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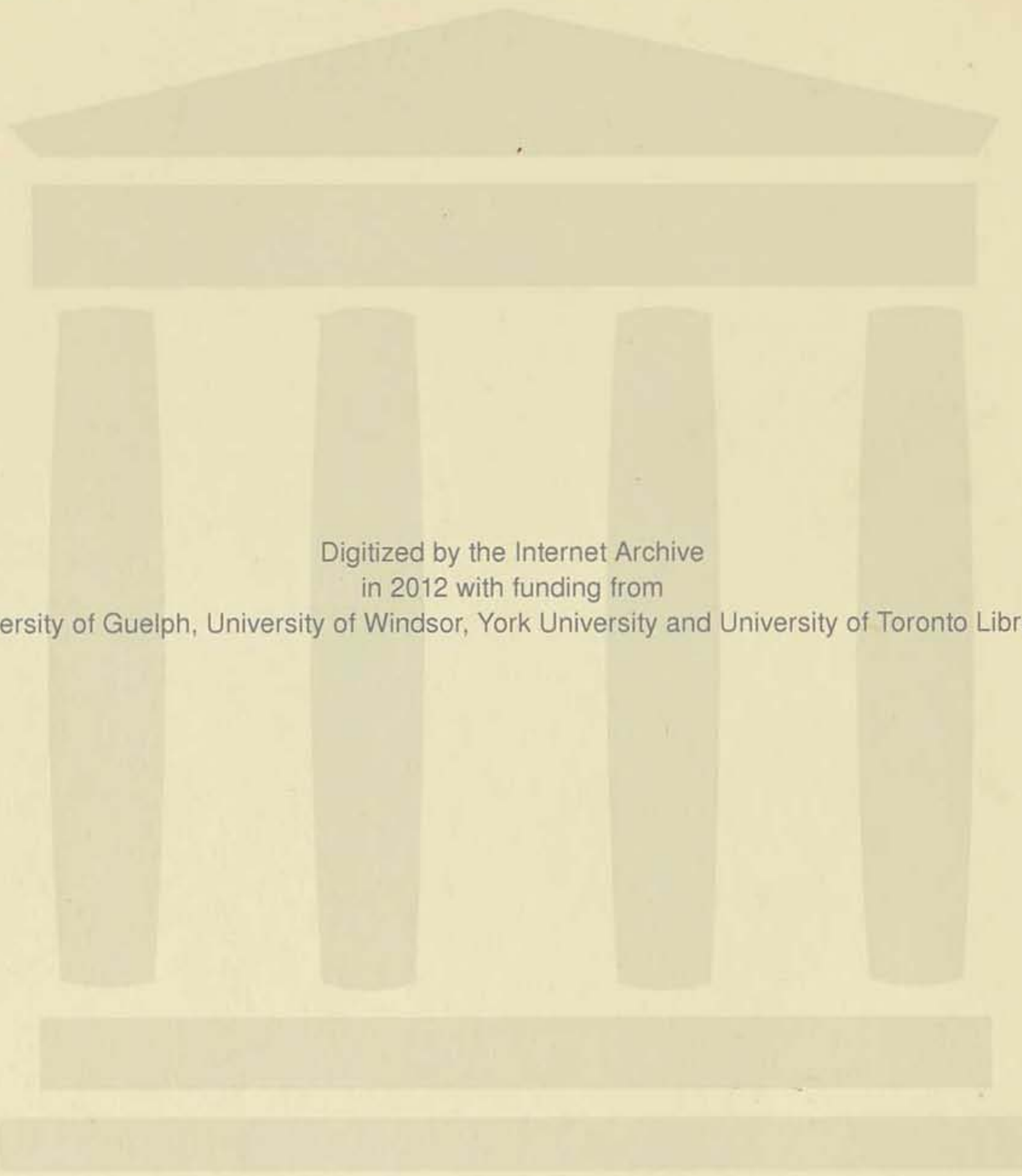
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Financial Statement

OF

HON. DR. J. D. MONTEITH

Treasurer of the Province of Ontario

B4521

DELIVERED IN THE

LEGISLATIVE ASSEMBLY OF ONTARIO

ON THE

22nd FEBRUARY, 1927

On moving the House into Committee of Supply

PRINTED BY ORDER OF

THE LEGISLATIVE ASSEMBLY OF ONTARIO



TORONTO

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1927

Financial Statement

HON. DR. J. D. MONTEITH

Treasurer of the Province of Ontario

DECEMBER 17, 1963

LEGISLATIVE ASSEMBLY OF ONTARIO

ON THE

2nd FEBRUARY, 1964

On moving the House into Committee of Supply



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BUDGET ADDRESS

DELIVERED BY

HON. DR. J. D. MONTEITH

Treasurer of the Province of Ontario,
Tuesday, February 22nd, 1927.

MR. SPEAKER: Before moving that you do now leave the chair in order that this House may resolve itself into a Committee of the Whole for the consideration of Supply, I should be pleased to offer some observations pertaining more particularly to the finances of the Province.

We are now well across the threshold of the First Session of the Seventeenth Parliament of this Legislature, the opening ceremonies of which were as impressive as usual.

With other Honourable Members who have addressed this House, I wish at this juncture to pass on my congratulations to His Honour, the Lieutenant-Governor. The choice was a happy one, the Crown will be fittingly represented and the true democracy of our people will be amply safeguarded.

CONGRATULATIONS TO SPEAKER AND CLERK

Passing from the Throne to the People, I wish to congratulate you, Mr. Speaker, on being selected as the Speaker of this House and spokesman for the people of this Province. Your long parliamentary career eminently fits you for the tasks that you have been chosen to discharge. You will dignify the exalted position, and I bespeak for you the cordial co-operation from the Members of the Chamber in the carrying out of the functions of your office. May your term, Sir, be pleasant and congenial to your tastes.

We have in the appointment of a new Clerk, a very worthy and popular gentleman, in the person of Major Alex. Lewis. May his length of service in his new office equal that of his venerable predecessor.

The fortunes of political war have left their scars and many good and able men have fallen by the way in the December campaign, and we are to-day deprived in this

Chamber of their counsel and advice. Nevertheless, their places have been taken by new Members of outstanding debating ability as well as legislative wisdom born of civic experience. To these I extend with other Honourable Members a very cordial welcome to this Chamber.

I pay tribute with the other Honourable Members of the House to the mover and seconder of the Address. They have ably dealt with the substance in the Speech from the Throne. It is a great compliment to their constituencies to have them discharge this duty, and their election to this Chamber reflects the wisdom of their respective Ridings.

FOUND EFFICIENT DEPARTMENT

Much as I appreciate the confidence placed in me and the compliment shown to me by the Premier in calling me to his Cabinet, much as I appreciate my predecessor as a man, as a colleague, and as a Legislator, still more do I appreciate the high standard of efficiency that he left behind him in the Department of the Treasury. Yes, Mr. Speaker, it is the handiwork of a financial genius. My tenure of office has been too short to bring any direct credit to me personally for the achievements in this office. That has been attained by the operation of three outstanding factors: the hard work of the Premier plus his ability to direct human forces; the astute financial mind of my predecessor, Colonel Price; and the hearty co-operation of the various heads of the Department.

I have been told that I had a very hard man to follow. This is true, but he is also an easy man to follow. He is hard because he has left a standard that requires arduous application to live up to, and he is easy because he has left a beacon-light to guide my footsteps through the maze of figures, in short, a path-finder to the untrained.

PUBLIC ACCOUNTS AND ESTIMATES

I will draw the Honourable Members' attention to the copy of the Public Accounts that has been laid upon their desks, which contains all financial transactions for the fiscal year 1926. You will find that this volume has been very extensively improved in the last three or four years. It has been reduced in size by fifty per cent. Originally it was a

thousand-page volume. To-day we have the contents well arranged and intelligently presented in a volume of about five hundred pages.

The running totals in the various Departments are an improvement. The indexing has been very greatly improved and simplified so that any elector can very conveniently ascertain the knowledge he desires from this book. The saving in paper and printing alone in the preparation of the present copy runs into thousands of dollars. When one compares the Public Accounts with those presented a few years ago, the improvements in the form and clarity of information are particularly striking.

You will also find on your desks the Supplementary Estimates of 1927, amounting to some three million dollars. Later will be presented the Further Supplementary Estimates for 1927, and the Main Estimates for 1928. Also on your desks will appear a digest of the Public Accounts for 1926 in pamphlet form, together with a statement of the Estimated Receipts and Payments for the fiscal year ending October 31st, 1927. On this will be based the forecast to which I will refer later. May I add, also, that these documents are there for your study, thought and deliberation, and, Honourable Gentlemen, there is a responsibility on your shoulders to take back that information to your constituents.

EARLY FINANCIAL STATEMENT

Those of you who may have consulted my early Financial Report in December will find that, while it was to some extent estimated, yet, with the final adjustments of 1926, it corresponded practically to the ultimate presentation of the financial activities of 1926 which are presented to you to-day.

This preliminary Financial Report is in keeping with the procedure established by my predecessor, the Honourable the Attorney-General. It has proved of great value to the average elector of Ontario who has studied this report, as it puts him in a better position to acquaint himself with the affairs of the Province. Not only that, but it places in the hands of the Honourable Gentlemen present a fairly accurate synopsis of the finances of the preceding year at a very early date.

A WEALTHY PROVINCE

Mr. Speaker, if I were able, nothing would satisfy my desire more to-day than to depict a mental picture of the greatness of this Province, especially to new Members here present. If I could in some way give to them a setting for the mass of figures that are to follow, then my object would be achieved to a very large extent. I know that finances, either to study them or talk them, are not entertaining, but at the same time, with a mind riveted on the finances of the Province, you will observe the financial structure and become enlightened. Therefore, what I may have to say regarding finances, while it may not be entertaining, will, I trust, at least prove somewhat interesting and should be a little instructive.

First of all I say: Study your map of Canada and you will see that Ontario is the key Province of the Dominion—the hub around which the other Provinces revolve. We lead all Provinces in industrial activity, in agricultural and mineral production and in commercial pursuits. Within our boundaries we have approximately one-half of the wealth of the Dominion and one-third of the population. Our Province covers an area of over 400,000 square miles and carries a population of about 3,000,000.

In the great north country, we think of forests, mines, minerals, pulpwood, power, fish, game and furs. In older Ontario we think of intensive industrial and commercial life and agriculture.

The people of this Province carry a great responsibility on account of the fact that our sister provinces constantly and closely watch our actions and example. As a keystone Province of this great Dominion, it should be our proud tradition to assume leadership in the development of the spirit of national life, which, after all, is the real spirit of true citizenship.

This preliminary may to some extent furnish a setting for the mass of figures we now approach.

Our estimated wealth is represented as follows:

Value of Crown timbers, over	\$4,800,000,000
Property assessed by municipalities, over	2,600,000,000
Value of Mineral wealth	2,000,000,000
Value of Crown lands undeveloped	230,000,000
Value of fish, game and fur	200,000,000
Value of water powers	150,000,000

or in all about ten billions of dollars.

This, of course, is estimated, but the true wealth would be more likely to exceed this amount. This will give some slight impression of the great wealth of the Province, which Honourable Gentlemen have come here to represent.

Then again, our widespread and intensive activities bring to the people of the Province a huge sum of annual income, set forth in statement as follows:

Farming, over.....	\$477,000,000
Manufacturing, over.....	1,397,000,000
Mining, over.....	87,000,000
Forests, over.....	103,000,000
Fisheries, over.....	2,800,000
Furs, over.....	3,400,000

making a total of over two billions of dollars.

This also will give you some conception as to the extent of our resources and industrial life. The magnitude of it is such as to appeal to the pride of every citizen of Ontario.

ORDINARY REVENUE, 1904-26

The growth of the ordinary revenue of this great Province is very satisfactory, and it is a remarkable achievement to have increased our income from \$34,000,000 in 1923 to the tremendous sum of over \$50,000,000 in 1926—an increase of \$16,000,000.

1904.....	\$4,464,100
1910.....	8,891,004
1914.....	11,121,382
1918.....	19,270,123
1923.....	34,110,212
1924.....	40,540,923
1925.....	46,602,803
1926.....	50,841,043

GROSS PROVINCIAL DEBT

At this juncture, I wish to inform the House that as of October 31st, 1926, this Province carried a Gross Debt of \$349,000,000. This would appear to be an enormous financial load for any Province to endure and this is true.

Let me present the following statement which illustrates the growth of the Gross Debt:

1914.....	\$41,715,922
1915.....	50,274,608
1916.....	59,335,535

1917.....	\$61,824,655
1918.....	75,309,274
1919.....	97,032,982
1920.....	127,262,781
1921.....	202,446,342
1922.....	233,188,733
1923.....	291,024,768
1924.....	329,508,480
1925.....	332,391,083
1926.....	349,115,732
1919—Gross Debt.....	\$97,032,982
1923—Gross Debt.....	291,024,768
	Increase \$193,991,786
1926—Gross Debt.....	\$349,115,732
	Increase
	over 1923 \$58,090,964

It will be evident to all that Capital Indebtedness is incurred through accumulated Capital Expenditure and that the only logical method by which it may be reduced or entirely paid off is through a surplus of Ordinary Revenue over Ordinary Expenditure.

Let us consider for a moment the steadily growing and mounting debt to which this Province has been subjected through past years. In 1904 the first public borrowing was made to finance the construction of the Temiskaming & Northern Ontario Railway. The growth of the debt from that time on for a number of years was gradual and moderate.

So tracing the debt up through the years we find there is a very decided increase in the debt beginning at the year 1919, and that the same applies year by year until we reach the year 1923. In that year the debt increase was over \$57,000,000 and the total debt in the year 1923 was \$291,000,000, or, in other words, an increase to the public debt of \$194,000,000 in four years. This staggering increase during the regime of the preceding Government naturally aroused the public of this Province. They began to give it very serious thought, and wondered why such a tremendous increase to the mortgage on this Province could take place in such a few years.

Let me draw the attention of the House to this fact, that for the five years during the administration preceding the U.F.O. regime, the increase of Capital Indebtedness was \$55,317,000. The truth is that during the U.F.O. regime the public debt got entirely out of hand—in fact, it appeared during that Administration to be a matter of spending and

charging it up to Capital Account. There seems to have been no application of sound business methods nor any attention to true economy,—so much so was this the case that the public awoke to action and determined that such extravagant expenditure along Capital lines should cease.

HEAVY DEFICIT FACED IN 1923

Note the deficit we faced in 1923!

If Honourable Members will refer to departmental files and records, it will be found that during the regime preceding the Ferguson Government, there was, on a proper bookkeeping basis, a history of increased deficits until in the year 1923 it culminated in the enormous deficit of \$15,000,000. That means that in that one year there was \$15,000,000 more expended in the ordinary housekeeping operations of the Government than there was received. This condition also gave the public intense alarm. During that regime it became quite manifest to the people of Ontario that the whole financial operations of that day were unsound. The general sentiment of the people demanded an election in order to remedy this very critical financial situation. The fact is that the finances of that day were paralysed, yes, water-logged in the mire of extravagance. The whole financial field was a litter of wreckage and the people began to look for relief. I have no doubt whatever that thousands of well-meaning and conscientious people voted for the Drury Administration in good faith, but that Administration, either through inability, inefficiency or breach of public trust, did not live up to the expectations of those who supported them. The whole affair was a huge experiment and a very disastrous one, so costly that the people are still paying dearly for this experiment. The fact stands out that the financial conditions already described existed and the present Government was called into office to remedy an intolerable condition.

Now, the question would naturally arise—has this Government been able to live up to the expectations of the people? Have they improved the financial status of this Province? Is their record to-day one that can be applauded by the taxpayer?

CAPITAL EXPENDITURE REDUCED

We will now for a moment turn our attention to the years following the entry to office of the present Government and

see what has happened to the finances of the Province. The Conservative Government came into office in July, 1923, and assumed the enormous obligations already entered into by the preceding Government. Among the first things the Ferguson Government had to do immediately was to float a \$40,000,000 loan to meet the extravagant Capital undertakings of the Drury Government. The Prime Minister, after the selection of his Cabinet, laid down the principle of efficient, economical, and sound, business-like administration. As a result of the application of these methods, we have the following as applied to the Capital Account:

Capital Expenditure in 1923.....	\$25,077,062
“ “ 1924.....	12,788,268
“ “ 1925.....	15,025,100
“ “ 1926.....	13,867,552

RETRENCHMENT PERIOD

Honourable Gentlemen will notice at once that there was introduced a period of retrenchment. Capital Expenditure was cut in two and year by year was kept under control, and at no time since the Ferguson Government entered office until to-day, has it ceased to hold in control the Capital Expenditure.

Let me again emphasize this fact—that in the four years of the Ferguson Administration up to the end of the fiscal year, their increase of the Gross Debt amounted to \$58,091,000. I would ask you to compare this with the increase of the preceding Government of \$193,993,000. At the same time, all necessary Capital requirements were met. So far as the Capital Indebtedness of the Province is concerned, the present Government has fulfilled its obligations to the people—the debt is under control and Capital Expenditures rigidly restricted.

I would point out that in the last year of the Drury Administration, the increase of the debt was \$57,836,000, almost as much in one year as during the whole of the recent regime of the Ferguson Government.

Allow me also to draw your attention to Capital Revenue. Here again, this administration has given its untiring efforts to improving the finances of this Province and has very markedly increased the Revenue from this source. Increase

of Capital Debt from year to year is restricted to meet the normal demands of the people by way of public capital service.

Let me further draw your attention at the present moment to the existence of this Capital indebtedness. Is it a healthy condition of finance to allow a mortgage to stand year after year on your house, on your farm, on your factory, without any effort being made to reduce it or pay it off? This Government feels that sound financing demands some provision for the ultimate retirement of the public debt of any country.

Where in the history of the Province back to Confederation has there been any serious attempt to liquidate or pay off this debt? Something, never before undertaken in any effective way, has been assumed by this Government, and, that is, to liquidate the debt.

We will take up the ordinary operations of this Government since it took office and see what its record is so far as the housekeeping part of the Administration is concerned. After coming into office they found a deficit of \$15,000,000. At once the Prime Minister and the heads of the Departments, with perfect co-operation, began to curtail, retrench and hold down Ordinary Expenditure. An intensive system of collection of Revenue was introduced by my predecessor, the Honourable Attorney-General, and the results are, as follows:—

Ordinary Revenue, 1923	\$34,110,212
Ordinary Expenditure, 1923	49,305,439
Deficit of	\$15,195,227
Ordinary Revenue in 1924 (first year of Ferguson Administration)	\$40,540,923
Ordinary Expenditure, 1924	49,009,688
Deficit of	\$8,468,765
Ordinary Revenue, 1925	\$46,602,803
Ordinary Expenditure, 1925	51,710,168
Deficit of	\$5,107,365
Ordinary Revenue 1926 (last Fiscal Year)	\$50,841,043
Ordinary Expenditure, 1926	51,653,183
Deficit of	\$812,140

You will notice, therefore, by these figures, that the deficit gradually decreased year by year, until last fiscal year the \$15,000,000 deficit had contracted to \$812,140. It is an enviable record to show such a decided improvement in the Revenue and in the holding down of Expenditure.

Permit me to draw your attention to this fact, that, leaving out Interest Account and Discount on Loans, in the year 1925, there was a surplus of \$2,193,477, and, in the year 1926, there was a surplus of Revenue over Expenditure of \$6,727,371.

Now, Mr. Speaker, in summing up, it will be observed that the deficit in the last fiscal year has almost entirely disappeared. In the Treasurer's address of last year, he forecasted a deficit of a million and a half dollars, but the real deficit was an improvement approaching a million dollars under his estimate.

Allow me to draw your attention to this fact that the Ordinary Expenditure of last year was, excluding interest, over \$1,000,000 less than in the year 1923, and, notwithstanding the progress of the times and the increasing demands of the people for extra services, this Government maintained a high standard of Departmental service, and the deficit almost entirely wiped out.

Let us ask ourselves: What has happened to the debt since this Administration came into power? What has happened to the deficit during the present regime? It is manifest to the people of this Province the vast improvement which has come to the financial fibre of our Province during the Administration of the Ferguson Government, as may be readily verified by the Departmental files and records.

This presentation of the general activities since the Government came into office cannot help but appeal to the public as being safe, sound and business-like.

Who will say that this Government has not justified its existence by a complete restoration of the entire financial structure of the Province? Thus we leave the general presentation of the administration with the public, to be the tribunal in deciding whether or not this Government has given the desired service to the people in the field of finance.

GREAT REVENUE-PRODUCING ASSETS

Now, although I have emphasized the large amount of our Gross Capital Debt and our serious responsibility as a Government to reduce this heavy liability, I do not want you to go away with the wrong impression that this Province is financially beyond redemption. Let us look at the other side of the situation: if we have heavy financial obligations, we have also enormous resources of capital, immense interest and revenue producing assets, so that our Capital Debt is not so serious or overwhelming as one might think at first sight.

I want you to get this idea, to analyze it and to take it home to your constituents. We are here to secure full and correct information as to our finances and to contribute as much as we can towards better management of our public affairs.

In order to simplify the statement of Ontario's financial standing, let me present a few figures in round numbers of our Gross Debt and our Assets, both revenue producing and current, as they stood at the close of the last fiscal year, 1926.

Total Funded Debt Outstanding:

Stock and Debentures.....	\$285,371,000
University and Railway Aid Certificates and Annuities.....	2,562,000
	<hr/>
	\$287,933,000
Deduct—Purchased for Redemption by Province.....	17,513,000
	<hr/>
Funded Debt outstanding.....	\$270,420,000

Unfunded Debt Outstanding:

Temporary Loans, Savings Office De- posits, Special Funds and Accounts Payable.....	78,695,000
	<hr/>

Gross Debt..... \$349,115,000

Realizable and Income Producing Assets:**Capital Assets—Income Producing:**

Hydro Electric Power Commission Advances.....	\$142,473,000
Temiskaming and Northern Ontario Railway Advances.....	30,208,000
Loans to Municipalities—Housing, Highways, Drainage, etc.....	9,150,000
	<hr/>
	\$181,831,000

Current Assets—Realizable:

Cash in Banks, Accounts Receivable
and Agricultural Development In-
vestments.....

\$22,748,000

\$204,579,000

Net Debt..... \$144,536,000

Other Assets (non-revenue producing):

Roads and Highways in Old and New
Ontario:

Capital Amount Ex-
pended 1903 to 1926. \$99,465,845

Less Capital Repay-
ments..... 13,743,157

\$85,722,688

Public Buildings, Estimated..... 33,000,000

Queen Victoria Park Surplus..... 1,500,000

\$120,222,688

This, as you will note, leaves a nominal balance of debt of \$24,300,000, against which there is no specific asset. Against this, however, we may array the vast potential assets of the Province which are being made more available year by year on account of the Government's activities.

My desire in drawing this particular situation to the attention of the Honourable Gentlemen is so that they may have a good mental grasp of the situation of the Province in relation to its huge debt.

PAST FISCAL YEAR

It becomes my duty to-day, in so far as I am able, to refer possibly slightly more in detail to the financial operations of the past fiscal year. It will be noticed that the same methods of economy, efficiency and sound business administration have been applied as usual to the entire operations of this year. It will be seen that there are several increases in the various Departments and likewise some decreases.

Mr. Speaker, the Consolidated Revenue Fund might be briefly referred to. This Fund is the money box of the Province, and associated with it we have Capital and Ordinary Accounts and refunding operations. All revenues, Ordinary and Capital, are checked in, and all expenditures, Ordinary and Capital, are checked out. Also refunding moneys find their way in and out of this Fund. The relations of financing

of fiscal year 1926 to the Consolidated Revenue Fund are as in other years. All receipts are pooled into this Fund and all payments checked out.

Just here then would be of interest the following details of 1926 financial operations:—

Ordinary Revenue:

Prime Minister.....	\$ 473,064	
Legislation.....	17,812	
Attorney-General.....	1,743,726	
Insurance.....	144,573	
Education.....	530,082	
Lands and Forests.....	3,281,330	
Northern Development.....	396	
Mines.....	799,838	
Game and Fisheries.....	682,063	
Public Works.....	17,692	
Public Highways:		
Road Maintenance, Motor Licenses and Gas Tax.....	10,416,491	
Health.....	162,344	
Labour.....	940,251	
Provincial Treasurer:		
Succession Duties, Corporation Taxes, Amusement Tax, Luxury Tax, Land Transfer Tax, Race Track Tax, etc....	19,379,827	
Provincial Secretary.....	1,805,546	
Agriculture.....	483,317	
Interest:		
Hydro.....	7,791,640	
Miscellaneous.....	2,171,051	
Total Receipts.....		\$50,841,043
Net increase in 1926 over 1925.....	\$4,238,239	

Honourable Gentlemen will notice by comparison substantial gains particularly in the Gasoline Tax, Succession Duty Tax and Public Institutions, when compared with last year. (See statement 1 (a), page 46.)

Ordinary Expenditure—1926:

Lieutenant-Governor's Office.....	5,450
Prime Minister's Office.....	649,104
Legislation.....	343,757
Attorney-General's Office.....	2,004,450
Insurance.....	42,364
Education.....	9,190,734
Lands and Forests.....	1,708,366
Northern Development.....	1,661,028
Mines.....	291,400
Game and Fisheries.....	401,304
Public Works.....	749,816
Public Highways.....	3,348,817

Health Department.....	\$646,967
Labour Department.....	2,318,361
Provincial Treasurer.....	2,218,874
Provincial Auditor.....	100,567
Provincial Secretary.....	6,008,049
Agriculture.....	2,240,911
Miscellaneous.....	173,895
Stationery.....	46,766
Interest, Exchange, etc.....	17,100,801
Discount on Loans written off.....	401,402
<hr/>	
Total Expenditure with Interest.....	\$51,653,183
(This represents a decrease in Expenditure when compared with 1925 of \$56,985.)	
Total Receipts.....	\$50,841,043
<hr/>	
Deficit for fiscal year, 1926.....	\$ 812,140
<hr/>	

Let me now draw your attention to Capital Revenue and Expenditure:—

Capital Revenue—1926:

Lands and Forests.....	\$ 1,205,139
Northern Development.....	64,157
Mines.....	38,578
Public Works.....	34,473
Highways.....	1,802,720
Provincial Treasurer.....	2,150
Agriculture.....	3,000
<hr/>	
Total Capital Revenue.....	\$ 3,150,217

(Giving a net decrease as compared with 1925 of \$4,156,871.)

These decreases were accounted for more especially in the Departments of Lands and Forests, and Highways.

Capital Expenditure—1926:

Education.....	\$ 142,876
Lands and Forests.....	745,366
Northern Development.....	2,429,801
Mines.....	9,117
Game and Fisheries.....	50,434
Public Works.....	2,256,456
Highways.....	8,170,060
Provincial Treasurer.....	44,500
Provincial Secretary.....	13,630
Agriculture.....	5,312
<hr/>	
Total Capital Expenditure.....	\$13,867,552

(Representing a decrease of Capital Expenditure as compared with 1925 of over \$1,000,000.)

SUCCESS IN THE MONEY MARKETS

I will now draw your attention for a time to the refunding operations for the fiscal year 1926. During this particular year, the financing carried on by this Government has been most successful. In Government refunding operations, a great deal of money may be saved by taking advantage skilfully of a favourable condition of the money market from month to month, by issuing Government bonds when the best terms are available. This is what we have tried to do. Let me give you an illustration of it. In major financing there was a \$21,000,000 $4\frac{1}{2}$ per cent. 30-year Serial Bond Issue in December, 1925. This money costs the Province a rate of 4.99, an exceptional rate at that time. This was the first Serial Issue in accordance with the new Debt Retirement Scheme. It found a very ready market and was rapidly absorbed. The first instalment of this issue—\$700,000—was paid in December of the present fiscal year.

It would be interesting to Honourable Members to note this very remarkable fact—that this was the first payment made in reduction of the debt by this Province since Confederation, with the exception of the sterling issues prior to 1915 which carried with them a provision for a Sinking Fund. This is not a visionary matter, the payment has been actually made and each instalment as it comes due will be met, and this entire issue will have been liquidated at the expiration of the term of thirty years and no refunding will be necessary. Again in May of the last fiscal year there was a \$25,000,000 short term issue for one and two years in the form of Treasury Bills. This money was secured at the remarkably low rate of 4.53 per cent. At that time, nowhere else in the Dominion was such a low rate obtained for short term money. As maturing loans came along, during the balance of the Fiscal year 1926, they were financed along with Capital Expenditure, entirely by short term financing by way of overdrafts and Treasury Bills.

I might refer, Mr Speaker, to the fact that throughout that year major portions of money required were obtained at the low rate of $4\frac{3}{4}$ per cent. This form of financing was adhered to until such time as the market was favourable for a long term issue for refunding purposes. I might draw your attention to the fact that during the calendar year 1926 there

was not one long term issue put on the market. The refunding was postponed until such time as a favourable market presented itself. In the judgment of the Government this occurred in January last, and they went into the money market believing they had selected the opportune time for the best financial results and this it proved to be. The \$24,000,000 4½ per cent. 30-year Serial Bond issue offered in January last proved to be one of the most attractive bonds that the market has had for many years, proving again the growing popularity of the Serial Bond in Canada and the United States.

This issue was for the purpose of refunding Treasury Bills, Overdrafts and so forth incurred to pay off maturing long term bonds and stocks, as follows:—

Date of Issue:

Mar. 1/20, "J.J.,"	Loan due Mar. 1/25, 5½%	.....	\$5,000,000—5.35
			Cost with Exchange—7.67
Apr. 15/20, "L.L.,"	" " Apr. 15/25, 6%	.....	6,800,000—
			Cost with Exchange—8.06
May 1/15, "L.,"	" " May 1/25, 4½%	.....	4,000,000—4.93
May 1/16, "M.,"	" " Mar. 1/26, 4%	.....	8,350,000—4.00
June 1/16,	" " June 1/26, 5%	.....	4,000,000—5.00
July 1/06,	" " July 1/26, 3½%	.....	315,000—3.50
Dec. 1/16, "N.,"	" " Dec. 1/26, 5%	.....	2,000,000—5.069
Dec. 1/25, "A.H.,"	" " Dec. 1/26, 4½%	.....	700,000—4.99
			<hr/>
			\$31,165,500

The bidding was very keen, represented by three syndicates embracing some thirty-seven financial houses in Canada and the United States. The highest bid was 97.2335 by the Bank of Montreal syndicate and the lowest bid was 97.1499 by the National City syndicate, representing a difference of some \$20,000 between the highest and the lowest.

It must be apparent to the Honourable Gentlemen of the House that the appreciation of the credit of this Province is growing. There is a renewal of public confidence in the finances of Ontario. I might inform the House that this was the cheapest money that this Province has secured since pre-war days, a rate of 4.77, slightly over 4¾ per cent. No issue in the last four months in any part of the Dominion has brought such a favourable return as this. I draw this to your attention simply to prove to this House that the finances of the Province of Ontario to-day are sound and wholesome, and have reached a stage where the outside world

appreciates stable government. Another factor that enters into this flotation is that the money secured replaces dearer moneys, some with exchange against us having cost as high as 8.6 per cent. Shrewd financing in this way results in saving in interest amounting during a period of twelve months to many thousands of dollars. It will be observed that the cost of money has gradually become cheaper. It has been reduced from the neighbourhood of 6 per cent. during the regime of our predecessors. We will concede that dearer money somewhat explains this. It is now obtained at around $4\frac{3}{4}$ per cent. A difference of 1 per cent. on the public debt means an interest charge of some three millions of dollars, and even a fraction of 1 per cent.— $\frac{1}{8}$, for instance, would mean a difference in interest charges of \$375,000. So it will be quite apparent to this House how important it is to secure the very best rate possible when going into the market for refunding purposes or for borrowing for Capital Expenditure. We believe that the financial operations of this Province in the last three and one-half years have been unequalled in the skilful determination of the proper time, proper rate and proper amount to fix before entering the market.

I should like at this time, Mr. Speaker, to submit the following tabulation regarding the cost to the Province of some of the recent long term loans.

Date	Series	Rate	Amount	Term	Cost Per Cent.	With Exchange
1919	BB	5%	\$3,000,000	3 yrs.	5.68	6.41
1919	CC	$5\frac{1}{2}$ %	3,000,000	3 yrs.	5.088	6.01
1919	DD	5%	4,000,000	3 yrs.	4.99	5.97
1919	EE	$5\frac{1}{2}$ %	3,000,000	5 yrs.	5.58	6.57
1919	FF	$5\frac{1}{2}$ %	4,000,000	10 yrs.	6.25	6.75
1919	GG	$5\frac{1}{2}$ %	3,000,000	10 yrs.	5.79	6.44
1920	HH	$5\frac{1}{2}$ %	3,000,000	10 yrs.	5.77	6.84
1920	JJ	$5\frac{1}{2}$ %	5,000,000	5 yrs.	5.35	7.67
1920	KK	6%	2,000,000	15 yrs.	5.92	
1920	LL	6%	6,800,000	5 yrs.		8.06
1920	MM	6%	8,000,000	10 yrs.	6.23	
1920	NN	6%	3,000,000	3 yrs.	7.84	
1920	PP	6%	5,000,000	7 yrs.	6.70	7.24
1920	RR	6%	16,000,000	15 yrs.	6.81	

Date	Series	Rate	Amount	Term	Cost Per Cent.	With Exchange
1921	SS	6%	10,000,000	20 yrs.	6.28	
1921	TT	6%	15,000,000	15 yrs.	6.22	
1921	UU & XX	6%	15,000,000	22 yrs.	6.271	
1921	WW & YY	6%	15,000,000	22 yrs.	6.275	
1922	ZZ	5½%	15,000,000	15 yrs.	5.75	
1922	AB	5%	15,000,000	30 yrs.	5.16	
1922	AC	5%	20,000,000	20 yrs.	5.20	
1922	AD	5½%	20,000,000	20 yrs.	5.53	
1923	AF	5%	40,000,000	25 yrs.	5.30	
1924	AG	4½%	20,000,000	20 yrs.	4.905	
1925	AH	4½%	21,000,000	30 yrs. (Serial)	4.988	
1927	AJ	4½%	24,000,000	30 yrs. (Serial)	4.776	4.770

SUBSTANTIAL PROFIT ON EXCHANGE

Allow me again to emphasize this fact: that a small fraction of interest saved in interest rate means a great deal of saving to this Province, and this effects all the various Commissions operated by the Province and to which money is supplied by the Province, such as the Hydro, the T. & N. O. Railway and Agricultural Development Board. One-half of one per cent. on the borrowings of farmers from the Agricultural Development Board, which were \$12,000,000 at October 31st last, means a saving to the farmer of \$60,000, and similarly it is reflected throughout all the services. Allow me to instance you the following one particularly. The recent \$24,000,000 issue was made payable in New York. Receiving a rate of 4.776 meant that the receipts of this issue were \$23,336,040. This money was deposited in the Bank in New York. Some of it was required for obligations in New York but we required for overdrafts, payments of Treasury Bills, etc., in Canada, some \$11,000,000. This was transferred to the Canadian banks. The exchange of $\frac{1}{8}$ of 1 per cent. meant something in our favour but it was a matter of going into the money market when the Canadian dollar was at a premium and securing the best exchange possible. The current local rate would net us \$11,000 profit on exchange, but by co-operation between the banks in

Toronto and the Departmental officials we were able to secure for this Province in one afternoon the handsome sum of \$15,000 by way of profit on exchange. This reduced the cost of the loan from 4.776 to 4.770 per cent. These are the kind of things which count during the fiscal year.

The following figures, Mr. Speaker, will give a fairly accurate idea of the average cost of borrowed money since 1920:—

1920.....	6.20
1921.....	6.50
1922.....	5.48
1923.....	5.381
1924.....	4.996
1925.....	4.2665
1926.....	4.74

TREASURY REORGANIZATION

At this point I am desirous of drawing attention to the marked improvement anticipated with the reorganization in the Treasury Department recommended by my predecessor, and, that is, the separation of the Revenue end from the Expenditure. The object is an attempt to better the system in the Treasury Department. It is an improvement, although there are few people in the Province of Ontario who can find much fault with the methods and system in vogue in the Treasury Department of this Province during the past three and a half years. However, this Government is of the opinion that still another advance has been made and a very striking one.

The Revenue for the last fiscal year, Ordinary and Capital, excluding Loan Repayments by Municipalities and Special Fund Receipts, amounted to \$54,000,000. Expenditure on Ordinary and Capital Account, exclusive of Loans to Municipalities and Special Fund Repayments, amounted to \$65,000,000. Including refunding, there is an annual turnover of about \$200,000,000 in the Treasury, which, with all that this involves, is a tremendous undertaking and places a tremendous responsibility on the Treasury and Audit officials.

It has been considered advisable to create a special branch of the Treasury Department to control the Revenues of the Province. All Honourable Gentlemen know that the Province must have Revenue. It will be the duty of this

Branch to ascertain what Revenues are due the Province, and to see that they are collected in the most efficient and equitable manner. Accordingly, this branch has been placed in charge of Mr. J. T. White, the Solicitor to the Treasury Department, as Controller of Revenue, with Mr. W. A. Orr as Assistant Controller of Revenue. These capable officials will concentrate entirely on Revenue to see that all Revenue properly due reaches the coffers of the Province.

The control of Expenditure will be retained under the Assistant Treasurer and Financial Controller, Mr. F. M. Turnbull, with Mr. G. J. L. Jones, recently appointed as Deputy Assistant Treasurer, to assist him. In addition to carrying out the very important and responsible routine duties of the Treasury Department, these two competent officers will concentrate, so far as is possible, on all Expenditures of the various Departments to safeguard the Province against spending beyond its means. Also, by this arrangement, the newly appointed Deputy Assistant will continue the duties and functions of Departmental Secretary which he has for many years been carrying out. This arrangement should add greater efficiency to the Department.

The duties of these officials in regard to Expenditures will not conflict with those of the Provincial Auditor, whose duty it is to see that accounts are properly payable and have proper authority, but control will be applied from a different angle.

I feel that this Government has endorsed a very effective measure in putting into effect this reorganization in the Treasury Department, because we feel that the financial position of this Province will be further strengthened and stabilized to a great degree.

SUCCESSION DUTY FREE BONDS

Referring briefly to the Bonds and Stocks free from Succession Duty as at October 31st, 1926, I might give this information. The original amount was:

In Currency.....	\$13,998,600
In Sterling.....	£2,457,841

A great portion of these issues have been redeemed or cancelled

and much has been bought in for Sinking Fund. There remains in the public hands now:

In Currency.....	\$2,433,500
In Sterling.....	£273,130

THE CANTEEN FUNDS

While discussing the matter of refunding, I wish to draw the attention of the House to something that this Government did only a few weeks ago. As many Honourable Members are aware, there came into the hands of this Province a sum of \$940,000, known as Canteen Funds. This was the allotment coming from the Federal Government for certain war accumulations to be used for the benefit of the veteran survivors, the widows, orphans and other dependents of the man who paid the price and made his sacrifice during the Great War. The Canteen Funds Commission was not in possession of this amount of money beyond a day or two when this Province came forward and offered another contribution on behalf of the returned soldier and his dependents. The Province offered to take in trust this money for the Commission in charge. The result was that a Treasury Bill for this amount, for one year, bearing interest at 5 per cent. was sold at par to the Canteen Fund Commission. This means that the soldiers of this Province have a fund that is safely invested and they secure on their investment, a rate of interest at least $\frac{1}{4}$ per cent. better than they could obtain elsewhere for a similar security. This extra $\frac{1}{4}$ per cent. to the Commission runs into a considerable amount, but it is a matter entirely of lending a helping financial hand to those who are so splendidly worthy of it. I think no Honourable Gentlemen, no man in the Province of Ontario will criticize unfavourably the fact that the Province has allowed them $\frac{1}{4}$ per cent. more for this money than they could have secured elsewhere.

SAVING IN INTEREST CHARGES

A few references to interest in connection with the Capital Debt of this Province:

Last fiscal year we paid in interest.....	\$17,100,800
In 1925 we paid in interest.....	17,238,175
This means a saving over last year of.....	\$137,375

This again is unique in the financing of the Province. Go back as far as you may and I doubt if you will find any one year where there has been an interest charge less than the preceding year. It is the piling up of interest charges which so often leads to the breaking down of otherwise sound methods of business. This Government has made it a part of its duty to hold down, in so far as it is humanly possible, all interest charges coming under its control. Had this Government continued the course of extravagant Capital Expenditures in the same ratio as that of the preceding Government, the interest charges to-day would have been millions of dollars higher than they are. The decisive action on the part of the Government in curtailing, limiting and controlling Capital Expenditure has meant an interest saving to this Province during the Parliament of the Ferguson regime of over \$3,000,000.

NEW ERA OF TAX REDUCTION

The Ferguson Government has introduced a new era of taxation reduction. From the day it entered office one of its chief aims has been the relief of the taxpayer of this Province with the result that there has been a very decided saving of taxes under its administration. No Government functions properly if its chief ambition is not a lightening of the burden of taxation. Another object that has been well observed by this Government is that it has endeavoured, so far as possible, not to invade the field of taxation which belongs to the municipalities. This Government has saved in taxation to the people of this Province, both directly and indirectly, large sums of money.

Directly, they have abandoned taxation on Pool-Rooms amounting to \$100,000 per annum, believing that this was a municipal tax; Luxury Tax on carbonated drinks up to \$102,000; Amusements Tax (any entertainment up to 25 cents exempt) some \$600,000; Automobiles, \$5.00 on each car—a saving to the people of one and three-quarters to two millions of dollars.

While a direct taxation relief is large and substantial, yet the indirect tax reductions represent more money and more relief than the direct. We have saved indirectly large sums of money in the refunding operations. Short-term financing

during the entire calendar year of 1926 has saved this Province many thousands of dollars. Still more important was the consistent holding down of Capital Expenditure. By this method the Government has been able to save this Province in the three years of its office, a sum of money amounting to \$3,250,000. And this year, in the case of the last loan, we made an exchange profit of \$15,000 on the transfer of \$11,000,000, which added so much more to the proceeds of the loan. Another matter by way of interest saved and lightening taxation is the reduction of the deficit. Here again we have an indirect interest saving, and all these indirect taxation reliefs come very largely from the proper handling and operation of the financial problems of this Province, large and small.

In taxation relief alone this Government has established an enviable record and the fact is well known to the taxpayer of the Province.

DEBT RETIREMENT

It is with pleasure that I now draw the attention of the House to a very unique plan of financing introduced by my predecessor some two years ago—the Debt Retirement Scheme of the Province. It occurred to the then Provincial Treasurer that, in order to strengthen further the financial standing of the Province, some effort ought to be made annually to pay off a portion of the debt. With this object in view he enlisted the assistance of the Debt Retirement Committee, namely, Messrs. Daly, Kemp and our own Financial Controller, Mr. Turnbull. After much thought and deliberation, a plan was worked out whereby the entire then existing debt of this Province could be retired in a period of forty years.

The plan ran as follows: The debt was divided into two parts—the Main Provincial Debt, \$192,765,308, and the Hydro Debt, \$127,198,046. The Hydro assumes its own financing of the retirement of its portion of the debt and is to pay off a certain instalment provided by Sinking Fund annually, thus liquidating its entire present debt in forty years. I might inform the House that the Hydro has already entered upon this plan and will pay to the Province this fiscal year its first instalment towards the liquidating of its

debt. The fact is that in 1926 it surrendered to the Province over \$4,800,000 of accumulated Sinking Fund which had been invested in Provincial Bonds. This was set against its debt and to that extent the gross Provincial Debt was reduced. This is a proof of what is being done and shows the determination to carry out the plan of Debt Retirement. Already in the cancelling of this \$4,800,000 of bonds the Hydro has shown to the public its good faith in carrying out its undertaking, and, besides, as I have intimated, this year it will pay to the Province the first annual instalment, according to the Debt Retirement Scheme, the sum of approximately \$1,350,000. It will further be understood that, so far as the Hydro is concerned, its part of the obligation will be promptly looked after year by year and a good substantial start has been made in caring for the liquidation of that part of the Capital Debt.

Now turn to the Provincial portion of the Debt. The plan as mapped out has provided that the Province pay annually a sum approaching \$1,500,000 each year. To be exact: this year the Province will pay off the Public Debt the sum of \$1,668,000, and allow me to add that this will be paid out of Ordinary Revenue and has been provided for in the 1927 estimate of Revenue and Expenditure placed before you. Between the Hydro and the Province the total amount which will be paid off the Public Debt this year will be \$3,007,000.

Honourable Members will be gratified to know that already the Province has paid in December of this fiscal year \$700,000 of this sum. A remarkable feature associated with this payment is that it is the first payment that ever has been made towards the reduction of the public debt of the Province. The balance of the 1927 quota will be applied in the payment, out of Revenue, of that amount of other maturing loans which will not be refunded. Year by year these instalment payments will be regularly and consistently met. Thus, year by year, our interest charges will be lessened and the saving applied to debt retirement. The paying off of the debt will therefore proceed at a constantly accelerating rate.

As an illustration of the rate of acceleration, the amount of debt to be paid off is shown at five-yearly intervals over the forty-year period as follows:

1st Year—1927.....	\$3,007,000
5th Year—1931.....	3,545,000
10th Year—1936.....	4,311,000
15th Year—1941.....	5,335,000
20th Year—1946.....	6,651,000
25th Year—1951.....	8,361,000
30th Year—1956.....	10,549,000
35th Year—1961.....	13,320,000
40th Year—1966.....	16,835,000

As has already been explained, the rapidly increasing rate of retirement is effected by applying the saving of interest on debt paid off to principal retirement. In other words, by maintaining an annual charge against revenue of the 1926 interest, plus an additional amount of approximately \$1,500,000 per annum, for forty years, the entire debt as at the end of 1925 will be paid off, leaving outstanding only new debt contracted from 1926 onwards, in various stages of repayment through the medium of Annuity Bonds.

The Serial Bond Issue of December, 1925, and the one in January of this year have both proved a decided success. In both cases, these were issues refunding the old debt. The issue in January calls for an annual payment of \$800,000, so next fiscal year there will be retired the second \$700,000 maturity of the \$21,000,000 1925 issue, and the first \$800,000 maturity of the \$24,000,000 1926 issue, which means that, in the future, each issue will be taken care of as the annual maturities fall due. Therefore, in forty years' time, if this plan is persisted in by the various Governments that may preside in this Chamber, you will have a Province free of debt so far as the "old" debt is concerned. With careful attention to the control of expenditure and doing without things that cannot be paid for there is no good reason why this should not be accomplished.

New Capital Expenditure, for which money must be borrowed, will be financed by the issue of Annuity Bonds which entail a less onerous burden on the revenues of the Province. My predecessor last year went fully into the merits of Serial and Annuity Bonds, and I do not think it necessary to go into them again. The whole matter is dealt with in the Committee's Report, copies of which I shall be glad to furnish to any member who has not one already.

I might say that the general public of Ontario has analysed this Scheme of Debt Retirement, and it has met with general

approval. Beyond that, we have the endorsement and favourable comment of many financial houses, and, further, other Governments are beginning to investigate the principles of the scheme of Debt retirement introduced by this Province. Even the other day, one of the Honourable Gentlemen in the Dominion House of Commons suggested the idea of undertaking a liquidation of the Debt. True, it is a tremendous financial undertaking, but it is also true that sound financing will accomplish the objective.

One can readily understand the advantage of an Instalment Bond as applied to Debt Retirement. In the first place, it is growing more popular as years go by. Were the Province to undertake an adequate Sinking Fund to retire these Bonds at maturity, it would involve a large office staff and considerable expense in order to be able to efficiently handle the investment of the Sinking Fund moneys, apart from the grave risk of loss through mismanagement. This matter has been all thoroughly analysed and now the Province is acting on the plan as suggested by the Debt Retirement Committee—liquidating its debt according to the plan of Instalment Bond Issues.

HYDRO-ELECTRIC POWER COMMISSION

Every Ontario citizen has a fair knowledge of the Hydro-Electric Power Commission. This great Provincial enterprise has reached such magnitude of development that, at the present time, almost the entire Province is receiving direct benefit from this publicly owned utility. You all know what a great institution it is, and what a great boon this enterprise has proved to be in the Province. It has won a national reputation—an international reputation—of being the greatest public-owned utility in the whole world. But we cannot speak of it without remembering the name of the man who nurtured it in its infancy, fought its battle in childhood and reared it to manhood, and who lived to see a realization of his great project—Sir Adam Beck. Marble and granite may mark his tomb in the silent population of Hamilton, but this great project will be the enduring monument which will keep him alive to posterity. We have the Ottawa River, the Severn, and the St. Lawrence project, but the great centre of generation is at Niagara Falls. All the people of

the Province to-day are feeling the benefit of hydro energy, light, heat and power. Even the small children of our Province are familiar with this great enterprise, and I have told you what we have done with it financially. It is a great thing to have a vast public enterprise, but it is not satisfactory if it is deep in the mire of debt.

Financially, Hydro is sound. As I have intimated before, it has entered on a period of liquidation of its Capital indebtedness, and is supplying to the people of this Province the every-day needs of life. True it is that the financial advances have been heavy from year to year, but the time has arrived when these advances are less exacting. The fact is that in 1926, the last fiscal year, they paid from their Sinking Fund \$4,812,000, and the advances of that year being only \$3,191,000, the net result was a reduction in their indebtedness to the Province of \$1,621,000. The adoption by the Hydro of the Debt Retirement Scheme to the liquidation of its indebtedness to the Province over a period of years on a pre-arranged schedule will go a long way in assuring the people of the Province at large of the sound and wholesome condition of Hydro finances.

TEMISKAMING AND NORTHERN ONTARIO RAILWAY

Honourable Members, more especially those representing the northern part of this Province, will have a more intimate knowledge of the utility of the Government owned railway, the T. & N. O. This undertaking has proved a great boon to the people of the north country. It has stimulated trade, colonization, mining, forestry and commercial undertakings, in fact, it has opened up that portion of our Province in no small way to general commercial and industrial activity.

The history of this road must prove to the people of this Province that it has already justified the money advanced. During the last two years, 1925 and 1926, the advances have been nil, and up to date the total amount of monetary support from the Province is \$30,207,934. This pioneer road, as one would expect, has had its difficulties and cash returns were not looked for readily, but year by year it is growing stronger and operating more widely, and its financial condition is steadily improving. Since 1923 it paid each year to the Province in interest, \$750,000, and last year this Province received by way of interest \$1,000,000.

In interest alone it has paid to this Province \$5,950,000, although it yet has interest arrears amounting to \$5,573,618. With a continuation of improving interest rates and the sympathetic support from the Government the future of this road financially looks very hopeful indeed.

THE PROVINCIAL HIGHWAYS

Let me now direct your attention to something of great interest to our people—our roads and highways. The moneys invested in these have been steadily and rapidly increasing as years have passed by. As far back as the year 1903, the total expenditure by the Government on roads in this Province was \$182,168. Then, as time went on, the Government assumed heavier obligations in regard to road construction. In 1912 it began to expend money under the Northern Development Act, and in 1917, under the Provincial Highways Act, so that in 1926 (the last fiscal year) this Province made an expenditure of \$6,750,000 on Provincial Highways, \$3,222,099 on County Roads, \$988,118 on Township Roads, \$75,224 on connecting links, \$196,317 on Colonization Roads and \$3,736,612 on roads in Northern Ontario, making a total of \$15,075,242. The revolutionary increase in the use of motor transport has, in fact, compelled the construction of good roads throughout the land.

During the last year of the preceding Administration, there was spent over \$25,500,000 on roads of all kinds. The point that I would like to make clear is that since the coming in of this Administration the rules of efficiency, economy and business-like methods have been applied very forcibly to road construction with the result that much more mileage with better quality of construction has been built for less money. By way of example, allow me to draw your attention to this one item. In 1922, under the preceding Government, there were 201 miles of road construction costing \$11,516,533. In 1925, under the present Ferguson Government, there were 237 miles laid down costing \$5,830,407. It will, therefore, be plain to the people of this Province that the road construction and maintenance so urgently demanded at the present day have been fully met at the lowest possible cost. This Government realizes the need and demand for increased highways and road improvement, and year by year the

Department of Highways is receiving increased attention. Several hundred miles of superior road have been attached to the Provincial Highways System, and as years go by there will be a continually increased mileage laid down in this Province. The Government feels, as the people feel, that the day is here for extension of work along this line. Tourist traffic will be cultivated by the programme of road construction, and, moreover, the extensive use of motor cars by the public has made such activity by the Government imperative.

Here, by way of striking comparison, let me present a short statement showing the total amounts expended year by year on all road construction from 1903 to 1926:

1903.....	\$182,168 95	1915.....	\$1,385,555 23
1904.....	267,148 28	1916.....	1,050,387 97
1905.....	224,394 61	1917.....	1,096,308 60
1906.....	314,701 26	1918.....	1,472,069 65
1907.....	380,297 37	1919.....	4,112,599 22
1908.....	567,419 36	1920.....	8,803,564 10
1909.....	581,690 64	1921.....	15,823,888 19
1910.....	603,061 51	1922.....	20,412,528 84
1911.....	630,799 52	1923.....	25,521,515 34
1912.....	945,144 89	1924.....	14,091,599 72
1913.....	1,805,157 50	1925.....	16,235,548 40
1914.....	1,585,983 33	1926.....	15,075,242 20

The people of this Province will remember that the recent Government expended lavishly on road construction. The present Government found it absolutely necessary, from a financial standpoint, to make heavy cuts in these expenditures to stabilize our finances, and yet while expending generously are receiving practically the same mileage at about one-half the cost.

RURAL CREDITS

The Agricultural Development Board is functioning very successfully. The loans to farmers have increased during the year from \$9,584,176 to \$12,191,375, thus showing that the farmers of our Province are appreciating what this Board means to them. This Government has also reduced the rate of interest from 6 per cent. to 5½ per cent., which means that on the \$12,000,000 borrowed by the farmers they are saving \$60,000 on the ½ of 1 per cent. reduction in rate.

The reserve held in the Consolidated Revenue Fund pertaining to this activity is \$66,400. The Agricultural Develop-

ment Board has itself an operating profit of \$57,030 during the year, and an accumulated surplus to date amounting to \$113,176. The total Farm Loans Reserve at the end of the fiscal year, 1926, was therefore \$179,576.

This Board has proved a great convenience to the farmer by way of borrowings at a very moderate rate of interest, and the repayments are most conveniently arranged—the Board at all times doing its utmost for the convenience of the rural borrower. Throughout its operations, it has had little or no losses, which is somewhat unusual in the history of Rural Credits.

SAVINGS OFFICES SHOW SURPLUS

The Province of Ontario Savings Offices, established in 1921, have been giving a very valuable service to depositors.

In 1923 the deposits were.....	\$13,682,990
In 1926 the deposits were.....	18,366,363

and the surplus to October 31st, last amounts to \$133,000.

Interest paid to depositors, 3%.

Interest allowed Savings Offices by Government on all deposits, 4%.

Interest paid to Government by Agricultural Development Board, 4½%.

Interest paid by farmers to Agricultural Development Board, 5½%.

Number of Branches in operation, 15.

During the year a greatly increased number of accounts were opened at every Branch, and a very successful year is anticipated in 1927. It will be seen by the public that the Savings Offices are carrying themselves and are also building up a reserve. This, it will be noticed, is done on a spread of 1 per cent.

MR. MILLER (East Elgin): You pay 3 per cent. interest on your savings accounts. You charge the farmer 5½. Would you kindly indicate what becomes of that 2½ per cent.?

HON. DR. MONTEITH: Interest paid to depositors, 3 per cent. now; it was 4. Interest allowed Saving Offices by Government on all deposits, 4; it was 5. Interest paid to Government by Agricultural Development Board, 4½; it was 5. Interest paid by farmers to Agricultural Development Board, 5½; it was 6. Does that answer the question?

MR. MILLER: Yes, thanks.

HON. DR. MONTEITH: The spread of 1 per cent. carries all the way down. That type of money we have been using reflects itself all the way down through the Departments and Commissions, Hydro and T. & N. O. get the benefit.

LIQUOR DISPENSARIES

Information pertaining to the Ontario Government Dispensaries for the fiscal year 1926, appears as follows:

Sales at Dispensaries.....	\$5,025,798
Cost of stock sold.....	3,800,508
Gross profit.....	<u>\$1,225,290</u>

Deduct from this amount operating expenses, discounts to chemists and druggists, delivery expenses, etc., \$482,647, which leaves a net profit on Dispensaries Sales for the year of \$742,643. Add to this Bank interest, etc., \$15,827, and there is a net profit of \$758,470.

INTENSIVE AUDITS

It will be interesting to the Honourable Members of the House, to reflect once more on the results of the special audits introduced by my predecessor, the present Attorney-General. Now, owing to this strict method of accounting and auditing, much money has been received by the Province that otherwise would not have found its way into the Treasury, through arrears, oversights, laxity, etc. However, there was brought into the Treasury from the Companies Branch, Public Institutions, Attorney-General's Department and Provincial Treasurer's Department, a very substantial sum amounting to date to about \$390,000. As a result of the special audit made a year or two ago a new system was installed in the Highways Department and as a further result there was received from municipalities in arrears over two million dollars which might otherwise have been lost through lax bookkeeping and the billing of municipalities.

The Honourable Gentlemen will well understand that had it not been for this close auditing of receipts it would have been difficult to reckon in actual dollars just what benefit the Province would have lost.

Mr. Brown, the Provincial Auditor, and his staff have applied themselves arduously to this very important duty and their efficient work has indeed meant much to the Province. The regular, businesslike methods of bookkeeping, together with the strict audit of Receipts and Expenditures,

will be continued in the operations of the Treasury Department and Audit Office.

ASSETS AND LIABILITIES

The statement on Capital and Current Assets and Liabilities is submitted for your information in the Public Accounts. On consulting this statement you will observe many interesting features, and all the information, I am fairly certain, that you may desire regarding Assets and Liabilities will be found there. I hope that you may give it some study and any further information that any Honourable Gentleman may wish, in connection with this presentment of the financial affairs of the Province, I should be only too pleased to furnish on request.

Mr. Speaker, this concludes my financial statement as applied to the operations of this Government up to the end of the fiscal year 1926, and I have no doubt that the Honourable Gentlemen in this Chamber will be anxious to know as to the forecast for the year 1927.

FUTURE FINANCIAL POLICY

Now then, what are we going to do about this year? That is the question facing us. I have an interesting forecast which I want to spread before Honourable Members, and then I have finished. The Ferguson Government proposes to continue along the same principle, the same lines, as during the last Parliament: Efficiency, economy, honest, businesslike administration. There is going to be a close adherence to regular bookkeeping and the Audit Office of this Government is going to apply itself as closely as ever. Regular methods, system in the offices, and a close, intensive collection of revenue; a restraining influence on expenditure, both Ordinary and Capital, and there has been recently instituted a division of revenue and expenditure, as I have just explained. And not only that, but the Government will continue, as they have in the past, to hold down the interest rate. We believe that this Government has introduced a new era of tax reduction which is going to be continued. We shall keep a watchful eye on the public debt and provide for debt retirement as has been mapped out; and still we hope as time goes on to have a continued further reduction of direct taxation to

relieve the ratepayer of this Province. And notwithstanding these reforms there shall be no starvation of the public services.

A BALANCED BUDGET

All these influences will be spread throughout all the Departments and, on the ground that those principles in the past proved sound, we are fully determined to continue them in 1927. As a result of these, Mr. Speaker and Honourable Gentlemen, permit me to-day to make an announcement for which the people of the Province have been yearning for a number of years. It has been a long, hard, patient struggle to dispose of a deficit of fifteen millions of dollars that was found on the door-mat when this Government took office, and it is with delight that this Government to-day, through its Treasurer, announces to the House and to the ratepayers of the Province of Ontario something new in the history of recent years,—a balanced Budget.

A balanced budget means a good deal, but a deficit changed into a surplus and at the same time providing for \$3,000,000 payment of the Capital Debt is a real accomplishment. This announcement in the Chamber to-day is based on the estimated Receipts and Expenditures which you will find on your desks. (See Estimated Receipts and Payments, pages 38-9).

I might say there will be some new revenue. We expect that there will be a revenue from the Government Control System of \$3,500,000. I think the rest of these have been given in the ordinary way, and I do not need to refer to them.

MR. SINCLAIR: Would the Minister give us any elaboration of how he arrives at that estimate of \$3,500,000?

HON. DR. MONTEITH: I will tell the Honourable Leader of the Liberal party that I had only one way of arriving at it, and that was to consult the Attorney-General. It is arrived at, no doubt, by comparisons with the operations of other Provinces under government control. That is possibly the basis of estimate.

Therefore, Mr. Speaker and Honourable Gentlemen, in concluding this address, I wish to sum up my firm and considered opinion by saying that the financial record of this Government surpasses any previous record of Ontario administration since Confederation.

Imagine its courageous achievement in getting under control the public debt; its great accomplishment of reducing a \$15,000,000 deficit and replacing it with a balanced budget and surplus. Has there ever been a government bold enough to undertake the liquidation of a debt such as we have? And the first payment they make this year, of over \$3,000,000—a wonderful record. Reduced interest charges, the introduction of a new era of tax reduction! And while doing all that still maintaining at a very high standard all the activities of every Department; preserving a good, wholesome financial structure, and giving the people what they demand,—real service.

STATEMENT "A"

ORDINARY REVENUE AND
EXPENDITURECAPITAL REVENUE AND
EXPENDITURE

Fiscal Year	Ordinary Revenue		Ordinary Expenditure		Deficiency *Surplus	Capital Revenue	Capital Expenditure	Net Capital Expenditure
1923..	Excl'dg. Interest Int. Hydro, etc.	\$25,776,320 8,333,892	Excluding Interest.. Public Debt Int.... Discount on Loans..	\$35,322,430 13,510,708 472,301	\$9,546,110 5,176,816 472,301	\$2,496,451	\$25,077,062	\$22,580,611
		\$34,110,212		\$49,305,439	\$15,195,227			
1924..	Excl'dg. Interest Int. Hydro, etc.	\$30,819,715 9,721,208	Excluding Interest.. Public Debt Int.... Discount on Loans..	\$32,692,977 16,173,592 143,119	\$1,873,262 6,452,384 143,119	\$4,941,574	\$12,788,268	\$7,846,694
		\$40,540,923		\$49,009,688	\$8,468,765			
1925..	Excl'dg. Interest Int. Hydro, etc.	\$36,417,479 10,185,324	Excluding Interest.. Public Debt Int.... Discount on Loans..	\$34,224,003 17,238,175 247,990	*\$2,193,476 7,052,851 247,990	\$7,307,088	\$15,025,100	\$7,718,012
		\$46,602,803		\$51,710,168	\$5,107,365			
1926..	Excl'dg. Interest Int. Hydro, etc.	\$40,878,352 9,962,691	Excluding Interest.. Public Debt Int.... Discount on Loans..	\$34,150,980 17,100,801 401,402	*\$6,727,372 7,138,110 401,402	\$3,150,217	\$13,867,552	\$10,717,335
		\$50,841,043		\$51,653,183	\$812,140			

FINANCIAL STATEMENT OF

STATEMENT "B"

ESTIMATED PAYMENTS

Fiscal Year Ending October 31st, 1927

	Ordinary	Capital
Lieutenant-Governor.....	\$5,000 00	.....
Prime Minister:		
Miscellaneous.....	\$95,000 00	
Bonus Transmission Lines.....	500,000 00	
	\$595,000 00	
Legislation.....	\$350,000 00	
Attorney-General:		
Law Enforcement, etc.....	\$2,575,000 00	
Insurance Department.....	45,000 00	
	\$2,620,000 00	
Education.....	\$9,200,000 00	\$100,000 00
Lands and Forests:		
Lands and Forests.....	\$1,710,000 00	\$745,000 00
Northern Development.....	1,260,000 00	1,890,000 00
	\$2,970,000 00	\$2,635,000 00
Mines:		
Mines.....	\$292,000 00	\$9,000 00
Game and Fisheries.....	470,000 00	70,000 00
Wolf Bounty.....	75,000 00	
	\$837,000 00	\$79,000 00
Public Works and Highways:		
Public Works.....	\$600,000 00	\$1,700,000 00
Highways.....	3,500,000 00	9,650,000 00
	\$4,100,000 00	\$11,350,000 00
Health and Labour:		
Health.....	\$650,000 00	
Labour.....	440,000 00	
Mothers' Allowances.....	2,000,000 00	
	\$3,090,000 00	
Provincial Treasurer.....	\$2,000,000 00	
Provincial Auditor.....	\$100,000 00	
Provincial Secretary:		
Companies Branch.....	\$260,000 00	
Public Institutions.....	5,750,000 00	
	\$6,010,000 00	
Agriculture.....	\$2,250,000 00	
Miscellaneous.....	\$200,000 00	
Total, excluding interest.....	\$34,327,000 00	
Interest on Public Debt.....	17,600,000 00	
Debt Retirement.....	1,488,000 00	
Total, Ordinary and Capital.....	\$53,415,000 00	\$14,164,000 00
Loans and Special Funds:		
Hydro-Electric Power Commission Advances.....		\$8,000,000 00
Agricultural, drainage and other loans.....		3,355,000 00
Public Service Superannuation Fund.....		230,000 00
Other Special Funds, Repayments.....		447,000 00
		\$12,032,000 00
Total Payments.....	\$53,415,000 00	\$26,196,000 00

STATEMENT "C"
ESTIMATED RECEIPTS
Fiscal Year Ending October 31st, 1927

	Ordinary	Capital
Prime Minister: Water Rentals.....	\$400,000 00	
Legislation: Legislation.....	\$20,000 00	
Attorney-General: Law Enforcement Branch.....	\$1,450,000 00	
Government Control of Liquor.....	3,500,000 00	
Miscellaneous.....	450,000 00	
Insurance Department.....	145,000 00	
	\$5,545,000 00	
Education.....	\$530,000 00	
Lands and Forests: Lands and Forests.....	\$3,500,000 00	\$1,250,000 00
Northern Development.....		65,000 00
	\$3,500,000 00	\$1,315,000 00
Mines: Mines.....	\$850,000 00	\$39,000 00
Game and Fisheries.....	750,000 00	
	\$1,600,000 00	\$39,000 00
Public Works and Highways: Public Works.....	\$25,000 00	
Public Highways.....	765,000 00	\$1,480,000 00
Motor Vehicles.....	5,300,000 00	
Gasoline Tax.....	3,600,000 00	
	\$9,690,000 00	\$1,480,000 00
Health and Labour: Health.....	\$175,000 00	
Labour.....	100,000 00	
Mothers' Allowances.....	900,000 00	
	\$1,175,000 00	
Provincial Treasurer: Dominion Subsidy.....	\$2,643,000 00	
Succession Duty.....	8,000,000 00	
Corporation Tax.....	5,000,000 00	
Amusements Branch.....	1,485,000 00	
Land Transfer Tax.....	500,000 00	
Law Stamps.....	350,000 00	
Luxury Tax.....	200,000 00	
Miscellaneous.....	400,000 00	
	\$18,578,000 00	
Provincial Secretary: Companies Branch.....	\$460,000 00	
Public Institutions.....	1,450,000 00	
	\$1,910,000 00	
Agriculture.....	\$500,000 00	
Total, excluding Interest.....	\$43,448,000 00	\$2,834,000 00
Interest: Hydro-Electric Power Commission.....	\$7,850,000 00	
T. & N. O. Railway Commission.....	1,000,000 00	
Miscellaneous.....	1,273,000 00	
	\$10,123,000 00	
Total, Ordinary and Capital.....	\$53,571,000 00	\$2,834,000 00
Loans and Special Funds: Hydro-Electric Power Commission, repayment of Advances.....		\$1,370,000 00
Housing, Drainage and other Loan repayments.....		1,247,000 00
Public Service Superannuation Fund.....		500,000 00
Other Special Funds—Deposits.....		228,000 00
Total Receipts.....	\$53,571,000 00	\$6,179,000 00

STATEMENT "D"
HYDRO-ELECTRIC POWER COMMISSION

Statement Showing Advances Made by Province and Interest Received from the Commission

FINANCIAL STATEMENT

Advances by Province		Sinking Fund Investments Deposited		Net Advances	Interest Paid
Yearly	To Date	Yearly	To Date	To Date	To Province
1909.....	\$486,893 73	\$486,893 73	.....	\$486,893 73	.....
1910.....	2,130,456 78	2,617,350 51	.....	2,617,350 51	.....
1911.....	1,564,572 34	4,181,922 85	.....	4,181,922 85	\$205,874 77
1912.....	479,315 48	4,661,238 33	.....	4,661,238 33	181,707 84
1913.....	1,361,407 89	6,022,646 22	.....	6,022,646 22	207,805 53
1914.....	4,087,556 70	10,110,202 92	.....	10,110,202 92	316,287 75
1915.....	2,380,509 16	12,490,712 08	\$175,000 00	12,315,712 08	452,320 81
1916.....	9,772,955 64	22,263,667 72	150,000 00	21,938,667 72	515,083 30
1917.....	5,700,000 00	27,963,667 72	150,000 00	27,488,667 72	1,185,091 42
1918.....	8,794,951 00	36,758,618 72	40,091 20	36,243,527 52	1,412,604 80
1919.....	11,477,382 38	48,236,001 10	20,603 64	47,700,306 26	2,036,969 54
1920.....	18,076,500 00	66,312,501 10	59,927 79	65,716,878 47	2,767,263 07
1921.....	37,517,816 53	103,830,317 63	288,707 38	102,945,987 62	4,463,345 38
1922.....	14,134,617 00	117,964,934 63	294,443 85	116,786,160 77	5,866,983 86
1923.....	8,835,260 00	126,800,194 63	1,261,226 14	124,360,194 63	6,548,135 06
1924.....	10,885,021 61	137,685,216 24	200,000 00	134,045,216 24	7,584,349 17
1925.....	8,844,092 83	146,529,309 07	2,172,000 00	141,717,309 07	8,151,078 90
1926..... (a) 1,620,895 54	144,908,413 53	(b) 2,377,000 00	2,435,000 00	142,473,413 53	7,791,640 92
	\$144,908,413 53		\$2,435,000 00	\$142,473,413 53	\$49,686,542 12

NOTE.—(a) **\$1,620,895.54—Refund by Hydro.**

In 1926 \$4,812,000 Bonds, representing Hydro Sinking Fund Investment deposited to October 31st, 1925, with the Province, as security for advances by the Province, were realized, and cash to an equivalent amount paid by the Commission to the Province, as a repayment of advances, in accordance with the recommendations of the Debt Retirement Committee, and the Power Commission Act, 1926.

New Capital advances made by the Province during the year amounted to \$3,191,104.46. As the Hydro refunded \$4,812,000.00, the net result was \$1,620,895.54 reductions in advances.

(b) **\$2,377,000.00—Net withdrawal of Bonds deposited.** \$4,812,000 of Bonds withdrawn and new deposit of \$2,435,000. Results in net reduction in 1926 of \$2,377,000.00.

STATEMENTS
OF
ASSETS AND LIABILITIES
RECEIPTS AND PAYMENTS
ETC.

FISCAL YEAR
ENDED
OCTOBER 31st, 1926

ASSETS AND LIABILITIES

Page
No.

CAPITAL ASSETS

REALIZABLE OR INCOME-PRODUCING:

DOMINION OF CANADA

Capital Account—Capitalized at 5%—

Annual Subsidy, B.N.A. Act	\$ 4,800,000 00
Annual Grant, B.N.A. Act	45,203,944 00
Annual (increased) Subsidy, 47 V, Cap. 4....	2,848,289 60
Common School Fund—Ontario and Quebec.....	1,473,563 29
Quebec Turnpike Trust—Ontario and Quebec....	3,324 35

\$ 54,329,121 24

51 HYDRO-ELECTRIC POWER COMMISSION—ADVANCES—
Hydro System.....\$135,049,183 09

Less—

Repayment from Sinking Fund \$ 4,812,000 00
Sinking Fund—Ontario bonds deposited..... 2,435,000 00

\$ 7,247,000 00\$127,802,183 09

Central Ontario Power System... 14,671,230 44

142,473,413 53

TEMISKAMING AND NORTHERN ONTARIO RAILWAY—

ADVANCES..... 30,207,934 92

51 LOANS TO MUNICIPALITIES, ETC..... 9,150,300 34

236,160,770 03

51 BUILDINGS, ROADS, ETC..... 121,929,819 75

ESTIMATED POTENTIAL REVENUE RESOURCES:

Log Timber, Pine, Spruce, Poplar, etc.	\$241,050,000 00
Pulpwood Timber, Ties, Poles, etc....	337,200,000 00
Crown Lands.....	23,000,000 00
Water Powers.....	55,000,000 00
Fish, Game and Fur.....	15,000,000 00
Mines.....	20,000,000 00

\$691,250,000 00TOTAL CAPITAL ASSETS.....\$358,090,589 78

CURRENT ASSETS

52 CASH IN BANKS.....\$ 3,919,986 20

52 ACCOUNTS RECEIVABLE..... 5,071,021 29

61 AGRICULTURAL DEVELOPMENT FINANCE ACT—INVEST-
MENTS..... 13,757,156 44

MISCELLANEOUS INVESTMENTS..... 4,802 60

53 PLANT, LIVESTOCK, STORES AND EQUIPMENT..... 1,939,469 24

BALANCE—

Excess of Current Liabilities over Cur-
rent Assets..... \$54,003,466 98TOTAL CURRENT ASSETS..... 24,692,435 77

53 DEFERRED ASSETS..... 86,602 13

53 DISCOUNT ON LOANS.....\$ 3,790,079 77

TOTAL ASSETS.....\$382,869,627 68

PROVINCE OF ONTARIO

AS AT OCTOBER 31st, 1926

Page No.	CAPITAL LIABILITIES	
54	ONTARIO STOCK AND DEBENTURES.....	\$285,371,094 54
	Deduct—	
	Redeemed under Retirement Plan....	\$ 4,812,000 00
60	Purchased for redemption (par value) .	10,107,887 69
		<u>14,919,887 69</u>
		\$270,451,206 85
	Less—	
60	Bank of Montreal, London, for purchase of Inscribed Stock.....	\$ 158,960 95
	Ontario Bonds deposited by Hydro-Electric Power Commission.....	2,435,000 00
		<u>2,593,960 95</u>
		\$267,857,245 90
	UNIVERSITY OF TORONTO CERTIFICATES.....	270,000 00
	RAILWAY AID—CERTIFICATES AND ANNUITIES.....	2,292,584 28
56	CONTINGENT LIABILITIES:	
	Bonds, etc., guaranteed by the Province of Ontario.....	\$ 52,252,165 60

BALANCE:

Excess of Capital Assets over Capital Liabilities..... \$87,670,759 60

TOTAL CAPITAL LIABILITIES..... \$270,419,830 18

CURRENT LIABILITIES

	TEMPORARY LOANS—TREASURY BILLS.....	\$48,000,000 00
52	DUE TO BANKS.....	2,784,991 21
61	PROVINCE OF ONTARIO SAVINGS OFFICE—DEPOSITS.....	18,366,363 52
61	ACCOUNTS PAYABLE.....	692,541 65
	ACCRUED INTEREST ON PUBLIC DEBT.....	4,634,100 64
61	SPECIAL FUNDS.....	4,217,905 73

TOTAL CURRENT LIABILITIES..... 78,695,902 75

TOTAL LIABILITIES..... \$349,115,732 93

BALANCE—Excess of Total Assets over Total Liabilities..... 33,753,894 75

\$382,869,627 68

Statement
REVENUE AND
Fiscal Year ended

Page No.	State-ment No.	Departments	Ordinary	Capital	Total
		REVENUE	\$ c.	\$ c.	\$ c.
14	2	Prime Minister	473,064 05		473,064 05
14	3	Legislation	17,811 68		17,811 68
14	4	Attorney-General	1,743,726 10		1,743,726 10
15	5	Insurance	144,572 33		144,572 33
16	6	Education	530,082 52		530,082 52
16	7	Lands and Forests	3,281,329 58	1,205,139 36	4,486,468 94
18	8	Northern Development	395 84	64,156 86	64,552 70
19	9	Mines	799,837 67	38,578 14	838,415 81
20	10	Game and Fisheries	682,063 32		682,063 32
20	11	Public Works	17,691 83	34,473 43	52,165 26
21	12	Public Highways	10,416,491 30	1,802,719 71	12,219,211 01
22	13	Health	162,344 17		162,344 17
22	14	Labour	940,250 65		940,250 65
24	15	Provincial Treasurer	19,379,827 24	2,150 00	19,381,977 24
38	16	Provincial Secretary	1,805,545 92		1,805,545 92
41	17	Agriculture	483,317 01	3,000 00	486,317 01
43	18	Interest on Loans, etc	9,962,691 68		9,962,691 68
		TOTAL REVENUE	50,841,042 89	3,150,217 50	53,991,260 39

ORDINARY

Ordinary Expenditure as per contra

Ordinary Revenue as above

Excess of Ordinary Expenditure over
Add: Discount on Loans applicable to year—
On Treasury Bill Issues

On Bond Issues

Premium paid on Bonds and Stocks purchased for
redemption, etc., applicable to year

Deficiency of Ordinary Revenue for year

CONSOLIDATED

Fiscal Year Ended

Page No.	State-ment No.	RECEIPTS		
		Revenue as above—		
		Ordinary	\$50,841,042 89	
48		Capital	3,150,217 50	
				\$53,991,260 39
49	19	Public Debt—		
		Proceeds of Bond and Treasury Bill Issues, etc	\$58,021,527 65	
50	20	Loans to Hydro-Electric Power Commission, Municipalities, etc.—		
		Repayments	6,526,740 82	
50	20	Special Funds—Deposits	952,726 41	
				65,500,994 88
				\$119,492,255 27

No. 1

EXPENDITURE

31st October, 1926

Page No.	Departments	Ordinary	Capital	Total
	EXPENDITURE	\$ c.	\$ c.	\$ c.
A2	Lieutenant-Governor's Office.....	5,450 00		5,450 00
B2	Prime Minister.....	649,104 11		649,104 11
C2	Legislation.....	343,757 24		343,757 24
D2	Attorney-General.....	2,004,449 59		2,004,449 59
E2	Insurance.....	42,363 58		42,363 58
F2	Education.....	9,190,734 39	142,875 67	9,333,610 06
G2	Lands and Forests.....	1,708,365 61	745,366 23	2,453,731 84
H2	Northern Development.....	1,661,028 28	2,429,800 63	4,090,828 91
I2	Mines.....	291,400 07	9,116 45	300,516 52
J2	Game and Fisheries.....	401,304 43	50,434 23	451,738 66
K2	Public Works.....	749,815 65	2,256,456 29	3,006,271 94
L2	Public Highways.....	3,348,816 90	8,170,060 39	11,518,877 29
M2	Health.....	646,967 15		646,967 15
N2	Labour.....	2,318,360 52		2,318,360 52
O2	Provincial Treasurer.....	2,218,874 41	44,500 00	2,263,374 41
P2	Provincial Auditor.....	100,567 31		100,567 31
Q2	Provincial Secretary.....	6,008,048 64	13,629 84	6,021,678 48
R2	Agriculture.....	2,240,910 78	5,312 30	2,246,223 08
S2	General Miscellaneous.....	173,895 83		173,895 83
46	Stationery Account—Excess of Purchases over amount distributed to Departments during year.....	46,766 01		46,766 01
	Public Debt—Interest, etc.....	17,100,800 75		17,100,800 75
	TOTAL EXPENDITURE.....	51,251,781 25	13,867,552 03	65,119,333 28

RECAPITULATION

	\$51,251,781 25
	50,841,042 89
Revenue.....	\$410,738 36
	\$225,068 85
	155,227 32
	21,105 78
	401,401 95
	\$812,140 31

REVENUE FUND

31st October, 1926

Page No.	PAYMENTS		
	Balance due to Banks—November 1st, 1925.....	\$3,130,724 09	
	Less—Adjustments—Home Bank claim, old outstanding cheques, etc.....	14,176 35	
			\$3,116,547 74
	Expenditure as above—		
	Ordinary.....	\$51,251,781 25	
48	Capital.....	13,867,552 03	
			65,119,333 28
49	Public Debt—		
	Bonds, Treasury Bills, etc., matured and paid.....	\$43,230,768 10	
50	Loans to Hydro-Electric Power Commission, Municipalities, etc.—		
	Advances.....	6,649,732 80	
50	Special Funds—Repayments.....	240,878 36	
			50,121,379 26
61	Balance in Banks (net)—October 31st, 1926.....		1,134,994 99
			\$119,492,255 27

STATEMENT No. 1 (a)
COMPARATIVE STATEMENT OF ORDINARY REVENUE AND EXPENDITURE
Fiscal Years 1923-26

DEPARTMENT	ORDINARY REVENUE				ORDINARY EXPENDITURE			
	1923	1924	1925	1926	1923	1924	1925	1926
	\$ c.	\$ c.	\$ c.	\$ c.	\$ c.	\$ c.	\$ c.	\$ c.
Lieutenant-Governor.....					5,400 00	5,400 00	5,450 00	5,450 00
Prime Minister.....		10 00	153,657 99	473,064 05	1,649,451 61	1,282,233 37	327,473 97	649,104 11
Legislation.....	18,340 66	21,560 64	31,421 29	17,811 68	457,531 34	314,867 38	365,933 51	343,757 24
Attorney-General.....	1,611,216 40	1,888,470 66	1,797,696 49	1,743,726 10	2,343,299 32	2,201,069 48	2,510,723 12	2,004,449 59
Insurance.....	131,533 28	131,376 15	143,367 52	144,572 33	46,227 96	41,431 14	48,621 99	42,363 58
Education.....	483,385 93	571,556 83	602,871 33	530,082 52	9,835,581 26	9,283,487 65	9,259,464 03	9,190,734 39
Lands and Forests.....	1,993,448 40	3,335,206 03	3,555,006 92	3,281,329 58	1,510,878 20	1,263,128 31	1,664,453 20	1,708,365 61
Northern Development.....			4,639 38	395 84	1,404,139 69	1,384,317 16	1,390,824 68	1,661,028 28
Mines.....	562,872 25	593,218 15	572,717 68	799,837 67	315,454 77	324,408 66	278,115 27	291,400 07
Game and Fisheries.....	621,148 08	667,233 46	709,455 73	682,063 32	356,672 04	323,985 29	357,476 46	401,304 43
Public Works.....	14,473 89	22,506 25	10,295 31	17,691 83	1,000,640 21	850,000 31	805,181 26	749,815 65
Public Highways.....	4,525,928 14	5,498,028 75	8,482,939 96	10,416,491 30	3,302,950 41	3,001,235 05	3,534,911 91	3,348,816 90
Health.....		83,305 49	118,913 49	162,344 17	513,936 77	554,721 57	606,306 58	646,967 15
Labour.....	758,360 83	906,414 28	912,679 73	940,250 65	2,124,433 61	2,104,016 68	2,299,403 04	2,318,360 52
Provincial Treasurer.....	13,490,008 29	15,172,277 78	17,449,932 01	19,379,827 24	2,156,828 30	2,025,171 41	2,134,584 17	2,218,874 41
Provincial Auditor.....					60,886 51	72,953 83	89,862 90	100,567 31
Provincial Secretary.....	1,226,520 52	1,449,662 57	1,426,757 29	1,805,545 92	6,084,987 15	5,438,647 49	6,216,616 65	6,008,048 64
Agriculture.....	339,084 19	476,132 72	445,127 72	483,317 01	1,996,823 18	2,137,832 36	2,239,616 86	2,240,910 78
Miscellaneous.....					156,307 34	84,069 31	77,926 90	173,895 83
Stationery.....		2,755 47					11,056 22	46,766 01
Total—Excluding Interest..	25,776,320 86	30,819,715 23	36,417,479 84	40,878,351 21	35,322,429 67	32,692,976 45	34,224,002 72	34,150,980 50
Interest, Exchange, etc.....	8,333,891 76	9,721,208 42	10,185,323 67	9,962,691 68	13,510,708 26	16,173,592 43	17,238,175 78	17,100,800 75
Discount on Loans.....	34,110,212 62	40,540,923 65	46,602,803 51	50,841,042 89	48,833,137 93	48,866,568 88	51,462,178 50	51,251,781 25
Deficiency of Ordinary Revenue	15,195,226 53	8,468,764 51	5,107,364 99	812,140 31	472,301 22	143,119 28	247,990 00	401,401 95
Total.....	49,305,439 15	49,009,688 16	51,710,168 50	51,653,183 20	49,305,439 15	49,009,688 16	51,710,168 50	51,653,183 20

Statement No. 1 (b)
COMPARATIVE STATEMENT OF CAPITAL REVENUE AND EXPENDITURE
Fiscal Years 1923-26

DEPARTMENT	CAPITAL REVENUE				CAPITAL EXPENDITURE			
	1923	1924	1925	1926	1923	1924	1925	1926
	\$ c.	\$ c.	\$ c.	\$ c.	\$ c.	\$ c.	\$ c.	\$ c.
Attorney-General						2,720 00		
Education					202,200 00	307,532 80	172,256 76	142,875 67
Lands and Forests	708,516 86	1,181,037 52	1,458,860 93	1,205,139 36	1,416,327 28	881,757 32	710,186 19	745,366 23
Northern Development	67,995 62	103,419 30	40,190 32	64,156 86	2,563,782 05	2,106,604 00	2,546,758 04	2,429,800 63
Mines			40,694 28	38,578 14			7,748 18	9,116 45
Game and Fisheries					34,750 15	14,680 74	22,725 25	50,434 23
Public Works			6,929 85	34,473 43	1,600,324 63	1,306,306 47	2,186,033 80	2,256,456 29
Public Highways	1,652,528 08	3,657,117 71	5,757,238 19	1,802,719 71	19,206,120 46	8,131,024 80	9,349,890 18	8,170,060 39
Provincial Treasurer				2,150 00	53,558 00	15,441 80		44,500 00
Provincial Secretary						22,200 65	10,788 30	13,629 84
Agriculture			3,175 00	3,000 00			18,713 64	5,312 30
Stationery	67,410 65							
Total	2,496,451 21	4,941,574 53	7,307,088 57	3,150,217 50	25,077,062 57	12,788,268 58	15,025,100 34	13,867,552 03

Statement No. 1 (c)
PUBLIC DEBT, LOANS AND SPECIAL FUNDS
Comparative Statement of Principal Receipts and Payments
Fiscal Years 1923-26

	RECEIPTS				PAYMENTS			
	1923	1924	1925	1926	1923	1924	1925	1926
	\$ c.	\$ c.	\$ c.	\$ c.	\$ c.	\$ c.	\$ c.	\$ c.
Public Debt:								
Bonds, Treasury Bills, etc.	76,030,667 76	65,543,842 51	47,949,876 50	58,021,527 65	19,316,198 14	26,375,415 86	49,906,601 15	43,230,768 10
Loans to Municipalities, Hydro, etc.	1,079,063 94	3,434,098 73	1,117,543 04	6,526,740 82	17,939,630 73	23,221,447 53	12,565,471 15	6,649,732 80
Special Funds	337,280 01	635,905 44	721,788 33	952,726 41	677,090 75	25,502 68	266,074 58	240,878 36
Total	77,447,011 71	69,613,846 68	49,789,207 87	65,500,994 88	37,932,919 62	49,622,366 07	62,738,146 88	50,121,379 26

CAPITAL RECEIPTS AND EXPENDITURE

Fiscal Year ended October 31st, 1926

Receipts

LANDS AND FORESTS:

Land Collections—75 per cent	\$84,229 28
Bonus and Timber dues—30 per cent	1,114,583 30
Reforestation	1,167 98
Clearing townsites and removing fire hazards	40
Surveys	5,158 40

\$1,205,139 36

NORTHERN DEVELOPMENT:

Assistance to Settlers—Repayments	\$63,808 81
Colonization Roads—Refunds	348 05

64,156 86

MINES: Mining Land Sales

38,578 14

PUBLIC WORKS: Sale of property, material, etc

34,473 43

PUBLIC HIGHWAYS: County, Township and Suburban Areas—Repayments, etc

1,802,719 71

PROVINCIAL TREASURER: Sale of Registry Office—Sault Ste. Marie

2,150 00

AGRICULTURE: Sale of New Liskeard Creamery—on account

3,000 00

\$3,150,217 50

Expenditure

EDUCATION:

Guaranteed Debentures—Robillard and Truax	\$130 78
English and French Training School—Embrun	8,797 92
Hamilton Technical School—Purchase of Property	335 48
University of Toronto Buildings	103,611 49
University of Toronto Buildings (Certificate—Statutory)	30,000 00

\$142,875 67

LANDS AND FORESTS:

Forest Ranging	\$125,529 19
Fire Ranging	39,856 47
Surveys	99,725 99
Reforestation	206,316 87
Clearing townsites and removing fire hazards	42,119 90
Refunds re Pulpwood Concessions	30,000 00
Parks	2,188 08
Purchase of Lands	198,284 75
Statutory Refunds—Crown dues and wild lands	1,344 98

745,366 23

NORTHERN DEVELOPMENT:

Colonization Roads	\$178,293 72
Roads—(Statutory)	2,226,995 40
Assistance to Settlers, Farms, etc	24,511 51

2,429,800 63

MINES:

Mining Recorders Offices	\$180 00
Surveys	3,936 45
Purchase of Gas Wells	5,000 00

9,116 45

GAME AND FISHERIES:

Boats and boathouses	\$4,298 15
Game animals and birds	659 58
Ponds and buildings, etc	45,476 50

50,434 23

PUBLIC WORKS:

Public Buildings	\$2,056,759 43
Public Works	180,597 86
Drainage Aid	19,099 00

2,256,456 29

PUBLIC HIGHWAYS: Road Construction

8,170,060 39

PROVINCIAL TREASURER:

Vimy Ridge Farm	7,500 00
Industrial Schools Association, Toronto—Debentures secured on property acquired by Province under Industrial Schools Act, 1925	37,000 00

44,500 00

PROVINCIAL SECRETARY:

Provincial Institutions—Buildings	13,629 84
---	-----------

AGRICULTURE: Live Stock, etc

5,312 30

\$13,867,552 08

PUBLIC DEBT

Proceeds of Loans for the Fiscal Year 1926

Bond Issues—

Series "A.H."—15 Geo. V, Cap. 2 and R.S.O. 1914, Cap. 4—

4½% 30-year Instalment Serial due \$700,000 per annum December 1st.

1926-1955.

Payable Canada, London and New York.

Par value..... \$21,000,000 00

Less Discount..... 1,009,470 00

\$19,990,530 00

Treasury Bills—

Series "A.E."—15 Geo. V, Cap. 2—

4% 1-year due May 26th, 1927

Payable New York.

Par value..... \$8,000,000 00

Series "A.F."—16 Geo. V, Cap. 6—

Payable New York.

4% 1-year due May 26th, 1927.

Par value..... 2,000,000 00

4% 2-year due May 26th, 1928.

Par value..... 15,000,000 00

\$25,000,000 00

Less Discount..... 203,425 00

24,796,575 00

Series "A.G."—15 Geo. V, Cap. 2—

4¾% 6-month due March 1st, 1927

Payable Toronto.

Par value..... \$3,000,000 00

Less Discount..... 22,643 85

2,977,356 15

Series "A.H."—14 Geo. V, Cap. 9 and R.S.O. 1914, Cap. 21—

4¾% 1-year due September 15th, 1927.

Payable New York.

Par value..... 5,000,000 00

Series "A.J."—14 Geo. V, Cap. 9 and R.S.O. 1914, Cap. 21—

4¾% 6-months due March 15th, 1927.

Payable Toronto.

Par value..... 5,000,000 00

\$57,764,461 15

General Sinking Fund for redemption of Public Debt:

Interest received for reinvestment..... 257,066 50

\$58,021,527 65

Payments for the Fiscal Year, 1926

Inscribed Stock Sinking Fund Instalments..... \$21,688 85

Bonds and Stocks Matured—

Series "JJ" \$5,000,000, 5½% due March 1st, 1925..... \$3,000 00

" "LL" 6,800,000, 6% due April 15th, 1925..... 27,000 00

" "L" 4,000,000, 4% due May 1st, 1925..... 2,000 00

" "M" 8,350,000, 4% due March 1st, 1926..... 8,321,000 00

" 4,000,000, 5% due June 1st, 1926..... 3,990,000 00

" 315,500, 3½% due July 1st, 1926..... 314,500 00

12,657,500 00

Treasury Bills Matured—

Series "U" \$3,000,000, 3.9% due November 1st, 1925..... \$3,000,000 00

" "Y" 10,000,000, 3½% due April 22nd, 1926..... 10,000,000 00

" "Z" 5,000,000, 4¼% due September 15th, 1926..... 5,000,000 00

" "AB" 5,000,000, 4¼% due September 15th, 1926..... 5,000,000 00

23,000,000 00

Hydro-Electric Power Commission Sinking Fund Bonds Purchased under Power Commission Act, 1926.

Par value..... \$4,812,000 00

Premium..... 175,408 75

4,987,408 75

Succession Duty Free Bonds and Stock—Purchased under Succession Duty Act, 1925.

Par value..... \$1,758,000 00

Premium..... 56,811 00

1,814,811 00

Province of Ontario Savings Office—withdrawal of deposits.....

335,563 10

General Sinking Fund—Bonds purchased.....

406,000 00

Retirement of Inscribed stock—7 Geo. V, Chap. 3,

£1,700 4% stock due May 1st, 1947, at cost..... 7,796 40

\$43,230,768 10

LOANS AND SPECIAL FUNDS

Receipts and Payments for Fiscal Year 1926

	Receipts	Payments
LOANS—		
PRIME MINISTER'S DEPARTMENT—		
Hydro-Electric Power Commission—Advances.....	\$4,812,000 00	\$3,191,104 46
PUBLIC WORKS—		
Bread and Cake Bakers' Association—		
Payment on account cost of erection School of		
Baking.....	10,000 00	.....
NORTHERN DEVELOPMENT—		
Settlers' Loans.....	100,989 60	50,000 00
PROVINCIAL TREASURER—		
Agricultural Development Board—Debentures.....	952,000 00	3,125,000 00
Tile Drainage Loans.....	109,265 00	174,700 00
Municipal Drainage Loans.....	36,344 58	41,029 11
Farm Loans.....	48,504 29	24,700 00
Municipal Debentures.....	40,842 71	5,176 95
Highway Loans.....	14,980 00	.....
PROVINCIAL SECRETARY—		
Housing Loans.....	401,584 11	38,022 28
AGRICULTURE—		
J. Brillon—On account of mortgage.....	230 53	.....
	<u>\$6,526,740 82</u>	<u>\$6,649,732 80</u>
SPECIAL FUNDS—		
PRIME MINISTER'S DEPARTMENT—		
Ontario Public Service Superannuation Fund.....	\$756,195 56	\$227,197 06
ATTORNEY-GENERAL—		
Surplus Registry Office fees deposited—		
re Land Titles Office.....	23,512 57	.....
EDUCATION—		
Bequest—Isaac Brown.....	564 78	.....
PROVINCIAL TREASURER—		
Municipal Sinking Funds.....	113,245 34	5,263 94
Queen Victoria Niagara Falls Park Commission—Sink-		
ing Fund deposit.....	9,000 00	.....
Toronto Registry Office—Assurance fund.....	2,331 68	.....
PROVINCIAL SECRETARY—		
Bequest—J. E. Farewell.....	500 00	.....
AGRICULTURE—		
Vimy Ridge Farm—Boys' Trust Fund.....	743 37	.....
INTEREST ACCOUNT—		
Reserve for Farm Loans.....	46,633 11	.....
FEDERAL SUBSIDY FOR AGRICULTURE.....	.....	8,417 36
	<u>\$952,726 41</u>	<u>\$240,878 36</u>
Total.....	<u><u>\$7,479,467 23</u></u>	<u><u>\$6,890,611 16</u></u>

HYDRO-ELECTRIC POWER COMMISSION

Amount Advanced to October 31st, 1926

	Hydro System	C. Ontario System	Total
	\$ c.	\$ c.	\$ c.
Amount advanced on Capital Account to October 31st, 1925.....	132,010,046 51	14,519,262 56	146,529,309 07
Advances during current year.....	3,039,136 58	151,967 88	3,191,104 46
Total advanced to October 31st, 1926.....	135,049,183 09	14,671,230 44	149,720,413 53
Repayments under Debt Retirement Plan....	4,812,000 00	.....	4,812,000 00
Net balance advanced to October 31st, 1926.....	130,237,183 09	14,671,230 44	144,908,413 53
Province of Ontario Bonds representing Sink- ing Fund investment, deposited as security for repayment of advances.....	2,435,000 00	.....	2,435,000 00

LOANS TO MUNICIPALITIES, ETC.

As at October 31st, 1926

Housing Loans—Ontario Housing Act.....	\$ 6,755,795 24
Drainage Debentures—	
Municipal Drainage Aid Act.....	\$ 351,470 77
Tile Drainage Act.....	1,248,200 56
	<u>1,599,671 33</u>
Settlers' Loans.....	666,609 28
Municipal Debentures—	
Town of Cochrane.....	\$ 33,514 06
Town of Kapuskasing.....	21,729 04
Township of Whitney.....	17,147 85
Village of Eganville.....	7,764 93
	<u>80,155 88</u>
Highway Loans—Ontario Highways Act.....	12,660 00
Soldiers' Aid Commission.....	25,883 50
Brillon—Mortgage.....	7,551 99
Co-operative Marketing Loan Act.....	1,450 00
School Boards—Guaranteed Debentures—Robillard and Truax.....	523 12
	<u>\$ 9,150,300 34</u>

BUILDINGS, ROADS, ETC.

As at October 31st, 1926

Provincial Buildings and Lands.....	\$33,497,168 46
Improvements to Highways, 1919-1926.....	71,090,652 41
Northern Development—Roads and Farms, 1919-1926.....	13,522,964 09
Colonization Roads—1919-1926.....	2,329,272 02
Queen Victoria Niagara Falls Park—Surplus of Assets.....	1,462,701 67
Hydro Power Plant—Monteith.....	27,061 10
	<u>\$121,929,819 75</u>

BANK BALANCES

As at October 31st, 1926

BALANCES DUE BY BANKS—

Commerce.....	\$ 427,197 32
Commerce, New York Agency.....	22,158 63
Dominion.....	583,314 68
Home (in liquidation).....	1,100,000 00
Montreal, Toronto.....	275,762 33
“ Carlton Branch.....	151,292 50
“ London, England.....	6,842 22
National City, New York.....	15,237 96
Nova Scotia.....	62,382 17
Royal.....	125,633 36
Standard.....	507,466 00
Toronto.....	642,699 03
	<hr/>
	\$3,919,986 20

BALANCES DUE TO BANKS—

Montreal—New York Agency.....	\$2,738,547 24
Imperial.....	46,443 97
	<hr/>
	2,784,991 21
	<hr/>
	\$1,134,994 99

ACCOUNTS RECEIVABLE

As at October 31st, 1926

Lands and Forests—

Timber dues, fire protection, ground rent, etc.....	\$ 1,539,641 71
Crown Lands and Interest—estimated.....	817,823 42
	<hr/>
	\$ 2,357,465 13
Less—Deposits received.....	2,263,645 76
	<hr/>
	\$ 93,819 37

Northern Development—Unexpended balances and notes outstanding.....	234,132 45
Highways—Municipalities, etc.....	1,702,706 06
Public Institutions—Maintenance of Patients, etc.....	339,066 73
Sale of Central Prison and Toronto Asylum properties—balance.....	473,320 00
Succession duties.....	1,485,000 00
Municipalities—Mothers' Allowances.....	126,209 50
Public Service Superannuation Fund—Employees—1926 balance.....	107 24
Cake and Bread Bakers' Association—	
Balance re School of Baking.....	30,271 40
Agricultural Development Board Debentures—Accrued Interest to date.....	580,360 06
Returned cheques for collection.....	6,028 48
	<hr/>
	\$5,071,021 29

PLANT, LIVESTOCK AND EQUIPMENT**As at October 31st, 1926**

Ontario Government Dispensaries.....	\$ 888,737 21
Public Institutions.....	892,527 03
King's Printer—Stationery Stock.....	90,677 26
Ontario Butter Grading Stations.....	56,427 74
Department of Health.....	11,100 00
	<u>\$ 1,939,469 24</u>

DEFERRED ASSETS**As at October 31st, 1926**

own of Matheson—	
Debentures and Interest paid under Debenture Guarantee Act.....	\$ 32,699 90
Ottawa Separate Schools Commission—	
Promissory Notes paid.....	53,902 23
	<u>\$ 86,602 13</u>

DISCOUNT ON LOANS, 1923-1926

Discount on Bonds—		
“A.D.” Loan—20 years.....	\$ 82,000 00	
“A.F.” “ 25 “.....	1,651,880 32	
“A.G.” “ 20 “.....	1,026,060 00	
“A.H.” “ 30 “.....	1,009,470 00	
	<u>\$ 3,769,410 32</u>	
Less—Charged off to date.....	359,477 32	
		<u>\$ 3,409,933 00</u>
Discount of Treasury Bills—		
“Y.” 2 years.....	\$ 269,340 00	
“A.E.” “A.F.” 2 years.....	203,425 00	
“A.G.” 6 months.....	22,643 85	
	<u>\$ 495,408 85</u>	
Less—Charged off to date.....	330,408 85	
		<u>165,000 00</u>
Premium on Bonds and Stock purchased for redemption.....	\$ 232,219 75	
Less—Charged off to date.....	17,072 98	
		<u>215,146 77</u>
		<u><u>\$ 3,790,079 77</u></u>

PROVINCE OF ONTARIO—STOCK AND DEBENTURES

Maturity	Nature	Date of Issue	Rate	Amount of Issue	PURCHASED FOR REDEMPTION		Amount Outstanding Public
					Cancelled	Held for Cancellation	
				\$	\$	\$	\$
1926, Dec. 1...	Bonds	Dec. 1, 1916	5	2,000,000	.....	.....	2,000,000
Dec. 1... (1926-1955)...	Ser. Bonds	Dec. 1, 1925	4½	21,000,000	.....	.....	21,000,000
1927, July 2...	Bonds	July 2, 1917	5	225,000	.....	.....	225,000
1927, Nov. 1... (1928-1929)...	Stock	Nov. 1, 1921	6	525,000	.....	.....	525,000
1927, Nov. 15...	Bonds	Nov. 15, 1920	6	5,000,000	.....	.....	5,000,000
1928, Feb. 1...	Bonds	Feb. 1, 1918	6	3,000,000	.....	.....	3,000,000
May 15...	Bonds	May 15, 1918	6	4,250,000	.....	.....	4,250,000
Aug. 15...	Bonds	Aug. 15, 1918	6	1,750,000	.....	.....	1,750,000
1929, Sept. 23...	Bonds	Sept. 23, 1919	5½	4,000,000	.....	.....	4,000,000
Dec. 1...	Bonds	Dec. 1, 1919	5½	3,000,000	.....	.....	3,000,000
1930, Jan. 1...	Bonds	Jan. 1, 1920	5½	3,000,000	.....	.....	3,000,000
June 15...	Bonds	June 15, 1920	6	8,000,000	88,500	7,000	7,904,500
Oct. 31...	Bonds	Oct. 30, 1920	6	2,000,000	.....	.....	2,000,000
1935, April 1...	Bonds	April 1, 1920	6	2,000,000	12,000	2,000	1,986,000
Dec. 1...	Bonds	Dec. 1, 1920	6	16,000,000	648,000	44,000	15,308,000
1936, May 2...	Bonds	May 2, 1921	6	15,000,000	359,000	190,500	14,450,500
July 1...	B & S	July 1, 1906	3½	2,684,500	.....	2,336,500	348,000
1937, Jan. 3...	Bonds	Jan. 3, 1922	5½	15,000,000	.....	.....	15,000,000
1939, June 1...	B & S	June 1, 1909	4	1,150,000	.....	.....	1,150,000
June 1...	B & S	June 1, 1909	4	3,500,000	.....	2,831,900	668,100
1941, Feb. 1...	Bonds	Feb. 1, 1921	6	10,000,000	208,500	121,000	9,670,500
May 1...	B & S	May 1, 1911	4	498,600	.....	274,600	224,000
Nov. 1...	B & S.	Nov. 1, 1911	4	3,000,000	.....	1,806,600	1,193,400
1942, Oct. 1...	Bonds	Oct. 2, 1922	5	20,000,000	.....	.....	20,000,000
Dec. 1...	Bonds	Dec. 1, 1922	5½	20,000,000	922,000	344,500	18,733,500
1943, Sept. 15...	Bonds	Sept. 15, 1921	6	15,000,000	.....	11,000	14,989,000
Sept. 15...	Bonds	Sept. 15, 1921	6	15,000,000	232,500	119,500	14,648,000
1944, Sept. 1...	Bonds	Sept. 1, 1924	4½	20,000,000	650,000	150,000	19,200,000
1948, Oct. 15...	Bonds	Oct. 15, 1923	5	40,000,000	1,691,500	2,000	38,306,500
1952, April 1...	Bonds	April 1, 1922	5	15,000,000	.....	.....	15,000,000
On Demand...	Bonds	.....	5	9,350,000	.....	.....	9,350,000
1946, Jan. 1... £422,549/4/10	Stock	Jan. 1, 1906	3½	2,056,406.30†	.....	814,436.41	1,241,969.89
1947, May 1... £317,912/16/4	Stock	May 1, 1909	4	1,547,175.70†	.....	622,403.74	924,771.96
1965, Jan. 1... £171,454/12/8	Stock	Jan. 1, 1914	4½	834,412.54†	.....	429,947.54	404,465.00
				285,371,094.54	4,812,000	10,107,887.69	270,451,206.8

†M—Montreal; W—Winnipeg; V—Vancouver; R—Regina; C—Calgary; H—Halifax; St. J.—St. John, N.B.
NY—New York; L—London, Eng.

†Registered Stock—Bank of Montreal, London, England—Amount outstanding.

OUTSTANDING AS AT OCTOBER 31st, 1926

Series	Authority	Interest Dates	Where Payable †	Denom- inations	Exemption
N	R.S.O. 1914, Cap. 39....	1 June & Dec.	Prov. Treas. & Bk. Mtl., N.Y.	\$ 1,000	None
AH	15 Geo. V, Cap. 2, R.S.O. 1914, Cap. 14	1 June & Dec.	Prov. Treas. & Bk. Mtl., M., W., V., R., C., H. & St. J.; N.Y., L. (Eng.)	1,000	None
R	6 Geo. V, Cap. 18.....	1 Jan. & July	Prov. Treas. & Bk. Mtl., N.Y.,	1,000 & 500	None
.....	7 Geo. V, Cap. 2.....	1 May & Nov.	Bk. Mtl., N.Y.....	.....	None
PP	R.S.O. 1914, Cap. 39....	15 May & Nov.	Prov. Treas. & Bk. Mtl., M. or N.Y.	1,000	None
T & U	7 Geo. V, Cap. 2.....	1 Feb. & Aug.	Prov. Treas. & Bk. Mtl., M., N.Y. or W.	1,000 & 500	None
VWX	8 Geo. V, Cap. 2.....	5 May & Nov.	Prov. Treas. & Bk. Mtl., M. or N.Y.	1,000, 500 & 100	None
Y	8 Geo. V, Cap. 2.....	15 Feb. & Aug.	Prov. Treas. & Bk. Mtl., N.Y.,	1,000, 500 & 100	None
FF	R.S.O. 1914, Cap. 39....	23 Mar. & Sept.	Prov. Treas. & Bk. Mtl., N.Y.	1,000	None
GG	R.S.O. 1914, Cap. 39....	1 June & Dec.	Prov. Treas. & Bk. Mtl., N.Y.	1,000	None
HH	R.S.O. 1914, Cap. 39....	1 Jan. & July	Prov. Treas. & Bk. Mtl., N.Y.	1,000	None
MM	R.S.O. 1914, Cap. 39....	15 June & Dec.	Prov. Treas. & Bk. Mtl., M...	1,000 & 500	None
Teachers' Sup. Fund	10 Geo. V, Cap. 99.....	30 Apr. & 31 Oct.	Prov. Treas.....	1 Bond	None
KK	R.S.O. 1914, Cap. 39....	1 Apr. & Oct.	Prov. Treas. & Bk. Mtl., N.Y.	1,000	None
RR	R.S.O. 1914, Cap. 39....	1 June & Dec.	Prov. Treas. & Bk. Mtl., M. or W.	1,000 & 500	None
TT	R.S.O. 1914, Cap. 39....	2 May & Nov.	Prov. Treas. & Bk. Mtl., M...	1,000 & 500	None
.....	5 Ed. VII, Cap. 2; 6 Ed. VII, Cap. 4	1 Jan. & July	Prov. Treas.....	1,000 & 500	Succ. Duty Free
ZZ	11 Geo. V, Cap. 7.....	3 Jan. & July	Prov. Treas. & Bk. Mtl., M. or N.Y.	1,000	None
.....	5 Ed. VII, Cap. 2 & 3...	1 June & Dec.	Prov. Treas. & Bk. Mtl., M...	1,000 & 500	None
A	9 Ed. VII, Cap. 8.....	1 June & Dec.	Prov. Treas. & Bk. Mtl., M. or N.Y.	1,000 & 500	Succ. Duty Free
SS	R.S.O. 1914, Cap. 39....	1 Feb. & Aug.	Prov. Treas. & Bk. Mtl., M...	1,000 & 500	None
B	1 Geo. V, Cap. 9.....	1 May & Nov.	Prov. Treas. & Bk. Mtl., M. or N.Y.	1,000 & 500	Succ. Duty Free
C & D	1 Geo. V, Cap. 4.....	1 May & Nov.	Prov. Treas. & Bk. Mtl., M. or N.Y.	1,000 & 500	Succ. Duty Free
AC	12-13 Geo. V, Cap. 8....	1 Apr. & Oct.	Prov. Treas. & Bk. Mtl., M. or N.Y.	1,000	None
AD	12-13 Geo. V, Cap. 8....	1 June & Dec.	Prov. Treas. & Bk. Mtl., M...	1,000 & 500	None
UU & XX	R.S.O. 1914, Cap. 39....	15 Mar. & Sept.	Prov. Treas. & Bk. Mtl., M. or N.Y.	1,000	None
WW & YY	R.S.O. 1914, Cap. 39....	15 Mar. & Sept.	Prov. Treas. & Bk. Mtl., M. or W.	1,000 & 500	None
AG	14 Geo. V, Cap. 9.....	1 Mar. & Sept.	Prov. Treas. & Bk. Mtl., M., N.Y. or L.	1,000	None
AF	13-14 Geo. V, Cap. 2....	15 Apr. & Oct.	Prov. Treas. & Bk. Comm., M., W., V., H. or St. J.	1,000 & 500	None
AB	R.S.O. 1914, Cap. 39....	1 Apr. & Oct.	Prov. Treas. & Bk. Mtl., M. or N.Y.	1,000	None
Dom. of Can. Housing Loans	9 Geo. V, Cap. 54.....	.....	Prov. Treas.....	.....	None
.....	5 Ed. VII, Cap. 2 & 3...	1 Jan. & July	Bk. Mtl., London, Eng.....	.....	None
.....	2 Geo. V, Cap. 2.....	1 May & Nov.	Bk. Mtl., London, Eng.....	.....	Succ. Duty Free
.....	4 Geo. V, Cap. 9.....	1 Jan. & July	Bk. Mtl., London, Eng.....	.....	Succ. Duty Free

Indirect Liabilities and Guarantees of the Province of Ontario**As at October 31st, 1926**

(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		533,258 26	
		<hr/>	
			\$366,741 74
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.			
Guaranteed 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 23 years at 4 per cent.		\$375,283 77	
University of Toronto.			
Guaranteed 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 25 years at 4 per cent.		102,605 82	
University of Toronto.			
Guarantee of 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 25 years at 4 per cent.		236,783 86	
University of Toronto.			
Guarantee by the Province of Ontario, under authority 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 29 years at 4½ per cent.		95,730 79	
University of Toronto.			
Guarantee by the Province of Ontario, under authority Order-in-Council, June 17th, 1924. Debentures of above University, payable 15th July, 1925, to July 15th, 1944, 20 years, \$200,000.00.			
Present value for 18 years at 5 per cent.		116,895 90	
		<hr/>	
			927,300 14
(3) Town of Bruce Mines.			
R.S.O. 1914, cap. 266.			
January 1st, 1918, to January 1st, 1947, 6 per cent.			21,366 19
(4) Town of Matheson.			
7 Geo. V, cap. 9.			
June 1st, 1923, to June 1st, 1937, 6 per cent.		\$4,060 28	
9 Geo. V, cap. 4.			
April 1st, 1920, to April 1st, 1949, 6 per cent.		28,156 19	
9 Geo. V, cap. 4.			
May 6th, 1924, to May 6th, 1948, 6 per cent.		24,992 31	
		<hr/>	
			67,208 78
		<hr/>	
Carried forward		\$1,382,616 85	

Indirect Liabilities and Guarantees of the Province of Ontario—Continued

	<i>Brought forward</i>	\$1,382,616 85	
(5) Town of Capreol.			
10-11 Geo. V, cap. 7.			
December 1st, 1922, to December 1st, 1939, 6 per cent.....			7,424 62
(6) Township of Tisdale.			
7 Geo. V, cap. 9.			
Dec. 31st, 1917, to Dec. 31st, 1931, 6 per cent.....	\$12,657 54		
7 Geo. V, cap. 9.			
Dec. 31st, 1917, to Dec. 31st, 1931, 6 per cent.....	5,063 02		
Statute Law Amendment Act, 1918, sec. 67.			
July 1st, 1918, to July 1st, 1932, 6 per cent.....	5,063 02		
			<u>22,783 58</u>
(7) Town of Cochrane.			
7 Geo. V, cap. 9.			
May 1st, 1918, to May 1st, 1947, 5 per cent.....	\$33,361 37		
14 Geo. V, cap. 3.			
July 2nd, 1925, to July 2nd, 1944, 5½ per cent.....	37,642 56		
14 Geo. V, cap. 3.			
July 2nd, 1924, to July 2nd, 1943, 5½ per cent.....	100,005 74		
			<u>171,009 67</u>
(8) Town of Haileybury.			
14 Geo. V, cap. 3.			
April 1st, 1925, to April 1st, 1944, 6 per cent.....	\$18,879 98		
April 15th, 1925, to April 15th, 1944, 6 per cent.....	1,627 70		
April 1st, 1925, to April 1st, 1934, 6 per cent.....	3,126 50		
July 15th, 1924, to July 15th, 1943, 6 per cent.....	13,701 85		
Feb. 12th, 1925, to Feb. 12th, 1934, 6 per cent.....	4,218 56		
May 10th, 1925, to May 10th, 1934, 6 per cent.....	13,682 94		
April 15th, 1925, to April 15th, 1944, 6 per cent.....	2,220 87		
			<u>57,458 40</u>
(9) Board Trustees, R.C. Sep. School, Town of Timmins.			
7 Geo. V, cap. 27.			
Dec. 1st, 1918, to Dec. 1st, 1937, 5 per cent.....	\$21,336 31		
9 Geo. V, cap. 4.			
Nov. 1st, 1919, to Nov. 1st, 1938, 6 per cent.....	11,577 23		
14 Geo. V, cap. 3 and 15 Geo. V, cap. 3.			
April 1st, 1926, to April 1st, 1940, 5½ per cent.....	122,287 93		
14 Geo. V, cap. 3 and 15 Geo. V, cap. 3.			
April 1st, 1926, to April 1st, 1940, 5½ per cent.....	68,786 96		
			<u>223,988 43</u>
(10) Presqu'ile Park Commission.			
13-14 Geo. V, cap. 6.			
Payable May 1st, 1943, 6 per cent.....			20,000 00
(11) Town of Kapuskasing.			
14 Geo. V, cap. 3.			
August 1st, 1926, to August 1st, 1945, 6 per cent.....			77,825 24
(12) Town of Englehart.			
15 Geo. V, cap. 4.			
Dec. 31st, 1924, to Dec. 31st, 1943.....	\$6,750 00		
15 Geo. V, cap. 4.			
Dec. 31st, 1924, to Dec. 31st, 1943.....	13,500 00		
15 Geo. V, cap. 4.			
Dec. 31st, 1925, to Dec. 31st, 1944.....	3,610 00		
			<u>23,860 00</u>
	<i>Carried forward</i>	\$1,986,966 79	

Indirect Liabilities and Guarantees of the Province of Ontario.—Continued

Brought forward..... \$1,986,966 79

(13) Guarantees under the authority of the Municipal Housing Act, 1920, sec. 4.

Beaverton.....	\$5,917 25	
Cochrane.....	66,080 86	
Fergus.....	1,471 80	
Ford City.....	304,037 70	
Kitchener.....	109,401 17	
Listowel.....	49,160 88	
London.....	254,027 43	
Niagara Falls.....	66,237 80	
Oshawa.....	181,828 64	
Point Edward.....	40,110 40	
Riverside.....	179,292 72	
Sarnia.....	127,895 12	
Sioux Lookout.....	22,836 32	
Stamford Township.....	86,110 50	
Sudbury.....	123,374 50	
Tilbury.....	38,794 44	
Walkerville.....	245,339 43	
Windsor.....	802,719 91	
		2,704,636 87

(14) Guarantees by the Province of Ontario, under authority of section 6b of the Department of Education Act and Amendments..... 2,840,833 56**(15) 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:

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..... 8,601,000 00

First Mortgage 5 per cent. Bonds of the Ontario Transmission Company, Limited, due 1st May, 1945..... 1,479,000 00

\$21,280,000 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

Carried forward..... \$7,532,437 22

direct Liabilities and Guarantees of the Province of Ontario—Continued*Brought forward*..... \$7,532,437 22

) Hydro-Electric Power, etc.—Continued

Re Sandwich, Windsor and Amherstburg
Railway.Forty year 4½ per cent. Bonds of
the Commission, due 1st April, 1960... \$2,100,000 00Forty year 6 per cent. Debentures of
the Commission, due 1st July, 1961... 900,000 00Twenty year 5 per cent. Bonds of the
Commission, due 1st September, 1943. 966,205 00Twenty year 5 per cent. Bonds of the
Commission, due 1st July, 1945..... 750,000 00

\$4,716,205 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 Guelph Railway.

Ten year 6 per cent. Bonds of the Commission, due
1st May, 1931..... 276,000 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 004½ per cent. Guaranteed Debenture
Stock of the Toronto Power Company,
due 1st May, 1941..... 10,027,523 38Fifteen year 5 per cent. Bonds of the
Commission, due 15th June, 1939..... 4,000,000 00

14,646,523 38Re Toronto and York Radial Railway Com-
pany, and the Schomberg and Aurora
Railway Company.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 Rail-
way Company, and the Schomberg and
Aurora Railway Company..... \$2,375,000 00Twenty year 6 per cent Bonds of the
Commission, due 1st December, 1940.. 600,000 00

2,975,000 00

44,719,728 38

\$52,252,165 60

INVESTMENTS FOR REDEMPTION OF PROVINCE OF ONTARIO STOCK AND DEBENTURES

As at October 31st, 1926

					As at October 31st, 1925	Purchased during year	As at October 31st, 1926
					\$ c.	\$ c.	\$ c.
GENERAL SINKING FUND:							
Series	"MM"	6 %	Bonds due	1930		7,000 00	7,000 00
"	"KK"	6 %	" "	1935	2,000 00		2,000 00
"	"RR"	6 %	" "	1935	9,000 00	35,000 00	44,000 00
"	"TT"	6 %	" "	1936	100,000 00	90,500 00	190,500 00
"		3½ %	Bonds and Stock due	1936	1,538,500 00		1,538,500 00
"	"A"	4 %	Bonds due	1939	2,627,900 00		2,627,900 00
"	"SS"	6 %	" "	1941	105,000 00	16,000 00	121,000 00
"	"B"	4 %	" "	1941	153,600 00		153,600 00
"	"CD"	4 %	" "	1941	1,171,600 00		1,171,600 00
"	"AD"	5½ %	" "	1942	239,500 00	105,000 00	344,500 00
"	"UU"	6 %	" "	1943	9,000 00		9,000 00
"	"XX"	6 %	" "	1943	2,000 00		2,000 00
"	"WW"	6 %	" "	1943	75,500 00	500 00	76,000 00
"	"YY"	6 %	" "	1943	43,500 00		43,500 00
"	"AG"	4½ %	" "	1944		150,000 00	150,000 00
"	"AF"	5 %	" "	1948		2,000 00	2,000 00
					6,077,100 00	406,000 00	6,483,100 00
SUCCESSION DUTY FREE SECURITIES ACQUIRED FROM ESTATES:							
Series		3½ %	Bonds and Stock due	1936		798,000 00	798,000 00
"	"A"	4 %	Bonds due	1939		204,000 00	204,000 00
"	"B"	4 %	" "	1941		121,000 00	121,000 00
"	"CD"	4 %	" "	1941		635,000 00	635,000 00
						1,758,000 00	1,758,000 00
INSCRIBED STOCK SINKING FUNDS:							
3½ %	Stock due	1946—Par value	stock	3½, 4, 4½ %	848,957 81	9,449 25	858,407 00
4 %	"	1947	"	"	761,033 04	8,481 98	769,515 00
4½ %	"	1965	"	"	232,753 85	6,111 76	238,865 60
					1,842,744 70	24,042 99	1,866,787 60
TOTAL—Ontario Bonds and Stock held..					7,919,844 70	2,188,042 99	10,107,887 60
INSCRIBED STOCK SINKING FUNDS:							
Funds in hands of Bank of Montreal, London, for purchase of Stock—							
In British Treasury Bills, £30,000 at cost.....						144,286 16	
In Cash on deposit at interest.....						14,674 79	
							158,960 90
							10,266,848 60

PROVINCE OF ONTARIO SAVINGS OFFICE

Statement Showing Deposits and Investment thereof As at October 31st, 1926

DEPOSITS BY PUBLIC AT OCTOBER 31ST, 1926.....		\$18,366,363 52
INVESTMENT THEREOF:		
Agricultural Development Finance Act—		
Bonds and Debentures of Agricultural Development Bd.	\$13,213,000 00	
Less—Repayments to date.....	988,000 00	
	<hr/>	
	\$12,225,000 00	
Farm Loans Act—Short Term Loans.....	175,940 08	
Farm Loans Act—Capital stock in associations.....	2,400 00	
Dominion of Canada—\$1,000,000 5½%		
Victory Bonds—		
Due 1934—at cost.....	\$1,041,337 50	
Less—Proportion of premium		
charged off.....	4,032 80	
	<hr/>	
	1,037,304 70	
Savings Offices—		
Cash on hand and in banks.....	298,511 66	
Accounts receivable.....	1,000 00	
Fixtures (depreciated value).....	17,000 00	
	<hr/>	
		13,757,156 44
Balance in Consolidated Revenue Fund.....		<hr/> <hr/> \$4,609,207 08

ACCOUNTS PAYABLE

As at October 31st, 1926

Accounts due by Departments.....	\$622,000 45
Bonds matured outstanding.....	46,000 00
Dominion of Canada—Common School Fund.....	1,028 63
plus Registry fees—re Land Titles Office.....	23,512 57
	<hr/>
	\$692,541 65

SPECIAL FUNDS

As at October 31st, 1926

Ontario Public Service Superannuation Fund.....	\$1,664,333 92
Municipal Sinking Funds—deposits.....	1,261,012 82
Queen Victoria Niagara Falls Park Commission—Sinking Fund deposit.....	533,258 26
Insurance Fund under Land Titles Act.....	235,000 00
Insurance Fund—Toronto Registry Office.....	4,993 94
Redemption of Ontario Bonds and Stocks—Interest on investments in General.	
Sinking Fund—Balance for re-investment.....	20,620 70
Federal subsidy for Agriculture—balance unexpended.....	29,259 32
Agricultural Development Finance Act—Reserves.....	
Province of Ontario Savings Offices.....	133,438 65
For Farm Loans.....	66,400 43
Institution Account Suspense—P. Smith.	
Securities not yet realized.....	4,802 60
Deposit in lieu of Fidelity Bond—G. Patullo.....	500 00
My Ridge Farm—Boys' Trust Fund.....	743 37
undry bequests.....	107,564 78
Cophy Estate—Escheated.....	155,976 94
	<hr/>
	\$4,217,905 73

PUBLIC SERVICE SUPERANNUATION FUND

10-11 Geo. V, Cap. 4

As at October 31st, 1926

Balance at credit of Fund—November 1st, 1925.		\$ 1,400,460
Contributions to Fund—		
By Employees.....	\$216,237 54	
By Government—		
(Employees, \$216,237.54; less refunds,		
\$25,310.15).....	\$ 190,927 39	
For Sheriffs, 12-13 Geo. V, Cap. 5, Sec. 3	9,280 43	
Interest—		
On balance to credit of Fund at		
November 1st, 1925.....	70,023 00	
On Employees' contributions	\$4,572 67	
On Government " "	4,572 67	
	\$9,145 34	
Less interest allowed Govern-		
ment on payments.....	4,542 86	
	4,602 48	
	274,833 30	
		491,070
		\$ 1,891,530

Deduct—		
Benefits Paid—		
Allowances.....	\$186,755 16	
Lump sum payments.....	12,148 29	
Refunds under Sec. 9.....	25,310 15	
Interest on refunds.....	2,983 46	
		227,197
Balance at credit of Fund at October 31st, 1926.....		\$ 1,664,333

STATEMENT OF RECEIPTS AND EXPENDITURES

November 1st, 1920, to October 31st, 1926

Year	Receipts	Expenditure	Surplus
	\$ c.	\$ c.	\$ c.
1921.....	331,412 32	62,709 95	268,702 37
1922.....	406,744 96	111,728 78	295,016 18
1923.....	485,151 01	170,199 39	314,951 62
1924.....	467,864 22	199,815 11	268,049 11
1925.....	466,060 66	212,319 80	253,740 86
1926.....	491,070 84	227,197 06	263,873 78
Total.....	2,648,304 01	983,970 09	1,664,333 92

STATEMENT SHOWING AMOUNT EXPENDED ON ROAD CONSTRUCTION IN ONTARIO COMMENCING WITH THE FIRST PAYMENT MADE ON THE GOOD ROADS SYSTEM, 1903, FIRST PAYMENT UNDER THE NORTHERN DEVELOPMENT ACT, 1912, FIRST PAYMENT UNDER PROVINCIAL HIGHWAYS ACT, 1917, AND EXPENDITURE ON COLONIZATION ROADS, 1903.

Year	THE HIGHWAY IMPROVEMENT ACT, 1926							Colonization Roads	Roads in Northern Ontario	Year
	Provincial Highways	County Roads	Township Roads	Object Lesson Roads	Connecting Links	Tor. and Ham. Highway	Indian Reserve			
1903..		\$22,910 51						\$159,258 44		1903
1904..		91,527 54						175,620 74		1904
1905..		46,081 59						178,313 02		1905
1906..		95,141 89						219,559 37		1906
1907..		63,390 98						316,906 39		1907
1908..		107,524 63						459,894 73		1908
1909..		132,480 98						449,209 66		1909
1910..		150,316 18						452,745 33		1910
1911..		179,688 26						451,111 26		1911
1912..		244,688 10		\$30,000 00				433,623 22	\$236,833 57	1912
1913..		288,367 66		47,100 00				406,034 29	1,063,655 55	1913
1914..		294,187 38		6,011 59				480,845 27	804,939 09	1914
1915..		261,840 61		200 00				220,262 26	556,252 36	1915
1916..		270,513 34						253,539 11	526,335 52	1916
1917..	\$12,000 00	327,663 76		10,500 00				263,743 10	482,401 74	1917
1918..	77,000 00	483,621 32		16,365 10				267,577 38	627,505 85	1918
1919..	1,417,000 00	827,135 93		15,583 72				390,621 54	1,462,258 03	1919
1920..	4,450,000 00	2,623,719 34		33,730 27	\$2,900 00			451,808 59	1,241,405 90	1920
1921..	9,925,022 95	3,635,267 34	\$326,668 81	5,000 00	16,622 10			506,180 80	1,409,126 19	1921
1922..	12,050,000 00	5,110,217 49	701,349 61		167,615 08	\$17,272 62		671,184 48	1,694,889 56	1922
1923..	16,897,172 79	4,257,871 34	669,483 05		169,631 26	11,349 44		827,855 98	2,688,151 48	1923
1924..	6,600,000 00	3,418,059 04	613,860 54		40,523 00	22,472 92		447,444 66	2,949,239 56	1924
1925..	8,350,000 00	3,213,783 60	638,808 11		53,575 42	123,670 07		474,409 34	3,381,301 86	1925
1926..	6,750,000 00	3,222,099 91	988,118 04		75,224 28		\$6,870 69	296,317 27	3,736,612 01	1926
	\$66,528,195 74	\$29,368,098 72	\$3,938,288 16	\$164,490 68	\$526,091 14	\$174,765 05	\$6,870 69	\$9,254,066 23	\$22,860,908 27	

Summary of Expenditure on Roads for a Period of 24 Years for both Construction and Maintenance.

	Capital	Ordinary
Provincial Highways.....	\$54,551,515 50	\$11,976,680 24
County Roads.....	21,914,541 08	7,453,557 64
Township Roads.....	1,796,138 26	2,142,149 90
Object Lesson Roads.....	164,490 68	
Connecting Links.....	526,091 14	
Toronto and Hamilton Highways Commission.....	94,168 46	80,596 59
Indian Reserve.....	6,870 69	
Colonization Roads.....	5,552,439 74	3,701,626 49
Roads in Northern Ontario.....	14,859,590 38	8,001,317 89
	<u>\$99,465,845 93</u>	<u>\$33,355,928 75</u>

Summary of Repayments from Counties and Towns and Subsidy from the Federal Government.

Year	Repayments	Subsidy	Total
1918.....	\$5,251 57		\$5,251 57
1919.....	14,733 64		14,733 64
1920.....	78,261 82		78,261 82
1921.....	654,277 00	\$1,315,633 67	1,969,910 67
1922.....	1,561,149 44	2,058,613 62	3,619,763 06
1923.....	988,454 00	705,048 24	1,693,502 24
1924.....	2,834,155 43	839,303 48	3,673,458 91
1925.....	5,067,807 75	865,414 90	5,933,222 65
1926.....	1,977,814 99	50,000 00	2,027,814 99
	<u>\$13,181,905 64</u>	<u>\$5,834,013 91</u>	<u>\$19,015,919 55</u>

RECAPITULATION

	Capital	Ordinary	Total
Expenditure.....	\$99,465,845 93	\$33,355,928 75	\$132,821,774 68
Repayments.....	13,743,157 29	5,272,762 26	19,015,919 55
Total expenditure.....	<u>\$85,722,688 64</u>	<u>\$28,083,166 49</u>	<u>\$113,805,855 13</u>

G. A. Brown,
Provincial Auditor.

