

BUDGET SPEECHES
1924 - 5 - 6
REPORT
TO THE
PROVINCIAL TREASURER
ON
PLAN OF RETIREMENT
OF THE
PROVINCIAL DEBT OF ONTARIO
PRICE

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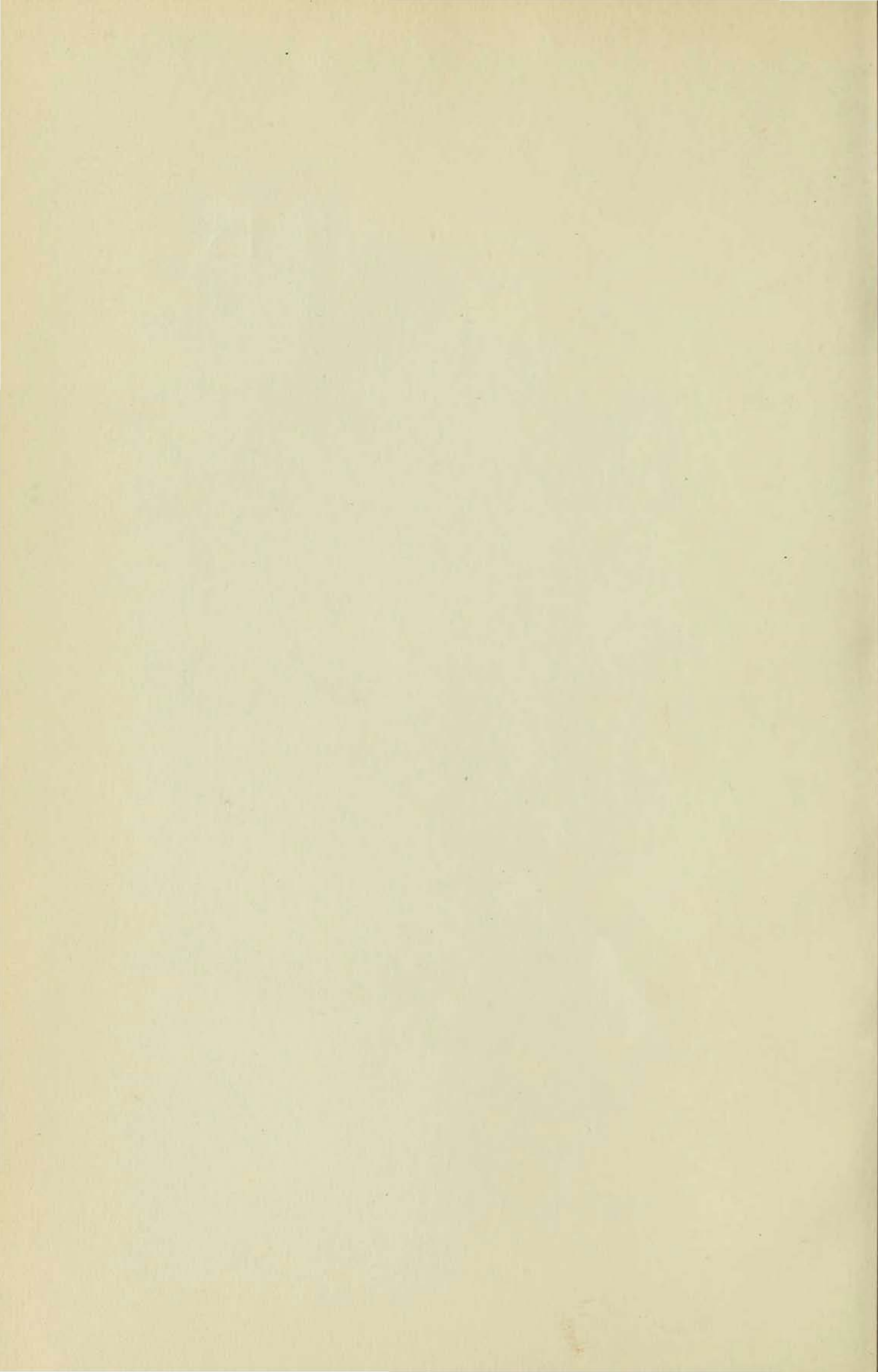
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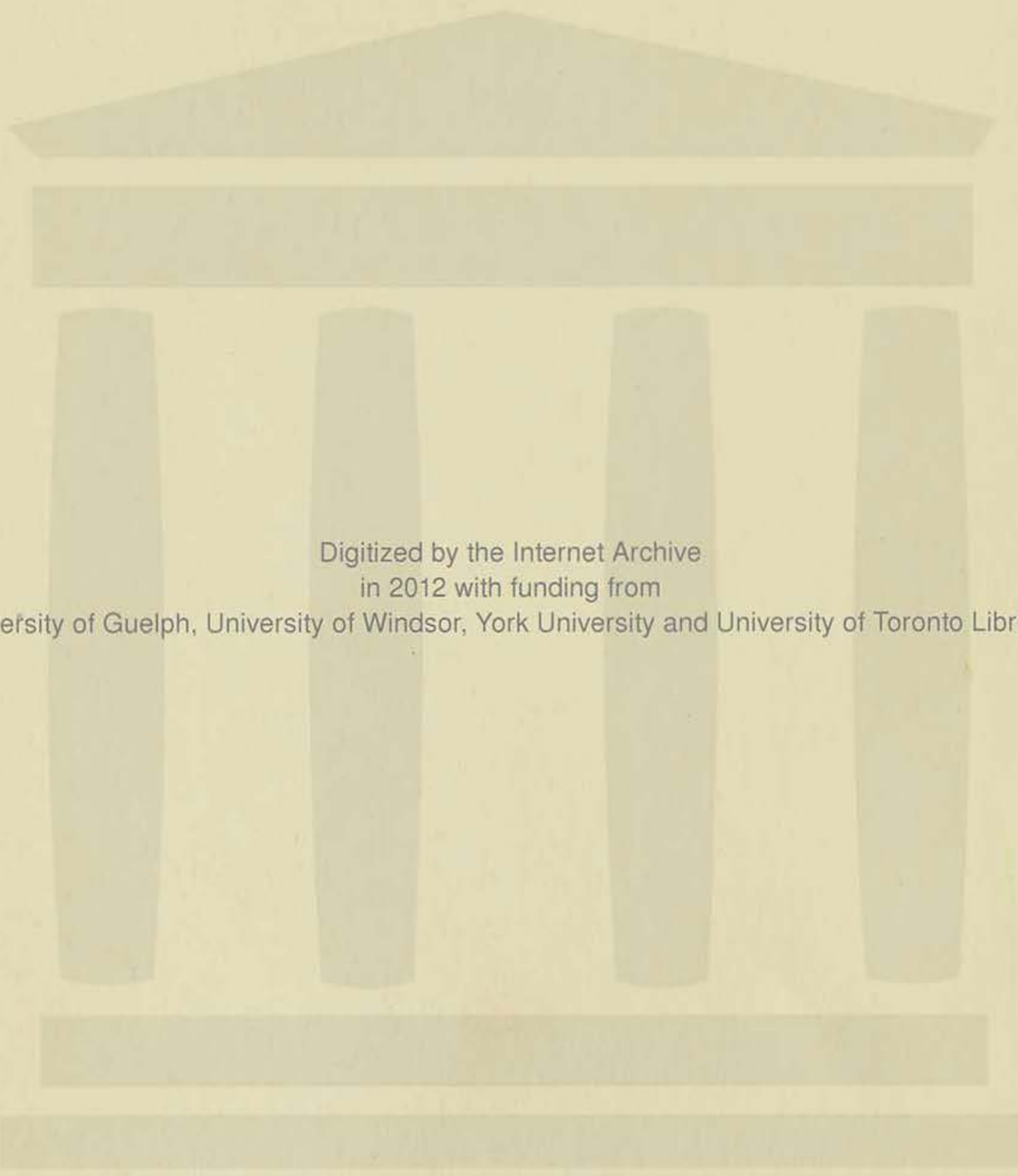
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Financial Statement

OF

THE HON. WILLIAM H. PRICE

Treasurer of the Province of Ontario

DELIVERED IN THE
LEGISLATIVE ASSEMBLY OF ONTARIO

ON THE

19th FEBRUARY, 1924

On moving the House into Committee of Supply

PRINTED BY ORDER OF
THE LEGISLATIVE ASSEMBLY OF ONTARIO



TORONTO

**Printed and Published by Clarkson W. James, Printer to the King's Most
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1924

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Financial Statement

THE HON. WILLIAM D. PEARCE
Minister of the Treasury of Ontario

PRINTED IN THE

LEGISLATIVE ASSEMBLY OF ONTARIO

BY THE

GOVERNMENT OF ONTARIO

Ontario's Share in the Development of Canada



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BUDGET ADDRESS

DELIVERED BY

HON. WILLIAM H. PRICE

Treasurer of the Province of Ontario

February 19th, 1924.

MR. SPEAKER: In rising to move that you do now leave the chair in order that this House may resolve itself into a Committee of Supply, I beg leave to make some general observations on the financial position of the Province at this time and during the last fiscal year. I noticed, Sir, that most of the speakers on the Address prefaced their remarks, as far as public affairs were concerned, with hearty congratulations to you on your elevation to the Speakership of this Assembly. I rejoice to add my congratulations to my old deskmate in this House when he receives at the hands of the Crown the distinguished position of Speaker of this Assembly. I look back with a great deal of pride, Mr. Speaker, on those days when you sat among the seats now occupied by three young members of this House—the honourable member for West Lambton, the honourable members for Welland and for Niagara Falls; and I recollect at that time, Sir, when you were just, may I say, a common, ordinary member of this great tribunal, that you had on one side of you the honourable member for West York and on the other your humble servant. And now to-day we all have to appear under your guidance, without fear or favour, but on the one level all alike subject to the rules of the House; we ask no special favours nor privileges but only to be heard, as every member of the House is entitled to be heard, with due decorum and dignity.

Improvements in the Public Accounts

Mr. Speaker, I do not know that honourable members in this House have any great affection for the Public Accounts. They look at them and wonder just what they mean, and what they contain, and in looking through them they are

not even given any very great help. We have in this fiscal year tried to make some improvements and changes in the Public Accounts. Honourable members have copies on their desks. They have a short balance sheet before them, somewhat different from what has been placed on the desks of members in previous years, but giving all the necessary information. If one were to look at the Public Accounts one would find that the Table of Contents has been greatly improved. The revenue and expenditure statement you will find there classifies all the different expenditures and the revenue under various departments, making it easy for any member to find exactly where expenditures or revenues are. The assets and liabilities statement (No. 3) is greatly improved. It gives one some idea of the assets and liabilities of the Province. If one looks at Statement No. 4, you will find that we have a complete tabulation of the bonded debt of the Province, giving members all the information that they may require on that point. There are statements of the Ontario Savings Offices, of the Ontario Superannuation Fund, Mothers' Allowance, Land Transfer Tax, Ontario Housing Commission. All these are new, and all give information so that members of the House may have the figures before them. Then if you look at the fore-sheets at the head of each departmental account, you will find there an index showing just where various items may be found; and, in addition to that, in the main list of expenditures, at page 70, Statement 25, you will find arranged our institutions, giving the name, we will say, of the town or village or city where the institution is located, so that the information is readily available. I hope honourable members will find that there has been at least considerable improvement made in the Public Accounts.

I do not think I could part from that subject without saying this: that we have had eight months and a half of the previous Administration; three months and a half of the present Administration. We are operating to-day on the estimates passed by the old Administration over a year ago, or at least we were in the past fiscal year—and I am talking now always of the fiscal year ending the 31st of October, 1923. So that in taking up Public Accounts and various financial arrangements this House will see that this Government must perforce reflect in the Public Accounts something that was fairly well fixed in previous sessions of the House.

When it comes, however, to getting out the Public Accounts next year, we propose to cut them down to a considerable extent. There are about 1,000 pages in the Public Accounts to-day. That is too much; it is too bulky. There is no reason why little items like, say, "Washers, \$7.83" cannot be eliminated. We can cut down perhaps two or three hundred pages without any damage, and I think we can cut them more than that, and we hope next year to carry out improvements along that line.

Annual Financial Statement—The Deficit

I will now proceed to take up the revenues and expenditures of the Province. Honourable gentlemen will see that they are portrayed in Statement No. 1, and explained to a certain extent in Statement No. 2. You will observe in considering these aspects of expenditures and receipts that we have reached this year a very high-water mark in expenditures; in fact the expenditures of the Province for the last fiscal year ran over \$49,000,000—\$49,305,439.15, very close to fifty million dollars—while the revenue ran only \$34,110,212.62, leaving a deficit of over \$15,000,000. In considering these expenditures and revenues from every angle, honourable gentlemen will see at once in consulting the statement they have before them, that while this is an extraordinary deficit, the word "extraordinary" appears no more. Last year, for the information of honourable members who did not sit here, the old Government named a column "Capital and Extraordinary." It was a very extraordinary procedure, and it has led to a certain extent, though not altogether, to the situation we find at the present time. In order to bring this pointedly to the attention of honourable members, if they refer to Statement No. 1 they will see that the similar items which were included in last year's statement as "Capital and Extraordinary" and are now under ordinary are placed in black type, and if one looks at Statement No. 24 (a), page 68, or in the second last statement in this little advance balance sheet, you will find all these items explained, and what are placed in Ordinary instead of Capital and Extraordinary. If you run down these items, like the first one, Hydro-Electric Power Commission, amounts charged to Province, \$105,156; Public Service Superannuation Fund, payments

to annuitants—clearly Ordinary; Northern Ontario Fire Relief, clearly Ordinary; you pay it out and never get it back; Commissions re Sundry Investigations, \$325,124; Hydro Radial investigations, \$377,327; Assisted schools, \$20,860; Consolidated schools, \$109,503; Technical schools, \$327,113; and grants to Universities, \$753,638 (these universities get grants, like Western and Queens, but their assets do not belong to the Province). Then you come to the Lands and Forests Department, sundry investigations, \$28,518; Mines Department, peat fuel investigations, \$9,925; Temiskaming Testing Laboratories, \$19,910; and Provincial Treasurer's Department, purchase of films, \$65,431; Soldiers' Aid Commission, \$142,500; Annuities, \$102,448; Railway aid, \$139,112, and Provincial Savings Office expenses, \$114,560, and also the additional sum of \$100,000 for Northern Ontario Fire Relief. In all a total of \$3,005,903.42, which last year were charged by the late Government to Capital and Extraordinary.

New Classification of Expenditures

Now, Mr. Speaker, we contended last year (the honourable member for Kingston and honourable member for Sudbury particularly) on the floor of this House that these items were ordinary expenditures and should be classed as ordinary expenditures. The Conservative party and its leader, and I think almost every member of the Conservative group made these criticisms, and I believe also my honourable friend from South Ontario (Mr. Sinclair). To-day we, as a Government, say to the House, as we said in Opposition, these are Ordinary expenditures and we shall class them in Ordinary expenditure, and when we bring down our Accounts for next year we shall class similar accounts as Ordinary.

Honourable gentlemen will observe also that we made the contention last year that the losses on Loans and Treasury Bills, where a loan or bill was sold for less than par, should (if a Treasury Bill) be taken up in the proportion of that year and charged to Ordinary expenditure; and if a loan over a period of years it should be amortized. We now present a statement (No. 24B) which shows that the losses last year on Treasury Bills and Loans amounted to \$472,301.22. These are not necessarily losses, but they should be figured in as a portion of interest charges. If the rate of

interest is 5 per cent. sold below par, then these items should be figured in to increase the rate per cent., and we have therefore placed these items in Ordinary. That leaves altogether an amount according to our contention of \$3,472,301.22, comprised of similar items placed last year in Capital and Extraordinary which we now place in Ordinary expenditure.

Drury Administration Deficits

We are looking at this large deficit of over \$15,000,000. If my honourable friends opposite desire to disagree, and to argue that these are Capital expenditures, let us take off the \$3,472,000 and we still have \$11,500,000 of a deficit. Let us endeavour to get into our minds the causes that make it necessary for any Government or any Treasurer to bring down a report which shows a deficit of \$15,000,000. What were the causes? No doubt the chief cause was the disposition of the late Government always to angle for a surplus, always to angle for something they did not have or did not nearly have. It will be shown that they never approached a genuine surplus at any stage in their four years of office. If you will juggle figures in order to make something appear to exist which does not exist, then you must inevitably pay the penalty, and we all know it. Our predecessors closed their books at times favourable and took in extra receipts. They did all these things, and they brought old Nemesis after them with a vengeance with this fifteen-million deficit. And it is interesting, even if it is painful for the ratepayers who pay the bills in this Province, to figure out just what was the total of deficits of four years of the former Government in the Province of Ontario. I have had the Treasury Department figure out year by year, estimating each year on the same basis as I have estimated this year, putting Ordinary charges as Ordinary, and what do we find? We find that in 1920 the deficit was \$2,988,428; in 1921, \$3,654,114; in 1922, \$2,662,060; and in 1923, \$15,195,226, or a total of deficits for the Drury Administration of \$24,499,830.21, which averages a deficit each year of over six million dollars.

My honourable friend from East Wellington smiles; it is no smiling or laughing matter for the people who have to pay the bills. It has been the most expensive experiment this Province has ever had in finances or anything else.

Ordinary Receipts

We have to-day, Mr. Speaker, established a concise system of bookkeeping which shows the average member of the House, and the average citizen when he picks up the Public Accounts, just where the Province stands. I intend more particularly to devote a few minutes to comparison of Ordinary receipts this year with 1922. It will be very interesting for us to go over them and find out just where these changes have taken place. In the Subsidy there was an apparent decrease of \$123,117.40. In Lands and Forests there is an actual decrease of \$1,236,376.40. The Department reports show that there was apparently very great difficulty in lumbering because lumbermen were unable to sell their lumber to as good advantage as they had in former years, and I wish to remind honourable members that the reaching-out policy of the last Government extended through November and away into December in order to get moneys to put in the previous fiscal year. We closed our books on October 31st. Then in Game and Fisheries there is a decrease of \$141,196, owing to an uncontrollable depression in the fur trade in 1923. In the Motor Vehicle branch, one will notice there is an increase of \$818,579. In Law Enforcement there is a decrease of \$481,078. In the Succession Duty branch there is a decrease of \$2,664,000, but in 1922 we saw a high-water mark, the amount collected being \$6,523,245. Honourable members will recall how the Succession Duties on the Eaton Estate were obtained then—a million and a half brought in, as I said before, with the idea of swelling their surplus. That was taken out of the ordinary channels; it would not have come in for probably six months, and any time you interfere with the ordinary laws which govern receipts and disbursements in any business—where you take moneys ahead of time and put in another year—you are in for trouble. This should have been placed in 1923, and instead of collecting \$3,858,260 we would have collected over five millions.

HON. MR. RANEY: You were very unfortunate.

HON. MR. PRICE: If you had not juggled these amounts the Province would not have been in such a bad place this year. Then as to Corporation Tax, the same thing applied,—decreases in revenue which account for outstanding amounts; railway taxes, \$450,000, and also in race-meets, \$489,392;

T. & N. O. Railway in 1922 provided \$600,000, and gave the Province last year \$750,000, an increase of \$150,000. Altogether, the decreases amounted to \$6,281,659, the increases, \$1,884,560, or a net decrease of over \$4,300,000.

Ordinary Expenditures

Now we come to Ordinary expenditures, with increases all along the line, and I do not think we have ever had such a display of increases in the history of any province or institution. I look over comparative figures for 1922 and 1923, and I see the only two decreases are Game and Fisheries, \$2,173.77, and Attorney-General's Miscellaneous, \$9,711.49, altogether making \$11,885.26 decrease; but when I come to the other column and add them up I find the increase totals the amazing sum of \$11,874,338, about a thousand times as large.

In explanation of some of the increases, one will easily pick out some very outstanding items. For instance, the interest on loans increased from \$11,719,682.70 to \$14,066,402.52, a total increase of \$2,346,719.82, vindicating the contention of this Government when in Opposition, that, if you will have tremendous capital borrowings and public services throughout the Province in the most expensive period of construction, then you have got to pay for them in interest every year throughout the life of the loans. The same applies to Highways, where the increase was \$1,905,111.17 in maintenance; Northern Ontario Development, increase, \$475,006. Railway Tax Distribution—there is another thing—the late Government did not distribute any in 1922. We had to make up for that, and the both years were distributed, totalling \$192,952.16. Ontario Election Act, \$407,575.75; I think honourable members will agree that was well spent. I will not attempt to go over all these items. Members have them well outlined in the Public Accounts.

The T. & N. O. Railway

An interesting thing, however, is shown in connection with the T. & N. O. Railway. We have spent on capital account of the T. & N. O. over twenty-eight millions. The interest since the building of the road amounts to nearly \$8,000,000. The Province has received on account \$3,450,000. That leaves a balance of interest still due of \$4,500,000. I am

instancing this, Mr. Speaker, because it shows how interest does run up. It was good business, no doubt, to build that road; it was a colonization railway. The Province got value. But to-day we have to get as revenue from that road considerably over a million dollars to pay our interest. In 1916 the railway paid a million dollars. In the last two or three years, and during the war, the payments have not been as large, and this year we received \$750,000.

Future Expenditures to be Curtailed

I think, Mr. Speaker, that when honourable members look at these figures as they stand to-day and figure out the tremendous deficit over the period of four years, it will be seen that we must go very, very carefully in the expenditure of public money. I feel that the Province has great resources and possesses the means of paying any reasonable amount we may be behind, but, Sir, I think we have reached the time, no matter what our personal view-point may be, when we must face the issue fairly. Many a man in his business, when he feels that he has to meet a deficit, does not begin to worry so much about the deficit, but begins to order his affairs so as to pay it off and get back on good sound footing and stable lines. But, Mr. Speaker, most people who consider the various items of expenditure look at it from a personal view-point. The average member is prepared—and I say this with all kindness, because you all want to get a fair amount for your Ridings—the average member is prepared to have it cut any place else but in his own Riding. I want to talk plainly to honourable gentlemen here: if you expect this Government to cut down expenditure we must have your support. If you believe that this Government was put into power in this Province to cut down expenditure, then you will go home to your Ridings and say to your municipal councils and other organizations that the Government is committed to a policy of economy; that the electors placed them in to do certain things. You will go and ask them for co-operation in order to carry out the spirit of economy throughout the Province. We must consider most carefully before we start on any new undertaking. Municipalities as well as governments must consider most carefully. Let no municipality get into some project and then, having spent \$100,000, come to this Government and expect to get increases and grants for

the balance of the expenditure. I know, Mr. Speaker, personally speaking, that it is not a popular thing to talk about cutting down expenditure. This Government knows well that it probably will be criticized for cutting down here and there, but with the recent experience before us, an Ordinary expenditure in this Province of nearly \$50,000,000 in a year, and a deficit of \$15,000,000, as much as the Hearst Administration spent on Ordinary expenditure at the beginning of the war, what can be done? The deficit is three times the amount the Whitney Administration spent on Ordinary expenditure at the time they came into power.

Co-operation of all Citizens for Economy Invited

The vast transactions of the Great War accustomed us to talk in such large figures; there were such great loans of many millions raised during the War, that we are disposed to feel insignificant when we deal in thousands. But, Mr. Speaker, what we want to-day urgently is education of our people to economy. I know the Prime Minister is bending his energies in every possible way in the Education Department to inculcate in the young mind the desire for economy. Why to-day, Mr. Speaker, the boy of ten or twelve is running the household; he is buying more things in clothes and boots and skates and sundries; he wants a whole wardrobe before he goes out; while years ago those seated here probably had one suit or pair of boots and were satisfied. We must revert to the simpler basis of life before the War. The Government asks for co-operation, co-operation of all citizens. We have tried to place squarely and fairly the record of affairs last year before the House and before the people and we believe that the people should know exactly where we stand and the public common sense will provide the remedy.

Assets and Liabilities

When one comes to the question of Assets and Liabilities, one sees in the statement provided quite a new treatment of them. I am not going to dilate very long on that point to-day, because you will find that Capital Assets and Capital Liabilities have been treated in one way and Current Assets and Liabilities in another. It shows, however, that the total liabilities of the Province to date are \$303,391,000. Leaving out new items which appear in 1923, the increase in direct

liabilities of the Province over last fiscal year was \$54,330,724. Similarly, the increase in assets was \$42,605,000, or a decrease, or widening-out, you may term it, of around \$12,000,000. At the time the Drury Government came into power the direct liabilities of the Province were \$97,000,000, and deducting the revenue-producing debts like T. & N. O., Hydro, Housing Loans, cash on hand, etc., gives a net debt of \$15,000,000. To-day, the direct liabilities are \$303,000,000. Take off these same items and you have \$109,000,000 which is the net debt to-day—\$109,000,000 as against \$15,000,000 when the Drury Administration came into power, an increase of \$94,000,000 in the non-revenue-producing debt, and an increase in the total debt, the direct liabilities of the Province, of over \$206,000,000. It is not only, Mr. Speaker, what one spends on Ordinary expenditure, but Ordinary expenditure is always co-related to capital debt. Fourteen millions interest makes a big capital charge, as against five millions, the annual interest charge when the Drury Administration came into power.

Loans During Fiscal Year

During the fiscal year, the Province placed two loans. The first was placed on December 6th, 1922. It was advertised as a \$5,000,000 loan of twenty years at $5\frac{1}{2}$ per cent. The price secured was 5.53 in Canadian funds. The then Provincial Treasurer considered that that was a good rate, and extended the amount of the loan from five to twenty millions, so that there was a borrowing of \$20,000,000 20-year bonds at $5\frac{1}{2}$, and cost the Province 5.53. The only other loan placed during the fiscal year, in fact the only loan placed since this Administration came into power was dated October 15, 1923. On September 17, the Province advertised for a 25-year, 5 per cent. loan for \$15,000,000 in Canada, or alternative of \$15,000,000 in the United States, or both. As the Dominion Government was advertising its loan as we had done (an issue which eventually ran up to \$200,000,000), the bids received by this Government only netted us 5.35, which was a fairly good rate, but not in our opinion as good a rate as the Province should receive, we declined to accept the bids offered at that time, and left the matter over. After having received a number of better offers from time to time, the Province eventually, on the 6th of October, accepted the

offer of the same syndicate who had so successfully floated the Dominion issue of \$200,000,000, at a rate to net the Province 5.30. That meant, Mr. Speaker, that by declining these bids and holding out, the Province was able to get instead of 5.35 a rate of 5.30. It may be interesting for the House to know that this rate was a considerably better rate than that obtained by the Dominion Government about the same time, and was at the same time a better rate than the City of Toronto got, 5.35. In commenting on this loan, I have here a letter of Sir John Aird, General Manager of the Bank of Commerce, in which he says:

After giving consideration to the proposal which you have before you for the purchase of \$25,000,000, 5 per cent. twenty-five year Province of Ontario bonds at a price to yield 5.30 per cent., I can advise you to accept the same.

It is a higher price than has ever been paid for bonds of the Province of Ontario, payable in Canada only, since the beginning of the War.

It is also higher than any price bid for the \$15,000,000 of bonds in your recent call for tenders, and I may say the price which you are now offered compares very favourably with that obtained by the Dominion Government for its 1923 Refunding Loan.

Ontario's Credit Stands High

I can say to you, Mr. Speaker, that this price is probably three points better than the Dominion Loan at that time, and, not being a refunding loan, we did not allow a rebate of interest as the Dominion did, and at the same time we did not have a short-date or refunding loan, which the Dominion placed as high as 5.40, I am told, so that figuring out this loan at the present time it amply demonstrates that, all things considered, the Province of Ontario's credit is very high. This loan was placed on the market at 5.14, the same price as the Dominion Bonds were placed, and within two weeks from that issue. I think when you see the Province of Ontario issue and the Dominion issue both advertised at the same rate, when we have all been led to believe that a Victory Bond was the highest prevailing security, it is something for this Province to be proud of. I have here a letter from Sir Thomas White, former Finance Minister of Canada, the man who during the great stress of the War was our Finance Minister, and who was accustomed to place large loans, and did place large loans throughout Canada.

Hearty congratulations upon the success of your Loan negotiations. Apart altogether from the price, which is favourable, the best feature is the amount which will put you 'on top of your financing' instead of having your 'finances on top of you.' This is a maxim in finance which I have always followed, and cannot too strongly recommend to any Treasurer or Minister of Finance. Short-date loans and large bank overdrafts are to be avoided unless under most exceptional circumstances, as they frequently place a Government under necessity to make issues at times of financial stringency when favourable rates cannot be obtained.

Exchange Lost on Treasury Bills

During the year there were at least two or three Treasury Bill issues, and I now desire to take up the time of the House with consideration of these Bills. On April 25, 1923, just about the time the House rose, there was an Order-in-Council passed enabling the Government to sell Treasury Bills to the extent of ten million dollars, and a few days later a further amount of five million dollars. The \$10,000,000 issue, it appears from the record, was at a rate of $4\frac{1}{2}$ per cent.; the \$5,000,000 issue at a rate of 5 per cent., but sold on a basis of $4\frac{1}{2}$. Of these \$10,000,000 were issued for a period of eight months and \$5,000,000 at six months. These Bills were sold in New York City, and when you sell bills there you agree to redeem them in American funds. Therefore, Mr. Speaker, we were in effect giving someone in New York our note payable in American funds and naturally we were entitled to get American funds. If you go down there and discount your note you get American funds for it—if you are lucky. But we did not get American funds. The Province of Ontario accepted Canadian funds on ten millions, the rate of Canadian-American exchange at that time being about two per cent. Exchange in this transaction would amount to \$200,000. In other words, somebody got in New York \$10,200,000 in Canadian money, but the Province of Ontario Treasury got only \$10,000,000. Mr. Speaker, the question is, where is this \$200,000? In the \$5,000,000 loan the same thing applies. Two per cent. of \$5,000,000 would be \$100,000. We accepted Canadian funds. There was \$100,000 exchange there, altogether making \$300,000 that the Province of Ontario should have received into its Treasury.

HON. MR. RANEY: May I ask, Mr. Speaker, whether the deputy of my honourable friend's department has any explanation to offer?

HON. MR. PRICE: I don't know whether the deputy has, or who has, but the Government is going to take care that somebody explains. We have to find out why we raise money on securities in New York and fail to collect the exchange. The people will want to know who got the exchange. I am quite free to have anyone argue, Mr. Speaker, that $4\frac{1}{2}$ was a low price, and probably $5\frac{1}{2}$ might have been a fair price for New York bills at that time, but that will only take up \$60,000. Raise it up to that and there will still be \$140,000 on \$10,000,000 that is going begging somewhere. It has not been found. And what does this mean to the Province? It means that, having lost the exchange, when we come to renew the bills we are up against exchange and have to pay it, and the rate may be higher at the time of renewal. I think probably the people will be seized of the situation and will want to have a thorough investigation into what happened. And I am sure my honourable friend from East Wellington (Mr. Raney) will be there in a prominent place giving us all the assistance and information, and helping us to help the Province to understand where that discrepancy is.

Succession Duty Free Debentures

I come now to something that should be of very great interest to the House and also to the people of the Province. We have had considerable discussion over Succession Duty Free Bonds. They have been discussed in the House on a number of occasions. It might be well for me to state to the House the exact situation. In 1906, the then Treasurer, Col. Matheson, issued what are now termed Succession Duty Free Bonds. Prior to this time, very few loans had been placed by the Province, and these in England. The Ross Government had attempted to float a loan for the purpose of the T. & N. O. Railway in Canada without success, and it had to be withdrawn. There had been some criticism directed at Col. Matheson for not trying to float his loans in Canada. With this undoubtedly in view, as the records show, there was placed in 1906 an issue of \$3,000,000 in Canada at $3\frac{1}{2}$ per cent.—one half to mature in 1926 and the remainder in 1936. These bonds were made free of Succession Duties to insure successful sale. As a matter of fact, even with this inducement the last \$1,000,000 hung fire for more than six months. The first \$2,000,000 were sold over the counter at

the Treasury Department, but the remainder had to be farmed out to the banks and brokers before the issue was wholly taken up. The Province at that time, and for many years, had been borrowing money from the banks at a rate of 5 per cent. and better. It is safe to say the policy of Col. Matheson at the time saved the Province anywhere from one-half per cent. to 1 per cent. per annum. The average rate of succession duties at the time was only 4 per cent. Since then, however, the rate has been increased so that the duties from Succession Duties now form a very large part of the revenue of the Province. Let me read you a statement showing the approximate saving of one-half of 1 per cent. per annum in interest on account of the higher prices obtained because issues were free from Succession Duty:

From time of issue to 1923 inclusive				
4	per cent.	Inscribed stock (London)—15 years.....	\$598,800	00
4½	"	" " " " " " —10 years.....	198,870	00
3½	"	" " Issue of \$3,000,000 —18 years.....	270,000	00
4	"	" " " " 3,500,000 —15 years.....	262,500	00
4	"	" " " " 500,000 —13 years.....	32,500	00
4	"	" " " " 3,000,000 —13 years.....	195,000	00
				<hr/>
				\$1,557,670 00

Even if you say one-quarter of 1 per cent. there is a saving of nearly \$800,000.

Incorrect Figures re Loss of Revenue

Now with that before us let us get to another point. If you are considering taking any great positive move in any direction, surely the first and best thing to do is to get all possible information. But I find in looking into the Treasury Department, in asking them what information the late Treasurer had on this subject, that he really embarked on the re-purchase of duty free securities in England and Canada, without any data at all available in the Department to support what he said on the floor of the House—and I have his statement here, which he made in his speech of 1921: "And that is "not all. When you consider that these loans are succession "duty free you can calculate that every seven times that the "Loan is handled the face value of it is gone, for in our experi- "ence from an actuarial standpoint we learned that one- "seventh of the loan goes every time an estate is closed up if "they hold succession duty free bonds among their securities." You would think that there had been a lot of this one-seventh

business, and that it had been taking up the value to the Province of these bonds, for he goes on to say "they issued "\$23,000,000 in bonds free from succession duties on which "the Province has lost one million dollars approximately during "the last three years." What actually are the facts? I have the figures of the Department on succession duty free bonds, compiled carefully for twenty years. We have the late Treasurer on record in his Budget speech, standing before this House and saying in three years we lost \$1,000,000, and what do you suppose the whole loss over the whole period was? Only \$852,038.43 in about twenty years. And he said a million in three years. Why, the total of bonds held by estates only runs to \$6,313,000 out of the \$23,000,000, and last year the whole loss to the Province on succession duty free bonds was \$9,679. The year before, with the Eaton Estate, which ran over \$300,000, it reached over \$400,000, and in 1920 \$189,000, but in the other years from 1907 to the present time the loss has been practically nil. Now I say that this shows a lack of common, ordinary prudence on the part of the Treasurer in finding out exactly where he was before he allowed people to hoodwink him into going to England and buying these bonds at high prices and costing the Province a tremendous sum of money.

Improvident Financing

As stated, the total issues of succession duty free bonds ran about \$23,000,000, and without ascertaining where the Province actually stood or what loss it was making, they engaged the firm of Æmilius Jarvis & Co. and sent Mr. A. H. Pepall to England to buy up millions of bonds, not knowing what the loss was in their own Department. Fancy any business man or organization in this Province taking such a radical step and spending money as they were spending it, without information showing where they stood! But they started, and let us see how the thing ended.

Remember, Mr. Speaker and honourable gentlemen of this House, these loans were bearing only $3\frac{1}{2}$, 4 and $4\frac{1}{2}$ per cent. Every time we had to pay our interest we paid it at a lower rate because the pound was down in exchange. The $3\frac{1}{2}$, 4 and $4\frac{1}{2}$ were the most advantageous loans we had on the books of the Province, and yet we find them doing this: going to New York, getting a loan costing the Province

actually a rate of 8.06, but the exchange brought it down to 6.05. This was only a gamble, because nobody knows in years to come what we are going to pay when we refund that loan. We hope to be able to refund it when it comes due next year, at a much lower rate, but nobody knows by virtue of conditions what is going to happen to exchange in New York. So we had them embarking on this scheme of raising money at a higher rate in New York and taking it over to London and buying up securities, all for fear that they were losing money at home on succession duties. What is the loss to the Province? The first loss is on the five-year American loan at 6.05, making \$1,338,000. The second loss will be (supposing we renew that loan at 5 per cent.) the difference over the period of maturity between $3\frac{1}{2}$ and $4\frac{1}{2}$ or 5, or \$1,343,000. Then, in addition to that, in the years 1921, 1922, 1923 they continued to buy, and comparing the rates of interest makes a loss of \$1,405,161. Then they started to repurchase Canadian issues. It was not enough to buy only in the Motherland. And the loss on their buyings in Ontario was around \$2,871,000. Honourable members can easily follow how they made the loss, in retiring 4 per cent. and $4\frac{1}{2}$ per cent. bonds and raising the money to do it at 6 per cent., and the total loss on these transactions is \$6,958,615 on succession duty free bonds. It is fair to say at this point that the old Treasurer contended that having retired inscribed stock in England, they did make a reduction in the capital debt of the Province, because with his \$6,800,000 loan in New York they retired \$8,000,000 bonds, and in that respect, taking into account exchange, they claimed they made a gain of \$2,103,000. Yet admitting their contention, we still have \$4,800,000 that they lost.

A tabulation of this prepared by the officers of the Treasury Department is as follows:

1. 1920—LOSS ON INSCRIBED STOCK PURCHASED IN LONDON in 1920, computed as follows:
 - A—Difference in Interest on 5-year American Loan at 6.05 per cent., maturing in 1925, and the prevailing rates on stock retired..... \$1,338,483 00
 - B—A loss over the various periods from 1925 to maturity at the rate of 5 per cent. for new money..... \$1,433,069 00
2. 1921-1922-1923—INSCRIBED STOCK PURCHASED IN LONDON in 1921, 1922 and 1923, computing interest on the average of the cost of money used for that purpose at the time, Loans averaging a period of 15 years..... \$1,405,161 00

3. 1921-1922-1923—CANADIAN BONDS AND STOCKS PURCHASED in 1921, 1922 and 1923, interest figured at 6.05.....	\$2,871,902 00
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NOTE—This Stock bought at a premium as high as 112.

Total Loss.....	\$6,958,615 00
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It was contended at the time that the Inscribed Stock was purchased that there was a saving of \$2,103,401.19 on account of a reduction in the amount of our capital indebtedness. This, of course, is taking advantage of the rate of exchange at the time of the transaction, and not considering what it will be when the Province must have money in New York City to meet this loan, or any other refunding loan.

Three Millions of 3½ per cent. Stock Not Duty Free

Now this, Mr. Speaker, is not a question of trying to fix anything up or place it before the public in a way that cannot be verified. The statements are available for anybody. The Treasury Department and others have figured it out. The facts are there, and there is no doubt about the loss. But if that had been the only thing they did, we would have said they made probably a mistake of judgment. We would have said they decided to do this and were foolish, because they did not figure it out to begin with. But I was amazed, in looking into this, Mr. Speaker, to find that the 3½ per cent. inscribed stock in the Old Country is subject to succession duty. It is not free from succession duty. Yet Æmilius Jarvis & Co. were sent over and bought in over \$3,700,000 of this inscribed stock when it was not free from succession duty at all. I have had people pressing me ever since the Government came into power to buy some more of that stock. I went into it very carefully, because I wanted to know exactly where I was. There is \$2,250,000 outstanding in the Old Land and they want us to buy up the 3½ and exchange it for 6 and 5 per cent. stuff at the present time! Why, Mr. Speaker, it is a direct loss to the Province without any benefit at all, and ridiculous to try to make people believe that these 3½ per cent. bonds were not subject to succession duties. Why, there is no doubt in the world on the point—none whatever.

Inscribed Stock Domiciled in England

Now, Mr. Speaker, there is another point. I have dealt only with that part of the buying by Æmilius Jarvis & Co. The point which stands out and condemns the late Government more strongly than anything that I have had to say here to-day is this: that the 4 per cent. and 4½ per cent. stocks are domiciled in England; they are only payable in England. When we want to buy in these stocks or pay interest we send the money over to the Bank of Montreal in London, where the stock is domiciled, and they pay it. This stock cannot be transferred to this country. It really means to-day that it remains on the register in London, and as long as it does it is subject to English death duties, which are very much higher than the succession duties we pay in Ontario. So that anybody buying these bonds and bringing them over here must be ignorant of the law. Anybody who holds them here would have to pay English death duty, much higher than that of Ontario. The Bank of Montreal there wrote to the Estates Office in London, England, asking about these bonds. They were no doubt importuned by a great number of people wanting to transfer these bonds domiciled in London and registered there with the Bank of Montreal.

Let me read you an extract from a letter written by the Bank of Montreal, London, to the Probate Department, Somerset House, Strand, London, on the 18th of May, 1921, which brings out the situation clearly and concisely, and puts it beyond peradventure:

Cable from Canada,—

"Please ascertain whether or not Province of Ontario, 4 per cent. Registered Stock due 1947, and Province of Ontario 4½ per cent. Registered Stock, due 1945-65, is liable for British Government Succession Duties if held by a Canadian resident in Canada. Please reply as quickly as possible."

The above two Stocks are listed on the London Stock Exchange, and the Register is kept by the Bank of Montreal, 46 Threadneedle Street, London. As there is no Register in Canada for this Stock, which, according to the original prospectus, is free of Province of Ontario Succession Duties. Canadian holders are registered on the London Register. The Stock is in demand by Ontario investors on account of the "Succession-Duty-free" clause, and before trading in it on account of clients, our Canadian offices are anxious to ascertain whether the British Government would require the payment of British Death Duties on such Stock held by a Canadian Estate.

We shall be very much obliged if you will help us to reply to the enquiry made by cable.

The reply was as follows:

ESTATE DUTY OFFICE,
Inland Revenue,
Somerset, W.C. 2.
May 24th, 1921.

Gentlemen,—

Your letter of the 18th instant, which was addressed to the Probate Department, Somerset House, has been received here.

With reference thereto, I write to say that on the death of any owner of Stock in either of the securities in question, Estate Duty would be payable in this country in respect thereof.

I am, Gentlemen,

Your obedient servant,
(Signed) A. E. SAMPSON,
Principal Clerk.

So it is clearly demonstrated that the $3\frac{1}{2}$ per cent. issue was subject to succession duties, and the 4 and $4\frac{1}{2}$ per cent. subject to English death duties higher than our Ontario duties. And yet they sent Æmilius Jarvis over to buy these up! They were at 70, I think, on the market when he started, and they traded them up to 80 and 90, and even 100 to get them in, and spent six or seven million dollars buying in these bonds, the great proportion of them without knowing first that it would be of no benefit but an actual loss to the Province of six or seven million dollars.

(Note:—At a session of the Public Accounts Committee held subsequent to the Budget Address, Mr. Price submitted evidence that the Æmilius Jarvis profits in buying in the Inscribed Stock in England were over \$500,000.)

Duty Free Securities Outstanding

I have been asked on a number of occasions to buy in succession duty free bonds. The reason for this importunity is quite obvious. The succession duty free bonds, as far as this Province is concerned, stand as follows:

- | | |
|--|----------------|
| 1. Inscribed Stock domiciled in England free of Ontario succession duties, but subject to English death duties, and non-transferable to Ontario..... | \$2,400,250 91 |
| 2. Canadian Bonds payable in Ontario and not subject to Succession Duty still outstanding..... | 4,534,000 00 |

There is still \$2,056,406.30 of $3\frac{1}{2}$ per cent. inscribed stock in England not free of succession duties. The balance of this issue, namely \$3,783,597.70, was retired through Æmilius Jarvis & Co. and other brokers.

A Curious Discrepancy

Now, Mr. Speaker, to show you how badly the late Government were mixed up in this matter, the Provincial Treasurer of that Administration in making his Budget speech on February 22nd, 1923, gave a list of succession duty free bonds. In that list he started with a \$3,000,000 issue in 1906, but omitted the first issue of 3½ per cent. inscribed stock which, undoubtedly, was not free of succession duty. When this was brought down in the House on a question which I addressed to him in the last session, he included that first issue, which he admits is not a succession duty free bond, in his speech, but includes them in his Return. Any honourable member can find this Return in the Journals of the House of 1923, page 356. Therefore we have the anomalous condition of the Treasurer saying it was free in one place and was not free in the other place—one position on the floor of the House in his speech, and the other in a Return to the House in answer to a question. How could anybody expect to carry on a Government; how could any business institution expect to survive, let alone have fifteen-million-dollar deficits, if they carried on affairs in that way?

Present Policy—Discontinuing Purchases

Considering the facts which I have laid before the House concerning succession duty free bonds, would it be advisable for the Province to bother further in buying these bonds in at a premium? Except in cases where the Province was obligated, we have discontinued purchasing these bonds at the prices at which they were available. Another interesting point arises. The various statutes under which debentures of the Province free of succession duties were issued contained this section: "All bonds and inscribed stock issued under authority of this Act shall be free from all Provincial taxes, succession duties, charges and impositions, whatsoever." It is a question whether it was contemplated at the time these Acts were passed and the securities issued that these bonds, having been exempt from succession duties once, should not then be taken up. There seems little doubt but that it was not the intention of the Province to enable these to be transferred from estate to estate for the express purpose of reducing the amount of succession duties payable to the Province.

Revenues to be Audited

I beg the indulgence of the House for a very few minutes to discuss the question of audits. One of the most important things to any business is the audit of receipts and disbursements. When the present Government came into power they found out that there were a great many offices where there had been no audit, or at least where the audit was behind for several years. It will be a surprise to honourable members, no doubt, to learn that although half a century has passed since Confederation, there has been no real audit of receipts in this Province. The only audit carried out by the Provincial Auditor is that of disbursements. The result is that all moneys received by the Province are simply checked up in the various departments, and sent on to the Treasury and accepted as correct. This is a state of affairs which should not continue. It is unfair to the Province and unfair to those who are handling large sums of money. The Government therefore decided to have put into operation an audit of the receipts in every department of the Government.

The Amusement Branches

We knew there were certain dark spots disclosed in Public Accounts Committee in connection with the Amusement Branches. One morning about 9.30, after I answered my correspondence, I went down there and found the Director, Assistant Director and Chief Inspector were all absent. Some were sitting around knitting and the others reading books. I don't know where the revenue was going, or what was happening, but it certainly showed very poor administration. So I decided to make changes there, and these three heads of the Department have been removed and others put in their places. Then we put an auditor in to go over it. He found the most astounding situation. From the report of the auditors I will read to you two or three little things:

"It has been the practice in the past to hold cash pending the completion of formalities—the cash, consisting of both cheques and currency, being placed in the files."

Some of it was sticking in the files when we came in—five-dollar and ten-dollar bills, and cheques there for months. I don't know whether it had all stuck there or not, but that is the fact.

In the Theatre Inspection Branch, the audit was circumscribed by the fact that no cash sheets were available. Where did they go? They were burned in the furnaces in June. That was a nice situation, wasn't it; showing we were on the right lines when we were trying to get reforms in the Public Accounts Committee. Members who spent time there must be gratified to know that what they tried to do from the outside is being done from the inside. We have heard of burning of papers before. Here is a case where the records were lost, where there are no cash sheets available.

Then take the billiard room licenses in the Province. We found that although licenses fall due on June 1 each year, that when the new Director completed his investigation on November 1, 1923, there were still outstanding throughout the Province 377—in Toronto 61, and 316 in the rest of the Province, making \$35,560 uncollected from this source alone. We started as soon as the new officers were appointed, and it is quite a task collecting these arrears. The tax itself is not very popular, but as long as it is on the statute book we are going to collect it.

In Sarnia, six licensees paid on July 12, 1923, the sum of \$670. There was no record, however, of the cash in the cash book until September. Where was the cash in the meantime? I just instance that place, and others are probably worse.

Motion Picture Bureau

Then we went on to investigate the Motion Picture Service. The audit and measurement by N. L. Martin & Co. and Mr. Brownridge, which was very exhaustive, shows that the Filmcraft Industries, who had a contract from the Province to manufacture films, owe the Province \$42,922.73. A similar accounting shows that the Pathescope Company owes the Province \$565.38. The Pathescope accounts were in very good shape. I have given instructions for our Department to collect the \$42,000 from the Filmcraft Company. I do not know what the chances of collection will be, as this company had a very serious fire soon after we started to investigate and measure up the films in the Motion Picture Bureau.

Revelation of an Audit

In these departments away from the Parliament Buildings we found that something was needed to put a rigid check on the revenue—something to guarantee what actually was the revenue we were entitled to and that it promptly reached the Treasury. The most outstanding thing, probably, was the case of the Allen Russell Theatre in Ottawa, which closed down for some little time. Eventually, without consulting the Amusement Tax Branch, someone in the Department gave a license to what was thought to have been the Allen Theatres, Limited. When the Amusement Tax Branch made enquiry, they were told that the license had been granted to Allen Theatres, Limited. Upon asking the Allen Theatres, Limited, for a statement of their operations, they were advised, after some delay, that the company running the Russell Theatre in Ottawa was really "Allen Russell Theatre, Limited." The bald fact outstanding is that to this date Allen Russell Theatre, Limited, fooled the Province out of \$9,146.98, and that apparently no action had been taken until the company went out of existence. We were not in a position to collect from the Russell House properties. I have handed it now to the law officers of the Crown for the purpose of seeing what can be done in the matter. These things have been brought to attention of the Government in an unmistakable way by the fact that there was no audit to check up the funds. The audit showed that a deposit of \$7,281.56 made on February 1st, 1923, was the first since the close of the fiscal year, a period of about ten weeks.

King's Printer Office

At the end of the fiscal year an inventory was taken by an experienced stationer, of the King's Printer Department and a great many improvements in addition to those already inaugurated by the King's Printer were suggested. The business transacted by the King's Printer during the year amounts to upwards of half a million dollars. The premises occupied by the King's Printer are too congested to give the King's Printer and his staff an opportunity to make the best business deals for the Province. It has been accordingly directed that there shall be in the Department the following improvements:

1. A perpetual inventory of the stock which can be used up from year to year.
2. A fire-proof safe for storage.
3. The storage of Government paper in the Parliament Buildings.

Instead of having the paper up here where it is under inspection, we left it with the contractors. Fancy leaving it with the contractors over a period of years,—even the Methodist Book Room. We were carrying a paper balance of \$35,000 which did not exist. This has been written off.

Shortages Discovered

We also audited the Land Transfers Tax in Toronto, where there was a \$20,000 shortage. We found in collection of Motor Vehicle Licenses, in one case a shortage of over \$5,000, and in another part of the Province in collection of Amusement Tax a shortage of between \$4,000 and \$5,000, and many cases of default have got by before we understood the exact situation. I suppose we have discovered upwards of \$50,000 already, not including these large items of \$40,000 Motion Picture Bureau and \$9,000 Russell Theatre, which the Province lost because the Government failed to check up.

List of Audits Made

The Government has decided to audit receipts. There won't be a thing anywhere in this Province that we won't audit. I must say for our existing Audit Department that it does remarkably good work. And as I do not believe, Mr. Speaker, that the House understands the immense number of extra audits that the Department has been carrying out, I will just mention a few:

Soldiers' Aid Commission; Athletic Commission; Agricultural Development Board; Police Court fines; Queen Victoria Niagara Falls Park Commission; Burlington Beach Commission; Presqu'Isle Park Commission; Guelph Reformatory (Industries); Neglected Children's Branch (Special Funds); Five per cent. Tax at Race Meetings (a special audit was made in 1923 by Mr. Clendenning); Province of Ontario Savings Office and Branches; Public Trustee Office; Registry Offices, Land Transfer Tax. We also audited the Ontario Public Service Superannuation Fund, Law Enforcement Fund,

and Insurance Department, but there is no audit of money coming into the Education Department, Lands and Forests Department, road construction and maintenance, or Motor Vehicles branch. You collect these motor license fees all over the Province and there is no audit. I am not questioning the honesty or veracity of any public servants, but I say that no business would handle things this way. Take my own department: Revenue from law stamps audited only once a year.

MR. MAGEAU: Workmen's Compensation?

HON. MR. PRICE: That is being audited at the present time. Corporation Tax—that may be all right or we may be out a million; there is no audit. Amusement Tax; King's Printer,—no audit. Take the Provincial Secretary's Department: The Provincial Secretary has been after me time and time again to get auditors in these public institutions all over the Province where we spend tremendous amounts of money, books in the hands of the bursar. We are going to get at it and clean the thing up if it takes a whole army, and find where the Province stands financially.

Ontario Savings Offices

When the present Government came into power, the savings offices had been in operation about one year. The audit shows a very creditable state of affairs, as far as the collection of money is concerned. The late Government apparently did not think it advisable to bring down any statements, as far as the Provincial Savings is concerned, but this Government has shown that at the end of the fiscal year the increase in deposits for 1923 amounted to \$10,500,000, a total of \$13,085,000 to 31st October, 1923.

Under the Agricultural Development Act, the Provincial Treasurer is empowered to establish Savings Offices throughout the Province and take in deposits, upon which he may pay a rate not exceeding 4 per cent. per annum. The Provincial Treasurer is then empowered to pay over to the Agricultural Development Board, for the purpose of Farm Loans, as the money is required, and accept the Debentures of the Board; \$3,988,000 has been invested in that way. A further sum of \$200,000 was paid to the Agricultural Development Board in order to start their operations, and we hold their bonds therefor. The sum of \$279,639 has been paid out

on short-term Farmers' Loans. I will reserve details of operation of the Provincial Savings and Agricultural Development Board and discuss them later, but the Province has issued its Treasury Bills for \$3,300,000 of the remainder, and deposited in Consolidated Revenue at the end of the fiscal year the balance, namely, \$5,317,360.99.

MR. FISHER: Will the honourable member tell us where that \$5,000,000 is?

HON. MR. PRICE: The five million is in Consolidated Revenue at the end of the fiscal year. Consolidated Revenue is the Treasury of the Province.

Now as to the cost of money to the Government: In 1922, over an eight months' period, the rate was 7.54 per annum; in 1923 (November 1st, 1922, to October 31st, 1923), the rate was 5.12; and in November, December and January, the last three months, 5.08 per annum. During the months of September, October and November, the Savings Deposits increased slightly over 50 per cent. The increase per month since that time has been keeping up pretty steadily. It remains to be seen whether within the six months' period the deposits will increase 100 per cent. Should this be so, it may be possible to wipe out entirely, within the next fiscal year, all advances made to the Savings Office by the Treasury, and which, at the end of the fiscal year, stood at \$125,478.67.

The cost of setting up these offices has been, for the purpose of figuring up the rate of interest, spread over a period of ten years. Should the increase in deposits continue, this amount will be paid back entirely and the Province will be receiving money at a cost-rate of probably not greater than 5 per cent. These computations have not taken into consideration the losses that may occur on Farm Loans. The honorable the Minister of Agriculture has instituted a check-up of all the losses of the Agricultural Development Board. It will be difficult to ascertain just where the Province stands on these loans until some of them mature in from three to five years hence. If there is a loss on these loans, and I am told that some of them placed by the late Government were none too good, then this loss, whatever it is, must be taken into consideration in figuring out what the Province has to pay for money collected through the Provincial Savings Offices.

We have amortized the initial expenditure over a period of ten years, so that it means practically that we pay back some

\$200,000 and interest, over and above salaries, over a period of ten years; in fact, I can say the considerable portion of that has already been paid back to the Province. I think at the present time the Province is owed by the Savings Offices about \$65,000 or \$75,000. This will give an idea, however, to you, Mr. Speaker, of the rates paid by the Province for the moneys deposited. I would like to point out, however, that while the rate has been decreased, these computations do not take into account several facts which are very important. During September, October and November, deposits have been increased to a considerable extent. The question is, will these keep on, or have we entered upon a period due to the troubled Home Bank situation, or if we go on for another year will the savings deposits increase or remain stationary? That is something only the future can tell us. Honourable gentlemen will no doubt discuss that when the budget debate continues. But should these deposits remain stationary, then we have one rate, and if the increase goes on later we will no doubt have a low rate. Then we must consider increase in salaries. I think in no branch are they so low as in the Savings Offices. They are practically the same as in British banking institutions, which are very low, and will probably have to be increased. These factors—extension of savings—shall the savings keep up? Agricultural boards—are the loans properly secured? Increase of salaries—all must go to figure out the rate. The Government will want to know what the money is to cost them. Therefore we are considering very carefully all questions pertaining to these Savings Offices. We are a Conservative Government. We want to move slowly, and not like Dakota or other places where these banks have not been a success. To date I think ours has lived pretty well up to expectations, and we are giving it a fair trial, but we want to know, before the people's money is going into loans, just how much this whole thing is costing. We want to know the actual facts. If the Government needed money to-day I think it could get it around 5 per cent. These Savings Offices have been giving it to us at 5 per cent., but there will come a time soon when we can go out and borrow money in the open market at less than 5 per cent. Would it then be good business for the Government to continue borrowing through the Savings Offices that pay 4 per cent? I

just leave that with you. This is a business proposition; it is a difficult business proposition, a matter of dollars and cents.

Sinking Funds

I have held the House at very great length, and there are many other things I would like to touch upon. I would like to have said something about a sinking fund. Newspapers have written editorials on Hon. Peter Smith's supposed sinking fund. There never was any real sinking fund. A true sinking fund is only made up of money you take out of ordinary revenue, and you cannot make a sinking fund out of borrowings. Anyone who writes editorials on that does not understand much about public finance. But this matter is receiving very careful consideration by the Government. I do not know that you would ask us to pay a million and a half into a sinking fund to retire a loan when we are probably going to have a deficit for the next two or three years. If we can make ends meet (which I do not expect for the next couple of years), we might set aside an extra million and a half of current revenue to pay off loans. But I prefer to wait for two or three years to find out what we have before we add additional burdens to the backs of the people.

Highway Improvement Fund

The Highway Improvement Fund was another thing we heard a great deal about. To begin with, they were going to pay in \$2,000,000 annually out of current revenue as a sinking fund. This was not done, but by an Order-in-Council the late regime paid in \$20,000,000, and we have put in \$4,000,000, making a total of \$24,000,000, which is practically all spent. We will talk more some day on Highways, when the former Minister is in his seat.

Hydro Interest Adjusted

Then we have to our credit the cleaning up of the Hydro-Electric interest. You have heard for years and years of that. We cleaned it up by getting an audit and the Hydro paid their way and are right up to date in every way.

Estimates Presented in an Improved Form

I would just like for a moment to talk about estimates. You will see the estimates prepared in a new form. When honourable members want to compare supplementary estimates with the main estimates, they will find in each column

the items in the main estimates. You will find the vote and the number of every item so that when you take up these estimates here and get Item 117, you can refer back to the main estimates. The supplementary estimates this year have run \$5,023,000 in round figures. The total main estimates last year were \$26,000,000; Hydro-Electric Power Commission, \$24,806,000, and T. & N. O. Commission, \$1,650,000, making \$52,000,000.

Commitments of Late Administration

Now we find an extraordinary state of affairs when we come to consider these supplementary estimates. We found that the late Government had taken a blue pencil when their estimates were brought in and cut down 25 per cent. You cannot cut down expenditure by just cutting estimates. You must have a lot more force behind the pencil than that; you have got to go back into your Departments and to where they spend money in the various institutions. Why, the way they ran their business last year was practically as an 11-month year. They did not pay for any coal in 1922; so there were two years to pay this year. Wherever they could quietly squeeze out any expenditure they did it. But it had to be paid this year. They shoved everything up into 1923 and kept it out of 1922. After October, 1922, they hardly paid anything. And then they came into the House last session, just before the election, and cut down their expenditures by this blue pencil method! At the same time every Minister spent money like water up to \$50,000,000, and the only place they did not cut estimates was in Agriculture. Why Agriculture should be treated on any different basis from any other department I do not know, but they tried to fool the farmers. The Province is getting pretty tired of this business of trying to fool people all the time, at every point, on expenditures or revenue. Anything they could do in a hole and corner and close up, all right; but when the thing comes to a show-down and this Government finds the situation as it did—just as the Drury Government came in and found a clean sheet after the Hearst Government—then it finds these expenditures away up, so far up that it will take years for them to be brought down. Therefore I say to you, Mr. Speaker, and with all kindness to my honourable friends who sit opposite, that as long as the public are prepared

to spend money and allow Legislatures and Governments to spend money the uncontrollable expenditure mounts higher. When you talk about estimates we have \$14,000,000 of expenditure on interest that you cannot control. We have \$8,000,000 on Education; we have the Mothers' Allowances and all the institutions; and the Civil Service as it stands to-day. I have gone carefully over them and I find something between \$35,000,000 and \$38,000,000 of annual expenditure that one cannot avoid. They are there just like a pack on your back. We are climbing the hill with this burden on our backs just because the Drury Administration spent money so recklessly. I ask you, Mr. Speaker, and the House and country to-night, with nearly \$50,000,000 as the amount of money spent this year, what is facing the people and this Government next year? I do not believe that we shall be able to cut that down over \$5,000,000 when the commitments are so great.

Reduction of \$5,000,000 Expenditure

The estimates of the outstanding expenditures upon which we have been operating are so great that if we cut down \$5,000,000 I think that is all we will be able to do; and then as to the revenue of \$34,000,000 last year, I believe we will be able to increase that to \$38,000,000. Now, Mr. Speaker, I do not mean to make any promises on behalf of the Government on account of what has happened in the past years. We have got to consider the present conditions carefully and do the best we can by reducing expenditure and raising revenue, and that is all that should be expected of us in the ensuing year. I am sanguine that by careful management, methodical bookkeeping, by the strict auditing of revenue, and by the cutting down of our various expenditures in each Department, that we will be able to improve materially the financial situation of the Province.

Enormous Wealth of Ontario

Just before closing, I would like to draw the attention of the House to the fact that we have never appreciated the great wealth we have in this Province. We have had in Public Accounts for a number of years a statement which did not adequately portray the potential wealth of this Province. I have had prepared very carefully, by different Departments

of the Government, a statement which tends to show that the general wealth of this Province could fairly be placed at \$10,000,000,000. These are only estimated values, but if one is going to estimate values, why estimate them at something everyone knows is not correct? Why not take something more like an accurate representation of value?

Here in a nutshell is our Estimated Wealth:

Mineral wealth.....	\$2,000,000,000	
Crown timber.....	4,797,500,000	
Crown lands, undeveloped.....	230,000,000	
Water powers, capital value of 5,000,000 h.p.....	150,000,000	
Fish, game and fur.....	200,000,000	
Property assessed by Municipalities:		
Real property.....	\$2,137,569,633	
Business.....	172,563,712	
Income.....	100,589,748	2,410,723,053
<hr/>		
Total.....		\$9,787,723,053

With this truly astounding wealth of nearly ten billion dollars in our Province should we not feel inspired to press forward with confident optimism? Think, too, of the annual manufacturing production of two billion dollars, and the agricultural products of five hundred million dollars—why should we be downhearted when faced with a present deficit of fifteen million dollars?

No New Taxation

With these facts before us, with the great potential wealth of our natural resources entrusted to our care and administration, and with our vast annual production in minerals, agriculture and manufacturing, is it not time that we had a thorough house-cleaning and made a fresh start on a sound basis? Let us not dread new taxation, because we are not going to have any this year. We are going to give the people of Ontario a chance to clean things up for themselves. We want to prove, Mr. Speaker, that when they placed this Government in office last June they meant us to cut down expenditures and to clean up this confusion and waste. The people knew that public business was in a mess. It should not be on our doorstep, but we have got to deal with it and we are dealing with it. And when we find ourselves in this position and we have our decks cleared for action we say to the electors, "Support your representatives in the House."

We are not going to give you extra taxation, but a chance to economize. If you instruct us to spend money in a specific way we will have to spend it, but you know what will be the result: probably more taxation, because we cannot then make both ends meet this year."

Mr. Speaker, I wish to thank you and the House for the kind attention you have given this first effort of mine to present the financial affairs of the Province. (Loud applause.)

The Hon. Mr. Price, in concluding the Budget debate on March 5th, 1924, said:

MR. SPEAKER: In rising to reply to various arguments set forth by honourable gentlemen on this debate, I desire first to thank the members, not only on this side of the House, but those sitting opposite, for their kindly references to myself. One always feels, as I am sure we all feel, that the amenities of debate are to be kept at a high standard, and honourable gentlemen of this House, no matter what their views, may be trusted to place them before the House in a courteous, if, at times, a forcible way. I have listened with a great deal of pleasure to the debate and to various debates in this House, because we have had injected into it the viewpoint of new members who for the first time have sat in this House, and have considered an extraordinary budget, at least a notable budget on account of the size of the deficit. And I want to congratulate those who have spoken on this debate for the very fair way in which they placed their views before the House. I am sure there are many members who desired to address the House, but I may say that if, by co-operating in the shortening of the debate and enabling the House to get down to the Estimates and expedite business, they have foregone their undoubted right, there will be many subsequent opportunities when they can address the House at reasonable length.

The Liberal Attitude

I was pleased to note the attitude of the honourable member for S. Ontario who leads the Liberal party. It was gratifying to see that in his statements he practically confirmed, as far as he could, the figures I presented in my remarks. Had I not been aware of his position in this chamber I might well have said he was speaking from this

side of the House. He brought up many things which showed his constructive mind. I am sure we shall be very glad to give every consideration to the various matters which he brought to the attention of the Government, and which in his opinion required reform. We have to pare these expenditures down, and my honourable friend may rest assured that we are going to practise rigid economy.

He mentioned the Bill before the House providing for an Advisory Committee for looking after the roads and assisting the Minister. That may add a little expense to the Province, but, Mr. Speaker, if it succeeds in cutting down thousands of dollars on these roads, from, say, \$40,000 to \$30,000 a mile in construction, it will be one of the best things that could be done for the people of Ontario. The small amount spent would be saved many times, and that is what the people want. Everybody knows the extravagant expenditures on roads in this Province. I am not blaming anybody for having the desire and vision to build roads, but we certainly want fair value, and have a right to demand reduction in cost per mile of road.

My honourable friend spoke of the Liberal record. Well, that was a long time ago. We have had Liberal governments at Ottawa, and we have had them here, but it is obvious from the recent election results that the people of this Province do not want Liberals on the Treasury benches. The honourable member spoke of the estimate of our natural resources being placed at ten billions. I think, however, he was in error when he stated I placed that in the Public Accounts. I made an estimate, as I said, and had the figures verified, as far as one could reasonably verify them. I am continuing to verify them and place them in better shape. From time to time, as details are placed before the Government, these will be brought up in the House and the public given an accurate estimate of the great resources of our Province.

All Receipts go into Consolidated Revenue

Everyone was pleased to listen to the member for West Ottawa when he rose to address this House on the Budget. He was very frank when he stated that, being a new member, he had not gone into the Public Accounts, nor been able to figure out these things which are very plain to those who have been in the House a number of sessions. One readily

understood, however, when he asked how there could be a deficit when there were eighteen million dollars in the Treasury—there must be something wrong with his reasoning. Honourable gentlemen understand that we have the Consolidated Revenue Fund into which all receipts of whatever kind go.

MR. FISHER: If the honourable gentleman will pardon me, I did not say anything of the kind.

HON. MR. PRICE: But that is the impression I took.

MR. FISHER: Let me give the honourable gentleman another impression. What I was questioning was whether it was good business to have \$18,000,000 in the bank when you have a deficit.

HON. MR. PRICE: That shows the difficulty of the point. Honourable members know that if you have a loan of any kind you cash the bonds and put the money in Consolidated Revenue. What you collect from race tracks goes into Consolidated Revenue. You have your Capital and Ordinary money in the same account, and all these things are paid out of that account, whether Capital or Ordinary. The result is that the balance you may have there at the end of the fiscal year has nothing at all to do with the deficit. Why, you pay as you go; everybody knows that. This fifteen million deficit was paid and wiped off. As a matter of fact, the balance we had in Consolidated Revenue was just part of a \$40,000,000 loan, and had nothing at all to do with the year. I hope that is quite clear, and honourable gentlemen will not get an erroneous viewpoint. The thing that the people of this Province and this Legislature must understand is that the Province went behind last year \$15,000,000, and we paid it out as we went along. The Government must pay as it goes, like any ordinary business, and as the honourable member for South Ontario said, the \$15,000,000 really went on as a debt. We added it to the mortgage on our assets as a part of the capital debt. That \$15,000,000 did not go to build highways, or for Hydro, or to put up public buildings. It was money frittered away in ordinary expenditure, yet you and I, the ratepayers of the Province, have to pay interest on it as long as our loan lasts and until it is paid off.

Must Borrow when Market is Right

The honourable member for West Ottawa spoke of our borrowing, and while to a certain extent I agree with what he

says, I want to point out that legislative provision for borrowing is presented and ratified by this House every session. The Legislature gave the Government power to borrow, in 1920, \$10,000,000; in 1921, \$20,000,000; 1922, \$40,000,000; 1923, \$35,000,000.

And in these years the Government borrowed very much more, using the Borrowing Act and other authorizing Statutes.

It is idle to say, Sir, that this House could say to the Government, "You must go a-borrowing to-day or to-morrow, or any other time." You have to borrow when the market is right. Last year the Hydro-Electric estimates were \$19,000,000, but they only used a little over \$9,000,000. Suppose you had said, "Go out and borrow \$19,000,000." We would have had \$10,000,000 drawing interest at three per cent. and not expended.

You have got to borrow, as my honourable friend knows, when you require to spend the money. You don't borrow and leave it in Consolidated Revenue or any other place at a smaller rate of interest. Obviously the member for Ottawa was not just seized of the facts. We have to ask the House this year for money to be spent on public buildings, roads, Hydro, T. & N.O., northern development, etc., and the only way you can get that money is by borrowing at the proper time. Now, Sir, I propose to bring down to this House in due time the customary Borrowing Bill, which is brought down every session, and then we can discuss and decide just what amount of money you are prepared to allow the Government to spend next year.

Intensive Audits and Substantial Savings

The honourable member for Russell made a very able and fluent speech. I was much taken with his presentation of his side of the question. He said there were three things that the Government must do: compare the last year with the present year; say something on the finances of the present year; and bring down a budget report. I reply that we have done two of these things, but when he said that I only spent seven and a half minutes on the future, I must admit that I spent only half a minute telling the people of the Province there would be no new taxation this year. Honourable members seemed rather disappointed and curious that this Government has not brought down some new taxation; they

are certainly much more worried on that score than the people of the Province. But, Mr. Speaker, I assert that I was frank with the House, and that I put my case fairly when I said that I did not propose to make speculative estimates of our future revenues. I pointed out that the revenues had not been properly collected, and that, for the first time in the history of the Province, we were going to audit receipts in every office. One of my honourable friends said there had been an audit in the Lands and Forests. There have been a great many happenings in the Lands and Forests in the last four years, all kinds of things from stem to gudgeon, but no indication of defalcations. What I say, Mr. Speaker, is that I am not going to speculate on what is going to happen next year. But I can say that in the Amusements Tax Branch alone we have put in a system and increased the revenue \$30,000. I can say members of the Government are looking carefully into every place where they can cut down expenditure. The Minister of Lands and Forests tells me in his Department he is going to cut expenditures to the extent of \$400,000. He is making a saving of \$100,000 in his surveying and aeroplane service. He is making a saving of \$250,000 in his Fire Ranging. In the Northern Development Branch, and for forest purposes, land and settlers and other things, he will make a saving in capital account to the extent of \$2,700,000. That is a good start, and we have still more plans to make savings in ordinary and on capital expenditure. After all, Mr. Speaker, you have got to cut capital expenditure. We cannot expect to go on and add up capital, and pay interest on it year after year, and there are many places where we can start.

MR. MAGEAU: Don't start in Northern Ontario.

HON. MR. PRICE: Well, my honourable friend is quite conversant with the fact that we announced we were not going to cut Northern Ontario off the map, but to continue the wonderful development it has had; but the North should be patient and fair, and realize the condition of affairs in the Province.

University of Toronto Grants

One of the large items of expenditure has been the University of Toronto. I think honourable members will be rather appalled when they find that the University of Toronto

originally received land grants, tremendous land grants and other grants up to 1898, totalling nearly \$2,000,000; that from 1898 to 1923 they received in grants and otherwise over \$15,000,000, and it is interesting to note just when this increase occurred. The original grants to the University ran about \$50,000. The last year of the Hearst Government they amounted to \$791,785.96. The first year of the Drury Administration they had crept up to \$1,588,287.99.

HON. MR. BIGGS: I think the Provincial Treasurer will agree with me that returned men ran up the attendance at the universities at that particular time.

HON. MR. PRICE: I believe probably there was some increase, but the increase to double the amount paid by the old administration was not caused by that, because I have compiled a list of every grant. It was for buildings and grants for various purposes. In 1921 we spent \$1,550,490.83; in 1922, \$2,696,217.67; in 1923, \$1,788,685.41. Now I say when we get up to \$2,696,217 for Toronto University, no matter what it is for, we are going too fast. In the years of the Drury Administration we spent over seven and a half millions in grants in the upkeep of Toronto University. I am bringing this to the attention of the House, because this can be considered when the estimates are brought down. I have a list here of those things which went to make up the grants payable to Toronto University in the last year, totalling \$1,788,685.41:

**MONEYS GRANTED TO THE UNIVERSITY OF TORONTO BY
THE CROWN DURING THE YEAR 1923**

Discharge of endowment claims.....	\$7,000 00
Proceeds from sale of University lands.....	2,080 37
Annuity certificates.....	30,000 00
Grant from Succession Duties.....	500,000 00
Grant for training teachers.....	130,855 00
Special grant for Museum.....	25,000 00
Grant for Museum.....	25,000 00
Maintenance of Museum for 1922.....	35,000 04
Special grant.....	880,000 00
Buildings, College of Education.....	100,000 00
Grant, re Connaught Laboratories.....	3,750 00
Grant, re Dental College.....	25,000 00
Grant for manufacture of Insulin.....	25,000 00
	<hr/>
	\$1,788,685 41

Reduced Estimates

A lot of these things are very desirable, but it is not a question of desirability. We would all like to furnish our houses in the best possible way, and live luxuriously, but we have a fixed income, so what is the use of exceeding that when it means increase of taxation and the piling up of capital debt? And when, this session, the estimates come down for next year, I say, Mr. Speaker, that a great many small and large grants to various organizations and institutions are not going to appear.

Now I will show you how the work of the former Government affects this Government. We are going on the old estimates, passed last session, which include grants to certain institutions. A number of these organizations have noticed their grants in our estimates, which are printed every year, and they are counting on them. We have to keep faith and cannot cut them off, but next year these will be omitted.

There has been considerable discussion of the question of the amount of the deficit. I intended to say something on it, but I do not think I need touch on it at all after listening to the honourable member who leads the Liberal Party. He practically explained the matter in the way that I think it should be explained. But there has been an attempt by some honourable members, and by some of the press of this Province, to throw dust in the eyes of the public, to obscure the issue, to throw out a smoke-screen and say that we did it for this or did it for that. Some say, "That is all right, but the Provincial Treasurer should have done it next year." If the principle is right, why was it not right to do it this year? They presume to tell the House that I should wait for another year; that I should be responsible for the commitments of the old Government; that I should take them over and carry them into the first year of this Government. I ask you, Mr. Speaker, and any honourable members of this House, if it is fair to expect this Government to assume responsibility for the payments of the old. No man in this Assembly can say the items in the Public Accounts are not correct, or that the Provincial Treasurer had placed any item in the wrong column. Then what is the object of discussing an obvious matter? The honourable member for East Kent was at very great pains to draw a herring across the trail.

He tried to shape the debate in another direction to show that we had spent more money than he or his colleagues, but instead of a herring, Mr. Speaker, I am sure he must have picked up a Yarmouth bloater. After listening to the able address of the honourable member for Kingston (Mr. Nickle) I think he has pricked the bubble effectively because it has vanished into thin air. And had there been any shreds of his argument left, my honourable friend from Sudbury (Mr. McCrea) would have obliterated them by his very able presentation last evening.

I want to say to you, Mr. Speaker and honourable gentlemen of this House, that when this Government came in it was in the position of a contractor who had had a contract left on his hands for the erection of a large building. The building was to be completed in a year's time. The former contractor spent eight and a half months in erecting a great portion of the building. He had on the ground the brick and stone and steel. He had ordered the flooring and all the furnishings, and when he came in for his three and a half months to finish it the bills were lying there and he had to pay them. No one could possibly put forward the argument that in three and a half months this Government initiated any new expenditure with any possible hope of convincing the public. What new public works did we initiate in three and a half months? What new roads? What new public buildings? Why, it was the hang-over of the late administration we had left on our hands, and we paid the bills, as in duty bound. Sir, this Government has no apology for paying them instead of carrying them over into next year.

Many Bridges for Fort William

I was interested, Mr. Speaker, in what the honourable members for Manitoulin and for North Brant said about the fairness of the Drury Government to its opponents,—that they always distributed their appropriations in an open-handed way and divided them up. I want to give you an illustration of their fairness. I want to take you up to the head of the Lakes, to Port Arthur and Fort William. The Honourable Harry Mills, representing Fort William, was then Minister of Mines in the Drury Government. General Hogarth was the Conservative representative of Port Arthur.

In 1922 Mr. Mills had ten bridges built in Fort William riding. In 1923, ten more. Now, of course, by the old turn-the-other-cheek attitude of the honourable member for North Brant, naturally one would have thought Mr. Mills would have built ten bridges in Port Arthur for General Hogarth, but while they built in the two years twenty bridges throughout the riding of Fort William, not one was built in the riding of Port Arthur. Possibly there may have been cases where the honourable gentlemen who formerly occupied the treasury benches helped out their opponents, but there were so many where that was not done I think we can pass over it with silence.

Provincial Securities Co.

I would like to take the House to another aspect of Succession Duty Free Bonds. My honourable friend from Sudbury spoke of the general aspect of that question. In his very able presentation last evening he showed what tremendous losses there were on the buying of these bonds, and incidentally he mentioned that there was a company in the Province known as the Provincial Securities Company, and that this company had been selling bonds to the Government. I think that honourable members will be surprised that anything of this kind could occur in any Department of the Government. I think when I get through, Mr. Speaker, in placing this before the House, no matter what a man's political ideas are, he will have but one idea,—that it was bad business for the Province and that at no stage was the Province protected. I came across this matter in this way: a friend of mine wrote asking about some bonds of an estate in which his sister was interested. Her husband had died, and the estate had \$20,000 worth of three and a half per cent. bonds, all succession duty free, held in this Province. My friend said to me that the Trust Company handling this estate had advised that these bonds be sold at ninety-three. They advised that was the highest price the Government was paying. But he said he found afterwards that someone else had secured the bonds and he was told the Government had paid higher. On looking into this, I found that the Provincial Securities Company had about the 5th day of May, 1921, bought these bonds from the Trust Company that managed the estate at 93, and in a few days turned them over to the

Province at par, making on each bond \$7, and as much as \$1,400 on this transaction. I thought, Mr. Speaker, that it was a disgraceful thing that any widow in this Province with \$20,000 worth of bonds should be asked to take 93 while the Provincial Securities Company could walk up here and get par and put \$1,400 down in their pockets.

A Mushroom Company's Profits

I thought it was worth trying to find out who the Provincial Securities were, and I will tell you the result of my investigation. First I found that their name—and this was in 1921—was not in the telephone book. I found that their name was not in the directory; that they were not a limited company, incorporated, that they were not even a partnership. I found that they had a name, but they had no office, except apparently an address, but no place for carrying on business. I found, on looking through the accounts, that on the very day when they put over their first deal, this unknown mushroom company got a cheque for over \$100,000 from the Government and did not even have a printed letter paper; they had it typed out with the name of the Provincial Securities Company, 106 Mail and Empire Building, across the top of the page. When the Bank of Montreal, Ontario's fiscal agents in London, England, were buying in bonds 25 and 30 below par, these people were able to come up to the Parliament Buildings and have an order-in-council passed whereby they sold the Drury Government £42,850 of these securities and made tremendous profits. The most extraordinary feature was when I looked at the cheque—

MR. MAGEAU: Can you tell us who they are?

HON. MR. PRICE: I don't know; I will come to that. The amazing fact was that the Provincial Securities Company was apparently not a registered concern of any kind, but their letter was signed by Charles Snyder, and in looking over some cheques I find out that the cheques were indorsed by one Harris. Harris was a member of the firm of Browning, Harris & Company, a brokerage concern with an office in Hamilton, and apparently in Toronto. In considering this thing from every viewpoint, and looking into it, the extraordinary thing seemed to me that Snyder should write the letter; Snyder cannot be found. Harris would receive the cheque and send it to the Bank, yet there was no visible place where they were

carrying on business except the address for correspondence, and the Mail and Empire people say they rented no office. They got a little more prosperous after the first transaction on which they apparently made some \$12,000. They got still more prosperous and printed their letter paper, and in going into this thing a little farther—and this will no doubt be interesting to the ex-Attorney-General—the Mr. Browning referred to as being a father-in-law of Mr. Harris was A. G. Browning, formerly Deputy Attorney-General for Alberta, and a man whom the Attorney-General appointed to some position when the Government went out of power. It is unfortunate for Mr. Browning that on two ends of a great subject he was not allowed to form a teeter-board, finance on one end and law on the other. But, Mr. Speaker, the people will be especially interested in ascertaining whether mushroom companies, shadowy organizations representing we know not whom, without even a business office, can spring up in the night, buy bonds in the old country at the prevailing rate and then sell them to an Ontario Government at tremendous profits without disclosing the identity of the men who were making the profit. We have heard of there being blind pigs in this Province, and we have even heard there were “fences,” but now we have a “blind bond house,” practically a “fence” for the taking in of securities belonging to the Province and robbing Old Man Ontario of his money.

Fiscal Agents Bought at Lower Rate

Let me digress for a minute, for I want to show how extraordinary this deal is. According to the Acts under which Succession Duty Free Bonds were issued, it is the duty of the Province to provide a sinking fund. They must go into the market and spend one-half of one per cent. buying in bonds and creating a sinking fund in England. This is done by our designated agents, the Bank of Montreal in London. The Bank of Montreal was buying them in at the prevailing market rate, and I hold in my hand Province of Ontario $3\frac{1}{2}\%$ Registered Stock bought in by the Bank of Montreal in 1921 at $69\frac{5}{8}$. At the same time that the Province was paying this phantom firm, The Provincial Securities, 84.43 for the same stock.

MR. JOYNT: It is like the Teapot Dome affair.

HON. MR. PRICE: And I ask honourable gentlemen of this

House, and particularly those who formed the last Government, what explanation is there of transactions of this kind? We have over the period a spread of 13.80 points in the buying in of $3\frac{1}{2}$ per cent. stocks. Now take the 4 per cent. bonds: on May 12th, 1921, the Bank of Montreal bought 4 per cent. stocks for us at $85\frac{1}{2}$ (and all of this is Inscribed Stock domiciled in London), whilst the Provincial Securities Company walked up here on May 11th, the day before, and were paid 100 cents on the dollar for the same stocks. And they did it right along—all through April and May. In other words, they were buying over there, shipping over here, and making \$15 on every \$100 out of the people of this Province. Furthermore, $4\frac{1}{2}$ per cent. stocks were bought in the same way, and we find the Provincial Securities Company, Browning, Harris & Co., selling to us at 99 here when the Bank of Montreal was buying the identical stock at $87\frac{1}{2}$, a spread of $11\frac{1}{2}$ points!

Now, Mr. Speaker, there were three ways in which the public should have been protected on these transactions. In the first place, when the sale price of Inscribed Stock in London, for example, was 89, the Province should not have been charged 100; that is elementary.

Second, when the pound was worth, say, only \$4.40, the Province should not be charged par—\$4.86 $\frac{2}{3}$. In other words, this \$15 they were making on every \$100 was not sufficient; they had to make 40 or 50 cents on the pound in exchange! Wasn't that daylight robbery?

Now there was a Minister of the Crown in charge of the Treasury Department, and there was a Deputy Minister and his staff. I maintain that those in public life owe some duty to those they represent. Where were they when this transaction was put over?

HON. MR. DOHERTY: Did the Treasurer tell the House a few days ago that the Treasury Department, with six million and some hundreds of thousands purchased \$8,000,000 odd of bonds because of the exchange and buying bonds below par?

HON. MR. PRICE: That was on the Jarvis deal, before this took place—an entirely distinct deal. That is figuring out loss on interest over the term of the loan. This is figuring what went into your man's pocket at the time.

HON. MR. DOHERTY: I object to any such statement.

HON. MR. PRICE: I don't mean personally, but from his Government.

HON. MR. DOHERTY: Nor from his Government. It was a straight business transaction. My honourable friend has not given one tittle of evidence to show that they were not straight business transactions, and he has no right to refer to these people who bought the bonds as being in any way friends of the Government.

HON. MR. PRICE: There is just one thing the people will want to know: whether these responsible people were knaves or fools.

Now, Mr. Speaker, the third way in which the Province should have been protected was this: Every broker and financial man knows that stock on the London Exchange is sold "flat"—that is, if you pay 89 or 90 you do not pay accrued interest: while here on our exchange you do pay accrued interest. Therefore, any bonds bought on the London Exchange were bought flat, but when brought over here these favoured persons added interest.

Public Accounts Committee to Investigate

But, Mr. Speaker, someone may possibly say, as they said when this Government placed its Public Accounts before the Legislature, that we were vindictive, and did it with a smile—that it was a pleasure to me personally to announce a deficit. I say it is no pleasure. I am a citizen of this Province and anxious to see the Province prosper, and in this particular case I deliberated a long time before I felt it my duty to bring it before the House. It was especially unpleasant, because my predecessor, the Hon. Peter Smith, is not in the House. Neither my colleagues nor myself like to hit below the belt, although we got no quarter when in Opposition. But these are things that can be substantiated; no dust can be thrown in the eyes of the people on this question. Our predecessors should have bought in the lowest market through the Bank of Montreal. Did they never pause to think that the Bank of Montreal purchases were a check upon their wasteful operations? What more conclusive proof could we present to any Assembly than this transaction, which checks itself up from every angle?

Now the losses on these stock transactions run into hundreds of thousands of dollars, on exchange and poor buying and

interest. I do not intend to go any farther than that, but to say to honourable members that the Public Accounts are open and the Public Accounts Committee is open. There is an opportunity for the members of the old Government to defend themselves there. If there is nothing wrong they can show it, but the records of the Department do not look good, and I think the public will come to that conclusion.

I have spoken probably at greater length than I would otherwise have done in replying to what honourable members have said in criticism of the Budget. My reason was to give members of the late Government an opportunity of putting in their defence. Instead of doing that they pooh-pooh it, and try to make out that what I said was not correct, to throw dust in the eyes of the public. That is the wrong way: when we bring things down here we mean it, and we want the public to understand they are correct.

Books Open for Examination

We have lots of discussion on Succession Duty Free Bonds, and have seen what a tremendously bad thing these transactions have been for the Province. After the Budget was brought down, I think one of the newspapers tried to figure up the loss over a period of years and say it was part of the deficit. Of course, that has nothing to do with it at all. The estimate was what we lost by retiring $3\frac{1}{2}$, 4 and $4\frac{1}{2}$ per cent. bonds and putting out 6 per cent. bonds to retire them over the period of the loan. As I have already stated, the loss to the Province due to the existence of Succession Duty Free Bonds over a period of twenty years has been, by actual and careful calculation, \$852,038.43. Yet I have been charged in the press with misstatement because the Hon. Peter Smith alleged that it ran up to \$3,000,000. But if my statement is not sufficiently convincing I invite any responsible citizen to go to the Succession Duty Department and examine the books—there are the facts.

American Exchange on Loans

Before closing my remarks on this Budget, may I refer briefly to a habit which has grown up in Canada, both in provincial and municipal financing, of placing loans in New York, taking large exchange whenever opportune, and then to take that exchange off the face value of the loan and say

that the loan was made at a certain price. In consequence of this fact, we have statements made that loans are placed at rates which often do not convey to the public the exact situation of affairs. No one can gauge the future or say in fifteen or twenty years what the rate of exchange is going to be. Why should any Government take advantage of exchange and not tell the public that it will have to pay the prevailing rate of exchange when the loan matures? We all hope the rate will be down. I think, when the exchange was 10 to 15 per cent. there was some excuse for arguing that loans should be placed in New York, but most eminent financiers to-day consider that the rate will run anywhere up to 5 per cent. for the next few years. No one can say; it is at best only an estimate, and not a computation. When you place a loan in New York the interest has to be paid in American funds, and people holding them seem to have an uncanny way of saving up their coupons and sending them to us just when exchange is high. So every year you have to pay a tremendous amount of exchange on your interest, and when you have to pay off your loans you have also to pay exchange on principal. I remember, in 1921, Hon. Peter Smith pointed out to the House on a \$3,000,000 New York loan he had to pay exchange of \$391,000, and during that year it cost the Province nearly \$800,000 to pay exchange on principal and interest. My honoured leader at that time asked him why he didn't try to renew it, and his answer was, "Yes, there was an attempt, but as it was renewed twice by my predecessors they refused—they wanted the money." That is just it. When the exchange is high they know it in New York.

Let me say to gentlemen in this House we have to be careful; it is not all sunshine and there come rainy days that no Government is responsible for. It has been figured out, Mr. Speaker, that loans well placed in Canada are $\frac{1}{8}$ to $\frac{1}{4}$ per cent. better placed than if floated in New York at practically the same rate. So I say to you that we have averaged the exchange paid out in retirement of loans during the past four years of the Drury regime, and it has run to \$1,663,732, and I believe considerably more because we could only average it. If gone over carefully, I believe, it would run \$2,000,000. I am not advocating that we should always place loans here, but when we place them here we meet with

the statement, "Why, you should have placed them in New York; you are taking money from our business," and when we place them in New York the critics say: "You should have placed them here, because you are discriminating against our own people." I have read the financial columns of the papers carefully, and I do not think, Mr. Speaker, that I can say that the press has been unkindly to me. A critic must criticise.

Provincial Loans Act

In a very short time we will bring down our further supplementary estimates, which I hope will be very small. We will then bring down a borrowing bill. From what estimates I have we will probably need from \$35,000,000 to \$40,000,000. I have read you the amounts of the borrowing bills before the House for the past few years. They are to no great extent controllable but fixed expenditures. When it comes before the House I will discuss that in greater detail, but as it was brought up by honourable members I thought it was probably right to state the amount of money that will be in our Loans Bill this year. Our estimate will be brought before the House, and you will have an opportunity of considering in detail all expenditure which it is proposed by this Government to make.

I just want in closing to say that there seems to be, Mr. Speaker, a disposition on the part of honourable members opposite to think that this Government is not really bound by the things that have gone before and are already in the estimates and can do miracles—that the upkeep of roads can be cut down. But the roads are there and have to be kept up. They think we can cut down the interest. Last year it was \$14,000,000 and next year is going to be nearly \$16,000,000. I cannot regulate that. The money has been borrowed, and the amount is there to be paid. When you look at educational grants, honourable members will all say, "Do not cut them down." When you look at what you want for bridges, Northern Ontario development, or any branch of public service, you will exclaim, "But we cannot cut this down." The only thing with which this Government can be charged or criticized will be on the estimates it brings down for the next year, and the expenditure of money on those estimates.

Responsibility of the Deputies

Therefore I want to place before you, Mr. Speaker, the House and the country, this important thing—that we have got to have co-operation not only in the House, but in the Departments of the Civil Service. I was much impressed with what the leader of the Liberal Party stated as to the responsibility of Deputy Ministers. I believe the Deputy Ministers can do a lot to help the Ministers. The Ministers' time is probably taken up 50 per cent. by overseeing. I have thirteen sub-departments, and if I visit each once in two weeks it is the best I can do. Other Ministers have large departments, and they cannot be expected to give the minute attention a man would do in a smaller business, and therefore it is important that Deputy Ministers should be Deputy Ministers; that men at the heads of the Departments should do real things and not leave it all to the Minister. We are not going to devolve responsibility, but we must reorganize the Civil Service in such a way that a Minister can feel the work is being carried out while he is away, and that we can come down here and feel that everything is going on all right. We are going to get efficiency in the public service, and I feel confident that in this we shall have the co-operation of the House and of the Civil Service. (Loud and prolonged applause.)

BALANCE SHEET
AND
OTHER STATEMENTS

FISCAL YEAR
ENDED
OCTOBER 31, 1923

Statement No. 1

REVENUE

Balance Sheet for the Fiscal Year ended October 31st, 1923, with the cash balances on the 1st November, 1922

State- ment No.		Ordinary	Capital	
		\$ c.	\$ c.	\$ c.
6	Bank Balances, November 1st, 1922.....			16,086,231 84
8	PRIME MINISTER'S DEPARTMENT:			
	Temiskaming and Northern Ont. Ry....	750,000 00		
	Hydro-Electric Power Comm., interest	6,548,135 06		
	Hydro-Electric Power Comm., refund re Rural Power Districts.....		425,000 00	
13	Ontario Public Service Superannuation Fund.....		215,914 85	
	ATTORNEY-GENERAL'S DEPARTMENT:			
23	Casual.....	362,052 71		
14A	Law Enforcement Branch.....	1,249,163 69		
14B	Insurance Branch.....	131,533 28		
15	EDUCATION DEPARTMENT.....	483,385 93		
	LANDS AND FORESTS DEPARTMENT:			
16A	Lands and Forests (2,693,421.14).....	1,984,904 28	708,516 86	
16B	Settlers Loan Commission.....		110,956 37	
16B	Northern Development Branch.....		67,995 62	
23	Casual (Colonization Roads).....	8,544 12		
	MINES DEPARTMENT:			
17A	Mines.....	562,872 25		
17B	Game and Fisheries.....	621,148 08		
	PUBLIC WORKS AND HIGHWAYS DEPT.:			
23	Casual.....	14,473 89		
18A	Public Highways Department.....	229,918 82	1,652,528 08	
18B	Motor Vehicles Branch.....	4,296,009 32		
	LABOUR AND HEALTH DEPARTMENT:			
19A	Labour Department.....	123,989 86		
19B	Mothers' Allowances Commission.....	634,304 22		
	PROVINCIAL TREASURER'S DEPARTMENT:			
	Subsidy from Dominion of Canada—			
	On population, B.N.A.			
	Act, 1907.....	2,260,197 20		
	47 Victoria, Cap. 4....	142,414 48		
	Special Grant, B.N.A.			
	Act, 1907.....	240,000 00		
		2,642,611 68		

Statement No. 1
EXPENDITURE

Balance Sheet for the Fiscal Year ended October 31st, 1923, with the cash balances on the 31st October, 1923

	Ordinary Expenditure	Capital Expenditure	
	\$ c.	\$ c.	\$ c.
LIEUTENANT-GOVERNOR'S OFFICE.....	5,400 00		
PRIME MINISTER'S DEPARTMENT:			
Civil Government.....	34,114 65		
Hydro-Electric Power Commission.....	*105,156 00	8,585,260 00	
Hydro-Electric Power Commission, Central Ontario System.....		604,000 00	
Temiskaming and Northern Ontario Railway.....		2,121,152 40	
Statutory.....	15,051 78		
".....	*264,772 39		
Special Warrants.....	527,905 14	371,000 00	
".....	*702,451 65		
LEGISLATION (including refunds, 1,714.34).....	457,531 34		
ATTORNEY-GENERAL'S DEPARTMENT:			
Civil Government.....	196,825 93		
Administration of Justice.....	1,534,716 06		
Miscellaneous services.....	21,551 42		
Refunds.....	111,627 50		
Statutory.....	524,806 37		
EDUCATION DEPARTMENT:			
Civil Government.....	71,062 46		
Education.....	7,881,440 71	172,200 00	
".....	*1,211,115 72		
Refunds.....	2,368 18		
Statutory.....	557,327 51	30,000 00	
Special Warrants.....	112,266 68	1,445 86	
LANDS AND FORESTS DEPARTMENT:			
Civil Government.....	207,181 24		
Lands and Forests.....	1,262,487 73	995,540 26	
".....	*28,518 90		
Colonization Roads.....	331,142 40	496,713 58	
Refunds.....	18,811 87		
Statutory.....	1,063,275 75	2,232,838 87	
Special Warrants.....	3,600 00	414,401 82	
MINES DEPARTMENT:			
Civil Government.....	133,885 79		
Miscellaneous services.....	140,337 62		
".....	*29,835 62		
Refunds.....	2,136 36		
Statutory.....	6,450 00		
Special Warrants.....	2,809 38		
GAMES AND FISHERIES DEPARTMENT:			
Civil Government.....	51,790 34		
Miscellaneous services.....	281,175 85	34,750 15	
Refunds.....	23,705 85		
PUBLIC WORKS DEPARTMENT:			
Civil Government.....	77,901 03		
Maintenance and Repairs, Government Bldgs	587,177 02		
Public Buildings.....	143,902 66	967,608 45	
Public Works and Bridges.....	146,294 99	405,820 12	

*Details of items appearing in heavy type (see Statement No. 24)

Statement No. 1

REVENUE—Continued

State- ment No.		Ordinary		Capital		
		\$	c.	\$	c.	\$ c.
	PROVINCIAL TREASURER'S DEPARTMENT —Continued					
20A	Interest Account— Dominion of Canada, re Common School Collections..... 73,578 81 Investments..... 949,811 23					
		1,023,390	04			
23	Casual.....	1,542,715	03	2,852	13	
20B	Law Stamps.....	295,054	25			
20C	Succession Duty.....	3,858,260	58			
20D	Corporations Tax Act.....	4,676,458	50			
20E	Land Transfer Tax.....	474,804	65			
	Premium on Treasury Bill "M".....	12,200	00			
	Drainage Debentures (Municipal).....			35,248	42	
	“ “ (Tile).....			83,905	00	
	Municipal Debentures.....			296	04	
9	Municipal Securities.....			112,365	16	
7	General Sinking Funds—Interest.....			207,465	25	
	Queen Victoria Niagara Falls Park, Sinking Fund.....			9,000	00	
	PROVINCIAL SECRETARY'S DEPARTMENT:					
21A	Provincial Secretary.....	1,226,198	53			
23	Casual.....	321	99			
21B	Ontario Housing Commission.....			372,095	27	
22	AGRICULTURE DEPARTMENT.....	339,084	19			
23	MISCELLANEOUS—Casual.....	18,677	67			
12	STATIONERY ACCOUNT:					
	Excess of distribution over purchases.....			67,410	65	
		34,110,212	62	4,071,549	70	16,086,231 84

Statement No. 1
EXPENDITURE—Concluded

	Capital		
	\$	c.	\$ c.
LOANS AND TREASURY BILLS, ETC. (Statutory)			
Dominion of Canada Loan.....	2,000,000	00	
Loan, Series "BB".....	1,000	00	
" " "CC".....	4,000	00	
" " "DD".....	3,000	00	
" " "NN".....	3,000,000	00	
" " "K".....	1,000	00	
Treasury Bills, Series "F".....	1,000,000	00	
" " " "G".....	5,000,000	00	
" " " "H".....	5,000,000	00	
" " " "K".....	1,000,000	00	
" " Royal Bank.....	1,000,000	00	
Agricultural Development Finance Act (11 Geo. V, cap. 31)	2,300,000	00	
" " " " (11 Geo. V, " 32)	3,000,000	00	
Farm Loans Act.....	165,019	72	
			23,474,019 72

Summary

Cash Balances October 31st, 1923.....	18,296,787 26
Ordinary Expenditure.....	49,305,439 15
Capital Expenditure.....	39,535,962 47
Payments of Loans and Treasury Bills, etc.....	23,474,019 72
	130,612,208 60

Statement No. 2 (a)

STATEMENT OF CAPITAL REVENUE FOR FISCAL YEAR 1923

PRIME MINISTER'S DEPARTMENT—

Hydro-Electric Power Commission Refund re Rural Power Districts.....	\$425,000 00	
Ontario Public Service Superannuation Fund, Employees' Contributions.....	215,914 85	
		<u>\$640,914 85</u>

LANDS AND FORESTS DEPARTMENT—

Land Collections—Proportion Capital, 75%.....	\$83,592 03	
Woods and Forests, “ “ 30%.....	624,924 83	
Settlers' Loan Commission.....	110,956 37	
Northern Development Branch.....	67,995 62	
		<u>\$887,468 85</u>

PUBLIC WORKS AND HIGHWAYS DEPARTMENT—

Public Highways Department, Federal, County, Town and City repayments, etc.....	\$1,652,528 08	
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PROVINCIAL TREASURER'S DEPARTMENT—

Drainage Debentures, Municipal.....	\$35,248 42	
“ “ Tile.....	83,905 00	
Municipal Debentures.....	296 04	
“ Securities.....	112,365 16	
General Sinking Funds, interest.....	207,465 25	
Town of Matheson, repayment.....	2,852 13	
Queen Victoria Niagara Falls Park Sinking Fund.....	9,000 00	
		<u>\$451,132 00</u>

PROVINCIAL SECRETARY'S DEPARTMENT—

Ontario Housing Commission, repayment of Principal.....	372,095 27	
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Stationery, excess of distribution over purchases.....	67,410 65	
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	\$4,071,549 70	
Receipts from Loans, Treasury Bills, etc.....	76,344,214 44	

TOTAL CAPITAL REVENUE.....	<u>\$80,415,764 14</u>	
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Statement No. 2 (b)

STATEMENT OF CAPITAL EXPENDITURE FOR FISCAL YEAR 1923

PRIME MINISTER'S DEPARTMENT—

Hydro-Electric Power Commission, advances.....	\$8,585,260 00	
Hydro-Electric Power Commission, advances (Central Ont. System).....	604,000 00	
T. & N.O. Railway advances.....	2,121,152 40	
T. & N.O. “ “ (Special Warrant).....	300,000 00	
Hydro-Electric Commission advances (Special Warrant).....	71,000 00	
		<u>\$11,681,412 40</u>

EDUCATION DEPARTMENT—

University of Toronto, buildings.....	\$172,200 00	
University of Toronto Certificates (Statutory).....	30,000 00	
Redemption of Debentures guaranteed by Government (Special Warrant).....	1,445 86	
		<u>203,645 86</u>

Statement No. 2 (b)

STATEMENT OF CAPITAL EXPENDITURE FOR FISCAL YEAR 1923—Continued

LANDS AND FORESTS DEPARTMENT—

Forest Ranging.....(Proportion Capital 75%).....	\$365,285	18	
Fire Ranging.....10%.....	106,720	22	
Surveys.....100%.....	168,277	80	
Reforestation.....100%.....	214,547	12	
Purchase and Maintenance of Auto.....40%.....	1,161	80	
Clearing townsites and removing fire hazards, 100%.....	99,896	73	
Algonquin Park.....50%.....	23,373	84	
Quetico Park.....60%.....	6,522	33	
Rondeau Park.....60%.....	8,626	63	
Creation and extension of Parks.....100%.....	1,128	61	
Colonization Roads.....60%.....	496,713	58	
Northern Development (Statutory).....	2,226,453	67	
Kapuskasing Water & Sewage System (Statutory).....	6,385	20	
Part Compensation for lands to Chippewa and Mississauga Indian Tribes (Special Warrant).....	400,000	00	
Clearing Lands, Kapuskasing (Special Warrant).....	7,401	82	
Burlington Beach Commission (Special Warrant).....	7,000	00	
			4,139,494 53

GAME AND FISHERIES DEPARTMENT—

Erection of ponds, buildings, etc.....			34,750 15
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PUBLIC WORKS DEPARTMENT—

Public Buildings.....	\$967,608	45	
Public Works and Bridges.....	\$552,115	11	
Less Maintenance.....	146,294	99	
			405,820 12
Court House, Haileybury (Special Warrant).....	14,993	74	
Purchase of property in Queen's Park (Special Warrant).....	210,000	00	
Brough's Creek Bridge (Special Warrant).....	1,902	32	
			1,600,324 63

PUBLIC HIGHWAYS DEPARTMENT—

Road Construction, etc., \$22,014,963.83.			
Of this, \$5,000,000, 3/10 Maintenance, 7/10 Capital	\$3,500,000	00	
Balance, \$17,014,963.83—			
1/13 Maintenance, 12/13 Capital.....	15,706,120	46	
			19,206,120 46

PROVINCIAL TREASURER'S DEPARTMENT—

Part purchase of Motion Picture Plant, Trenton.....	\$24,558	00	
Purchase of Woodlands farm.....	29,000	00	
Municipal Sinking Funds (Statutory).....	6,456	63	
Retirement inscribed stock (par value) (Statutory).....	1,113,681	35	
Sinking Funds on English Loans (Statutory).....	25,916	79	
Hydro-Electric Sinking Fund (Statutory).....	670,634	12	
Debenture Guarantee Act (Statutory).....	46,317	67	
Drainage Debentures purchased (Statutory).....	200,834	45	
Purchase of Succession Duty Free Bonds (par value) (Statutory).....	167,600	00	
			\$2,284,999 01

PROVINCIAL SECRETARY'S DEPARTMENT—

Ontario Housing Act (Statutory).....			385,215 43
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			\$39,535,962 47
Payment of Loans, Treasury Bills, etc.....			23,474,019 72

TOTAL CAPITAL EXPENDITURE.....			\$63,009,982 19
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Statement No. 3

CAPITAL ASSETS OF THE PROVINCE OF ONTARIO

REALIZABLE OR INCOME PRODUCING:

DOMINION OF CANADA:

Capital Account: capitalized at 5%

Interest.....	1,471,576	20
Subsidy on population.....	45,203,944	00
Subsidy (47 V., <i>re</i> Cap. 4).....	2,848,289	60
Special Grant, B. N. A. Act.....	4,800,000	00
	<hr/>	54,323,809 80

INVESTMENT FOR REDEMPTION OF PROVINCE
OF ONTARIO STOCK AND DEBENTURES:

Sinking Fund Loan, 3½% inscribed stock	777,271	06
" " " 4% " "	701,895	21
" " " 4½% " "	210,541	93
" " " 3½%—1926 & 1936	1,528,500	00
" " " 4%—1939.....	2,612,900	00
" " " 4%—1941.....	152,600	00
" " " 4%—1941.....	1,171,600	00
Interest accrued for investment.....	331,214	50
	<hr/>	7,486,522 70

TRUST FUND OF THE PROVINCE HELD BY
THE DOMINION:

Common School Fund.....	1,471,528	34
<i>Re</i> Quebec Turnpike Trust.....	3,324	35
	<hr/>	1,474,852 69

TEMISKAMING AND NORTHERN ONTARIO
RAILWAY.....

28,074,827 42

HYDRO-ELECTRIC POWER COMMISSION.....

114,088,335 85

Central Ontario Electrical System.....

12,711,858 78

126,800,194 63

DEBENTURES:

Drainage Debentures, Municipal.....	306,398	83
Tile Drainage Debentures.....	1,027,563	71
Sault Ste. Marie Debentures.....	25,572	50
Village of Eganville Debentures.....	8,744	88
Town of Cochrane Debentures.....	33,514	06
Township of Whitney Debentures.....	16,673	08
Township of Tisdale Debentures.....	13,685	79
Ontario Highway Acts of 1915 and 1920	57,600	00
Agricultural Development Board Bonds (11 Geo. V, Cap. 32).....	200,000	00
Agricultural Development Board De- bentures (11 Geo. V, Cap. 32).....	3,988,000	00
(Mortgages held by Agricultural De- velopment Board as collateral— \$4,266,090.00)		
Ontario Farm Loan Act (Sec. 48-49) (11 Geo. V, Cap. 33) (secured by lien notes).....	279,639	01

5,957,391 86

BUILDINGS, ROADS, BRIDGES, ETC.:

Provincial Buildings and Lands.....	28,095,039	35
Queen Victoria Niagara Falls Park, surplus of assets.....	1,915,696	56
Northern Development, making of roads and farms, 1919-1923.....	7,082,435	47
Improvement to Highways, 1919-1923.	58,309,280	73
Colonization Roads, 1919-1923.....	1,750,085	61
Hydro Power Plant, Monteith.....	27,061	10

97,179,598 82

CAPITAL ASSETS—Continued

ESTIMATED RESOURCES:

Log Timber, Pine, Spruce, Poplar.....	242,550,000	00
Pulpwood Timber, Ties, Poles, etc...	237,200,000	00
Crown Lands.....	23,000,000	00
Water Powers.....	55,000,000	00
Fish, Game and Fur.....	15,000,000	00
Mines.....	15,000,000	00
	<hr/>	587,750,000 00
TOTAL CAPITAL ASSETS.....		909,047,197 92

Statement No. 3

CAPITAL LIABILITIES OF THE PROVINCE OF ONTARIO

PROVINCE OF ONTARIO STOCK AND DEBENTURES:.. 257,887,757 21
(For details see Statement No. 4)

SINKING FUNDS:

Hydro-Electric Commission, Sinking Funds.....	2,440,000	00
Queen Victoria Niagara Falls Park Sinking Fund.....	451,195	36
	<hr/>	2,891,195 36
COMMON SCHOOL FUND PAYABLE TO THE DOMINION.....		702 11

AGRICULTURAL DEVELOPMENT BOARD:

Bonds (11 Geo. V, cap. 32)..... 200,000 00

AGRICULTURAL DEVELOPMENT BOARD:

Debentures (11 Geo. V, cap. 32)..... 3,988,000 00

ONTARIO FARM LOAN ACT:

(Sec. 48-49) (11 Geo. V, cap. 33)..... 279,639 01
(See Statement No. 6 (b))

4,467,639 01

BALANCE, BEING EXCESS OF CAPITAL ASSETS
OVER CAPITAL LIABILITIES, 643,799,904.23

TOTAL CAPITAL LIABILITIES..... 265,247,293 69

Statement No. 3

CURRENT ASSETS OF THE PROVINCE OF ONTARIO

<i>Capital Assets Brought Forward</i>	909,047,197 92
CASH AND ADVANCES:	
Cash Balances in Banks.....	18,296,787 26
Highway Department, amount unex- pended October 31st, 1923 (See PUBLIC ACCOUNTS, I, page 104).. <hr/>	729,548 36
	19,026,335 62
ACCOUNTS RECEIVABLE:	
Balance due from Sale of Central Prison and Toronto Asylum pro- perties.....	473,320 00
Balance of Interest due Province for years 1921, 1922 and 1923 by Hydro - Electric Commission <i>re</i> Nipigon System.....	567,621 58
Balance due from Succession Duty....	275,000 00
Northern Development Branch, Unex- pended Balances, Notes and Loans outstanding.....	1,093,187 63
Loans under <i>Ontario Housing Act</i>	7,368,838 19
Amounts outstanding on Crown Lands and Interest.....	750,000 00
Amounts outstanding on Timber Dues, Bonus, etc.....	2,700,500 00
From Municipalities for Mothers' Allowances.....	103,040 73
Farmers' Bank, balance..... <hr/>	26,445 66
	13,357,953 79
ONTARIO GOVERNMENT DISPENSARIES.....	1,176,865 90
LIVE STOCK, STORES AND EQUIPMENT, PUBLIC INSTITUTIONS.....	676,550 90
NORTHERN DEVELOPMENT BRANCH:	
Buildings, Plant, Equipment, Ma- chinery, Motors, Tractors, etc.....	218,202 91
BALANCE:	
Being excess of Current Liabilities over Current Assets.....\$3,688,088.85	<hr/>
TOTAL CURRENT ASSETS	34,455,909 12
TOTAL ASSETS	943,503,107 04

Statement No. 3

CURRENT LIABILITIES OF THE PROVINCE OF ONTARIO

Capital Liabilities Brought Forward..... 265,247,293 69

TEMPORARY LOANS:

Treasury Bills:

Series "J".....	1,000,000 00	
" " "L" due December 21, 1923	10,000,000 00	
" " "M" " November 1, 1923	5,000,000 00	
" " "N" " January 25, 1924..	5,000,000 00	
" " "P" " April 1, 1924.....	3,000,000 00	
		24,000,000 00

Balance of Province of Ontario Savings

Office Deposits..... 5,317,360 99

(See Statement No. 6 (b))

ACCOUNTS PAYABLE:

Accrued Interest on Public Debt to October 31st, 1923.....	3,269,484 00	
Funds deposited in lieu of Bonds for Succession Duty.....	135,529 39	
Accounts due by Departments.....	263,919 30	
		3,668,932 69

SPECIAL FUNDS:

Assurance Fund, under <i>Land Titles Act</i>	110,000 00	
Municipal Sinking Funds.....	831,212 22	
University of Toronto Certificates.....	360,000 00	
Railway and Annuity Certificates.....	2,977,821 90	
Ontario Public Service Superannuation Fund.....	878,670 17	
		5,157,704 29

TOTAL CURRENT LIABILITIES..... 38,143,997 97

TOTAL LIABILITIES..... 303,391,291 66

Statement No. 4

BONDED DEBT OF THE PROVINCE OF ONTARIO AS OF OCTOBER 31st, 1923

Maturity	Rate	Date of Issue	Amount Outstanding	Authority	Interest Dates	Payable at	Denominations	Exemptions	Series	Nature
Aug. 15, 1924	5½%	Aug. 15, 1919	\$ 3,000,000	9 Geo. V., Cap. 2	15 Feb. & Aug.	Prov. Treas. Bk. Mtl., M., & N.Y.	\$ 1,000	None	E E	Bonds
Mar. 1, 1925	5½%	Mar. 1, 1920	5,000,000	R.S.O. 1914, Cap. 39	1 Mar. & Sept.	Prov. Treas. & Bk. Mtl., N.Y.	1,000	None	J J	Bonds
Apr. 15, 1925	6	Apr. 15, 1920	6,800,000	7 Geo. V., Cap. 3	15 Apr. & Oct.	Prov. Treas. & Bk. Mtl., N.Y.	1,000	None	L L	Bonds
May 1, 1925	4½%	May 1, 1915	4,000,000	5 Geo. V., Cap. 4	1 May & Nov.	Prov. Treas. & Bk. Mtl., N.Y.	1,000	None	L	Bonds
Mar. 1, 1926	4	Mar. 1, 1916	8,350,000	6 Geo. V., Cap. 18	1 Mar. & Sept	Prov. Treas., Bk. Mtl., N.Y. or Lon., England	1,000	None	M	Bonds
June 1, 1926	5	June 1, 1916	4,000,000	6 Geo. V., Cap. 2	1 June & Dec.	Prov. Treas., Nat. City Bk., N.Y. & Bk. Mtl., London	1,000	None	....	Bonds
July 1, 1926	3½%	July 1, 1907	3,000,000	5 Ed. VII., Cap. 2	1 Jan. & July	Prov. Treas.	1,000 & 500	Free from Succ. Duty	....	Bonds & Stock
July 1, 1936		Dec. 1, 1916	2,000,000	6 Ed. VII., Cap. 4	1 June & Dec.	Prov. Treas. & Bk. Mtl., N.Y.	1,000	None	N	Bonds
Dec. 1, 1926		July 2, 1917	225,000	R.S.O. 1914, Cap. 39	1 Jan. & July	Prov. Treas. & Bk. Mtl., N.Y.	1,000 & 500	None	R	Bonds
July 2, 1927	5	July 2, 1917	225,000	6 Geo. V., Cap. 18	1 Jan. & July	Prov. Treas. & Bk. Mtl., N.Y.	1,000 & 500	None	R	Bonds
Nov. 1, 1927, 1928, 1929	6	Nov. 1, 1921	525,000	7 Geo. V., Cap. 2	1 May & Nov.	Bk. Mtl., N.Y.	500	None	....	Stock
Nov. 15, 1927	6	Nov. 15, 1920	5,000,000	R.S.O. 1914, Cap. 39	15 May & Nov.	Prov. Treas., Bk. Mtl., M. & N.Y.	1,000	None	P P	Bonds
Feb. 1, 1928	6	Feb. 1, 1918	3,000,000	7 Geo. V., Cap. 2	1 Feb. & Aug.	Prov. Treas., Bk. Mtl., M. & N.Y. or Winnipeg	1,000 & 500 & 100	None	T & U	Bonds
May 15, 1928	6	May 15, 1918	4,250,000	8 Geo. V., Cap. 2	15 May & Nov.	Prov. Treas., Bk. Mtl., M. & N.Y.	1,000 & 500 & 100	None	VWX	Bonds
Aug. 15, 1928	6	Aug. 15, 1918	1,750,000	8 Geo. V., Cap. 2	15 Feb. & Aug.	Prov. Treas., Bk. Mtl., N.Y.	1,000 & 500 & 100	None	Y	Bonds
Sept. 23, 1929	5½%	Sept. 23, 1919	4,000,000	R.S.O. 1914, Cap. 39	23 Mar. & Sept.	Prov. Treas., Bk. Mtl., N.Y.	1,000	None	F F	Bonds
Dec. 1, 1929	5½%	Dec. 1, 1919	3,000,000	R.S.O. 1914, Cap. 39	1 June & Dec.	Prov. Treas., Bk. Mtl., N.Y.	1,000	None	G G	Bonds
Jan. 1, 1930	5½%	Jan. 1, 1920	3,000,000	R.S.O. 1914, Cap. 39	1 Jan. & July	Prov. Treas., Bk. Mtl., N.Y.	1,000	None	H H	Bonds
June 15, 1930	6	June 15, 1920	8,000,000	R.S.O. 1914,	15 June & Dec.	Prov. Treas., Bk.	1,000 &	None	M M	Bonds

Apr. 1, 1935	6	Apr. 1, 1920	2,000,000	99 R.S.O. 1914, Cap. 39	31 1 Apr. & Oct.	Prov. Treas. & Bk. Mtl., M.	1,000	None	Teachers K K	Bonds
Dec. 1, 1935	6	Dec. 1, 1920	16,000,000	R.S.O. 1914, Cap. 39	1 June & Dec.	Prov. Treas. & Bk. Mtl., M. or Winnipeg	1,000 500	None	R R	Bonds
May 2, 1936	6	May 2, 1921	15,000,000	R.S.O. 1914, Cap. 39	2 May & Nov.	Prov. Treas., Bk. Mtl., Montreal	1,000 & 500	None	T T	Bonds
Jan. 3, 1937	5½	Jan. 3, 1922	15,000,000	11 Geo. V., Cap. 7	3 Jan. & July	Prov. Treas., Bk. Mtl., M. or N.Y.	1,000	None	Z Z	Bonds
June 1, 1939	4	June 1, 1909	1,150,000	5 Ed. VII., Cap. 2 & 3	1 June & Dec.	Prov. Treas. or Bk. Mtl., Mont.	1,000 & 500	None	....	Bonds & Stock
June 1, 1939	4	June 1, 1909	3,500,000	9 Ed. VII., Cap. 8	1 June & Dec.	Prov. Treas., Bk. Mtl., M. or N.Y.	1,000 & 500	Free from Succ. Duty	A	Bonds & Stock
Feb. 1, 1941	6	Feb. 1, 1921	10,000,000	R.S.O. 1914, Cap. 39	1 Feb. & Aug.	Prov. Treas. & Bk. Mtl., M.	1,000 & 500	None	S S	Bonds
May 1, 1941	4	May 1, 1911	498,600	1 Geo. V., Cap. 9	1 May & Nov.	Prov. Treas., Bk. Mtl., M. or New York	1,000 & 500	Free from Succ. Duty	B	Bonds & Stock
Nov. 1, 1941	4	Nov. 1, 1911	3,000,000	1 Geo. V., Cap. 4	1 May & Nov.	Prov. Treas., Bk. Mtl., M. or N.Y.	1,000 & 500	Free from Succ. Duty	C & D	Bonds & Stocks
Oct. 1, 1942	5	Oct. 2, 1922	20,000,000	12-13 Geo. V., Cap. 8	1 Apr. & Oct.	Prov. Treas., Bk. Mtl., M. or N.Y.	1,000	None	A C	Bonds
Dec. 1, 1942	5½	Dec. 1, 1922	20,000,000	12-13 Geo. V., Cap. 8	1 June & Dec.	Prov. Treas. & Bk. Mtl., M.	1,000 & 500	None	A D	Bonds
Mar. 1, 1943	5½	Mar. 1, 1923	2,300,000	11 Geo. V., Cap. 18	1 Mar. & Sept.	Prov. Treas.	100,000	None	A E	Bonds
Sept. 15, 1943	6	Sept. 15, 1921	15,000,000	R.S.O. 1914, Cap. 39	15 Mar. & Sept.	Prov. Treas., Bk. Mtl., M. or N.Y.	1,000	None	V.U. & X.X.	Bonds
Sept. 15, 1943	6	Sept. 15, 1921	15,000,000	R.S.O. 1914, Cap. 39	15 Mar. & Sept.	Prov. Treas., Bk. Mtl., M. or Winnipeg	1,000 & 500	None	W.W. & Y.Y.	Bonds
Oct. 15, 1948	5	Oct. 15, 1923	19,742,500	13-14 Geo. V., Cap. 2	15 Apr. & 15 Oct.	Prov. Treas., Can. Bk. Commerce, Halifax, St. John, N.B., Montreal, Winnipeg, or Vancouver	500 & 1,000	None	A F	Bonds
Apr. 1, 1952	5	Apr. 1, 1922	15,000,000	R.S.O. 1914, Cap. 39	1 Apr. & Oct.	Prov. Treas., Bk. Mtl., M. or N.Y.	1,000	None	A B	Bonds
On Demand	5	.....	9,350,000	9 Geo. V., Cap. 54	.....	Prov. Treas.	.....	None	Dom. of Can. Housing Loans	Bonds
Jan. 1, 1946 £422,549/4/10	3½	Jan. 1, 1906	2,056,406.30	5 Ed. VII., Cap. 2 & 3	1 Jan. & July	Bk Mtl., London, England	.....	None	.....	Inscribed Stock
May 1, 1947 £319,692/16/4	4	May 1, 1909	1,555,838.37	2 Geo. V., Cap. 2	1 May & Nov.	Bk Mtl., London, England	.....	Free from Succ. Duty	.....	Inscribed Stock
Jan. 1, 1965 £171,454/12/8	4½	Jan. 1, 1914	834,412.54	4 Geo. V., Cap. 9	1 Jan. & July	Bk Mtl., London, England	.....	Free from Succ. Duty	.....	Inscribed Stock
			257,887,757.21							

Statement No. 5

Indirect Liabilities and Guarantees of the Province of Ontario

(1) Niagara Falls Park Bonds—50 Vic., c. 13.....		525,000 00	
57 Vic., c. 13.....		75,000 00	
8 Edw. VII., c. 29.....		100,000 00	
10 Edw. VII., c. 21.....		200,000 00	
		<hr/>	
		900,000 00	
Less Sinking Fund payments with accrued interest.....		451,195 36	
		<hr/>	
			448,804 64
NOTE.—The income of the Park Commission from leases of power, etc., was sufficient to pay all maintenance and interest charges and leave a balance available for capital expenditure.			
(2) University of Toronto.			
Guarantee by the Province of Ontario, under authority Order-in-Council, 15th July, 1908, and 16th June, 1909, Debentures of above University, payable 15th July, 1910, to 15th July, 1949, 40 years, \$500,000.00.			
Present value for 26 years at 4 per cent.....		403,724 77	
(3) University of Toronto.			
Guarantee by the Province of Ontario, under authority Order-in-Council, 7th April, 1911, Debentures of above University, payable 1st January, 1912, to 1st January, 1951, 40 years, \$130,000.00.			
Present value for 28 years at 4 per cent.....		109,442 97	
(4) University of Toronto.			
Guarantee by the Province of Ontario, under authority Order-in-Council, May, 1912, Debentures of above University, payable 1st January, 1912, to 1st January, 1951, 40 years, \$300,000.00.			
Present value for 28 years at 4 per cent.....		252,562 00	
(5) University of Toronto.			
Guarantee by the Province of Ontario, under authority of Order-in-Council, April 14th, 1915, Debentures of above University, payable 1st January, 1915, to 1st January, 1954, 40 years, \$110,000.00.			
Present value for 32 years at 4½ per cent.....		100,313 61	
		<hr/>	
			866,043 35
(6) Town of Bruce Mines.			
Guarantee by the Province of Ontario under the authority of R.S.O., 1914, cap. 266, sec. 36, sub-sec. 3, amended by sec. 5, Stat. Law Amendment Act, 1914. Debentures of above Town, payable January 1st, 1918, to January 1st, 1947; interest, 6 per cent. per annum.....			
			22,794 25
(7) Town of Cochrane.			
Guarantee by the Province of Ontario, under the authority of 7 George V., cap. 9. Debentures of above Town payable May 1st, 1918, to May 1st, 1947; interest, 5 per cent. per annum.....			
			35,904 85
(8) Town of Matheson.			
Guarantee by the Province of Ontario under the authority of 7 George V., cap. 9. Debentures of above Town payable June 1st, 1923, to June 1st, 1937; interest, 6 per cent. per annum.....			
			4,785 18
(9) Township of Tisdale.			
Guarantee by the Province of Ontario, under the authority of 7 George V., cap. 9. Debentures of above Township payable December 31st, 1917, to December 31st, 1931; interest, 6 per cent. per annum.....			
			17,508 03

Statement No. 5

Indirect Liabilities and Guarantees of the Province of Ontario—Continued

(10)	Presqu'Ile Park Commission. Guarantee by the Province of Ontario under the authority of 13-14 George V., cap. 6. Debentures of the above Commission, payable May 1st, 1943, interest, 6 per cent. per annum.....	20,000 00
(11)	Township of Tisdale. Guarantee by the Province of Ontario, under the authority of 7 George V., cap. 9. Debentures of above Township payable December 31st, 1917, to December 31st, 1931; interest, 6 per cent. per annum.....	7,003 21
(12)	Township of Tisdale. Guarantee by the Province of Ontario, under the authority of Statute Law Amendment Act, 1918, sec. 67. Debentures of above Township payable July 1st, 1918, to July 1st, 1932; interest, 6 per cent. per annum.....	7,003 21
(13)	Board of Trustees, R. C. Sep. School, Town of Timmins. Guarantee by the Province of Ontario, under the authority of 7 George V., cap. 27. Debentures of above Board payable December 1st, 1918, to December 1st, 1937; interest, 5 per cent. per annum.....	24,986 72
(14)	Town of Matheson. Guarantee by the Province of Ontario, under the authority of 9 George V., cap. 4. Debentures of above Town payable April 1st, 1920, to April 1st, 1949; interest, 6 per cent. per annum.....	29,757 03
(15)	Board of Trustees, R. C. Sep. School, Town of Timmins. Guarantee by the Province of Ontario, under the authority of 9 George V., cap. 4. Debentures of above Board payable November 1st, 1919, to November 1st, 1938; interest, 6 per cent. per annum.....	13,216 16
(16)	Township of Tisdale. Guarantee by the Province of Ontario, under the authority of 9 George V., cap. 4. Debentures of above Township, payable May 1st, 1920, to May 1st, 1924; interest, 7 per cent. per annum.....	2,139 92
(17)	Town of Capreol. Guarantee by the Province of Ontario, under the authority of 10-11 George V., cap. 7. Debentures of above Town payable December 1st, 1922, to December 1st, 1939; interest, 6 per cent. per annum.....	8,824 57
(18)	Town of Matheson. Guarantee by the Province of Ontario, under the authority of 9 George V., cap. 4. Debentures of above Town payable May 6th, 1919, to May 6th, 1948; interest, 6 per cent. per annum.....	40,000 00
(19)	Guarantees under the authority of the Municipal Housing Act, 1920, Sec. 4.	
	Beaverton.....	6,607 93
	Cochrane.....	72,960 75
	Fergus.....	9,134 50
	Ford City.....	236,524 86
	Kitchener.....	124,326 45
	Listowel.....	54,283 02
	London.....	283,199 95
	Niagara Falls.....	73,490 11
	Point Edward.....	16,728 34
	Riverside.....	197,352 77
	Sarnia.....	143,393 00

Statement No. 5

Indirect Liabilities and Guarantees of the Province of Ontario—Continued

Sioux Lookout.....	25,000 00	
Stamford Township.....	95,765 50	
Sudbury.....	138,544 50	
Tilbury.....	43,236 48	
Walkerville.....	297,879 79	
Windsor.....	890,190 25	
		<hr/>
		2,708,618 20

(20) Hydro-Electric Power Commission of Ontario.

Guarantees given by the Province in respect of bond and other liabilities assumed by and bonds issued by the Commission:

Re Ontario Power Company.

Borrowings from the Bank of Montreal in connection with construction of the third pipe line..... 1,200,000 00

Forty year 4 per cent. Debentures of the Commission given in purchase of the Capital Stock of the Ontario Power Company, due 1st August, 1957..... 8,000,000 00

Twenty year 6 per cent. Debentures (due in 1941), issued by the Commission for the purpose of retiring debentures of the Ontario Power Company, which matured in 1921..... 3,200,000 00

First Mortgage Bonds of the Ontario Power Company, due 1st February, 1943 8,980,000 00

First Mortgage 5 per cent. Bonds of the Ontario Transmission Co., Limited, due 1st May, 1945..... 1,568,000 00

22,948,000 00

Re Essex System.

Forty year 4 per cent. Debentures of the Commission, due 1st June, 1958.... 200,000 00

Ten year 5 per cent. Debentures of the Commission, due 1st June, 1928..... 26,000 00

226,000 00

Re Thorold System.

Forty year 4 per cent. Debentures of the Commission, due 1st December, 1958 100,000 00

Re Sandwich, Windsor and Amherstburg Railway.

Forty year 4½ per cent. Bonds of the Commission, due 1st April, 1960..... 2,100,000 00

Forty year 6 per cent. Debentures of the Commission, due 1st July, 1961.... 900,000 00

Twenty year 5 per cent. Bonds of the Commission, due 1st September, 1943... 966,205 00

3,966,205 00

Re Port Credit and St. Catharines Railway.

Fifty year 5 per cent. Bonds of the Commission, due 1st November, 1969... 500,000 00

Re Toronto Power Company.

Twenty year 6 per cent. Bonds of the Commission, due 1st December, 1940, given in part purchase of the Capital Stock of the Toronto Power Company.. 619,000 00

Statement No. 5

Indirect Liabilities and Guarantees of the Province of Ontario—Continued

4½ per cent. Guaranteed Debenture Stock of the Toronto Power Company, due 1st May, 1941.....	11,822,632 29	
	<hr/>	12,441,632 29
Re Toronto and York Radial Railway Com- pany and the Schomberg and Aurora Railway Co.		
Twenty year 6 per cent. Bonds of the Commission, due 1st December, 1940, given in purchase of the Capital Stock of the Toronto and York Radial Railway Co., and the Schomberg and Aurora Railway Co.....	.....	2,375,000 00
		<hr/>
		42,556,837 29
		<hr/>
		46,814,226 61

Statement No. 6 (b)

PROVINCE OF ONTARIO SAVINGS OFFICE

Deposits

October 31st, 1922.....	\$2,535,000 00
" " 1923.....	10,550,000 00
	<hr/>
TOTAL.....	\$13,085,000 00

Investments

Agricultural Development Board, Debentures.....	\$3,988,000 00
" " " Bonds.....	200,000 00
Term Loans.....	279,639 01
Bonds "AE".....	2,300,000 00
Treasury Bills "J".....	1,000,000 00
Deposited in Consolidated Revenue.....	5,317,360 99
	<hr/>
TOTAL.....	\$13,085,000 00

STATEMENT No. 24 (a)

Details of Amounts Appearing in No. 1 Statement in Black Type of Similar Expenditures
which in 1921-22 were classified as Capital and Extraordinary

PRIME MINISTER'S DEPARTMENT:

Hydro-Electric Power Commission:

Amounts charged to Province.....	105,156 00
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Statutory:

Public Service Superannuation Fund, Payments to An-	
nuitants.....	167,039 26

Northern Ontario Fire Relief.....	97,733 13
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	<hr/>	264,772 39
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Special Warrants:

Commissions re Sundry Investigations.....	325,124 65
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Hydro Radial Investigations.....	377,327 00
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	<hr/>	702,451 65
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EDUCATION DEPARTMENT:

Assisted Schools.....	20,860 00
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Consolidated Schools.....	109,503 00
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Technical Education.....	327,113 82
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Provincial and other Universities.....	753,638 90
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	<hr/>	1,211,115 72
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LANDS AND FORESTS DEPARTMENT:

Commissions re Sundry Investigations.....	28,518 90
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MINES DEPARTMENT:

Peat Fuel Investigation.....	9,925 00
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Temiskaming Testing Laboratories.....	19,910 62
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	<hr/>	29,835 62
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PROVINCIAL TREASURER'S DEPARTMENT:

Purchase of Films.....	65,431 95
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Soldiers' Aid Commission.....	142,500 00
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	<hr/>	207,931 95
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Statutory:

Annuities.....	102,448 19
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Railway Aid.....	139,112 54
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Provincial Savings Office Expenses.....	114,560 46
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	<hr/>	356,121 19
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MISCELLANEOUS SERVICES:

Northern Ontario Fire Relief.....	100,000 00
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	<hr/>	3,005,903 42
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STATEMENT No. 24 (b)

Amounts charged to Ordinary Expenditure for Discount, and Interest Charges on
Treasury Bills and Loss on Loan "AD" (amortized) formerly treated as
deductions from Capital Receipts of Loans and Treasury Bills

Discount on Treasury Bill "K".....	2,500 00
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Interest Charges " " "L".....	296,250 00
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" " " " "N".....	87,020 50
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" " " " "P".....	84,375 00
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Loss on Loan "AD" (amortized).....	2,155 72
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	<hr/>	472,301 22
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No. 27

Comparative Statement of Expenditure by Departments for the years 1922 and 1923

Departments	1922	1923
Lieutenant-Governor.....	5,450 00	5,400 00
Prime Minister.....	16,764,596 11	13,330,864 01
Legislation.....	436,923 22	457,531 34
Attorney-General.....	1,906,070 73	2,389,527 28
Education.....	10,649,328 38	10,039,227 12
Land and Forests.....	4,649,622 28	7,054,512 42
Lines.....	315,095 46	315,454 77
Game and Fisheries.....	399,485 05	391,422 19
Public Works.....	2,884,259 70	2,600,964 84
Provincial Highways.....	18,485,890 89	22,509,070 87
Labour and Health.....	2,632,804 98	2,638,370 38
Provincial Treasurer.....	65,151,681 56	41,898,856 51
Audit Office.....	57,484 36	60,886 51
Provincial Secretary.....	5,789,922 43	6,470,202 58
Agriculture.....	1,758,405 97	1,996,823 18
General Miscellaneous.....	77,675 03	156,307 34
Total.....	131,964,696 15	112,315,421 34

