Provision for Highway Construction Account	57,500	57,500	45,000	15,000	.....
Provision for Sinking Funds.....	40,729	17,833	17,941	31,054	16,954
Capital Disbursements financed out of Ordinary Revenue.....	.....	63,000	54,000	66,000	77,000
Total Net Ordinary Expenditure.....	477,979	590,983	642,070	701,606	738,297

CAPITAL RECEIPTS, ONTARIO
FISCAL YEARS 1956-57 TO 1960-61

	1956-57	1957-58	1958-59	1959-60	Estimated 1960-61
	(Thousands of Dollars)				
Disposal of Assets—Sales, etc.:					
Highways and Roads.....	1,249	886	1,490	200	200
Land and Buildings.....	117	72	345	2,062	1,674
General Works and Improvements.....	651	524	629	135	161
Other.....	6	.....	2,853	18	30
	<u>2,023</u>	<u>1,482</u>	<u>5,317</u>	<u>2,415</u>	<u>2,065</u>
Loans and Advances—Repayments:					
Hydro-Electric Power Commission of Ontario.....	1,756	3,673	13,806	19,065	19,843
Ontario Municipal Improvement Corporation.....	.....	8,000	5,300	2,616	3,789
Ontario Junior Farmer Establishment Loan Corporation.....	.....	.....	.....	.....	2,675
Dominion-Provincial Housing.....	664	864	1,189	1,579	1,285
Extra Water Rentals.....	.....	.....	4,598	.....	.....
Other.....	1,371	1,251	1,008	1,658	3,296
Special Funds—Deposits:					
Vacation-With-Pay Stamps—Sales.....	12,725	13,657	10,532	10,734	10,600
Public Service Superannuation Fund.....	10,400	15,829	18,843	21,728	23,907
Unsatisfied Judgment Fund.....	2,201	2,902	3,873	4,370	4,400
Other.....	2,705	2,162	1,998	5,021	2,851
Deferred Assets, etc.:					
Highway Construction Account.....	57,500	57,500	45,000	15,000	.....
Provision for Sinking Funds.....	40,729	17,833	17,941	31,054	16,954
Other.....	1,857	964	3,261	1,764	1,757
Total Capital Receipts.....	<u>133,931</u>	<u>126,117</u>	<u>132,666</u>	<u>117,004</u>	<u>93,422</u>

CAPITAL DISBURSEMENTS, ONTARIO
FISCAL YEARS 1956-57 TO 1960-61

	1956-57	1957-58	1958-59	1959-60	Estimated 1960-61
	(Thousands of Dollars)				
Highways, Buildings, etc.:					
Highways:					
Highways and Secondary Roads.....	102,775*	112,260*	119,708*	129,350*	116,831
Development Roads.....	4,513	5,484	6,750	7,675	7,850
Roads in Unincorporated Townships in Northern Ontario.....	292	402	358	421	600
Municipal Subsidies.....	26,624	30,189	32,495	37,866	45,750
Contingencies.....	6	4	10	9	8
Mining Roads—Construction.....	900	1,247	812	1,499	1,500
Lands and Forests:					
Construction of Logging Roads, etc....	166	281	1,100	916	100
Provincial Parks.....	.....	.....	3,067	.....	.....
Miscellaneous.....	22	.....	.....	75	.....
Rural Power Extension Bonus.....	6,144	7,359	1,454	1,324	805
Conservation.....	1,149	1,173	941	1,646	1,000
Designing, etc., of Townsites.....	2	8	.....	.....	250
Public Works:					
Construction of Public Buildings.....	28,697	41,789	39,663	40,035	36,000
Grants and Miscellaneous.....	522	650	710	920	900
	171,812	200,846	207,068	221,736	211,594
Loans and Advances:					
Hydro-Electric Power Commission of Ontario.....	50,000	.....	75,000	.....	.....
Dominion-Provincial Housing.....	1,574	4,890	3,928	2,466	2,250
International Bridge Authority.....	.....	.....	.....	.....	7,615
Ontario-St. Lawrence Development Commission.....	422	1,689	2,490	.....	.....
Ontario Water Resources Commission.....	.....	1,722	9,137	12,669	15,000
Ontario Municipal Improvement Corp.....	.....	11,700	8,600	8,095	3,200
Ontario Junior Farmer Establishment Loan Corporation.....	.....	.....	.....	2,900	4,100
Improvement Districts.....	.....	.....	2,106	1,521	1,270
Other.....	1,497	3,156	2,027	2,346	6,347
Special Funds—Repayments:					
Vacation-With-Pay Stamps—Redeemed...	10,476	13,517	12,558	10,522	11,000
Public Service Superannuation Fund.....	3,306	3,500	4,131	5,155	5,775
Unsatisfied Judgment Fund.....	1,858	1,775	3,138	2,497	2,600
Other.....	1,346	1,668	1,776	1,924	4,426
Reserves.....	10	6	7	20	.....
Surplus Account:					
Repayment to Government of Canada under Tax Rental Agreement, 1952-56..	.....	.....	4,567	11,968	3,063
Other.....	.....	78	262	.....	.....
	242,301	244,547	336,795	283,819	278,240
Less: Financed out of Ordinary Revenue..	.....	63,000	54,000	66,000	77,000
Total Capital Disbursements.....	242,301	181,547	282,795	217,819	201,240

*Including Expenditures from Highway Construction Account.

**SURPLUS OR DEFICIT* ON ORDINARY ACCOUNT
BEFORE AND AFTER PROVISION FOR SINKING FUNDS, ONTARIO
FISCAL YEARS 1936 TO 1961**

Fiscal Year ending March 31	Net Ordinary Revenue	Net Ordinary Expenditure before pro- vision for Sinking Funds	Surplus or Deficit* before pro- vision for Sinking Funds	Provision for Sinking Funds	Surplus or Deficit* on Ordinary Account
1936.....	\$ 65,726,984	\$ 78,178,770	\$12,451,786*	\$ 890,920	\$13,342,706*
1937.....	80,488,440	70,256,376	10,232,064	918,125	9,313,939
1938.....	86,052,793	80,495,109	5,557,684	947,965	4,609,719
1939.....	86,843,271	85,528,120	1,315,151	992,655	322,496
1940.....	88,172,952	90,368,393	2,195,441*	1,038,655	3,234,096*
1941.....	103,802,020	88,780,934	15,021,086	1,086,655	13,934,431
1942.....	111,496,170	95,208,016	16,288,154	1,129,000	15,159,154
1943.....	108,214,063	91,083,245	17,130,818	1,181,000	15,949,818
1944.....	118,096,684	101,210,715	16,885,969	5,570,000	11,315,969
1945.....	117,124,347	110,956,977	6,167,370	5,292,000	875,370
1946.....	128,368,864	121,450,964	6,917,900	5,352,000	1,565,900
1947.....	142,875,758	135,506,854	7,368,904	5,422,655	1,946,249
1948.....	191,698,952	160,589,199	31,109,753	5,481,000	25,628,753
1949.....	215,469,613	190,706,361	24,763,252	15,550,000	9,213,252
1950.....	228,550,022	199,271,374	29,278,648	20,622,000	8,656,648
1951.....	265,272,106	228,090,424	37,181,682	21,698,000	15,483,682
1952.....	302,320,999	266,983,560	35,337,439	34,276,000	1,061,439
1953.....	349,500,385	317,540,514 ¹	31,959,871	30,859,000	1,100,871
1954.....	372,973,316	342,095,302 ¹	30,878,014	29,945,000	933,014
1955.....	399,393,284	377,713,638 ¹	21,679,646	21,536,000	143,646
1956.....	427,969,363	392,834,481 ¹	35,134,882	32,630,000	2,504,882
1957.....	479,783,191	437,249,640 ¹	42,533,551	40,729,000	1,804,551
1958.....	591,849,092	573,150,062 ¹	18,699,030	17,833,000	866,030
1959.....	642,374,233	624,129,163 ¹	18,245,070	17,941,000	304,070
1960.....	702,469,593	670,551,902 ¹	31,917,691	31,054,000	863,691
1961 ²	738,590,000	721,343,000	17,247,000	16,954,000	293,000

¹Including amounts set aside as follows:

	Highway Construction Account	Capital Disbursements Financed out of Ordinary Revenue
1953.....	\$30,000,000	\$.....
1954.....	40,500,000	.....
1955.....	38,500,000	.....
1956.....	28,500,000	.....
1957.....	57,500,000	.....
1958.....	57,500,000	63,000,000
1959.....	45,000,000	54,000,000
1960.....	15,000,000	66,000,000
1961 ²	—	77,000,000

²Interim figures.

SURPLUS OR DEFICIT, ONTARIO, FISCAL YEARS 1867 TO 1961

			Ordinary Revenue ¹	Ordinary Expenditure ¹	Surplus	Deficit
July 1, 1867 to December 31	1867	1867	\$ 182,899.63	\$ 56,669.97	\$ 126,229.66	
Fiscal Year ending December 31	1868	1868	2,250,207.74	1,179,269.17	1,070,938.57	
" " " "	1869	1869	2,625,179.29	1,445,751.73	1,179,427.56	
" " " "	1870	1870	2,500,695.70	1,578,976.65	921,719.05	
" " " "	1871	1871	2,333,179.62	1,816,784.11	516,395.51	
" " " "	1872	1872	3,060,747.97	2,217,555.07	843,192.90	
" " " "	1873	1873	2,961,515.31	2,940,803.45	20,711.86	
" " " "	1874	1874	3,446,347.93	3,870,704.14		\$ 424,356.21
" " " "	1875	1875	3,156,605.81	3,604,524.42		447,918.61
" " " "	1876	1876	2,589,222.83	3,139,505.66		550,282.83
" " " "	1877	1877	2,502,566.04	3,119,117.73		616,551.69
" " " "	1878	1878	2,285,178.07	2,902,388.37		617,210.30
" " " "	1879	1879	2,287,951.39	2,941,714.27		653,762.88
" " " "	1880	1880	2,584,169.76	2,518,186.80	65,982.96	
" " " "	1881	1881	2,788,746.78	2,579,802.28	208,944.50	
" " " "	1882	1882	2,880,450.40	2,918,826.95		38,376.55
" " " "	1883	1883	2,439,941.42	2,887,037.73		447,096.31
" " " "	1884	1884	2,820,555.45	3,207,889.67		387,334.22
" " " "	1885	1885	3,005,920.71	3,040,139.07		34,218.36
" " " "	1886	1886	3,148,660.01	3,181,449.69		32,789.68
" " " "	1887	1887	3,527,577.95	3,454,372.43	73,205.52	
" " " "	1888	1888	3,603,262.14	3,545,234.85	58,027.29	
" " " "	1889	1889	3,538,405.08	3,653,356.37		114,951.29
" " " "	1890	1890	3,423,154.99	3,896,324.38		473,169.39
" " " "	1891	1891	4,138,589.09	4,158,459.55		19,870.46
" " " "	1892	1892	4,662,921.57	4,068,257.39	594,664.18	
" " " "	1893	1893	4,091,914.01	3,907,145.32	184,768.69	
" " " "	1894	1894	3,453,162.69	3,839,338.75		386,176.06
" " " "	1895	1895	3,585,300.10	3,758,595.44		173,295.34
" " " "	1896	1896	3,490,671.45	3,703,379.73		212,708.28
" " " "	1897	1897	4,139,847.68	3,767,675.70	372,171.98	
" " " "	1898	1898	3,647,353.09	3,803,081.38		155,728.29
" " " "	1899	1899	4,096,494.96	3,710,420.82	386,074.14	
" " " "	1900	1900	4,192,940.18	4,003,729.37	189,210.81	
" " " "	1901	1901	4,466,043.92	4,038,834.49	427,209.43	
" " " "	1902	1902	4,291,082.91	4,345,003.58		53,920.67
" " " "	1903	1903	5,466,653.13	4,888,982.57	577,670.56	
" " " "	1904	1904	6,128,358.57	5,267,453.02	860,905.55	
" " " "	1905	1905	6,016,176.42	5,396,016.74	620,159.68	
" " " "	1906	1906	7,149,478.39	6,720,179.07	429,299.32	
" " " "	1907	1907	8,320,419.19	7,714,245.61	606,173.58	
" " " "	1908	1908	8,602,902.96	8,557,064.60	45,838.36	
Ten Months ending October 31	1909	1909	7,477,920.94	7,545,040.47		67,119.53
Fiscal Year ending October 31	1910	1910	8,891,004.68	8,887,520.09	3,484.59	
" " " "	1911	1911	9,370,833.90	9,619,934.03		249,100.13
" " " "	1912	1912	10,042,000.68	10,287,991.59		245,990.91
" " " "	1913	1913	11,188,302.09	10,868,026.28	320,275.81	
" " " "	1914	1914	11,121,382.07	11,819,310.65		697,928.58
" " " "	1915	1915	12,975,732.19	12,704,362.16	271,370.03	
" " " "	1916	1916	13,841,339.64	12,706,332.90	1,135,006.74	
" " " "	1917	1917	18,269,597.23	16,518,222.64	1,751,374.59	
" " " "	1918	1918	19,270,123.71	17,460,404.05	1,809,719.66	
" " " "	1919	1919	19,904,772.04	21,464,574.88		1,559,802.84
" " " "	1920	1920	25,078,094.62	25,880,842.45		802,747.83
" " " "	1921	1921	29,261,477.39	28,579,687.98	681,789.41	
" " " "	1922	1922	38,507,311.09	37,442,985.53	1,064,325.56	
" " " "	1923	1923	26,166,213.39	41,361,439.92		15,195,226.53
" " " "	1924	1924	30,569,015.92	39,037,780.43		8,468,764.51
" " " "	1925	1925	35,852,404.28	40,959,769.27		5,107,364.99
" " " "	1926	1926	40,984,958.63	41,797,098.94		812,140.31
" " " "	1927	1927	46,607,638.88	46,248,415.49	359,223.39	
" " " "	1928	1928	48,570,217.10	48,341,980.66	228,236.44	
" " " "	1929	1929	54,012,679.53	51,369,785.85	2,642,893.68	
" " " "	1930	1930	57,343,291.21	57,989,352.69		646,061.48
" " " "	1931	1931	54,390,092.37	54,846,994.28		456,901.91
" " " "	1932	1932	54,175,233.01	56,236,031.32		2,060,798.31
" " " "	1933	1933	51,373,051.98	50,896,626.37	476,425.61	
" " " "	1934	1934	50,067,841.37	80,667,091.15		30,599,249.78
Five Months ending March 31	1935	1935	21,048,944.06	31,489,616.34		10,440,672.28
Fiscal Year ending March 31	1936	1936	65,726,984.57	79,069,690.31		13,342,705.74
" " " "	1937	1937	80,488,439.95	71,174,501.41	9,313,938.54	
" " " "	1938	1938	86,052,792.88	81,443,074.35	4,609,718.53	
" " " "	1939	1939	86,843,270.67	86,520,775.25	322,495.42	
" " " "	1940	1940	88,172,951.62	91,407,047.81		3,234,096.19
" " " "	1941	1941	103,802,020.46	89,867,589.32	13,934,431.14	
" " " "	1942	1942	111,496,169.77	96,337,015.77	15,159,154.00	
" " " "	1943	1943	108,214,063.15	92,264,245.06	15,949,818.09	
" " " "	1944	1944	118,096,683.51	106,780,714.54	11,315,968.97	
" " " "	1945	1945	117,124,346.77	116,248,976.56	875,370.21	
" " " "	1946	1946	128,368,864.36	126,802,964.37	1,565,899.99	
" " " "	1947	1947	142,875,758.56	140,929,509.33	1,946,249.23	
" " " "	1948	1948	191,698,952.37	166,070,199.53	25,628,752.84	
" " " "	1949	1949	215,469,613.61	206,256,361.37	9,213,252.24	
" " " "	1950	1950	228,550,022.27	219,893,373.67	8,656,648.60	
" " " "	1951	1951	265,272,106.50	249,788,424.26	15,483,682.24	
" " " "	1952	1952	302,320,998.85	301,259,559.94	1,061,438.91	
" " " "	1953	1953	349,500,385.36	348,399,514.15 ²	1,100,871.21	
" " " "	1954	1954	372,973,315.71	372,040,301.99 ³	933,013.72	
" " " "	1955	1955	399,393,284.17	399,249,638.33 ³	143,645.84	
" " " "	1956	1956	427,969,362.89	425,464,480.99 ³	2,504,881.90	
" " " "	1957	1957	479,783,191.11	477,978,640.19 ³	1,804,550.92	
" " " "	1958	1958	591,849,091.77	590,983,061.80 ³	866,029.97	
" " " "	1959	1959	642,374,233.00	642,070,163.00 ³	304,070.00	
" " " "	1960	1960	702,469,592.84	701,605,901.92 ³	863,690.92	
" " " "	1961 ¹	1961 ¹	738,590,000.00	738,297,000.00	293,000.00	

¹Revenue and Expenditure figures for the years 1867 to 1907, inclusive, comprise both ordinary and capital revenue and expenditure. Revenue and Expenditure from 1923 to 1961, inclusive, shown as net after applying certain revenues as a reduction of expenditure.

²Interim figures.

³Includes amounts set aside for Highway Construction Account in each of these years. In addition, in 1958 to 1961, inclusive, provision was made for capital disbursements financed out of ordinary revenue.

GROSS AND NET FISCAL YEARS

Fiscal Year	GROSS DEBT		REVENUE-PRODUCING AND REALIZABLE			
	Total	Yearly Increase or Decrease*	Ontario Hydro	O.N.T.C.	Loans, Cash and Accts. Receivable	Total
1914.....	\$ 41,716,000	\$	\$ 10,110,000	\$ 20,246,000	\$ 5,066,000	\$ 35,422,000
1915.....	50,275,000	8,559,000	12,316,000	20,483,000	8,007,000	40,806,000
1916.....	59,336,000	9,061,000	21,939,000	21,184,000	7,684,000	50,807,000
1917.....	61,825,000	2,489,000	27,489,000	21,594,000	5,805,000	54,888,000
1918.....	75,309,000	13,484,000	36,244,000	21,823,000	9,477,000	67,544,000
1919.....	97,032,000	21,723,000	47,700,000	22,335,000	13,882,000	83,917,000
1920.....	127,262,000	30,230,000	65,717,000	22,681,000	16,009,000	104,407,000
1921.....	202,446,000	75,184,000	102,946,000	23,599,000	31,292,000	157,837,000
1922.....	233,189,000	30,743,000	116,786,000	25,654,000	30,704,000	173,144,000
1923.....	291,025,000	57,836,000	124,360,000	28,075,000	37,612,000	190,047,000
1924.....	329,508,000	38,483,000	135,045,000	30,208,000	45,262,000	210,515,000
1925.....	332,391,000	2,883,000	141,717,000	30,208,000	27,885,000	199,810,000
1926.....	349,116,000	16,725,000	142,473,000	30,208,000	31,899,000	204,580,000
1927.....	368,920,000	19,804,000	147,120,000	30,208,000	33,813,000	211,141,000
1928.....	394,114,000	25,194,000	152,936,000	30,208,000	37,176,000	220,320,000
1929.....	426,914,000	32,800,000	164,522,000	30,208,000	44,007,000	238,737,000
1930.....	473,372,000	46,458,000	176,799,000	30,208,000	53,587,000	260,594,000
1931.....	520,667,000	47,295,000	188,377,000	30,208,000	58,055,000	276,640,000
1932.....	574,419,000	53,752,000	189,635,000	30,208,000	76,902,000	296,745,000
1933.....	594,128,000	19,709,000	187,965,000	30,208,000	76,514,000	294,687,000
1934.....	655,761,000	61,633,000	187,829,000	37,208,000	72,247,000	297,284,000
1935 [†]	674,386,000	18,625,000	187,878,000	37,208,000	70,885,000	295,971,000
1936.....	689,559,000	15,173,000	172,735,000	36,408,000	74,377,000	283,520,000
1937.....	656,460,000	33,099,000*	151,573,000	30,208,000	69,243,000	251,024,000
1938.....	678,075,000	21,615,000	149,621,000	30,208,000	59,952,000	239,781,000
1939.....	712,767,000	34,692,000	147,841,000	30,208,000	56,450,000	234,499,000
1940.....	737,078,000	24,311,000	145,319,000	30,208,000	54,348,000	229,875,000
1941.....	729,648,000	7,430,000*	137,600,000	30,208,000	55,640,000	223,448,000
1942.....	724,771,000	4,877,000*	135,904,000	30,208,000	51,531,000	217,643,000
1943.....	704,864,000	19,907,000*	121,684,000	30,208,000	57,531,000	209,423,000
1944.....	666,528,000	38,336,000*	105,150,000	30,208,000	48,676,000	184,034,000
1945.....	646,484,000	20,044,000*	95,475,000	30,208,000	40,492,000	166,175,000
1946.....	639,315,000	7,169,000*	93,946,000	30,208,000	36,742,000	160,896,000
1947.....	645,221,000	5,906,000	89,512,000	30,208,000	32,414,000	152,134,000
1948.....	628,388,000	16,833,000*	87,850,000	30,208,000	43,577,000	161,635,000
1949.....	628,663,000	275,000	71,868,000	30,208,000	42,912,000	144,988,000
1950.....	694,009,000	65,346,000	70,209,000	30,208,000	84,773,000	185,190,000
1951.....	697,963,000	3,954,000	67,424,000	30,208,000	78,781,000	176,413,000
1952.....	826,228,000	128,265,000	165,692,000	30,208,000	75,693,000	271,593,000
1953.....	896,143,000	69,915,000	203,702,000	30,208,000	58,158,000	292,068,000

GROSS AND NET FISCAL YEARS

Fiscal Year	GROSS CAPITAL DEBT		REVENUE-PRODUCING AND REALIZABLE			
	Total	Yearly Increase or Decrease*	Ontario Hydro	O.N.T.C.	Loans and Cash	Total
1943.....	\$ 695,189,000	\$	\$121,684,000	\$30,208,000	\$43,771,000	\$195,663,000
1944.....	656,806,000	38,383,000*	105,150,000	30,208,000	35,735,000	171,093,000
1945.....	636,770,000	20,036,000*	95,475,000	30,208,000	28,411,000	154,094,000
1946.....	629,914,000	6,856,000*	93,946,000	30,208,000	25,571,000	149,725,000
1947.....	635,842,000	5,928,000	89,513,000	30,208,000	21,909,000	141,630,000
1948.....	618,754,000	17,088,000*	87,850,000	30,208,000	32,429,000	150,487,000
1949.....	619,414,000	660,000	71,868,000	30,208,000	31,622,000	133,698,000
1950.....	683,978,000	64,564,000	70,209,000	30,208,000	73,541,000	173,958,000
1951.....	687,452,000	3,474,000	67,424,000	30,208,000	67,210,000	164,842,000
1952.....	814,160,000	126,708,000	165,692,000	30,208,000	64,331,000	260,231,000
1953.....	884,231,000	70,071,000	203,702,000	30,208,000	45,489,000	279,399,000
1954.....	1,035,484,000	151,253,000	301,889,000	30,208,000	73,391,000	405,488,000
1955.....	1,066,161,000	30,677,000	300,033,000	30,208,000	75,195,000	405,436,000
1956.....	1,072,409,000	6,248,000	292,633,000	30,208,000	44,262,000	367,103,000
1957.....	1,196,708,000	124,299,000	340,878,000	30,208,000	67,344,000	438,430,000
1958.....	1,285,810,000	89,102,000	337,205,000	30,208,000	99,791,000	467,204,000
1959.....	1,579,113,000	293,303,000	398,398,000	30,208,000	249,975,000	678,581,000
1960.....	1,642,672,000	63,559,000	379,334,000	30,208,000	239,575,000	649,117,000

[†]Estimated population as at March 31.

*Five months ended March 31.

NOTE—Actual figures to nearest \$1,000.

DEBT, ONTARIO, 1914 TO 1953

ASSETS		NET DEBT			
Yearly Increase or Decrease*	Total	Yearly Increase or Decrease*	Population ¹	Per Capita Net Debt	Fiscal Year
\$.....	\$ 6,294,000	\$.....	2,713,000	\$ 2.32	1914
5,384,000	9,469,000	3,175,000	2,719,000	3.48	1915
10,001,000	8,529,000	940,000*	2,718,000	3.14	1916
4,081,000	6,937,000	1,592,000*	2,732,000	2.54	1917
12,656,000	7,765,000	828,000	2,763,000	2.81	1918
16,373,000	13,115,000	5,350,000	2,820,000	4.65	1919
20,490,000	22,855,000	9,740,000	2,893,000	7.90	1920
53,430,000	44,609,000	21,754,000	2,953,000	15.11	1921
15,307,000	60,045,000	15,436,000	2,994,000	20.06	1922
16,903,000	100,978,000	40,933,000	3,032,000	33.30	1923
20,468,000	118,993,000	18,015,000	3,081,000	38.62	1924
10,705,000*	132,581,000	13,588,000	3,133,000	42.32	1925
4,770,000	144,536,000	11,955,000	3,187,000	45.35	1926
6,561,000	157,779,000	13,243,000	3,244,000	48.64	1927
9,179,000	173,794,000	16,015,000	3,301,000	52.65	1928
18,417,000	188,177,000	14,383,000	3,356,000	56.07	1929
21,857,000	212,778,000	24,601,000	3,405,000	62.49	1930
16,046,000	244,027,000	31,249,000	3,449,000	70.75	1931
20,105,000	277,674,000	33,647,000	3,489,000	79.59	1932
2,058,000*	299,441,000	21,767,000	3,525,000	84.95	1933
2,597,000	358,477,000	59,036,000	3,557,000	100.78	1934
1,313,000*	378,415,000	19,938,000	3,570,000	106.00	1935 ²
12,451,000*	406,039,000	27,624,000	3,601,000	112.76	1936
32,496,000*	405,436,000	603,000*	3,632,000	111.63	1937
11,243,000*	438,294,000	32,858,000	3,666,000	119.56	1938
5,282,000*	478,268,000	39,974,000	3,702,000	129.19	1939
4,624,000*	507,203,000	28,935,000	3,741,000	135.58	1940
6,427,000*	506,200,000	1,003,000*	3,781,000	133.88	1941
5,805,000*	507,128,000	928,000	3,868,000	131.11	1942
8,220,000*	495,441,000	11,687,000*	3,910,000	126.71	1943
25,389,000*	482,494,000	12,947,000*	3,955,000	122.00	1944
17,859,000*	480,309,000	2,185,000*	3,994,000	120.26	1945
5,279,000*	478,419,000	1,890,000*	4,078,000	117.32	1946
8,762,000*	493,087,000	14,668,000	4,162,000	118.47	1947
9,501,000	466,753,000	26,334,000*	4,259,000	109.59	1948
16,647,000*	483,675,000	16,922,000	4,361,000	110.91	1949
40,202,000	508,819,000	25,144,000	4,456,000	114.19	1950
8,777,000*	521,550,000	12,731,000	4,577,000	113.95	1951
95,180,000	554,635,000	33,085,000	4,757,000	116.59	1952
20,475,000	604,075,000	49,440,000	4,916,000	122.88	1953

CAPITAL DEBT, ONTARIO, 1943 TO 1960

ASSETS		NET CAPITAL DEBT			
Yearly Increase or Decrease*	Total	Yearly Increase or Decrease*	Population ¹	Per Capita Net Capital Debt	Fiscal Year
\$.....	\$499,526,000	\$.....	3,910,000	\$127.76	1943
24,570,000*	485,713,000	13,813,000*	3,955,000	122.81	1944
16,999,000*	482,676,000	3,037,000*	3,994,000	120.85	1945
4,369,000*	480,189,000	2,487,000*	4,078,000	117.75	1946
8,095,000*	494,212,000	14,023,000	4,162,000	118.74	1947
8,857,000	468,267,000	25,945,000*	4,259,000	109.95	1948
16,789,000*	485,716,000	17,449,000	4,361,000	111.38	1949
40,260,000	510,020,000	24,304,000	4,456,000	114.46	1950
9,116,000*	522,610,000	12,590,000	4,577,000	114.18	1951
95,389,000	553,929,000	31,319,000	4,757,000	116.45	1952
19,168,000	604,832,000	50,903,000	4,916,000	123.03	1953
126,089,000	629,996,000	25,164,000	5,086,000	123.87	1954
52,000*	660,725,000	30,729,000	5,241,000	126.07	1955
38,333,000*	705,306,000	44,581,000	5,382,000	131.05	1956
71,327,000	758,278,000	52,972,000	5,586,000	135.75	1957
28,774,000	818,606,000	60,328,000	5,773,000	141.80	1958
211,377,000	900,532,000	81,926,000	5,916,000	152.22	1959
29,464,000*	993,555,000	93,023,000	6,078,000	163.47	1960

APPENDIX II

ECONOMIC STATEMENTS

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POPULATION

The population of Ontario increased by an estimated 135,000 people or 2.2 per cent during 1960, reaching 6,175,000 by the end of the year. This was below the 1959 increase of 153,000 or 2.6 per cent and also much lower than the average rise of 162,000 or 3.1 per cent during the last decade but still above the 2.0 per cent for the rest of Canada.

The main cause of the slackening in the rate of growth has been the decrease in immigration. But in 1960 natural increase also levelled off due to a slight fall in births which is likely to continue until the children born in the late forties and early fifties start reaching family formation age. During 1960 we gained about 11,500 people a month. In 1961 with natural increase probably continuing to fall slightly and immigration at about last year's level we can expect a population increase of 11,000 to 11,500 a month.

The age structure of Ontario's population continued to change in 1960, showing the same tendencies as it has in recent years. There are now many more children in the Province than ever before because of the unusually high post-war birth rates. There were nearly two million children under 15 at mid-1960, an increase of 63,000 since the previous year. In 1950, 26.2 per cent of the population were under 15 but by 1960 this group had grown to 31.6 per cent. The working population (15 to 64 years) showed a relative decline from 65.1 per cent in 1950 to 60.4 per cent in 1960 although the actual numbers increased by 770,000. The 65 and over age group declined slightly from 8.7 per cent in 1950 to 8.0 per cent in 1960 but the actual numbers increased by 100,000.

Males continued to outnumber females in Ontario; on June 1, 1960, there were 44,000 more men than women in the Province, or 101.5 males per hundred females. For all age groups under 60 there are more men than women, except in the 35 to 39 years group in which the lower numbers of men are probably the result of war casualties. However, in every age group over 60 there are more women than men because death rates for men are higher than those for women.

**POPULATION INCREASE IN ONTARIO AND CANADA
1871 TO 1951 BY CENSUS YEARS, 1939 AND 1950 TO 1960**

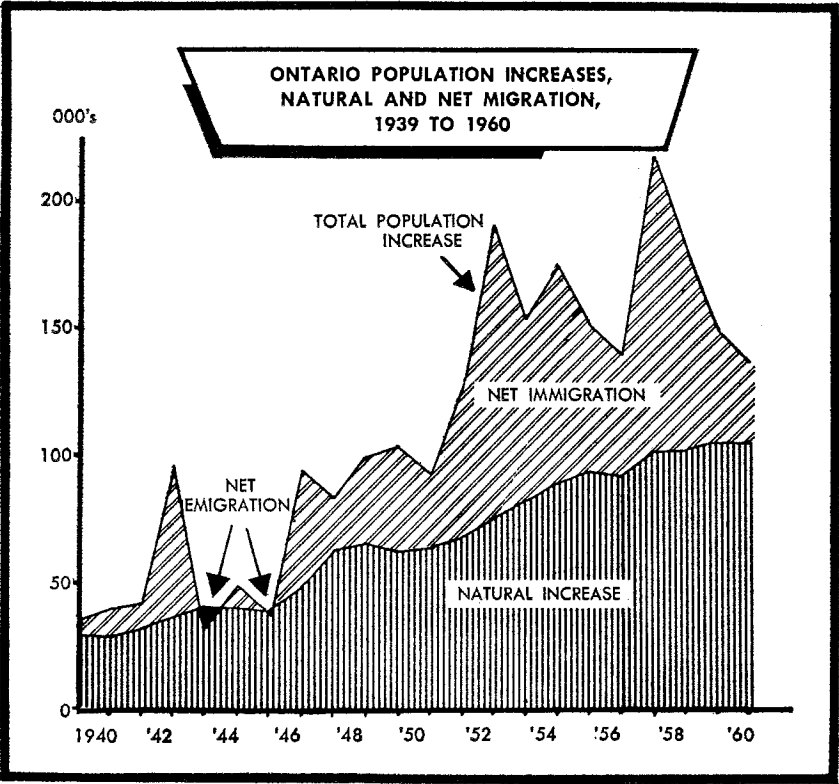
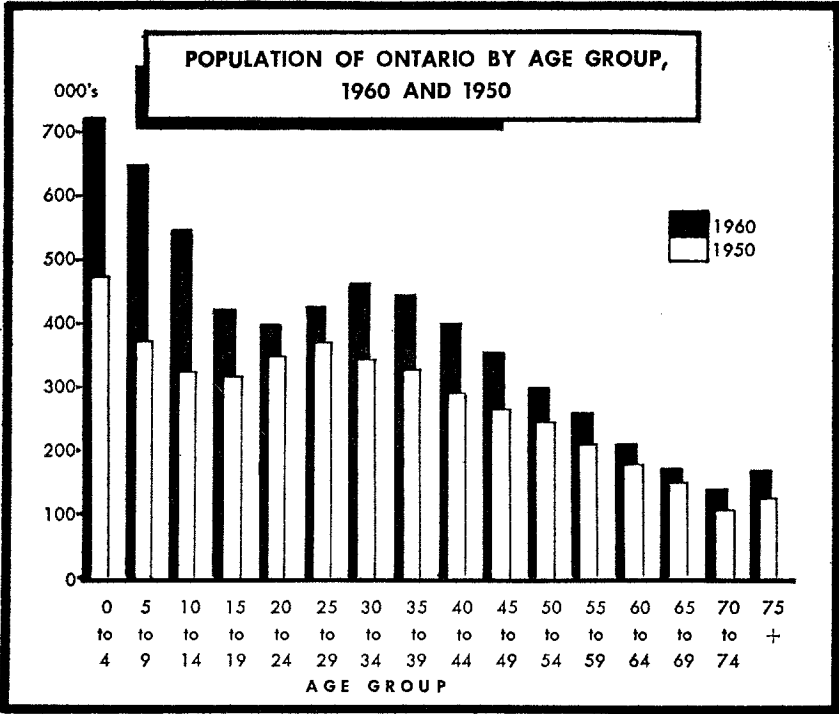
Ontario				Canada Excluding Ontario			All of Canada		
Population No. (000's)	Increase No. (000's)	%		Population No. (000's)	Increase No. (000's)	%	Population No. (000's)	Increase No. (000's)	%
By Census Years, 1871 to 1951, Showing Decennial Increase									
1871	1,621	225	16.1	2,068	235	12.8	3,689	460	14.2
1881	1,927	306	18.9	2,398	330	16.0	4,325	636	17.2
1891	2,114	187	9.7	2,719	321	13.4	4,833	508	11.7
1901	2,183	69	3.3	3,188	469	17.2	5,371	538	11.1
1911	2,527	344	15.8	4,680	1,492	46.8	7,207	1,836	34.2
1921	2,934	407	16.1	5,854	1,174	25.1	8,788	1,581	21.9
1931	3,432	498	17.0	6,945	1,091	18.6	10,377	1,589	18.1
1941	3,788	356	10.4	7,719	774	11.1	11,507	1,130	10.9
1951	4,598	810	21.4	9,411	1,692 ¹	21.9	14,009	2,502 ¹	21.7
1939 and 1950 to 1960 Showing Annual Increase									
1939	3,708	36	1.0	7,559	79	1.1	11,267	115	1.0
1950	4,471	93	2.1	9,241	172 ¹	1.9	13,712	265 ¹	2.0
1951	4,598	127	2.8	9,411	170	1.8	14,009	297	2.2
1952	4,788	190	4.1	9,671	260	2.8	14,459	450	3.2
1953	4,941	153	3.2	9,904	233	2.4	14,845	386	2.7
1954	5,115	174	3.5	10,172	268	2.7	15,287	442	3.0
1955	5,266	151	3.0	10,432	260	2.6	15,698	411	2.7
1956	5,405	139	2.6	10,676	244	2.3	16,081	383	2.4
1957	5,622	217	4.0	10,967	291	2.7	16,589	508	3.2
1958	5,803	181	3.2	11,245	278	2.5	17,048	459	2.8
1959	5,952	149	2.6	11,490	245	2.2	17,442	394	2.3
1960	6,089	137	2.3	11,725	235	2.0	17,814	372	2.1

¹Newfoundland entered into Confederation in 1949.

Source: Dominion Bureau of Statistics.

Families

The number of families in Ontario has increased from 1,162,000 in 1950 to an estimated 1,494,000 in 1960. In the last few years the rate of new family formation has declined and this decline will probably continue for several years. Immigration, which always includes a large number of young families, has decreased and will probably not rise substantially in the immediate future. Marriages, although they have not changed much since 1951, varying from 44,600 to 47,000 a year, have fallen from 46,900 in 1958 to an estimated 45,200 in 1960. This fall in the number of marriages could continue, as most of the marriages since 1951 were contracted by women now aged 25 to 34 years who number 434,800, but most of those who will marry in the next few years are now aged 15 to 24 years and number only 400,700. However, the continued trend towards earlier marriages could offset this.



ONTARIO VITAL STATISTICS, 1939 TO 1960

	Population at June 1	Births	Birth Rate Per 1,000 Population	Deaths	Death Rate Per 1,000 Population	Natural Increase	Natural Increase Rate Per 1,000 Population
1939	3,708,000	64,123	17.3	37,530	10.1	26,593	7.2
1946	4,093,000	97,446	23.8	39,758	9.7	57,688	14.1
1950	4,471,000	108,708	24.3	43,948	9.8	64,760	14.5
1951	4,597,542	114,827	25.0	43,981	9.6	70,846	15.4
1952	4,788,000	123,891	25.9	44,402	9.3	79,489	16.6
1953	4,941,000	129,771	26.3	45,242	9.2	84,529	17.1
1954	5,115,000	136,261	26.6	44,515	8.7	91,746	17.9
1955	5,266,000	139,554	26.5	45,434	8.6	94,120	17.9
1956	5,404,933	143,516	26.6	47,231	8.7	96,285	17.8
1957	5,622,000	150,920	26.8	49,164	8.7	101,756	18.1
1958	5,803,000	152,637	26.3	48,677	8.4	103,960	17.9
1959	5,952,000	157,124	26.4	50,600	8.5	106,524	17.9
1960 ¹	6,089,000	155,000	25.5	50,000	8.2	105,000	17.2

¹All figures except population are estimated by the Ontario Department of Economics.
Source: Dominion Bureau of Statistics.

Vital Statistics

The number of babies born in Ontario declined slightly in 1960 to an estimated 155,000 compared with the record number of 157,124 in 1959. Births for the last decade totalled over 1,400,000—nearly as many babies as there are people in Metropolitan Toronto. In spite of a drop in the proportion of women of child-bearing age in the population, from 22.4 per cent in 1950 to 20.7 per cent in 1960, birth rates rose from 24.3 per thousand population in 1950 to a high of 26.8 per thousand in 1957 and dropped to an estimated 25.5 in 1960. Between 1950 and 1960 there was a marked increase in fertility (births per thousand women aged 15 to 44 years) which rose from 108.6 in 1950 to a peak of 126.8 in 1959 and fell slightly to an estimated 123.2 in 1960.

The death rate declined from 9.8 per thousand population in 1950 to an estimated 8.2 per thousand in 1960. Two factors have contributed to this reduction—the increasing proportion of young people in the population and increasing life expectancy. Between 1941 and 1951 the expectation of life at birth increased by about 3½ years for men and 4½ years for women to 66.3 and 70.8 years respectively. Although life expectancy for both men and women is improving the gap between them widened from 3.3 years in 1941 to 4.5 years in 1951. Babies born in 1961 will have a life expectation of around 70 years for males and 75 years for females.

Immigration

During the last ten years well over one and a half million immigrants have entered Canada of whom more than 830,000 have named Ontario as their destination. In 1960, immigration continued its downward trend from the 1957 post-war peak; 104,111 people entered Canada and 54,491 of them planned to come to Ontario, compared with 106,928 and 55,976 respectively in 1959. While there were fewer immigrants in 1960 than in any year since 1950, total immigration to Canada in 1960 was still above that of any year in the thirties or forties with the exception of 1930 and 1948.

In 1960 Italian immigrants were again the largest racial group at 20 per cent of the total, and British immigrants were slightly below, also comprising 20 per cent of the total. Of the remainder, 18 per cent were German, Dutch or Austrian and 11 per cent came from the United States. Over half of all immigrants intended to enter the labour market. Nearly 22 per cent were under 15 years of age and more than two-thirds were less than 30 years old.

**IMMIGRANTS TO CANADA (BY COUNTRY OF LAST PERMANENT RESIDENCE)
AND ONTARIO, AND RATES PER 1,000 POPULATION, 1939 TO 1960**

	CANADA					ONTARIO		ONTARIO AS % OF CANADA
	U.K. ¹	U.S.A.	Other Countries	All Countries	Rate per 1,000 Popu- lation	Number	Rate per 1,000 Popu- lation	
1939	3,098	5,654	8,242	16,994	1.5	5,957	1.6	35.1
1940	1,509	7,135	2,680	11,324	1.0	4,447	1.2	39.3
1941	443	6,594	2,292	9,329	0.8	3,365	0.9	36.1
1942	674	5,100	1,802	7,576	0.7	3,315	0.9	43.8
1943	1,133	4,401	2,970	8,504	0.7	3,852	1.0	45.3
1944	4,684	4,510	3,607	12,801	1.1	5,361	1.4	41.9
1945	10,853	6,394	5,475	22,722	1.9	9,342	2.3	41.1
1946	50,950	11,474	9,295	71,719	5.8	29,604	7.2	41.3
1947	35,892	9,444	18,791	64,127	5.1	35,543	8.5	55.4
1948	43,639	7,393	74,382	125,414	9.8	61,621	14.4	49.1
1949	21,664	7,756	65,797	95,217	7.1	48,607	11.1	51.0
1950	13,121	7,821	52,970	73,912	5.4	39,041	8.7	52.8
1951	32,199	7,755	154,437	194,391	13.9	104,842	22.8	53.9
1952	46,007	9,333	109,158	164,498	11.4	86,059	18.0	52.3
1953	48,695	9,407	110,766	168,868	11.4	90,120	18.2	53.4
1954	45,179	10,131	98,917	154,227	10.1	83,029	16.2	53.8
1955	30,420	10,395	69,131	109,946	7.0	57,563	10.9	52.4
1956	52,619	9,777	102,461	164,857	10.3	90,662	16.8	55.0
1957	114,347	11,008	152,970	282,164	17.0	147,097	26.1	52.1
1958	26,003	10,846	88,002	124,851	7.3	63,853	11.0	51.1
1959	19,037	11,338	76,553	106,928	6.1	55,976	9.4	52.3
1960	20,384	11,247	72,480	104,111	5.8	54,491	8.9	52.3

¹Includes immigrants from Southern Ireland.

Source: 1939 to 1953—Dominion Bureau of Statistics, *Canada Year Books*, 1947 to 1956.

1954 to 1960—Department of Citizenship and Immigration, Ottawa; *Quarterly Bulletins*.

LABOUR FORCE

The Ontario work force increased rapidly in 1960 when there was an average of 2,368,000 persons in the labour force. This represented an increase of 78,000 over that in 1959 compared with an increase of 35,000 in the previous year and an average annual increment of 54,000 over the past ten years. A large part of last year's increase occurred in the female sector, owing to a combination of circumstances such as the continuing demand in certain traditionally female occupations, for example, stenography and typing, and the failure of opportunities for male workers to expand, forcing more wives to resume work. Hence, on the average, the female work force in 1960 was more than 53,000 higher than in 1959, while the male work force had increased by only 25,000.

Employment in Ontario also continued to increase in 1960 but the increase was not sufficient to absorb the growth in the labour force. Slackness in our manufacturing industries and in construction resulted in sharply reduced employment in those industries. The continuing increase in employment in the service industries helped to absorb the surplus but there was still a substantial increase in unemployment during the year. Moreover, the increase in employment was virtually all in the female sector; at the end of the year male employment was running at or below the level at the end of 1959.

This year showed an increase in the number of young people entering the work force for the second year in a row. During the past fifteen years there has been very little change in the number of 14 to 19 year olds in the work force although for most of the period, the numbers have been lower than they were in 1946 and 1947. Between 1958 and 1959 the yearly average of 14 to 19 year olds rose from 179,000 to 192,000 and then by 1960 rose again to 204,000. While the numbers of young entrants are not expected to rise very much during the next two or three years, by about 1964 or 1965 the cumulative effects of the rising war-time and post-war birth rates will begin to be felt and we can expect a more rapid rate of increase in the numbers of young workers.

ONTARIO'S LABOUR FORCE AND THE WORKING AGE GROUPS IN THE POPULATION AS A PROPORTION OF THE TOTAL POPULATION

	Labour Force ¹			Labour Force as a % of the Total Population			The Working Age Groups (14-64) as a Proportion of Total Population		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
	(thousands)			%	%	%	%	%	%
1901	646	109	754	58.9 ²	10.0 ²	34.6 ²	64.7	65.7	65.2
1911	836	155	991	64.3	12.6	39.2	67.4	66.3	66.9
1921	922	195	1,117	62.2	13.4	38.1	65.7	65.8	65.8
1931	1,111	255	1,366	63.5	15.2	39.8	67.4	66.6	67.0
1941	1,284 ³	323 ³	1,608 ³	66.8 ³	17.3 ³	42.5 ³	69.8	68.9	69.4
1941	1,167 ⁴	323 ⁴	1,490 ⁴	60.7 ⁴	17.3 ⁴	39.3 ⁴			
1946	1,285	417	1,702	62.2	20.6	41.6	68.9	68.5	68.7
1949	1,388	427	1,815	62.8	19.7	41.5	67.0	66.8	66.9
1950	1,395	430	1,825	62.1	19.4	40.8	66.6	66.3	66.5
1951	1,426	444	1,870	61.6	19.4	40.7	65.8	65.6	65.7
1952	1,454	454	1,908	60.3	19.1	39.8	65.1	65.0	65.0
1953	1,487	461	1,948	59.7	18.8	39.4	64.7	64.4	64.6
1954	1,526	496	2,022	59.1	19.6	39.5	64.2	63.9	64.0
1955	1,545	514	2,059	58.2	19.7	39.1	63.7	63.3	63.5
1956	1,586	560	2,146	58.3	20.9	39.7	63.3	62.9	63.1
1957	1,641	593	2,234	57.9	21.3	39.7	63.1	62.6	62.9
1958	1,668	588	2,256	57.0	20.4	38.9	62.7	62.2	62.4
1959	1,681	609	2,290	56.0	20.7	38.5	62.5	61.9	62.2
1960	1,706	661	2,367	55.6	21.9	38.9	62.3	61.7	62.0

¹"Gainfully Occupied" rather than "Labour Force" status was used prior to 1931. 1901 to 1941 data are for June 1, 1946 to 1960 are annual averages.

²Indians were included in the population, but not in the labour force.

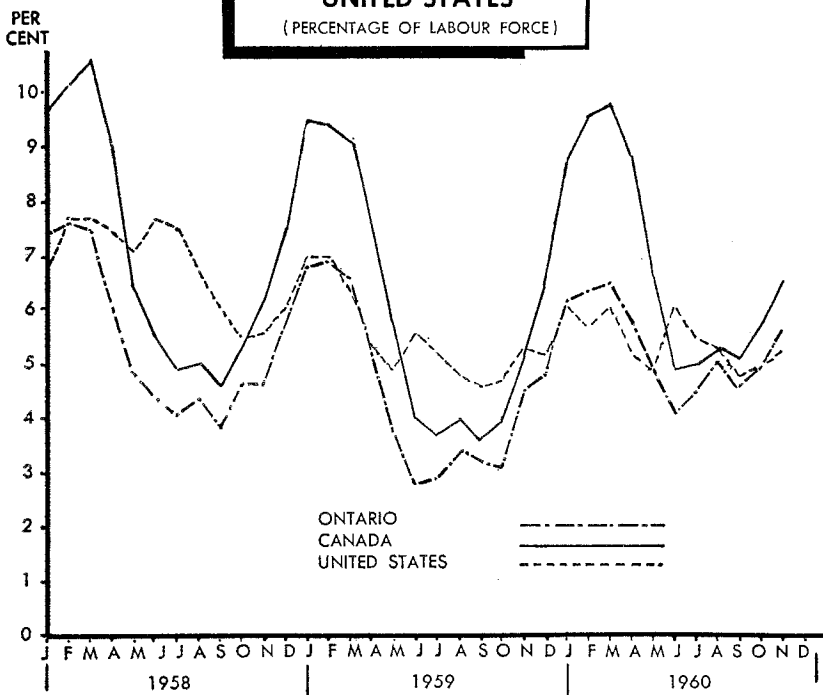
³Labour Force including the Armed Services.

⁴Labour Force excluding those in the Armed Services.

Source: Dominion Bureau of Statistics, Census of Canada 1901 to 1941, and Labour Force Survey, 1946 to 1960.

UNEMPLOYMENT IN ONTARIO, CANADA AND THE UNITED STATES

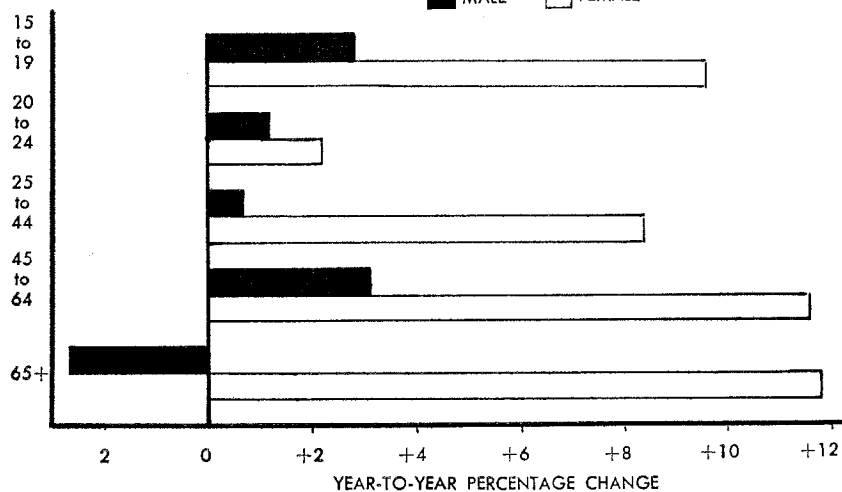
(PERCENTAGE OF LABOUR FORCE)



CHANGES IN THE LABOUR FORCE BY AGE, 1959 TO 1960

AGE GROUP

MALE FEMALE



PERSONAL INCOME AND ITS MAJOR COMPONENTS

Personal Income

Personal income in Ontario during 1960 continued the unbroken upward trend characteristic of the post-war period and established a new high of \$10.9 billion. Although the annual rate of growth in Ontario as in Canada—about three and one-half per cent—was slower than that experienced in the previous year, aggregate personal income still amounted to more than double the level ten years ago and was 11 per cent above the average of \$9.8 billion for the past five years. To a large extent, the increase in total personal income was made possible by gains in wages and salaries—the major income component—and by increases in the levels of government transfer payments and interest, dividends and net rental income received by persons.

Despite higher personal direct tax payments, personal disposable income still increased and set a new annual high of \$9.9 billion for the Province. Consumer expenditure during the first three-quarters of the past year rose by an estimated four per cent and, although the rate of personal saving to disposable income rose substantially in the third quarter due to relatively no change in the quarterly level of consumer outlays, it is expected that complete data for 1960 may show the rate of personal saving to be somewhat below the average for the two preceding years. In all, Ontario contributed over 40 per cent of Canada's total personal income which reached \$26.9 billion. Last year, per capita personal income in the Province stood at \$1,790 compared with \$1,510 for Canada.

PERSONAL INCOME, ONTARIO AND CANADA, SELECTED YEARS 1939 TO 1960

	ONTARIO		CANADA				ONTARIO AS % OF CANADA	
	Personal Income		Personal Disposable Income		Personal Disposable Income		Personal Income (%)	Personal Disposable Income (%)
	Amount (Million \$)	Per Capita (\$)	Amount (Million \$)	Per Capita (\$)	Amount (Million \$)	Per Capita (\$)		
1939	1,751	472	1,703	4,290	381	4,178	40.8	40.8
1946	3,738	913	3,382	9,719	791	8,923	38.5	37.9
1950	5,285	1,182	4,949	13,428	979	12,688	39.4	39.0
1951	6,093	1,325	5,621	15,824	1,130	14,794	38.5	38.0
1953	7,209	1,459	6,550	18,336	1,235	16,904	39.3	38.7
1955	7,918	1,504	7,219	19,738	1,257	18,239	40.1	39.6
1957	9,322	1,658	8,402	23,024	1,388	21,107	40.5	39.8
1958	9,837	1,695	9,013	24,440	1,434	22,646	40.2	39.8
1959	10,520	1,768	9,518	25,940	1,487	23,852	40.6	39.9
1960 ¹	10,900	1,790	9,850	26,900	1,510	24,700	40.5	39.9

¹Estimated by the Ontario Department of Economics.

Source: Dominion Bureau of Statistics, *National Accounts, Income and Expenditure*.

Wages, Salaries and Supplementary Labour Income

Last year, total wages, salaries and supplementary labour income in Ontario and the nation as a whole again established new high levels. While the annual rates of labour income growth were below those of 1959, they still ranged from three to four per cent and reflected moderate gains in both wage rates and employment. Aggregate wages and salaries in Ontario amounted to a record \$7.7 billion—42 per cent of a national total estimated at \$18.4 billion—and 39 per cent above the level five years ago. In per capita terms, labour income in the Province amounted to \$1,265, nearly 23 per cent higher than the average of \$1,033 for Canada and 20 per cent above the level of \$1,053 in 1955.

With the exception of the construction industry, data for the first three quarters of 1960 indicate that all of Ontario's major industrial groups experienced income gains in varying degree. The increases in the service-producing industries such as trade and finance, insurance and real estate as well as in the government and non-government service sectors, continued to be substantial and reflected higher levels of employment in these areas. Labour income in forestry and manufacturing appeared to be moderately higher, while in mining, the gains in some of the base-metal industries were offset in part by declines in the uranium and structural materials industries. In 1960, the average labour income per employed worker in Ontario totalled \$3,439 compared with \$3,090 for Canada.

WAGES, SALARIES AND SUPPLEMENTARY LABOUR INCOME, ONTARIO AND CANADA, SELECTED YEARS 1939 TO 1960

	ONTARIO			CANADA			ONTARIO AS % OF CANADA
	Amount (Million \$)	Per Capita (\$)	As % of Total Personal Income (%)	Amount (Million \$)	Per Capita (\$)	As % of Total Personal Income (%)	
1939	1,103	297	63.0	2,601	231	60.6	42.4
1946	2,257	551	60.4	5,487	446	56.5	41.1
1950	3,624	811	68.6	8,629	629	64.3	42.0
1951	4,258	926	69.9	10,103	721	63.8	42.1
1952	4,718	985	69.9	11,208	775	64.4	42.1
1953	5,066	1,025	70.3	12,110	816	66.0	41.8
1954	5,189	1,014	70.2	12,432	813	67.5	41.7
1955	5,546	1,053	70.0	13,223	842	67.0	41.9
1956	6,198	1,147	71.9	14,890	926	68.0	41.6
1957	6,731	1,197	72.2	15,996	964	69.5	42.1
1958	6,936	1,195	70.5	16,434	964	67.2	42.2
1959	7,467	1,255	71.0	17,717	1,016	68.3	42.1
1960 ¹	7,700	1,265	70.6	18,400	1,033	68.4	41.9

¹Estimated by the Ontario Department of Economics.

CONSUMER SPENDING

The 1960 volume of retail trade in Ontario is estimated at a record level of nearly \$6.3 billion. This represents an increase of 0.5 per cent over the previous year, the smallest since 1954. The increase in 1960 compares with one of 4.9 per cent in 1959. As in the past, Ontario's retail sales again constituted about two-fifths of those for the country as a whole.

Several categories of stores experienced increases in sales last year. Accounting for the largest share of retail trade was the grocery and combination sector, where business rose by nearly three per cent or \$37 million above the previous year to \$1,321 million. The volume of sales of the "other food and beverages" group exceeded \$500 million, while the same volume of retailing was approached by the department stores.

Comparison with 1959 reveals a fall-off of 1.1 per cent for the motor vehicle dealer group, while other sectors, such as the furniture, appliance and radio dealers, also recorded lower annual levels than in the foregoing year. However, the general movement of retail trade in Ontario was one of continued advance.

RETAIL TRADE IN ONTARIO BY SPECIFIED TYPE OF STORE, 1950 TO 1960

	Total	Grocery and Combination	Motor Vehicle	Depart- ment	Garage and Filling Station	Clothing and Shoe	Furniture, Appliance and Radio	All Other
	(Millions of Dollars)							
1950	3,715.4	615.5	544.9	305.8	199.9	248.1	151.2	1,650.0
1951	4,129.8	729.6	699.2	308.6	212.6	290.0	164.1	1,725.7
1952	4,383.3	773.5	769.3	334.2	223.4	303.0	201.4	1,778.5
1953	4,616.0	815.9	845.6	342.7	240.1	307.3	222.3	1,842.1
1954	4,634.5	887.7	748.4	353.3	277.5	295.1	218.7	1,853.8
1955	5,115.2	944.2	938.0	383.8	313.5	301.2	228.3	2,006.2
1956	5,498.6	1,025.6	943.9	413.4	357.3	323.0	246.6	2,188.8
1957	5,663.4	1,136.1	863.0	428.1	409.9	332.1	227.0	2,267.2
1958	5,934.4	1,230.7	871.3	449.1	442.9	344.4	219.2	2,376.8
1959	6,224.8	1,284.9	958.2	480.7	440.7	356.8	229.7	2,473.8
1960 ¹	6,258.1	1,321.4	947.4	491.4	461.9	360.6	208.5	2,466.9

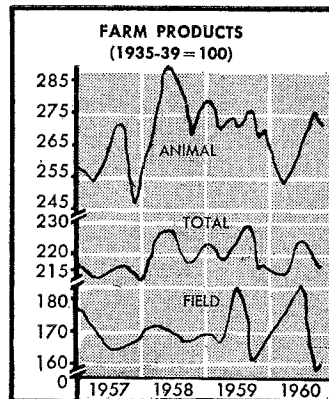
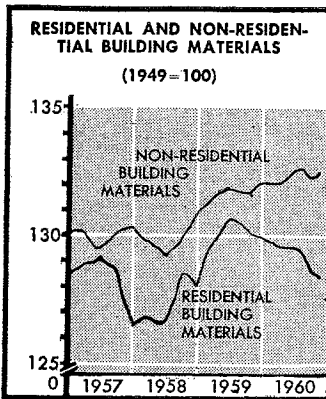
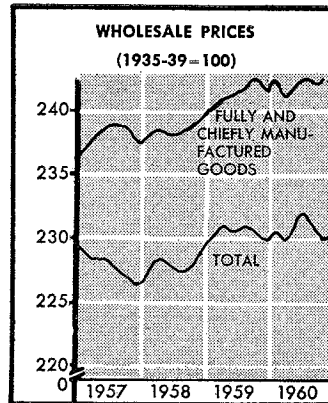
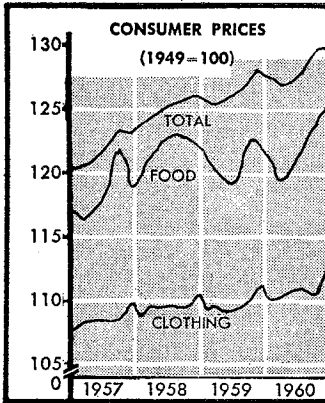
¹Preliminary.

Source: Dominion Bureau of Statistics, *Retail Trade*.

PRICE MOVEMENTS

In 1960, the annual average of the consumer price index reached a level of 128.0 points. Although this represented a rise of 1.5 points above the index for the preceding year, the rate of increase—1.2 per cent—was approximately the same as that in 1959. Actually, in the last quarter of 1960, consumer prices tended to level out as the index for December remained unchanged from that in the preceding month at 129.6. The price index of commodities and services used by farmers also continued to move upward, but last year's advance of 1.5 per cent was substantially less than the 3.3 per cent increase which occurred during 1959.

**TRENDS IN SELECTED PRICE INDEXES FOR CANADA,
1957 TO 1960**



The general wholesale price index registered an annual average of 230.6 last year—unchanged from the level in 1959 and almost ten points below the peak established nine years earlier. However, the index of wholesale prices of farm products, which averaged 217.5 for 1960, was some 1.7 per cent below the level of the previous year. The residential building materials price index edged down slightly, while that for non-residential building materials experienced an upward movement of about the same magnitude.

SPECIFIED PRICE INDEXES IN CANADA, SELECTED YEARS 1939 TO 1960

Year	Consumer Prices	Residential Building Materials (1949=100)	Non-Residential Building Materials	General Wholesale Prices	Wholesale Prices of Farm Products (1935-39=100)	Commodities and Services Used by Farmers ¹
1939	63.2	44.9	60.3	99.2	92.6	99.0
1943	74.2	61.0	70.2	127.9	145.4	137.9
1946	77.5	67.8	75.0	138.9	179.5	147.1
1949	100.0	100.0	100.0	198.3	228.7	193.9
1950	102.9	106.4	105.0	211.2	236.7	198.5
1951	113.7	125.5	118.6	240.2	268.6	219.4
1952	116.5	124.9	123.2	226.0	250.2	231.8
1953	115.5	123.9	124.4	220.7	221.6	225.9
1954	116.2	121.7	121.8	217.0	213.6	224.1
1955	116.4	124.3	123.4	218.9	212.6	225.8
1956	118.1	128.5	128.0	225.6	214.2	231.9
1957	121.9	128.4	130.0	227.4	213.6	240.7
1958	125.1	127.3	129.8	227.8	222.9	243.7
1959	126.5	130.0	131.7	230.6	221.2	251.7
1960	128.0	129.2	132.4	230.6	217.5	255.5

¹Composite index inclusive of living component.

Note: The indexes apply to all Canada, except the Farm Commodities and Services, which apply to Eastern Canada.

Source: Dominion Bureau of Statistics, *Retail Trade*.

HOUSEHOLD FACILITIES AND EQUIPMENT

The progressive gains in material welfare experienced by the people of Ontario is demonstrated by the growing proportion of homes with electrical and other modern conveniences. Of the 1,571,000 occupied homes in the Province in 1960, approximately nine-tenths had telephones, television sets or washing machines. Over 97 per cent had refrigeration, 78 per cent vacuum cleaners, 65 per cent sewing machines, and 51 per cent electric floor polishers, all up from 1959. Some 96 per cent of the homes had at least one radio, while 25 per cent had two and 14 per cent had three or more. The percentage of homes with automobiles rose to 77 (75 per cent in 1959), with 66 per cent having one, and 11 per cent two or more. Home freezers were found in an increasing number of Ontario homes—11 per cent in 1960.

Virtually all households within the Province were supplied with electricity. Oil was utilized as the principal heating fuel in 65 per cent of the homes, a gain of 5 per cent since 1959 and of 40 per cent since 1951; gas was used in 16 per cent

(4 per cent in 1951), while the proportion of homes using coal or coke decreased to 14 per cent. Sixty per cent of the households employed a hot air furnace as their principal heating equipment. The use of an electric stove as the principal cooking equipment climbed to 75 per cent, up substantially from 70 per cent in 1959, and representing a gain of over 25 per cent since 1951. The proportion of homes served by a piped-in water supply rose slightly during 1960 to 94 per cent, while the proportion with installed bath facilities, 88 per cent, was also moderately higher.

Since 1951, the total number of dwellings has increased by one-third, while owner-occupied homes, now nearly three-quarters of the total, climbed by 40 per cent. Even more spectacular in this period was the growth in the number of homes with television (415 per cent since 1953), automobiles (88 per cent), telephones (66 per cent), installed bath facilities (61 per cent) and refrigerators (59 per cent). Surpassing all these gains, however, was the increase in the number of home freezers—up more than sevenfold since 1953.

FACILITIES AND EQUIPMENT IN ONTARIO HOMES, SELECTED YEARS 1941 TO 1960

	Total Occupied	Owner-Occupied		Supplied with Electricity		Piped-in Water Supply		Installed Bath Facilities		Electric Washing Machines	
	No. (000's)	No. (000's)	%	No. (000's)	%	No. (000's)	%	No. (000's)	%	No. (000's)	%
1941	911	515	56.5	738	81.0	630	69.2	553	60.7	927 ²	78.5
1951	1,181	821	69.5	1,111	94.1	971	82.2	860	72.8		
1959	1,528	1,130	74.0	1,513	99.0	1,420	92.9	1,334	87.3	1,346	88.1
1960	1,571	1,153	73.4			1,479	94.1	1,385	88.2	1,382	88.0

	Vacuum Cleaners		Refrigerators ³		Telephone		Radio		Television		Automobile	
	No. (000's)	%	No. (000's)	%	No. (000's)	%	No. (000's)	%	No. (000's)	%	No. (000's)	%
1941	314	34.5	542	59.5	476	52.3	759	83.3			450	49.4
1951	648	54.9	965	81.7	865	73.2	1,098	93.0	272*	21.5	640	54.2
1959	1,148	75.1	1,481	96.9	1,377	90.1	1,460	95.5	1,300	85.1	1,149	75.2
1960	1,222	77.8	1,530	97.4	1,433	91.2	1,510	96.1	1,402	89.2	1,201	76.5

*Data first available in 1953.

¹Because the incidence of household electrification is so near saturation, the question was not included in the 1960 survey.

²Includes gasoline.

³Includes electric, other mechanical and ice.

Source: Dominion Bureau of Statistics, *Census of Canada; Household Facilities and Equipment* (annual).

NEW CAPITAL INVESTMENT

Since World War II, Ontario's industrial structure has been greatly broadened and diversified by the rapid growth in new capital formation. Large capital expenditures in utilities, primary industries, housing, and in commercial, institutional and government services have ensured a balanced pattern of growth. During the period 1947 to 1960, total new capital investment in Ontario exceeded \$30 billion, 36 per cent of the national total. The average annual rate of capital accumulation in Ontario was higher than in Canada as a whole, especially in new machinery and equipment.

In recent years, capital formation has failed to maintain its rate of growth and the level of total new capital investment seems to have settled temporarily at a high plateau of approximately \$3 billion. In 1960, total new capital expenditures are estimated at \$2,835 million compared with \$2,900 million in 1959. The 1960 estimate, therefore, would indicate a slight decline over the previous year, and is considerably below the original intentions published early in 1960. During the second quarter of 1960 it became obvious that the expectations for residential construction and investment in machinery and equipment would not be realized. At the same time, however, other sectors in the economy promised to offset part of this downward revision.

The residential sector declined significantly for the second year in succession. The relative oversupply of houses built during the late fifties made the series of measures adopted by the Federal Government to stimulate residential construction less effective than in past years. Investment in residential housing fell from \$662.7 million in 1959 to \$557.2 million in 1960, a decline of 15.9 per cent.

The anticipated investment in total machinery and equipment at the beginning of 1960 was \$1,072.7 million. In the course of the year, however, economic conditions did not seem to justify such heavy investment and the estimate for the year is now slightly lower than in 1959 at \$984.5 million. Total new capital investment in construction on the other hand, despite the large drop in housing activity, is estimated at \$1,851 million, a 2.8 per cent decline from 1959. The strongest sector in 1960 was institutional services and direct government at \$654 million, an increase over the previous year of 6.9 per cent. The manufacturing sector showed an increase of \$47 million, reaching a total of \$549 million.

These shifts in the composition of capital investment should form a new and firmer basis for continued growth. As expected, the accumulation of public capital continued at a very high level through the building and expansion of schools, universities, hospitals, highways, bridges, waterworks and sewers. Public investment in new construction in Canada is likely to run as high as 39 per cent of the total expenditures in 1960.

The outlook for 1961, published by the Department of Trade and Commerce, indicates little change. On the basis of year-end intentions, increases are

expected in housing, institutional services and government departments as well as in manufacturing. Total intentions for 1961 amount to no more than \$2,904 million. This is a conservative forecast.

NEW CAPITAL AND TOTAL INVESTMENT, ONTARIO, 1951 TO 1960

	Machinery and Equipment	Construction	Total New Capital (Millions of Dollars)	Repair	Total Investment
1951	717.3	1,022.7	1,740.0	696.7	2,436.7
1952	762.3	1,137.0	1,899.3	719.8	2,619.1
1953	829.9	1,275.7	2,105.6	759.0	2,864.6
1954	771.6	1,317.1	2,088.7	814.2	2,902.9
1955	785.2	1,485.9	2,271.1	815.6	3,086.7
1956	1,053.7	1,788.4	2,842.1	883.6	3,725.7
1957	1,198.6	2,066.7	3,265.3	983.5	4,248.8
1958	960.0	2,144.5	3,104.5	975.7	4,080.2
1959 ¹	995.8	1,904.5	2,900.3	1,087.5	3,987.8
1960 ²	984.5	1,850.7	2,835.2	1,070.0	3,905.2

¹Actual.

²Preliminary Actual.

NEW CAPITAL INVESTMENT, BY SECTOR, ONTARIO, 1951 TO 1960

	1951	1952	1953	1954	1955
	(Millions of Dollars)				
Primary Industries and Construction Industry	211.7	188.8	194.3	203.9	259.0
Manufacturing.....	395.2	477.3	499.4	416.3	411.8
Utilities.....	361.1	397.1	444.0	392.6	346.6
Trade, Finance and Commercial Services.....	175.0	137.0	217.9	255.3	261.4
Residential Housing.....	333.3	309.8	399.9	484.9	605.9
Institutional Services and Direct Government	263.7	389.3	350.1	335.7	386.4
Total.....	<u>1,740.0</u>	<u>1,899.3</u>	<u>2,105.6</u>	<u>2,088.7</u>	<u>2,271.1</u>
Gross Provincial Product ³	8,680	9,838	10,258	10,197	11,099
New Capital Investment as a Percentage of G.P.P.....	20.0	19.3	20.5	20.5	20.5
New Capital Investment in Canada.....	4,739	5,491	5,976	5,721	6,244
Ontario as % of Canada.....	36.7	35.6	35.2	36.5	36.4
	1956	1957	1958	1959 ¹	1960 ²
	(Millions of Dollars)				
Primary Industries and Construction Industry	373.3	419.4	267.0	237.9	228.7
Manufacturing.....	630.1	675.9	503.2	502.4	549.3
Utilities.....	501.0	784.5	762.3	589.2	556.5
Trade, Finance and Commercial Services.....	270.6	308.8	285.4	296.8	289.9
Residential Housing.....	601.6	559.0	718.1	662.7	557.2
Institutional Services and Direct Government.	465.5	517.7	568.5	611.3	653.6
Total.....	<u>2,842.1</u>	<u>3,265.3</u>	<u>3,104.5</u>	<u>2,900.3</u>	<u>2,835.2</u>
Gross Provincial Product ³	12,375	12,876	13,368	14,291	14,743
New Capital Investment as a Percentage of G.P.P.....	23.0	25.4	23.2	20.3	19.2
New Capital Investment in Canada.....	8,036	8,717	8,363	8,417	8,200
Ontario as % of Canada.....	35.4	37.5	37.1	34.5	34.6

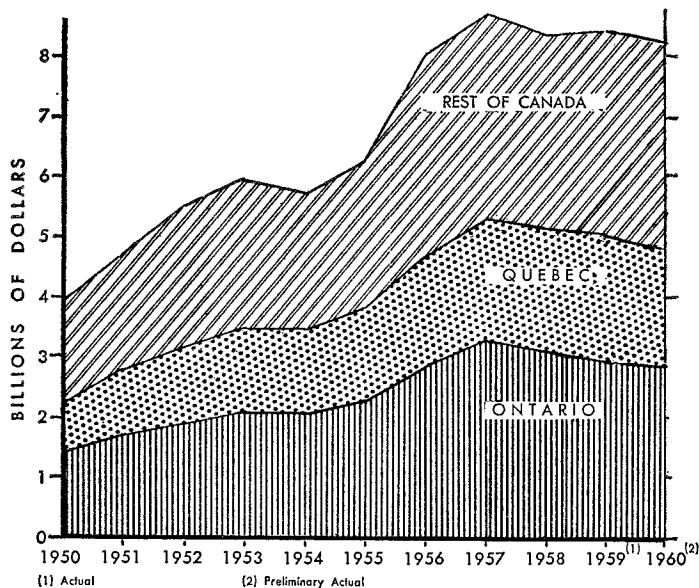
¹Actual.

²Preliminary Actual.

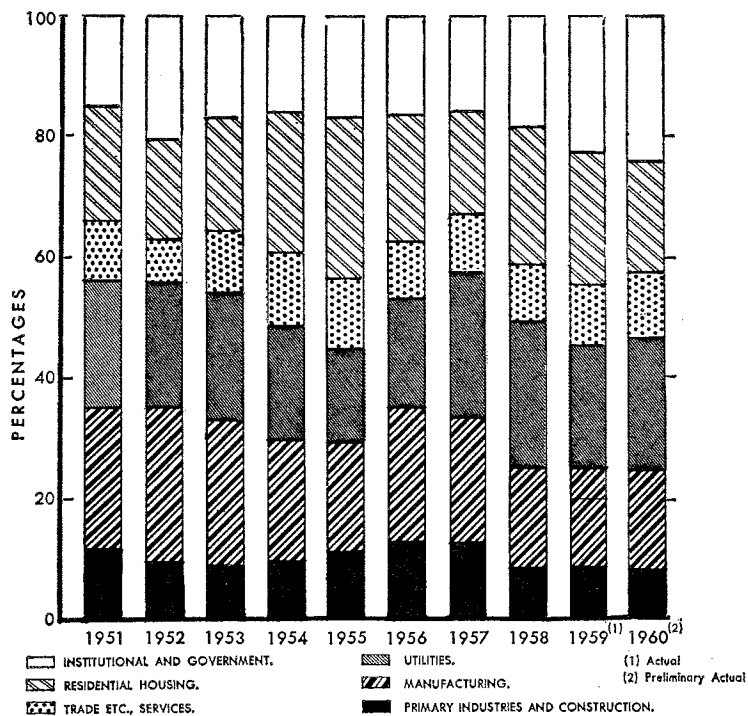
³Estimated by the Ontario Department of Economics.

Source: Department of Trade and Commerce, *Private and Public Investment in Canada, Regional Estimates*, annually 1953-1961.

NEW CAPITAL INVESTMENT, ONTARIO, QUEBEC AND THE REST OF CANADA, 1950 TO 1960



PROPORTION OF TOTAL NEW CAPITAL INVESTMENT IN ONTARIO BY SECTOR, 1951 TO 1960



RESIDENTIAL CONSTRUCTION

Residential construction in Ontario did not maintain the high level of activity in 1960 that had been achieved in 1958 and 1959. The number of starts in 1960 was the lowest since 1953 and completions lagged by 21.7 and 13.6 per cent behind 1958 and 1959, respectively. The slackened pace of residential construction can be attributed to the general slowdown in economic growth throughout the whole economy and to the excess in supply of new houses resulting from the unprecedented building levels of the past decade.

During the latter part of the year, a series of legislative and administrative changes were introduced by Central Mortgage and Housing Corporation to stimulate the sagging market. These had little effect; while sales of existing houses picked up in the final months of the year, builders were cautious in formulating plans to expand their building programs. As a result there was no sharp increase in the number of starts in the last quarter and the carry-over of 28,335 units was the lowest since 1956. It would appear that the market for new dwelling units will lead to a levelling out of construction over the next few years until the rate of family formation picks up in the last half of the 1960's.

Residential housing completions in Ontario during 1960 again amounted to about 38 per cent of the total number of completions in Canada.

DWELLING STARTS, COMPLETIONS, CONVERSIONS AND CARRY-OVER, ONTARIO, 1950 TO 1960

	Starts	Completions			Percentage of Canada	Carry-Over
		New Units	Conversions	Total		
1950	33,430	31,318	1,178	32,496	35.4	24,331
1951	27,349	31,732	973	32,705	38.6	19,258
1952	30,016	27,461	985	28,446	37.3	20,513
1953	38,873	35,173	1,331	36,504	36.3	24,134
1954	46,382	41,085	1,524	42,609	40.1	27,941
1955	53,456	51,351	1,023	52,374	39.7	29,794
1956	48,712	51,201	1,086	52,287	37.5	26,232
1957	47,739	45,087	1,262	46,349	38.2	29,782
1958	63,753	59,551	1,439	60,990	40.3	33,414
1959	54,158	54,281	1,024	55,305	37.0	32,827
1960	42,282	46,982	800 ¹	47,782	37.7 ¹	28,335

¹Estimated by the Ontario Department of Economics.

Source: Dominion Bureau of Statistics, *New Residential Construction*.

The Federal-Provincial public housing program has been carefully examined during the past year and, as a result of intensive research and negotiation, a new agreement was announced on October 16, 1960. Under the new scheme, the capital investment and subsequent equity in each rental housing project is to be shared by the Federal, Provincial and Municipal Governments in the ratio—75 per cent, 17½ per cent and 7½ per cent respectively.

Because of rising development costs and high interest rates, it was becoming increasingly difficult to develop housing projects for rental to low income groups. The announcement of the new Federal-Provincial plan resulted in the reactivation of a number of projects throughout Ontario. Tenders are about to be called on the 155-unit project in Etobicoke, a 38-unit extension of the Lawrence Heights project and a 120-unit project in Sarnia. The total cost of these three projects alone will be in excess of \$3,500,000. Plans for further construction of low rental housing are now under consideration, including four projects in Metropolitan Toronto involving 945 units estimated to cost over \$11,500,000 and 16 projects, with about 380 units, in other areas of the Province. Preliminary planning of land assembly schemes is underway in St. Thomas, Brockville, Kingston and other communities.

Since the inception of the public housing program in 1952, a total of 42 rental housing projects have been instituted involving 52,000 housing units. These projects are under the administration of 36 separate municipal housing authorities. During the same period 35 land assembly projects were completed. Last year considerable progress was made in the redevelopment housing plan in Windsor, comprising 137 units. Investigations of other plans, including the Bluewater project in Sarnia, and the Moss Park and Alexandra Park Redevelopment Areas in Toronto, were undertaken. If all the proposed projects now under consideration are found to be needed and are economically feasible, it is anticipated that 16,000 rental housing units and 3,000 land assembly lots will be under development during the next twelve months.

MANUFACTURING

In the past decade and a half, with very little competition from abroad and a steadily increasing domestic market, we have come to expect our manufacturing industries to grow automatically with continued population growth. This assumption has been seriously undermined by the developments that have occurred during the past few years and particularly in 1960. During the latter part of the 1950's the manufacturing industries of Ontario and Canada found their domestic markets being invaded by competitive products from the industries of Western Europe and Japan. The technical advantage that we once enjoyed and which has allowed steady advances in wages and salaries is no longer a North American monopoly. As a result, textiles, motor vehicles, electrical apparatus and supplies, and a host of other commodities have been imported in increasing quantities because of their price advantage.

In 1960 the situation which had slowly been developing came sharply into focus. The general advance in the economy in 1959 disguised the inroads that had been made in our manufacturers' traditional markets. However, the sluggishness in the rate of growth in 1960 made it clearly apparent that our manufacturing industries had lost ground to foreign competitors. Despite a

three per cent rise in Gross National Product, total manufacturing shipments in Ontario declined by about one per cent from the all-time peak of 1959 to \$11.7 billion in 1960.

The marked rise in exports in 1960 stimulated production of such goods as newsprint, refined non-ferrous minerals and some chemicals. These industries showed increases in production over the preceding year. On the other hand, the marginal decline in investment in new machinery and equipment and the increasingly strong competition from Europe and Japan had a depressing effect on activity in many consumer durable and capital goods industries—particularly in the iron and steel products, the electrical apparatus and supplies and the transportation equipment industrial groups. Shipments in the perishable consumer goods and semi-durable consumer goods industries were unchanged from 1959 or were fractionally higher. In total, the manufacturing industries failed to move ahead in the past year with the exception of the increases achieved by those industries related to the export trade.

Inventories of finished goods were worked down a little during the latter half of 1960 but at the end of the year were still above those at the end of 1959. This increase was evident in both the durable and non-durable sectors.

The trend towards increasing automation is clearly evident from the available data. While value of shipments fell by only 1.1 per cent the number of employees engaged in the manufacturing industries fell by 2.4 per cent and an increasing proportion of those employed were engaged in office and staff operations rather than in production. Nevertheless, Ontario maintained its position as Canada's leading industrial Province producing 49.9 per cent of the country's manufactured goods, including well over two-thirds of the output of secondary industry.

PRINCIPAL MANUFACTURING STATISTICS, ONTARIO, 1950 TO 1960

	Establishments No.	Employees (000's)	Salaries and Wages	Net Value of Products (Millions of Dollars)	Selling Value of Factory Shipments
1950	12,809	566.5	1,413.0	3,068.1	6,823.0
1951	13,025	599.4	1,669.4	3,569.4	8,074.7
1952	13,172	609.7	1,844.2	3,811.1	8,372.2
1953	13,114	634.6	2,018.0	4,130.1	8,876.5
1954	13,178	598.9	1,954.8	3,930.7	8,533.2
1955	13,276	613.9	2,088.9	4,426.7	9,617.6
1956	13,215	641.2	2,310.6	4,868.6	10,655.1
1957	13,580	644.2	2,430.7	5,047.7	11,078.6
1958	13,277	607.3	2,418.4	4,914.0	10,864.0
1959*	13,312	615.0	2,555.0	5,382.0	11,831.5
1960*	13,280	600.0	2,600.0	5,310.0	11,700.0

*Estimated by the Ontario Department of Economics.

†Prior to 1952 "Gross Value of Products" instead of "Selling Value of Factory Shipments" data are shown.

Source: Dominion Bureau of Statistics, *Manufacturing Industries of Canada* (Annual).

A REVIEW OF TRENDS IN AGRICULTURE, MINING AND FORESTRY

Agriculture

During 1960, Ontario's agricultural industry again made progress. Cash income received by farmers from the sale of farm products was estimated at \$883 million, the highest on record and some \$16 million over the 1959 total of \$867.3 million. Gross value of agricultural production, which rose by about \$31 million to \$1,204 million, moved closer again to the all-time high of \$1,262 million reached in 1951.

VALUE OF FARM PRODUCTION, ONTARIO, 1939 AND 1945 TO 1960

	Gross Value of Production	Gross Farm Income	Cash Income from Sale of Farm Products	Net Income of Farm Operators from Farming
	(Thousands of Dollars)			
1939	372,249	267,330	208,974	115,102
1945	703,986	500,239	442,625	250,995
1946	768,069	537,733	461,733	255,706
1947	853,074	603,832	535,194	276,650
1948	1,029,204	732,763	650,290	366,693
1949	1,070,448	731,831	652,269	352,929
1950	1,128,957	754,374	650,083	336,637
1951	1,262,088	896,799	800,666	431,172
1952	1,050,767	928,541	770,675	431,715
1953	1,048,289	873,640	749,106	378,618
1954	1,038,354	815,464	726,397	295,040
1955	1,104,819	869,106	766,237	332,457
1956	1,097,519	899,562	780,551	313,026
1957	1,083,419	905,632	790,199	330,127
1958	1,189,189	989,783	872,283	383,002
1959 ¹	1,172,674	962,414	867,302	314,609
1960 ²	1,204,000	993,223	883,229	352,619

¹Preliminary. ²Estimated.

Source: Gross Value of Production, Ontario Department of Agriculture. Gross Farm Income, Cash Income and Net Farm Income, Dominion Bureau of Statistics.

In spite of unfavourable weather conditions in the spring, better than average crops were harvested generally throughout the Province. Field crop production in Ontario rose by \$14 million to a value of \$419 million, the second highest total on record.

Increases in physical output as well as in value were realized for potatoes, fall wheat, rye, flaxseed, buckwheat and hay. Ontario tobacco growers surpassed previous achievements, both from a production and marketing point of view. The 1960 tobacco crop was estimated at 190 million pounds with a gross value of \$111 million, approximately 30 per cent higher than in 1959. Higher market prices, increased tobacco exports and larger yields per acre all contributed to make 1960 the best year ever experienced by Ontario's tobacco farmers.

Contributing to the favourable farm cash income figure for 1960, were the increased revenues received from the sale of livestock—particularly cattle and calves—livestock products, poultry and eggs. The number of cattle and calves on farms increased by nearly three per cent to 3,048,000. The sale of hogs, as in previous years, again constituted a major income factor, although production was cut in 1960 by about 14 per cent resulting from a change in Federal agricultural policy from a support price method, which had led to large surpluses, to a deficiency system.

Since 1955, the farm labour force has decreased by about 28 per cent from 238,000 to 172,000, but gross production per agricultural worker rose from \$4,642 to \$7,000 during this period. The average monthly wage of male farm help continued to rise slightly in 1960. The growth in agricultural production—in spite of the declining labour force—can be attributed largely to the increase in mechanization and specialization of farm operations, better and more efficient marketing plans and a greater emphasis on research and education. The combined efforts of the Province's farmers, farm organizations and Government have enabled Ontario to retain first place with respect to agricultural production in Canada.

In order to encourage the efficient production of high-quality produce at competitive prices, special emphasis will be placed on the instruction of young farmers in sound management practices. The farm management program will be expanded and more attention given to the business aspects of farming, including accounting, budgeting and choice of enterprise. Increasing mechanization is another factor which assists our farm economy in meeting world competition. In 1960, sales of agricultural implements and equipment rose by approximately three per cent to a new high. The shift to diesel wheel type tractors continued. Diesel tractors accounted for about 50 per cent of the total number sold in Ontario last year, an increase of 10 per cent over 1959.

The rural electrification program has already greatly contributed to a higher measure of efficiency in farm operations. During 1960, Ontario Hydro's rural network was extended to approximately 48,000 miles serving about half a million rural customers, an increase of 8,400 users over 1959. Total rural consumption of electricity rose to 2,422 million kilowatt-hours. Farm service customers, presently numbering 141,000, consumed 804 million kilowatt-hours of electricity, double the amount used only a decade ago. Rural telephone communications also have improved substantially in recent years with the encouragement and assistance of the Ontario Telephone Service Commission. Equipment and methods were modernized, dial exchanges were installed and many small systems were integrated and consolidated to form larger, more efficient companies.

Even the most perfect and efficient production methods will benefit our farmers but little, if consumer preference and other market requirements are disregarded. Much has been accomplished in this respect under the Province's

marketing plans, which are instrumental in effecting orderly marketing of farm produce at equitable prices. Seventeen plans encompassing 30 commodities are presently in operation while new plans are under consideration covering products such as eggs and beef. However, Ontario's agricultural interests extend far beyond the Province's and the country's borders. Inter-provincial co-operation in the field of marketing is being furthered and the opportunities offered in export markets are under active exploration. An Ontario agricultural export market study group, which recently completed a tour in the United Kingdom and Western Europe, determined that exports of Ontario cheese, poultry, canned fruit and vegetables, tobacco, wheat, beans and many other products could be expanded. In order to derive the maximum benefit from these opportunities, the Government proposes to co-operate even more closely with Producers' Marketing Boards, other agricultural organizations and private trade groups. Steps have been taken to establish within the Department of Agriculture a Marketing Development Branch, which will concern itself with the widening of markets for Ontario farm produce both at home and abroad.

Research, education and the practical application of scientific findings continue to raise the standard of Ontario's agriculture. Research and educational facilities at the Ontario Agricultural College and the Ontario Veterinary College in Guelph have been further improved and work on additional projects is proceeding. Since 1952, when the Government inaugurated an expansion plan to accelerate the research and teaching program at both these colleges, about \$14.2 million in capital expenditures have been provided for this purpose.

During 1960, many new loans were extended by The Co-operative Loans Board to assist the activities of our agricultural co-operative organizations. New loans extended totalled \$429,000 for the year ended December 31, 1960. Outstanding loans under The Co-operative Loans Act now number 95, for a total amount of \$2,571,842.

The Government intends to review the services provided by The Community Centres Act, in order to bring them into line with the wide range of conditions presently existing in Ontario communities. By the end of the fiscal year 1960-61, an amount of \$275,000 will have been spent to assist in the financing of various community projects.

Mining

With an estimated value of \$984 million, Ontario's mineral production in 1960 reached the highest level ever recorded. It was \$13 million in excess of output in 1959. Increased production of nickel (by \$53 million) and copper (by \$12 million) largely accounted for the gain which was effected in spite of a \$59 million decline in uranium output. Ontario continued to be by far the leading mineral producer among the provinces and accounted for 40 per cent of total production of minerals in Canada.

**VALUE OF MINERAL PRODUCTION, TOTAL, GROUPS AND SELECTED METALS,
ONTARIO, 1939 TO 1960**

	Total Mineral Production	All Metals	Nickel	Copper	Gold	Uran- ium	Iron Ore	Non- Metallics	Fuels	Structural Materials
	(Millions of Dollars)									
1939	232.5	208.2	50.9	32.6	111.5		0.3	3.8	7.7	12.9
1946	191.5	157.1	45.4	22.5	66.6		6.8	5.2	4.9	24.3
1947	249.8	207.6	70.7	46.0	68.1		9.3	6.1	5.7	30.4
1948	294.2	244.5	86.9	53.4	73.3		7.5	6.9	7.6	35.2
1949	323.4	265.8	99.2	44.7	84.8		13.2	7.1	9.7	40.8
1950	366.8	302.6	112.1	54.4	94.4		17.6	10.5	4.1	49.7
1951	441.7	366.8	151.3	70.9	90.8		21.2	13.6	4.1	60.2
1952	444.7	360.9	151.3	71.0	86.1		19.6	13.2	4.0	66.6
1953	465.9	370.6	160.4	77.6	75.1		23.1	13.2	4.9	77.2
1954	496.7	395.2	176.6	81.3	80.5		20.4	13.1	5.4	83.0
1955	584.0	470.9	198.5	107.2	87.1	0.5	34.3	14.4	5.9	92.7
1956	650.8	521.3	208.1	128.6	86.6	9.4	44.2	18.7	6.7	104.1
1957	748.8	601.0	243.5	98.5	86.5	82.9	41.3	20.2	7.5	120.2
1958	789.6	629.3	177.2	71.3	92.3	210.1	36.9	20.4	8.6	131.4
1959	970.8	806.2	240.1	110.5	90.1	268.5	50.8	25.2	9.7	129.7
1960*	984.0	825.4	293.3	122.5	92.5	209.6	47.9	24.8	8.8	125.0

*Preliminary.

Source: Dominion Bureau of Statistics, *General Review of the Mining Industry* (annual); *Final Statistics of the Mineral Production of Canada, by Provinces, 1959*; *Preliminary Estimate of Canada's Mineral Production, 1960*.

Nickel regained the position of Ontario's leading mineral, lost to uranium in 1958. Its value of production rose by more than one-fifth from \$240.1 million in 1959 to \$293.3 million in 1960, representing nearly 94 per cent of Canada's nickel output. Demand for the metal was great last year and consumption is expected to remain at a high level in years to come. In 1960, the booming European economy—for the first time in history—consumed more nickel than North America. Canadian nickel exports to Europe rose by almost 50 per cent and were far in excess of shipments to the United States. There is an apparent shortage of the metal in Communist countries. Our exports to the Communist Bloc, although totalling only \$10.7 million, more than doubled from 1959. The U.S.S.R. and Czechoslovakia absorbed the bulk of the total. China's shortage of the metal is demonstrated by its efforts to purchase nickel at prices considerably above established market levels. Japan also imports substantial quantities for its flourishing industry, but covers most of its requirements in countries other than Canada. Rapid industrialization, industrial expansion in many parts of the world and new uses for the metal all contribute to increasing activity in the nickel mining industry. Since about three-quarters of the Free World's nickel output is produced in the Sudbury area, these developments are bound to have a favourable influence on Ontario's economy.

The encouraging outlook prompts nickel mining companies to maintain or expand their production capacity. The International Nickel Company plans to have a new mine—the Clarabelle open pit—ready for production in the latter

part of 1961, to replace tonnage now being extracted from its nearby other mines. Faraday Uranium Mines has a financial interest in exploratory drilling and development work on nickel properties in the Gordon Lake area. Exploration work is also being carried out on nickel prospects south of Timmins and near Werner Lake in Northwestern Ontario.

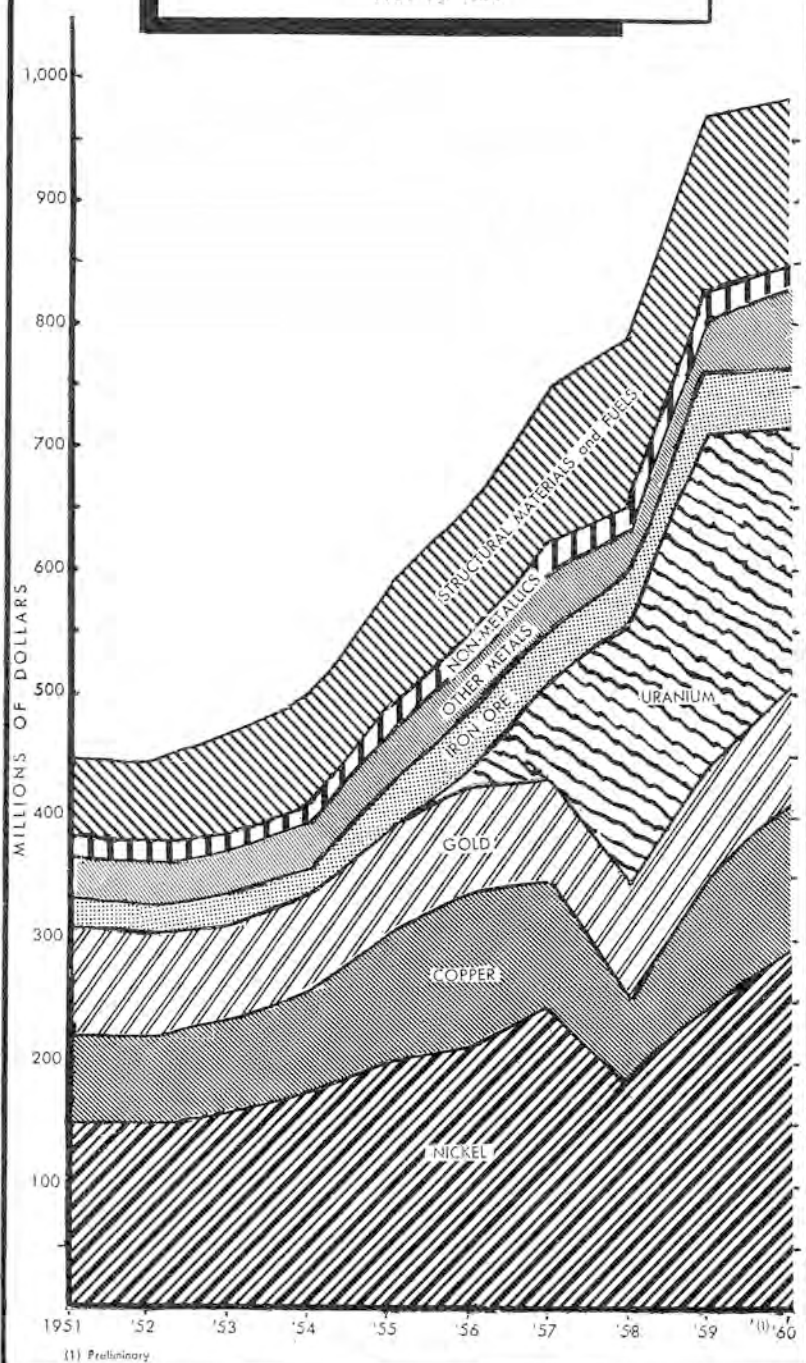
Uranium ranked second among Ontario's minerals, with a value of production in 1960 estimated at almost \$210 million—about one-fifth below output in 1959. This industry now experiences serious re-adjustment problems, caused by the decision of the United States not to exercise its options for Canadian uranium after 1962-63. Under a stretch-out program, the delivery of part of the contracted quantities is being extended until 1966. A few of the larger mines have purchased delivery contracts of others that have discontinued operations. This has resulted in a contraction of the labour force, with detrimental effects in the uranium mining centres of Elliot Lake and Bicroft. The Province is taking measures to mitigate the problem by the implementation of a loan-program involving interest-free loans totalling some \$4 million and by encouraging the diversification of local economic activity. At the same time, aggressive research work is being carried out to find new peaceful uses for the metal. The increased application of atomic power is likely to stimulate the industry. However, nuclear power plants have been slow in developing, partly as a result of an ample world supply of traditional fuels.

The estimated value of Ontario's *copper* production—\$122.5 million—was 10.8 per cent higher in 1960 than in the previous year. Canada is among the five leading copper producing countries in the world and about half of the nation's output originates in Ontario.

Although the long-term prospects for the red metal are considered to be promising, the outlook for the immediate future appears rather uncertain. One of the present problems of this industry is that production capacity exceeds demand. Since the bulk of our copper production is exported, the keen competition for export markets—particularly with the low-cost countries of South America and Africa—greatly influences the industry's position. As a result of the long copper strike in the United States in 1959, the market strengthened at the beginning of 1960 and prices climbed accordingly, but in the fourth quarter a decline set in. Political uncertainty in the Congo and more recently in Rhodesia has resulted in another rise of copper prices on world markets.

Increasing unsold quantities of the metal prompted some leading copper producers to curtail output toward the end of 1960. This policy was not practicable for the nickel-copper mines of Ontario which mine the two metals simultaneously. Thus, high demand for nickel was a major stimulus toward a large output of copper in Ontario last year. The fact that, in spite of a condition of over-supply several new copper properties are under development, is indicative of the confidence in the future of this industry.

VALUE OF MINERAL PRODUCTION IN ONTARIO,
TOTAL, GROUPS AND SELECTED METALS,
1951 TO 1960



Over 2.7 million ounces of *gold* with a value of \$92.5 million were produced in Ontario in 1960—\$2.4 million more than in the preceding year—and the highest output since 1950. The main problem of the industry remains that it cannot compensate for rising costs by increasing the price of its final product which is still stabilized at U.S. \$35 per ounce. Consequently, the Federal Emergency Gold Mining Assistance Act, which once again made it possible for many Ontario gold mines to receive cost aid, was extended for another three years until the end of 1963.

The continuing drain on the United States gold reserves has engendered speculative activity based on the belief that an increase of the gold price is imminent. On the London market the price of gold was, for a brief period, subject to unusual fluctuations and on October 20, 1960, surpassed the \$40 mark. At present, world gold markets have returned to normal conditions. Protective measures, taken by the United States Government and designed to stem the flow of gold from the country, have not been able to stop the exit of the yellow metal. However, they demonstrate the desire of the United States to maintain the official price of gold at its present level.

Speculation with respect to the official gold price together with the downward movement of the premium on the Canadian dollar, have created a more optimistic climate for the gold mining industry. Growing interest in gold has fostered increased prospecting for this metal. Exploration and development work is carried out in the Porcupine and Kirkland Lake areas and in Algoma District. The first new gold producer in 11 years commenced operations last year in the Red Lake area. A second new mine, located in the Little Long Lac area, is expected to enter the production stage later this year. A new gold property is also being developed near Atikokan. These newcomers represent welcome additions to the Province's gold mining industry, since in some of the older mines known reserves appear to be nearly exhausted.

The value of Ontario's *iron ore* production in 1960 was estimated at \$47.9 million—5.8 per cent below the 1959 level. The main reason behind this moderate slowdown is failure of the United States steel industry to recover from the slump which for some time has left idle about half of the industry's rated capacity. Canadian exports of iron ore across our southern border last year dropped by 25 per cent. This state of affairs is in sharp contrast to developments in the European steel industry whose production exceeded that of its United States counterpart for the first time in 100 years. Consequently, our iron ore exports to Western European countries in 1960 rose by 21 per cent.

Long-term prospects are favourable for the iron ore industry. The steady increase in steel consumption in most parts of the world stimulates the search for and development of new iron ore deposits. The depletion of reserves in the United States has resulted in a growing interest of steel producers in that country for Ontario's iron ore, which is conveniently located with respect to the main steel-making centres on this Continent. Ontario's iron ore finds are in many cases of

a low-grade type, which some years ago was considered to be a disadvantage. However, new techniques used in the beneficiation of low-grade ores into concentrates have made it possible to produce iron tailored to suit the individual steel manufacturer's needs. As a result, it is now possible to utilize deposits, the development of which would have been considered infeasible in the past.

Ontario's largest iron-mining centre is in the Rainy River District in Northwestern Ontario (Steep Rock Lake area). In 1960 a new mine—Caland Ore Company Ltd.—started operations in the area and in that year produced some 800,000 tons of ore. Another major iron producing centre in the Province is Algoma District. The new underground operation (George W. McLeod Mine) of Algoma Ore Properties is expected to become the Company's largest source of ore during the next two decades. Anaconda Iron Ore (Ontario) Limited is proceeding with its multi-million dollar project north of Nakina on a property estimated to contain some 400 million tons of ore. The venture recently reached the pilot plant stage.

The metallic minerals largely accounted for the increase of \$13.2 million in Ontario's mineral production. Gains in output of nickel and copper alone more than offset the drop in uranium production. The platinum metals showed a rise in value of output of almost \$11 million from \$16.9 million in 1959 to \$27.7 million in 1960, while magnesium production almost doubled from \$2.2 million to \$4.2 million. Zinc reached a production level of \$12.2 million and contributed \$1.2 million to the total increase.

With a value of \$24.8 million, non-metallic output stood close to the 1959 total, but fuels dropped by almost nine per cent to \$8.9 million. Due to the slowdown in construction activity, the production of structural materials (\$125 million) decreased by 3.6 per cent. As a result of extensive road building, output of sand and gravel (\$39.8 million) rose slightly while the production of stone (\$22.9 million) increased by almost four per cent.

Forestry and Forest-Based Industries

In 1960, Ontario's pulp and paper mills surpassed all previous records with a value of output estimated at \$494 million—an increase of about seven per cent over the previous year. A major factor was a rise in the production of newsprint by 7.3 per cent, from 1,502,000 to 1,612,000 tons, valued at approximately \$187 million. This sector of the industry experienced the highest annual rate of growth in output since 1946. The production of woodpulp also increased substantially while the volumes of paper board and book and writing paper turned out were more than four per cent over 1959 levels.

The United States continues to be by far the largest market for our newsprint, absorbing about four-fifths of our output. Although exports of Canadian newsprint to overseas countries reached a record level and will probably continue to rise on the long term, United States newsprint consumption will remain a

factor of paramount importance. In spite of the fact that the newsprint industry south of the border has more than doubled its capacity during the past decade and continues to expand, its growth is expected to lag behind the considerable rise in demand foreseen for the next twenty years. Consequently, prospects for the sale of our Canadian newsprint are good.

VOLUME OF PAPER PRODUCTION, BY KINDS, ONTARIO, 1939 TO 1960

	Newsprint	Paper Board	Book and Writing Paper	Wrapping Paper	Tissue Paper	Other Paper	Total Paper Production
			(Thousands of Tons)				
1939	840.1	191.7	57.9	19.9	7.4	8.9	1,125.9
1945	867.1	232.1	100.5	37.1	15.3	15.7	1,267.8
1946	1,073.1	309.9	118.6	41.3	20.2	16.4	1,579.5
1947	1,147.3	362.6	136.1	45.3	22.3	17.3	1,730.9
1948	1,198.1	396.1	146.6	52.9	25.8	18.0	1,837.5
1949	1,223.6	376.6	127.5	48.0	25.4	16.8	1,817.9
1950	1,240.1	417.4	137.6	62.7	27.5	18.4	1,903.7
1951	1,285.9	442.5	169.0	66.7	36.6	18.5	2,019.2
1952	1,296.8	408.0	153.2	56.5	31.5	17.4	1,963.4
1953	1,297.7	434.7	170.0	61.9	37.2	17.3	2,018.8
1954	1,345.7	420.7	177.0	68.7	39.3	15.6	2,067.0
1955	1,427.0	474.7	193.1	74.4	40.9	15.0	2,225.1
1956	1,471.8	507.6	224.4	74.4	45.5	13.8	2,337.5
1957	1,487.4	491.4	226.1	68.4	49.5	14.7	2,337.5
1958	1,465.3	515.8	233.9	71.4	53.0	15.8	2,355.2
1959	1,502.0 ¹	540.0 ²	250.0 ²	79.0 ²	..	..	2,441.0 ²
1960	1,612.0 ¹	564.0 ²	260.0 ²	78.0 ²	..	..	2,584.0 ²

¹Compiled by the Newsprint Association of Canada.

²Estimated by the Ontario Department of Economics.

Source: Dominion Bureau of Statistics, *The Pulp and Paper Industry* (annual).

The favourable development of the pulp and paper industry has stimulated logging operations. The volume of wood cut on our forest lands in 1960 is estimated to have been nine per cent higher than in 1959. During the fifties, Ontario's forests yielded an average of some \$130 million in timber annually. A portion of this cut was processed by the many hundreds of sawmills operating in the Province. Their combined output in 1960 is expected to have declined by about six per cent from the previous year, largely as a result of decreased activity in the construction industry.

Through increased research and improved methods of forest management the Province contributes to the optimum development of our forest resources. The forest inventory program has been intensified. In 1960-61 numerous field cruises were undertaken and 12,700 square miles were re-photographed from the air, using refined techniques. In the coming year, an area twice as large will be covered.

The effectiveness of our extensive forest protection and fire detection services is demonstrated by the remarkable reduction in fire losses during the last few decades. The area ravaged by fire last year was less than one-third of the

annual average during the fifties and less than ten per cent of the annual average during the 1930's. This was achieved despite a greatly increased public use of forest areas and a corresponding rise in man-caused fire hazards. The fight against tree diseases and noxious insects continues unabated and many thousands of acres of forest land in the Province were sprayed or otherwise treated.

Our forestry research is directed toward the improvement of natural regeneration methods and the development of better nursery and planting practices. Under an expanding stand-improvement program, new regeneration techniques are being developed to supplement natural growth with seedlings. It is anticipated that in 1961-62 the Province's tree nurseries will produce about 60 million trees.

In 1960, some 145,000 acres of forest land were managed by the Department of Lands and Forests on behalf of municipalities and conservation authorities. About 15,000 acres will be added to this total in 1961. Many of these forests are now producing returns from wood cut in silvicultural treatments.

ELECTRICAL ENERGY

New records were set in the generation and consumption of electrical energy in Ontario last year. Increases of seven and four per cent, respectively, brought to some 36 billion kilowatt-hours the amount of electrical energy generated in the Province and to about 37 billion kilowatt-hours the amount available for consumption.

The Hydro-Electric Power Commission of Ontario, which provides about 90 per cent of the Province's power requirements, is continuing its program of developing new power resources to meet the forecast growth in demand. It was the only power producer to add electrical capacity or to carry on the construction of new capacity in the Province. The primary peak load in December exceeded 5.7 million kilowatts (7.6 million horsepower), an increase of 2.6 per cent over the 1959 load. It is estimated that the peak load in 1980 will be nearly three and one-half times this level.

The dependable peak capacity of all the Commission's resources rose to 6,526,150 kilowatts (8,748,190 horsepower) in 1960, an increase of six per cent over the previous year. Forecasts indicate that by 1980, dependable peak capacity of all Commission resources will reach some 21.7 million kilowatts (29.1 million horsepower). It is expected that approximately 1.5 million kilowatts (2.0 million horsepower) of dependable hydraulic capacity will be developed, chiefly at sites in the far north of the James Bay watershed, and that this development will be co-ordinated with the construction of thermal-electric stations both conventional and nuclear, so that by 1980 total capacity may be relatively evenly divided among resources—hydro, conventional thermal and nuclear.

During 1960 the Commission was engaged in actual construction on eight projects and in engineering works for two others. Five of these projects were

for the purpose of developing electric power through hydro-electric, three through thermal-electric and two through nuclear-electric generation.

Construction at Red Rock Falls Generating Station which is located about 14 miles northeast of Thessalon on the Mississagi River, was completed in January of this year. At that time the second of two 20,000-kilowatt (26,800-horsepower) units was placed in service.

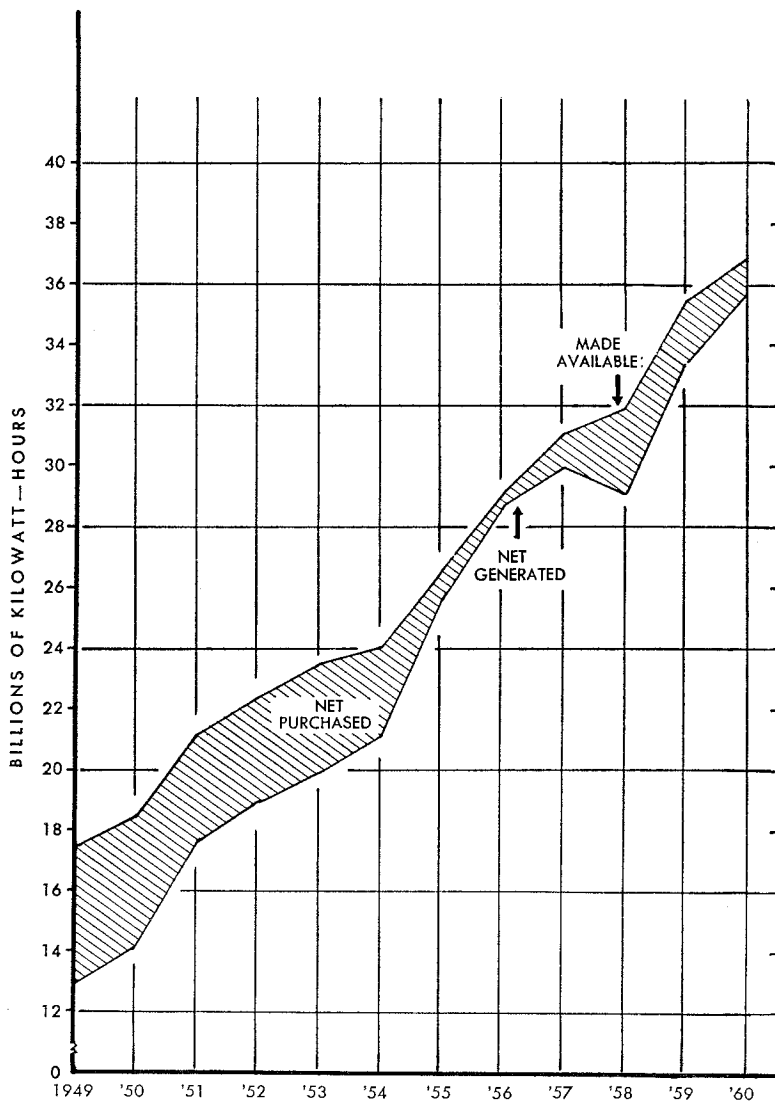
Construction at Otter Rapids Generating Station on the Abitibi River progressed rapidly during 1960. The first two units are scheduled for service in the fall of 1961 and two more in 1963. Four additional units will eventually be installed. The dependable peak capacity of the first four units will be 172,000 kilowatts (230,560 horsepower).

Early in 1960, the Commission decided to proceed with the construction of three generating stations on the Mattagami River, a tributary of the Moose River, which flows into James Bay. The new stations, to be known as Little Long, Harmon and Kipling generating stations, will be located on a twelve-mile stretch of the river, some 50 miles north of Kapuskasing. Little Long Generating Station is scheduled to come into service in 1963, its two units having a total dependable peak capacity of 114,000 kilowatts (152,800 horsepower). Three units, with a total capacity of 110,000 kilowatts (147,500 horsepower), are expected to come into operation at Harmon Generating Station in 1965, while the three units at Kipling Generating Station are scheduled for service in 1966. These latter units will have a total dependable peak capacity of 132,000 kilowatts (176,900 horsepower).

Although engineering design for the three plants is only in a preliminary stage, the first phases of construction are under way at Little Long Generating Station. At each of these stations, provision is being made for the installation of additional units as required, two at Little Long, three at Harmon and four at Kipling. These three stations plus Otter Rapids, will be supervisory controlled from the Pinard Transformer Station which will be built near Abitibi Canyon Generating Station. Power from the four stations will be transmitted from Pinard, initially at 230 kilovolts but eventually at 460 kilovolts, as far south as Toronto.

An important part of the Commission's future plans is the development of power resources other than hydraulic. Two new conventional thermal-electric generating stations are being built, while expansion of a third has just been completed. The Lakeview Generating Station, near Toronto, is the world's largest thermal-electric project now under construction. The first of four 300,000-kilowatt (402,140-horsepower) turbo-generators is scheduled for service this year and one unit will go into operation in each of the succeeding three years. Although immediate plans are for four units with a total installed capacity of 1.2 million kilowatts (1.6 million horsepower), the site is so planned as to permit the eventual addition of two more units, thus bringing total installed capacity to 1.8 million kilowatts (2.4 million horsepower).

ELECTRICAL ENERGY GENERATED AND MADE AVAILABLE IN ONTARIO, 1949 TO 1960



PHOTO—courtesy Ontario Hydro: LAKEVIEW GENERATING STATION. This \$250 million plant is the world's largest thermal-electric project at present under construction. By the mid-sixties it will have a capacity of 1.8 million kilowatts from six units. The first 300,000-kilowatt generator is expected to come into service this year.

The first stage in construction at the Thunder Bay Generating Station at Fort William is scheduled for completion late in 1961 when a single turbo-generator with an installed capacity of 100,000 kilowatts (134,050 horsepower) will go into commercial operation. The site is planned to permit extension of the powerhouse and the installation of additional units which would bring the total installed capacity to one million kilowatts (1.3 million horsepower).

The capacity of the Richard L. Hearn Generating Station in Toronto has been expanded by the installation of four additional turbo-generators, each with an installed capacity of 200,000 kilowatts (268,100 horsepower). One of the new units was placed in service in 1959 and two in 1960. When the final unit came into operation in March, 1961, the capacity of the station had been increased from 400,000 kilowatts (536,200 horsepower) to 1.2 million kilowatts (1.6 million horsepower).

The importance of developing nuclear power as a means of utilizing Ontario's uranium resources and thus diminishing the Province's dependence on imported coal, remains unchanged. Work on the development of nuclear-electric generation has been continuing for some years. Construction at the Nuclear Power Demonstration on the Ottawa River began in 1956. Work was halted, however, early in 1957 to permit design changes and began again in August, 1958. The station is being built by the Commission in conjunction with Atomic Energy of Canada Limited and the Canadian General Electric Company Limited. By the end of 1960, construction of the powerhouse and administrative wing had been completed and work was proceeding on the installation of the turbo-generator and auxiliary equipment. The station is expected to commence operating at low power about mid-1961 and to reach full power by the end of the year. Total installed capacity will be 20,000 kilowatts (26,800 horsepower).

In 1958 the Commission agreed to participate with Atomic Energy of Canada Limited in the development of a full-scale nuclear-electric generating station. It was to be uranium-fuelled and heavy-water moderated. Under the terms of the agreement, the Commission supplies engineering, accounting, supply, research and construction services to complement those of Atomic Energy of Canada. The Commission also undertook to provide a site, to build a transmission line connecting the station with the Southern Ontario System network, to operate the station during the trial period, and to purchase the station (when its operating characteristics had been proved suitable) at a price which would enable the energy output to be competitive in cost with that of a modern coal-fired station.

A site of approximately 2,300 acres at Douglas Point, on the shore of Lake Huron between Kincardine and Port Elgin, was purchased in 1959. Work began in 1960 with the construction of an access road, the erection of construction buildings and equipment, and the excavation of beach shingle for the powerhouse itself. The station, which will have an initial installed capacity of 200,000 kilowatts (268,100 horsepower), is expected to be in service in 1964 or early 1965.

Several new transformer stations were placed in service during the past year, including two in the Niagara area and one in Morrisburg. Major extensions of existing transformer stations, including one in Ottawa and one in Toronto were also carried out. The Commission's transmission network was extended by the net addition of 116 miles to a total of 17,829 circuit miles. A 65-mile, 230,000 volt double-circuit transmission line is now under construction between Neale Junction, north of Hamilton and E.V. Buchanan Transformer Station, near London. Service security in western Ontario will be improved with the completion of this new line early in 1961.

The rural distribution system was extended by the net addition of about 680 miles during 1960 to a total of approximately 48,000 miles. At the end of the year, rural customers numbered about 499,500, an increase of some 8,400. These figures include farm service customers, up only slightly during the year from 140,892 to 141,000.

The estimated actual expenditure by the Commission on generation, transformation, transmission, rural and other facilities to meet the growing requirements for power, reached \$142.1 million during 1960. About 60 per cent of this amount was for new generating facilities. This brings to a total of \$2,105 million the expenditures made for such purposes over the fifteen-year period 1946 to 1960. Plans for 1961 involve corresponding gross expenditures on fixed assets of approximately \$134 million. Repair expenditures on machinery and equipment accounted for an estimated \$25.9 million in 1960 and are expected to reach \$28.7 million in 1961.

ELECTRICAL ENERGY GENERATED AND MADE AVAILABLE IN ONTARIO, 1949 TO 1960

	Energy Generated in Ontario			Energy Made Available ¹ for Disposal in Ontario		
	All Producers Amount (Millions of Kwh)	Ontario Hydro Amount (Millions of Kwh)	% of Total	All Producers Amount (Millions of Kwh)	Ontario Hydro Amount (Millions of Kwh)	% of Total
1949	12,905	9,473	73.4	17,404	13,560	77.9
1950	14,141	10,818	76.5	18,448	15,228	82.5
1951	17,581	14,026	79.8	21,249	17,667	83.1
1952	18,913	15,272	80.7	22,430	18,816	83.9
1953	19,872	16,263	81.8	23,514	19,914	84.7
1954	21,139	18,078	85.5	23,995	20,836	86.8
1955	25,600	22,468	87.8	26,576	23,140	87.1
1956	28,783	25,142	87.4	29,188	25,267	86.6
1957	29,983	26,212	87.4	31,108	27,101	87.1
1958	29,139	25,643	88.0	31,917	28,265	88.6
1959	33,247	29,600	89.0	35,386	31,608	89.3
1960	35,698	31,713	88.8	36,990	32,864	88.8

¹Generation plus imports, less exports. Includes transmission losses.

Source: Dominion Bureau of Statistics, *Electric Power Statistics* (monthly); The Hydro-Electric Power Commission of Ontario.

INTEREST RATES AND CAPITAL BORROWING

General Monetary Conditions

The supply of money in Canada fluctuated within a narrow range during 1960. On average, the money supply (i.e. currency plus chartered bank deposits) increased by one-half of one per cent per month.

The bank rate which was at a high of 5.39 per cent on January 7 gradually declined to 1.93 per cent on September 22. Thereafter it progressively advanced to close the year at a level of 3.50 per cent.

A similar easing in the bank rate occurred in the United States of America. The rate was progressively lowered from 4.00 per cent at the commencement of 1960 to 3.50 per cent in June and further to 3.00 per cent in August, closing the year at that level. Though the bank rate of the United States of America remained within one percentage point of the Canadian rate for most of the year it is interesting to note that for virtually seven months of 1960 (April to October), the Canadian rate was lower than the U.S. rate. This had not occurred since mid-1958. The differential is a factor in the attraction of short-term capital funds—the wider the differential of the Canadian rate over the U.S. rate, the greater is the tendency for the inflow of U.S. short-term funds.

In contrast, the British bank rate was raised from 5.00 per cent in January, 1960 to 6.00 per cent in June. It remained at that level until October when it was lowered to 5.50 per cent. In December it was again reduced, this time to 5.00 per cent.

The trend towards easier money conditions throughout 1960 was mainly confined to the North American Continent. Central bank discount rates in most European countries, (France excepted) showed either no change, or were higher at the end of 1960 than at the commencement of the year. This is illustrated in the following table.

CENTRAL BANK DISCOUNT RATES

Country	Beginning of 1960	High in 1960	Low in 1960	End of 1960
	%	%	%	%
Austria.....	4.50	5.00	4.50	5.00
Belgium.....	4.00	5.00	4.00	5.00
Canada.....	4.85	5.39	1.93	3.50
Netherlands.....	3.50	3.50	3.50	3.50
Switzerland.....	2.00	2.00	2.00	2.00
United Kingdom..	5.00	6.00	5.00	5.00
United States.....	4.00	4.00	3.00	3.00
West Germany....	4.00	5.00	4.00	4.00
France.....	4.00	4.00	3.50	3.50

In a supplementary Budget brought down in Ottawa on December 20, 1960, measures were introduced to curtail the inflow of foreign capital and to encourage capital investment in Canada by Canadians. Effective December 21, 1960, Canadian Withholding Taxes were imposed at the rate of 15 per cent on all Government, Provincial, Municipal and Corporate bonds and on all dividends regardless of the currency of payment. This removed exemptions from the withholding tax previously enjoyed by certain classes of Canadian securities. The new provisions were not retroactive so that for Canadian bonds outstanding or under contract of sale on December 20, 1960, the old rates of withholding taxes applied. These were as follows:

On payments made in Canadian currency—

Government of Canada direct and guaranteed bonds	exempt
Provincial direct and guaranteed bonds	5%
Municipal and Corporate bonds	15%

On payments made in currency other than Canadian—

All bonds	exempt
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Certain other changes were also introduced enacting that, effective December 21, 1960, Canadian Withholding Taxes at the rate of 15 per cent would be imposed on all dividend payments made by a foreign owned subsidiary to its parent company, and on foreign businesses conducted in Canada as branches of parent organizations with certain exceptions including life insurance companies and banks.

Among the major tax incentives introduced were:

1. Repeal of the 4% surtax on investment income derived from sources within Canada.
2. Corporations are to pay tax at the low rate of 21% on the first \$35,000 of income rather than on the first \$25,000 as heretofore.
3. Taxpayers will be allowed to claim double depreciation in the year of expenditure or in one of the following two years in respect of capital expenditures for one of the following purposes:
 - (a) To establish new industries in areas where there is a substantial degree of continued unemployment.
 - (b) For the production of new products from processing operations not hitherto carried on in Canada.
 - (c) For the production of new types of goods in Canada.

The program will be introduced for an initial period of two years commencing January 1, 1961.

4. To encourage investment in Canadian bonds and stocks, investment companies which enjoy a special tax rate of 21% on all income will no longer qualify for this rate unless 75% of their income is derived from Canadian sources by 1963. To allow the investment companies time to accomplish this, the minimum Canadian content in 1961 is to be 55%, 65% in 1962 and 75% in 1963 and subsequent years.

5. Corporations or trusts established solely to administer a registered pension plan are now exempt from taxation. To remain exempt 90% of their income must be derived from sources within Canada. The minimum requirements will be 70% for 1961, 80% for 1962 and 90% in 1963 and subsequent years.

One of the immediate and desired affects of the Budget was a sharp decline in the premium on the Canadian dollar in terms of the U.S. dollar. The Canadian dollar, which has been quoted in premium terms since the first quarter of 1952, and which was at a premium of 2.09 cents immediately preceding the bringing down of the Budget, declined to a premium of 0.18 cents within a week of the announcement of its terms. However, subsequently the premium on the Canadian dollar has gradually risen and on February 28, 1961, it stood at a level of 1.55 cents. A table illustrating price quotations of the U.S. dollar in Canada since 1951 follows:

UNITED STATES DOLLAR IN CANADA

(On a Yearly Basis 1951 to 1960)

P—Premium
D—Discount

Year	High	Low	Average
1951	7 $\frac{3}{16}$ % P.	1 $\frac{3}{16}$ % P.	5 $\frac{1}{4}$ % P.
1952	1 $\frac{7}{8}$ % P.	4 $\frac{1}{8}$ % D.	2 $\frac{7}{8}$ % D.
1953	7 $\frac{1}{32}$ % D.	3 $\frac{1}{4}$ % D.	1 $\frac{11}{16}$ % D.
1954	1 $\frac{1}{4}$ % D.	3 $\frac{21}{32}$ % D.	2 $\frac{11}{16}$ % D.
1955	1 $\frac{1}{16}$ % P.	3 $\frac{17}{32}$ % D.	1 $\frac{3}{8}$ % D.
1956	1 $\frac{1}{32}$ % D.	4 $\frac{11}{32}$ % D.	1 $\frac{13}{32}$ % D.
1957	1 $\frac{3}{8}$ % D.	5 $\frac{25}{32}$ % D.	4 $\frac{1}{8}$ % D.
1958	2 $\frac{7}{32}$ % D.	4 $\frac{1}{4}$ % D.	2 $\frac{15}{16}$ % D.
1959	1 $\frac{3}{16}$ % D.	5 $\frac{1}{16}$ % D.	4 $\frac{3}{32}$ % D.
1960	3 $\frac{1}{16}$ % D.	5 $\frac{1}{16}$ % D.	3 $\frac{1}{32}$ % D.

(On a Monthly Basis 1960)

P—Premium
D—Discount

Month	High	Low	Average
January	4 $\frac{7}{16}$ % D.	4 $\frac{29}{32}$ % D.	4 $\frac{11}{16}$ % D.
February	4 $\frac{23}{32}$ % D.	4 $\frac{31}{32}$ % D.	4 $\frac{27}{32}$ % D.
March	4 $\frac{3}{16}$ % D.	5 $\frac{1}{16}$ % D.	4 $\frac{29}{32}$ % D.
April	3 $\frac{3}{32}$ % D.	4 $\frac{1}{16}$ % D.	3 $\frac{23}{32}$ % D.
May	1% D.	3 $\frac{13}{32}$ % D.	2 $\frac{7}{32}$ % D.
June	1 $\frac{1}{4}$ % D.	2 $\frac{1}{8}$ % D.	1 $\frac{25}{32}$ % D.
July	1 $\frac{11}{16}$ % D.	2 $\frac{13}{16}$ % D.	2 $\frac{9}{32}$ % D.
August	2 $\frac{17}{32}$ % D.	3 $\frac{3}{8}$ % D.	3 $\frac{1}{32}$ % D.
September	2 $\frac{1}{8}$ % D.	3 $\frac{5}{32}$ % D.	2 $\frac{3}{4}$ % D.
October	1 $\frac{7}{8}$ % D.	2 $\frac{17}{32}$ % D.	2 $\frac{7}{8}$ % D.
November	1 $\frac{15}{16}$ % D.	2 $\frac{25}{32}$ % D.	2 $\frac{9}{16}$ % D.
December	3 $\frac{1}{16}$ % D.	2 $\frac{1}{2}$ % D.	1 $\frac{3}{4}$ % D.

(On a Monthly Basis 1961)

P—Premium
D—Discount

Month	High	Low	Average
January	5 $\frac{5}{16}$ % D.	1 $\frac{5}{32}$ % D.	1 $\frac{1}{16}$ % D.
February	2 $\frac{25}{32}$ % D.	1 $\frac{17}{32}$ % D.	1 $\frac{1}{16}$ % D.

The imposition of the 15 per cent withholding tax on new Canadian bond borrowings in the United States of America payable in U.S. currency has resulted in a sharp reduction in this type of borrowing by Canadian companies and provincial and municipal governments to date. In January 1961, borrowing in the United States totalled only \$1,000,000 compared with \$3,750,000 in January 1960; \$75,000,000 in January 1959; and \$70,000,000 in January 1958.

Price Movements in the Canadian Bond Market

The high yields available in all sectors of the Canadian bond market at the end of 1959 continued to attract considerable investment interest during the first three quarters of 1960. All sectors registered impressive and progressive price advances with prices of most issues reaching their peak levels in late September. Thereafter heavy dealer inventories and general investment uncertainty brought about a sharp reversal in prices and a corresponding increase in yields. This downtrend in prices was particularly marked during October and lasted until late December when once again a level of stability was reached. Nevertheless over the year as a whole, prices of most outstanding bond issues registered good gains. For example, the bid price of the 6% Ontario issue due November 1977/79 advanced from \$98.00 on December 31, 1959 to \$106.00 on September 29, 1960 and closed the year at \$103.00. The bid price of the 5¾% H.E.P.C. issue due July 1979 advanced from \$97.00 on December 31, 1959 to \$103.00 on September 29, 1960 and closed the year at \$100.00. An indication of the extent of the decrease in yields during 1960 in respect of selected Canada, Ontario and Ontario Guaranteed issues is shown in the following table:

CHANGES IN BOND YIELDS, SELECTED DOMINION AND ONTARIO SECURITIES DURING 1959 AND 1960

	Yields											
	January 31,		April 30,		July 31,		October 31,		December 31,			
	1959	1960	1959	1960	1959	1960	1959	1960	1959	1960	1959	1960
	%	%	%	%	%	%	%	%	%	%	%	%
Short Term Securities:												
Dominion 91 Day Treasury Bills.....	3.28	4.60	4.76	3.26	5.47	2.92	5.02	3.03	5.12	3.25		
Dominion 3% December 1960.....	4.63	4.29	4.97	3.00	5.64	2.85	4.85	2.52	4.52	....	
Ontario 4% December 1959/61.....	4.75	5.69	5.03	4.80	5.45	4.38	5.90	4.00	5.73	4.15		
Ontario Hydro 3% March 1961/63.....	4.70	5.55	4.88	4.86	5.30	4.40	5.75	4.10	5.42	4.62		
Medium Term Securities:												
Dominion 3% September 1961/66.....	4.07	5.41	4.70	4.80	4.70	4.32	5.08	4.19	5.41	4.48		
Dominion 2¾% June 1967/68.....	4.46	5.36	4.87	4.98	4.73	4.45	5.13	4.47	5.31	4.63		
Ontario 3% November 1963/65.....	4.70	5.87	4.89	5.06	5.15	4.38	5.75	4.35	5.50	4.88		
Ontario Hydro 3% June 1971/73.....	4.73	5.69	4.87	5.10	5.06	4.70	5.50	4.71	5.45	5.20		
Long Term Securities:												
Dominion 3¼% October 1979.....	4.42	5.34	4.71	5.09	4.85	4.81	5.15	4.86	5.25	5.13		
Dominion 3¾% March 1996/98.....	4.67	5.06	4.68	5.13	4.78	4.79	4.91	4.86	4.93	5.19		
Dominion 4½% September 1983.....	4.82	5.71	4.94	5.23	5.20	5.15	5.50	5.06	5.61	5.32		
Ontario 4¼% May 1971/74.....	4.90	5.87	5.00	5.40	5.30	5.14	5.73	5.13	5.74	5.36		
Ontario Hydro 4½% October 1972/74...	5.06	5.99	5.09	5.40	5.37	5.18	5.81	5.16	5.88	5.32		

Since the commencement of 1961, renewed investment interest has resulted in a considerable strengthening of the entire bond market in Canada. Some indication of the trend towards higher prices and corresponding lower yields of outstanding bond issues is shown in the following table:

SELECTED SECURITIES, PRICES AND YIELDS
(As at mid-market close)

Securities	December 30, 1960		February 28, 1961		Change December 30, 1960 to February 28, 1961	
	Price \$	Yield %	Price \$	Yield %	Price \$	Yield %
Short Term Securities:						
Dominion 3% May 1961.....	99.85	3.33	100.10	2.12	+0.25	-1.21
Ontario 4% December 1959/61....	99.625	4.15	100.00	3.87	+0.375	-0.28
Ontario Hydro 3% March 1961/63..	96.00	4.62	97.75	4.05	+1.75	-0.57
Medium Term Securities:						
Dominion 3% September 1961/66..	92.00	4.48	93.00	4.34	+1.00	-0.14
Dominion 2¾% June 1967/68....	87.75	4.63	88.50	4.53	+0.75	-0.10
Ontario 3% November 1963/65....	91.50	4.88	92.50	4.66	+1.00	-0.22
Ontario Hydro 3% June 1971/73..	80.00	5.20	82.50	4.85	+2.50	-0.35
Long Term Securities:						
Dominion 3¼% October 1979....	77.00	5.13	78.75	4.98	+1.75	-0.15
Dominion 3¾% March 1996/98....	75.75	5.19	78.00	5.03	+2.25	-0.16
Dominion 4½% September 1983..	88.75	5.32	92.00	5.06	+3.25	-0.26
Ontario 4¼% May 1971/74.....	89.00	5.36	90.00	5.25	+1.00	-0.11
Ontario Hydro 4½% October 1972/74	91.50	5.32	92.50	5.22	+1.00	-0.10

**Public Bond Financing by the Province of
Ontario and Its Municipalities**

The Province of Ontario went to the market, for its own purposes, on only one occasion during the calendar year 1960, and no issues have since been made. In May 1960, it raised \$60 million through the issue of \$10 million 5½% debentures, due May 1, 1970, priced at \$99.25 to the public to yield 5.60% and \$50 million 5½% debentures due May 1, 1978/80, priced at \$97.50 to the public to yield 5.71%. Thus during the calendar year of 1960, the Province of Ontario raised by public issues and for its own purposes an amount of \$60 million, as compared with \$100 million in the calendar year 1959—a decrease of \$40 million or 40 per cent.

In addition, the Province guaranteed principal and interest on two issues totalling \$100 million, of the Hydro-Electric Power Commission. The first, issued in February 1960, was for \$50 million principal amount in 6% bonds due February 15, 1970 and 1978/80, priced at \$99.50 and \$97.75 to the public to yield 6.07% and 6.20%, respectively. The second issue marketed in July was for \$50 million principal amount in 5¼% and 5½% bonds due July 15, 1970 and 1978/80, priced at \$100.00 and \$99.50 to yield 5.25% and 5.54%, respectively. Subsequently, in February 1961, the Province guaranteed principal and interest

on a \$50 million issue of the Hydro-Electric Power Commission. The issue was comprised of \$5.3 million 5¼% debentures, due February 15, 1971, priced at \$99.00 to the public to yield 5.38%, and \$44.7 million 5½% debentures, due February 15, 1979/81, priced at \$97.00 to the public to yield 5.75%.

The total value by sales of Ontario Municipal bond issues during the calendar year 1960 advanced to a level of \$197.4 million as compared with \$195.4 million in 1959—a slight increase of one per cent. They continued to account for a substantial proportion of the total value by sales of all Canadian Municipal bond issues—namely 41.4 per cent.

In spite of the slight easing in the interest rate structure of the capital market during 1960, interest cost of municipal borrowing continued to present a problem to our municipalities. An indication of the cost of borrowing to our municipalities in recent years is shown in the following table:

**INTEREST COST OF BORROWINGS TO FOUR REPRESENTATIVE MUNICIPALITIES
IN ONTARIO DURING 1950 TO 1960**

	Metropolitan Toronto ¹		City of Ottawa		City of Barrie ²		Township of Stamford	
	Amount	Interest Cost	Amount	Interest Cost	Amount	Interest Cost	Amount	Interest Cost
	(\$000)	%	(\$000)	%	(\$000)	%	(\$000)	%
1950	9,165	2.76	7,000	2.92	601	3.13	126.3	3.23
	843.3	2.35	2,936	3.50	160.8	3.19		
	15,000	2.76						
1951	20,000	3.49	8,561	3.48	580	4.44	75	3.64
	5,568	3.79						
1952	10,774	3.98	505	3.95	218.9	4.63	..	..
			2,032	4.20				
1953	12,000	4.24	3,417	4.08	148.2	4.60	125	5.10
	12,610	4.50						
1954	30,235	3.63	4,304	3.22	324	4.23	213.5	4.75
	26,155	3.56			136	3.65		
1955	31,714	3.58	2,219	3.88	110.3	4.27	..	..
	28,169	3.88						
1956	28,580	4.58	8,058	4.12	800	4.78	1,400	4.40
	36,454	4.48						
1957	20,090	5.43	3,365	5.45	455.5	6.02	..	..
	26,694	5.10	10,761	4.99				
	39,372	5.20						
1958	29,640	4.13	3,676	4.55	753	5.51	417.6	5.28
	39,587	4.85	6,206	5.09			423	5.81
1959	26,259	5.47	17,364	5.69	526	6.60	197.3	5.69
	39,982	5.22					170	6.86
	24,357	6.46					1,295	6.55
1960	41,318	5.25	17,474	5.73	912.5	5.93	29	6.35
	24,256	6.03						
	29,350	5.68						

¹City of Toronto in 1950-53.

²Town of Barrie in 1950-58.

Canadian Public Bond Financing

Canadian government, provincial, municipal and corporation public bond financing in 1960 totalled \$3,923,454,510, as compared with \$3,639,713,741 in 1959—an increase of \$283,740,769 or 7.8 per cent. Of the total Canadian bond financing in 1960, seventy-five per cent represented new financing and the remaining twenty-five per cent comprised refunding of issues. This compares with ninety-two and eight per cent, respectively, in 1959. The total value by sales of new Canadian bond financing in 1960 was \$2,946,803,350, down \$387,686,391 or 11.6 per cent from \$3,334,489,741 issued in 1959. As in recent years, Federal Government borrowing continued to dominate the market. Federal financing constituted 58 per cent of the total value by sales of Canadian bonds raised in 1960. The value of provincial issues registered a decrease of 14.8 per cent over that in 1959. In contrast, the value of municipal and corporate issues increased 11.6 per cent and 34.4 per cent, respectively, over the total in 1959.

The breakdown of bond issues in the calendar years 1959 and 1960 was as follows:

Canadian Bond Financing January 1 to December 31	1959		1960	
	Amount	% of Total	Amount	% of Total
	\$	%	\$	%
Canadian Direct and Guaranteed ¹	2,081,000,000	57.2	2,275,224,650 ²	58.0
Provincial Direct and Guaranteed ¹ ..	710,904,370	19.5	605,864,916	15.5
Ontario Municipal.....	195,434,169	5.4	197,418,680	5.0
Quebec and Maritime Municipal....	176,827,500	4.9	228,750,700	5.8
Western Municipal.....	54,995,152	1.5	50,765,564	1.3
Corporation.....	420,552,550	11.5	565,430,000	14.4
Total.....	<u>3,639,713,741</u>	<u>100.0</u>	<u>3,923,454,510</u>	<u>100.0</u>
Payable in Canadian Funds.....	3,173,165,790	87.2	3,682,860,510	93.9
Payable in U.S. Funds.....	466,097,951	12.8	240,594,000	6.1
	<u>3,639,713,741</u>	<u>100.0</u>	<u>3,923,454,510</u>	<u>100.0</u>
Refunding.....	305,224,000	8.4	976,651,160	24.9
New Money.....	3,334,489,741	91.6	2,946,803,350	75.1
	<u>3,639,713,741</u>	<u>100.0</u>	<u>3,923,454,510</u>	<u>100.0</u>

¹Over two years in term.

²Includes sales during 1960 of Canada Savings Bonds, Series 15, to December 30th amounting to \$826,224,650.

SELECTED ECONOMIC INDICATORS OF ONTARIO, 1950 TO 1960

	1950	1954	1956	1958	1959	1960	Percentage Change 1960 1950
A. Population, Labour Force and Employment							
Population (June 1).....	Thousands 4,471	5,115	5,405	5,803	5,952	6,089	+ 36.2
Children under 15 Years.....	Thousands 1,175	1,451	1,618	1,797	1,860	1,923	+ 3.4
Labour Force.....	Thousands 1,825	2,022	2,146	2,256	2,290	2,367	+ 29.7
Employment.....	Thousands 1,782	1,945	2,096	2,133	2,187	2,239	+ 25.6
Unemployed.....	Per Cent 2.4	3.8	2.4	5.4	4.5	5.4	..
B. Production							
Gross National Product.....	\$ Millions 18,006	24,871	30,585	32,606	34,857	35,959 ¹	+ 99.7
Gross Provincial Product ²	\$ Millions 7,382	10,197	12,540	13,368	14,291	14,743	+ 99.7
Selling Value of Factory Shipments.....	\$ Millions 6,823	8,533	10,655	10,864	11,832	11,700 ²	+ 71.5
Gross Value of Farm Production.....	\$ Millions 1,129	1,038	1,098	1,189	1,173	1,204 ¹	+ 6.6
Value of Mineral Production.....	\$ Millions 367	497	651	790	971	984 ¹	+ 168.1
Value of Metal Production.....	\$ Millions 303	395	521	629	806	825 ¹	+ 172.3
Value of Pulp and Paper Production.....	\$ Millions 299	365	444	449	462 ²	494 ²	+ 65.2
Electric Energy, Available for Consumption.....	KWH Millions 18,448	23,995	29,188	31,917	35,386	36,990	+ 100.5
Electric Energy, Generated.....	KWH Millions 14,141	21,139	28,783	29,139	33,247	35,698	+ 152.4
New Dwelling Units, Starts.....	Number 33,430	46,382	48,712	63,753	54,158	42,282	+ 26.5
New Dwelling Units, Completions.....	Number 31,318	41,085	51,201	59,551	54,281	46,982	+ 50.0
New Dwelling Units, Under Construction, Dec. 31.....	Number 24,331	27,941	26,232	33,414	32,827	28,335	+ 16.5
C. Income							
Personal Income.....	\$ Millions 5,285	7,397	8,617	9,837	10,520	10,900 ²	+ 106.2
Disposable Personal Income.....	\$ Millions 4,949	6,729	7,774	9,013	9,518	9,850 ²	+ 99.0
Wages, Salaries and Supplementary Labour Income.....	\$ Millions 3,624	5,189	6,198	6,936	7,467	7,700 ²	+ 112.5
Farm Cash Income.....	\$ Millions 650	726	781	872	867	883 ²	+ 35.8
Personal Income Per Capita.....	\$ 1,182	1,446	1,594	1,695	1,768	1,790 ²	+ 51.4
D. Expenditures							
Retail Sales.....	\$ Millions 3,715	4,634	5,499	5,934	6,225	6,258 ¹	+ 68.5
E. Investment							
New Capital Investment.....	\$ Millions 1,419	2,089	2,842	3,105	2,900	2,835 ¹	+ 99.8
Repairs.....	\$ Millions 601	814	884	976	1,088	1,070 ¹	+ 78.0
Total New Capital and Repair Expenditures.....	\$ Millions 2,020	2,903	3,726	4,080	3,988	3,905 ¹	+ 93.3
F. Miscellaneous							
Value of Cheques Cashied in Clearing Centres.....	\$ Millions 43,146	65,615	84,580	102,799	117,852	126,451 ²	+ 193.1
Motor Vehicle Registrations.....	Thousands 1,104	1,490	1,710	1,869	1,974	2,063	+ 86.9

¹Preliminary.²Estimated by the Ontario Department of Economics.

