

BUDGET ADDRESS

Delivered by

The Hon. Mitchell F. Hepburn

Prime Minister and Treasurer of Ontario

in the

LEGISLATIVE ASSEMBLY OF ONTARIO

On the 18th March, 1938

On Moving the House into Committee of Supply

Also Statements of

ASSETS AND LIABILITIES

REVENUE AND EXPENDITURE

COMPARATIVE AND STATISTICAL

INFORMATION



ONTARIO

TORONTO

Printed and Published by T. E. Bowman, Printer to the King's Most Excellent Majesty

1938

BUDGET ADDRESS

Delivered by

The Hon. Mitchell F. Hepburn

Prime Minister and Treasurer of Ontario

in the

LEGISLATIVE ASSEMBLY OF ONTARIO

On the 18th March, 1938

On Moving the House into Committee of Supply

Also Statements of

ASSETS AND LIABILITIES

REVENUE AND EXPENDITURE

COMPARATIVE AND STATISTICAL

INFORMATION



ONTARIO

TORONTO

Printed and Published by T. E. Bowman, Printer to the King's Most Excellent Majesty

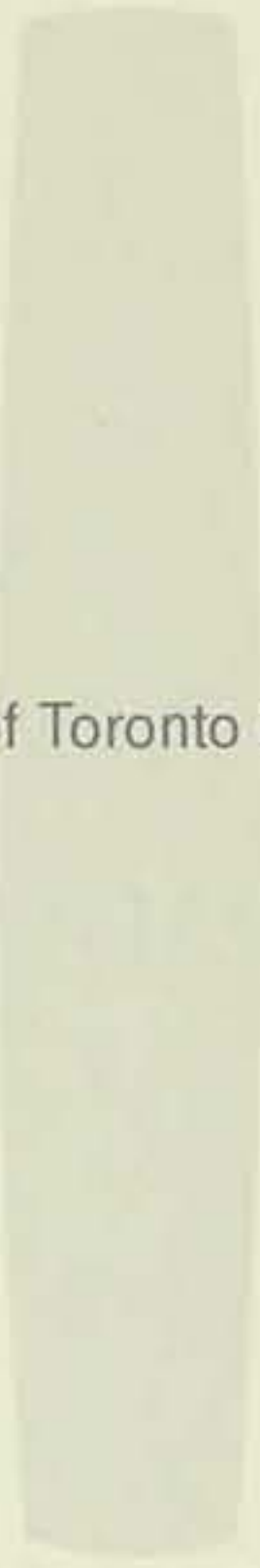
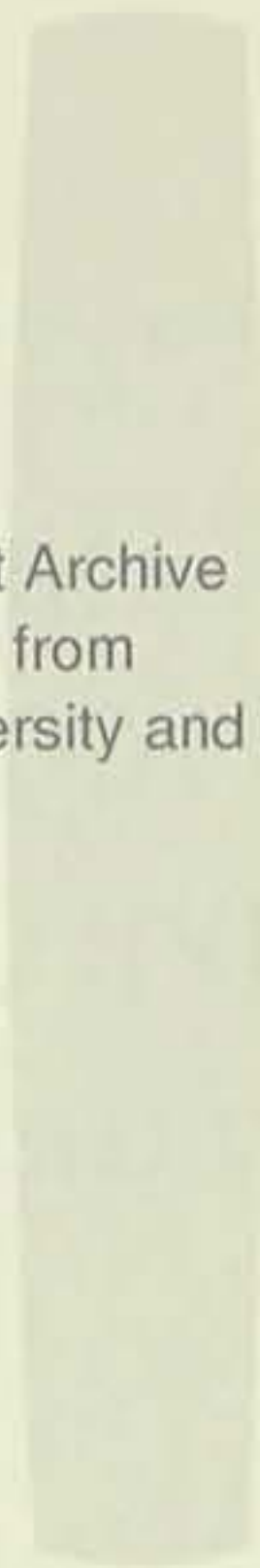
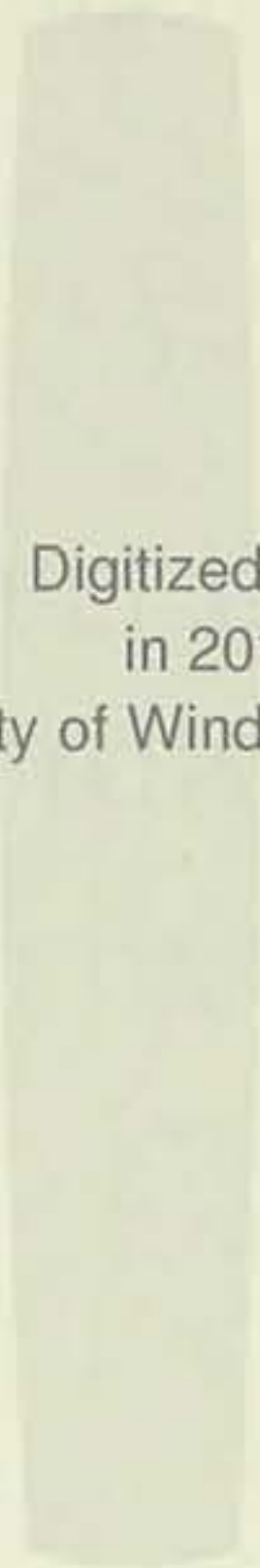
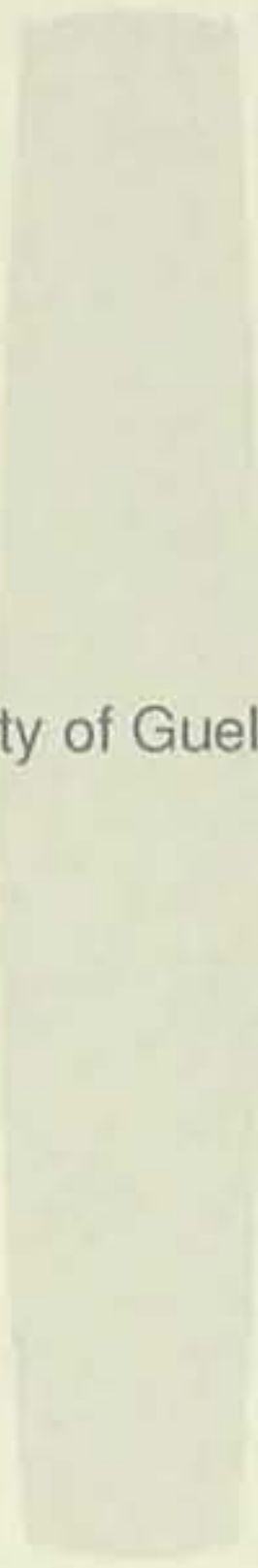
1938

BUDGET ADDRESS

1938

The Hon. Mitchell T. Hepburn

Minister of Finance and Economic Development



Digitized by the Internet Archive
in 2012 with funding from

University of Guelph, University of Windsor, York University and University of Toronto Libraries



CHRONOLOGICAL INDEX

SUBJECT	PAGE
1—Motion and Preface.....	7
2—Benefits to Taxpayers.....	7-8
3—Costs assumed by Government.....	8
4—Dividends declared and paid.....	8
5—Benefits to Hydro Power consumers.....	8
6—Public Accounts—1937.....	8
7—Public Financing.....	8-9
8—Treasury Bills.....	9-10
9—Interest costs.....	10-11
10—Department of Public Works.....	11
11—Department of Highways.....	11-12
12—Agricultural Development Board.....	12, 13, 14
13—Province of Ontario Savings Office.....	14
14—Liquor Control Board.....	14
15—Department of Agriculture.....	14
16—Reformatories and Prisons.....	15
17—Department of Labour.....	15
18—Department of Lands and Forests.....	16
19—Temiskaming and Northern Ontario Railway.....	16
20—Mining Industry.....	16-17
21—Department of Municipal Affairs.....	17-18
22—Department of Welfare—Unemployment Relief.....	18-19
Pensions for the Blind.....	19
23—Department of Game and Fisheries.....	19-20
24—Hydro-Electric System—Rural Loans.....	20
Rural Power Districts.....	21
Hydro Borrowing.....	21
25—Ordinary Revenue.....	21-23
26—Interim Statement of Gross Ordinary Revenue—Fiscal Year 1937-38.....	22
27—Summary showing Interim Surplus—Fiscal Year 1937-38.....	22
28—Succession Duties.....	23
29—Income Tax.....	24-25
30—Amusements Tax.....	25
31—Corporation Tax.....	25
32—Gasoline Tax and Motor Vehicle Licenses.....	25-26
33—Lands and Forests—Revenue and Expenditure.....	26
34—Interim Statement of Gross Ordinary Expenditure—Fiscal Year 1937-38.....	26-27
35—Summary—Gross Ordinary Revenue—Fiscal Year 1937-38.....	27
Gross Ordinary Expenditure—Fiscal Year 1937-38.....	27
Free Surplus—Fiscal Year 1937-38.....	27-63
36—Capital Receipts.....	27
37—Interim Statement of Gross Capital Receipts—Fiscal Year 1937-38.....	28
38—Capital Payments.....	28
39—Interim Statement of Gross Capital Payments—Fiscal Year 1937-38.....	29
40—Gross Provincial Debt.....	29-30
41—Funded Debt.....	30
42—Net Debt.....	30
43—Indirect Liabilities and Guarantees.....	31
44—Estimates—Fiscal Year 1938-39.....	31
45—Budget Forecast of Ordinary Revenue—Fiscal Year 1938-39.....	32
46—Summary showing Surplus Forecast—Fiscal Year 1938-39.....	32
47—Budget Forecast of Ordinary Expenditure—Fiscal Year 1938-39.....	33
48—Budget Forecast of Capital Receipts—Fiscal Year 1938-39.....	34
49—Budget Forecast of Capital Payments—Fiscal Year 1938-39.....	35
50—No Increases in Taxation.....	35
50—Programme for Fiscal Year—1938-39.....	35
51—Ontario Department of Agriculture.....	36-37
52—Highway Expenditure Planned.....	37
53—Public Works.....	37
54—Department of Health—The Poliomyelitis Outbreak.....	37, 38, 39
Tuberculosis Prevention.....	39-40
Mental Hospital Accommodation.....	40
Medical Service in Unorganized Territory.....	40
55—Department of Education.....	40-41
56—Hydro-Electric Power.....	41
57—Provincial Subsidy.....	41
58—Government Policy.....	41, 42, 43
59—Balance Sheets of Boards and Commissions and Statistical Statements (see Sub-Index No. 1).....	45
60—Financial Statements from Public Accounts— Fiscal Year April 1, 1936, to March 31, 1937 (see Sub-Index No. 2).....	69

ANALYTICAL INDEX

SUBJECT	PAGE
1—BENEFITS TO—	
Taxpayers.....	7-8
Municipalities.....	8
Power Consumers.....	8-41
2—PUBLIC ACCOUNTS—	
Fiscal Year—April 1, 1936—March 31, 1937.....	8
Statements—April 1, 1936—March 31, 1937.....	69
3—PUBLIC DEBT—	
Financing.....	8-9
Treasury Bills.....	9-10
Interest Costs.....	10-11
Gross Provincial Debt.....	29
Funded Debt.....	30
Net Debt.....	30
Indirect Liabilities and Guarantees.....	31
4—FISCAL YEAR APRIL 1, 1936—MARCH 31, 1937—	
Public Accounts.....	8
Statements from Public Accounts.....	69
Statistical Statements.....	45
5—FISCAL YEAR APRIL 1, 1937—MARCH 31, 1938—	
Ordinary Account—	
Revenue.....	21-23
Expenditure.....	26
Surplus.....	27-63
Interim Statements—	
Gross Revenue.....	22
Summary.....	22
Gross Expenditure.....	26
Capital Account—	
Receipts.....	27
Payments.....	28
Interim Statements—	
Receipts—classified.....	28
Payments—Classified.....	29
6—FISCAL YEAR APRIL 1, 1938, TO MARCH 31, 1939 —	
Estimates.....	31
Ordinary Account—	
Revenue.....	31
Expenditure.....	31
Surplus Forecast.....	31-35
Statements of Budget Forecast—	
Revenue.....	32
Summary.....	32
Expenditure.....	33
Capital Account—	
Statements of Budget Forecast—	
Receipts.....	34
Payments.....	35
Provincial Subsidy—	
To Municipalities.....	41

ANALYTICAL INDEX—Continued

6—FISCAL YEAR APRIL 1, 1938, TO MARCH 31, 1939—Continued

Government Policy—	PAGE
Agriculture, Education and Health.....	41
Balanced Budget.....	41
Royal Commission on Dominion-Provincial Relations.....	41
Municipalities.....	42
Housing Conditions.....	42
Relief to Taxpayers and blessings to people.....	42

7—TAXATION

Succession Duty.....	23
Income Tax.....	24
Amusements Tax.....	25
Corporation Tax.....	25
Gasoline and Motor Vehicles Licenses.....	25
No new taxation.....	35

8—ACTIVITIES OF DEPARTMENTS, BOARDS AND COMMISSIONS—

Department of Agriculture—	
Revenue and Expenditure—1937-38.....	22, 26, 28, 29
1938-39.....	32, 33, 34, 35
Activity, 1937; Programme, 1938.....	14-36
Department of Attorney-General—	
Revenue and Expenditure—1937-38.....	22, 26
1938-39.....	32, 33
Department of Education—	
Revenue and Expenditure—1937-38.....	22, 26, 29
1938-39.....	32, 33, 35
Grants.....	40
Department of Game and Fisheries—	
Revenue and Expenditure—1937-38.....	22, 26, 29
1938-39.....	32, 33, 35
Review.....	19-20
Department of Health—	
Revenue and Expenditure—1937-38.....	22, 26, 28
1938-39.....	32, 33
Poliomyelitis Outbreak.....	37
Tuberculosis Prevention.....	39
Mental Hospital Accommodation.....	40
Medical Services in Unorganized Territory.....	40
Department of Highways—	
Revenue and Expenditure—1937-38.....	22, 26, 28, 29
1938-39.....	32, 33, 34, 35
Result of Programme —1937-38.....	11-12
Expenditure Planned.....	37
Department of Insurance—	
Revenue and Expenditure—1937-38.....	22, 26
1938-39.....	32, 33
Department of Labour—	
Revenue and Expenditure—1937-38.....	22, 26
1938-39.....	32, 33
Review.....	15
Department of Lands and Forests—	
Revenue and Expenditure—1937-38.....	22, 26, 28, 29
1938-39.....	32, 33, 34, 35
Review.....	16
Department of Legislation—	
Revenue and Expenditure—1937-38.....	22, 26
1938-39.....	32, 33
Office of Lieutenant-Governor—	
Expenditure.....	26
1938-39.....	33

ANALYTICAL INDEX—Continued

8—ACTIVITIES OF DEPARTMENTS, BOARDS AND COMMISSIONS—Continued

	PAGE
Department of Mines—	
Revenue and Expenditure—1937-38.....	22, 26, 28
1938-39.....	32, 33, 34
Mining Industry.....	16
Department of Municipal Affairs—	
Revenue and Expenditure—1937-38.....	22, 26, 28
1938-39.....	32, 33, 34
Review.....	18
Department of the Prime Minister—	
Revenue and Expenditure—1937-38.....	22, 26, 28, 29
1938-39.....	32, 33, 34, 35
Temiskaming and Northern Ontario Railway—	
Balance Sheet.....	56-57
Review.....	16
Office of Provincial Auditor—	
Expenditure.....1937-38.....	26
Expenditure.....1938-39.....	33
Department of Provincial Secretary—	
Revenue and Expenditure—1937-38.....	22, 27, 29
1938-39.....	32, 33, 35
Reformatories and Prisons.....	15
Department of Provincial Treasurer—	
Revenue and Expenditure—1937-38.....	22, 27, 29
1938-39.....	32, 33, 34
Agricultural Development Board—	
Balance Sheet.....	46-47
Review.....	12
Savings Office—	
Balance Sheet.....	54-55
Review.....	14
Liquor Control Board—	
Balance Sheet.....	48-49
Review.....	14
Hydro-Electric Power Commission—	
Rural Loans.....	20
Rural Power Districts.....	21
Borrowing.....	21
Primary Lines.....	41
Department of Public Welfare—	
Revenue and Expenditure—1937-38.....	22, 27, 28, 29
1938-39.....	32, 33, 34, 35
Unemployment Relief.....	18
Pensions for the Blind.....	19
Department of Public Works—	
Revenue and Expenditure—1937-38.....	22, 27, 28, 29
1938-39.....	32, 33, 34, 35
Buildings.....	11
Construction.....	37
Niagara Parks Commission—	
Balance Sheet.....	50-51
Presqu'ile Park Commission—	
Balance Sheet.....	52-53

BUDGET ADDRESS

DELIVERED BY

THE HON. MITCHELL F. HEPBURN

PRIME MINISTER AND TREASURER OF ONTARIO

March 18th, 1938

MR. SPEAKER:

In moving the historic resolution that you do now leave the Chair and that the House resolve itself into Committee of Supply, I take this opportunity of again presenting to this Assembly a review of the financial transactions of the Province for the fiscal year which began on April 1st, 1937, and which will terminate on March 31st, next.

This is the fourth occasion on which I have had the honour of presenting the Provincial Budget to this Assembly and, as the successor of 16 previous Provincial Treasurers, it is my duty to present to you the 71st Budget Address delivered since Confederation. In the 70 years that have elapsed, this Province has attained to a degree of wealth and a standard of living never dreamed of by our pioneer forefathers; and I take pride in the fact that in no period of four years prior to the incoming of this Administration, has any Administration had a finer record for accomplishment than has the one which I have the honour to lead.

The present fiscal year which is drawing to a close will go down in history as a year of achievement. For, implementing the promises made in previous Budget Addresses, and particularly the one delivered on March 9th last year, when I was able to announce a surplus of over \$9,313,000, this Government has reduced interest rates, reduced taxes, abolished taxes, assumed the burdens formerly borne by the municipalities, has taken up a part of the Dominion Government's share of relief costs and, last but not the least important, has paid a dividend to the taxpayers of this Province in the form of a one-mill subsidy by which the sum of approximately \$3,000,000 was returned to property owners to assist in lifting the burden which bears so heavily on real estate in this Province.

I take this opportunity of here enumerating the various benefits made possible by reason of the budgetary position of this Government and passed on to the taxpayers of Ontario, and this record of achievement is worthy of a place in the records of this House because, Mr. Speaker, the benefits exceed the sum of \$18,000,000 (applause):—

Benefits Passed on to the Taxpayers of Ontario (Estimated):

Reductions in interest rates:

Agricultural Loans (Charges).....	\$ 500,000.00
Municipal and Tile Drainage Debentures...	20,000.00

Abolition of fees, taxes, etc.:

Departmental Examination Fees.....	\$ 100,000.00
Amusements Tax (June 1st, 1937).....	1,800,000.00

Benefits passed on to Taxpayers of Ontario—Continued

Reduction of Permits and Fees:

Motor Vehicles Branch (Department of Highways)

Reduction of:

\$5 on Passenger and Two Purpose Permits, \$2 on Motorcycle Permits, \$1 on Transfer Fees and 25% on Commercial and Trailer Permits amounting in all to.....\$ 4,000,000.00

—————\$ 6,420,000.00

Costs Assumed by the Government (Estimated):

Old Age Pensions and Pensions for the Blind:

Municipalities' Share.....\$ 1,150,000.00

Mothers' Allowances:

Municipalities' Share..... 2,250,000.00

Increase in the Subsidy to all Townships to 50% of the amount expended for road work..... 350,000.00

Relieving municipalities from their 20 per cent. share of the cost of Provincial Highway construction or maintenance..... 5,000,000.00

—————\$ 8,750,000.00

—————\$15,170,000.00

Dividends Declared and Paid:

One Mill Subsidy..... 3,000,000.00

—————\$18,170,000.00

In addition to the benefits passed on, the additional Costs assumed and the dividend paid amounting in the aggregate to over \$18,000,000.00, the Ontario Hydro-Electric Power Commission has passed on to the Actual Consumers rate reductions amounting to approximately \$3,165,000.00 per annum. The standard farm service charge in the rural power districts was reduced from \$2 to \$1 per month, saving \$429,000.00 per annum to rural Hydro Consumers.

PUBLIC ACCOUNTS, 1937

Honourable Members of this House have already been supplied with the Public Accounts which furnish a detailed and comprehensive statement of the financial transactions of this Government for the fiscal year which ended on March 31st, last. Notwithstanding the fact that the statutory provisions make it necessary that these accounts must be laid before the Assembly only at its first session after the close of the fiscal year, this Government, in accordance with its custom, long before the opening of the present session placed in the hands of Members of the Legislature copies of the Public Accounts for the last fiscal year.

PUBLIC FINANCING

With the heavy programme of capital expenditures, both for highway construction and for hospital extension, which this Government has undertaken, it was found expedient to issue and sell debentures to the public.

On August 1st, 1937, debentures to the par value of \$20,000,000 were issued; \$10,000,000 being repayable in three years with a coupon rate of 2%, and \$10,000,000 repayable in seven years at a coupon rate of 2½%. The three-year debentures were sold at a price to produce an interest cost of 2.2%. The seven-year debentures were sold at a price which resulted in an interest cost of 2.85%.

On November 15th, 1937, debentures of the par value of \$25,000,000 were sold; \$8,000,000 having maturity of three years and two months at a coupon rate of 2% and an effective interest cost rate of 2.4%. \$5,000,000 debentures payable in 7½ years with a coupon rate of 2½% were sold on a basis of 3%,

and \$12,000,000, due in 14 years and callable at the option of the Province in 12 years, bearing $3\frac{1}{4}\%$ coupon rate, were sold at a cost of 3.495%.

The average cost of the money borrowed compares most favourably with that secured by any other Province and also the rates paid by the Dominion Government on its guaranteed Canadian National Railway Loans. The credit standing of any public authority is reflected by the rate at which it is able to borrow the money it requires; and I am able to inform this House that the price offered for our debentures to-day is the highest in history and approaches very nearly the price ruling for Dominion of Canada obligations.

In addition to the public issues which I have just mentioned, the Province, as required by statute, accepted Teachers' and Inspectors' superannuation funds in the sum of \$900,000 and issued debentures bearing interest at the rate of $4\frac{3}{4}\%$ per annum.

As an aid to the Canteen Fund operated for the benefit of ex-service men, the Treasury Department also accepted an investment of \$700,000, issuing debentures as security for the Canteen Fund. The date of their maturity is September 1st, 1942, and the rate of interest allowed this class of bond is 5%, which rate, as I have intimated, is allowed in order to assist the trustees administering the Soldiers' Canteen Fund.

TREASURY BILLS

The Treasury Bills outstanding, bearing rates of interest varying from $1\frac{3}{4}\%$ to $1\frac{1}{2}\%$, amount to \$49,000,000. As is customary, a detailed statement of the outstanding Treasury Bills, all held by chartered banks in the Dominion of Canada and payable only in the lawful money of Canada, will be supplied in the printed copy of this Address. In this connection let me say that this Government has found great advantage in financing by Treasury Bills with a maturity of from six to twelve months rather than by the issue of debentures. There is every indication, from every reliable source of information which we are able to contact, that this country is in for a period of cheap money and, in my opinion, there is no doubt that the cost of money will find much lower levels before business gets on a sound foundation.

The continued trend towards lower interest rates has vindicated in no small measure the policy of this Government in financing its obligation by short term maturities, at rates of less than one-half those which obtained with respect to the borrowings of the former administration.

The political and financial difficulties that presently exist on the continent of Europe are felt here in no small measure because of the folly of former administrations in issuing bonds redeemable both as to principal and interest and at the option of the holder, in New York, Sterling, or Canadian funds, to the advantage of the bondholder and to the disadvantage of the Ontario taxpayer.

Anyone who has been watching the fluctuations of foreign exchange within the past hectic week will realize to some extent the anxiety that besets a Provincial Treasurer in trying to arrange to meet accruing interest and debentures at exchange rates most favourable to the Province. The fluctuations in foreign exchange have, during the past few years, constituted a tremendous and almost unsolvable problem for the large financial institutions in the United States, but the Province of Ontario has furnished a partial solution to their problem, for, of the \$234,000,000 of Province of Ontario bonds payable at the option of the

holder in Canadian, New York or Sterling Funds, the bulk of these are now held in the United States; and used as hedge money by the large financial interests; and the day is not far distant when the Province of Ontario will be the only public authority in the whole of the English-speaking world that is in the unenviable position of having to meet principal and interest in one of three currencies, whichever is the highest—always to the disadvantage of the cash box of the Province.

Hon. Mr. Macaulay: My honourable friend is making that charge, but isn't it a fact that the King Government and the Canadian railways and treasuries of all the great utilities were issuing bonds in a similar way at the same time.

Hon. Mr. Hepburn: I only said that the position was an unenviable one, having in mind that war may break out at any time and exchange rates may fluctuate violently. I will say this for this Government, not a single bond has been issued by this Government since it took office that is not repayable in the lawful money of Canada. (Applause.)

This statement is made, not only as a declaration of fact, but by way of a stern indictment of the amazing stupidity of former Treasurers of this Province, who, in their desire to deceive the people into believing that favourable loan transactions reflected great credit on the administrations of the day concealed the effective rate of interest on Provincial borrowings by making their bonds payable in London, New York or Canada at the purchaser's option. Thus were the taxpayers of the Province handed over to the tender mercies of greedy foreign financial interests and from this predicament there is no escape.

TEMPORARY LOANS—TREASURY BILLS

As at March 31st, 1938

Date of Maturity	Date of Issue	Rate %	Series	Amount Outstanding	Where Payable
1938 June 1	1937 June 1	1.75	"RT-J"	\$ 6,000,000.00	Canada
June 1	June 1	1.75	"RT-F"	5,000,000.00	"
Sept. 13	Sept. 13	1.65	"EB"	10,000,000.00	"
Sept. 13	Sept. 13	1.65	"EG"	6,000,000.00	"
Nov. 1	Nov. 1	1.75	"ED"	10,000,000.00	"
1939 Feb. 15	1938 Feb. 15	1.65	"RT-K"	10,000,000.00	"
Mar. 12	Mar. 12	1.50	"RT-L"	2,000,000.00	"
				<u>\$49,000,000.00</u>	

INTEREST COSTS

Partly because of the budgetary position of this Government and partly, as I have already indicated, because of the low rates of interest obtained, this Government continues to improve its position as far as interest costs are concerned. Last year I drew your attention to the fact that, for the year ended October 31st, 1934, out of every dollar of net revenue collected by this Province it required approximately 43 cents to meet the cost of interest on the public debt, leaving only 57 cents of the taxpayer's dollar to meet other ordinary expenses. You will recall that I was able to announce in my Budget Speech of last year that this cost had been reduced from 43 cents to 26 cents out of every dollar of revenue collected; and this year I am able to announce that it will cost less than 24 cents out of every dollar of revenue collected to service the debt charge of the Province. (Applause.)

Thus it will be seen that, whereas in 1934 only 57 cents out of the taxpayer's dollar remained available to meet the necessary costs of discharging the functions

of Government, this year, instead of 57 cents, we will have 76 cents out of every dollar of revenue available for education, hospitals, maintenance of roads and other necessary public services. In increasing the value of the taxpayer's dollar by 19 cents in the dollar in a period of four years, I hold that this Government has contributed something to the benefit of every one of its citizens.

Before dealing with the accounts of revenue and expenditures, I propose to occupy a few moments in dealing with some of the activities of various departments of the Government.

DEPARTMENT OF PUBLIC WORKS

First let me deal with the Department of Public Works.

The Department of Public Works has under its control a large number of buildings (approximately 650) of various types of construction. A considerable expenditure is necessary annually to maintain the buildings, replace equipment and protect the investment.

Many of the existing buildings are becoming costly to maintain and are, in many cases, obsolete and not suitable to the carrying out of the services for which they are being used. A study is being made with a view of laying out a progressive plan of replacement of obsolete buildings and continuing to modernize such other buildings that can be economically fireproofed. Work in this connection has been commenced at the Ontario Hospital at Orillia and New Toronto, and will be extended to include renovation of dormitory buildings at the School for the Deaf, Belleville.

Considerable progress has been made on the construction of new Mental Hospital units at St. Thomas, Woodstock, Brampton and Port Arthur, contracts have been awarded and some of the buildings are already closed in and sewers and water services connected. At the Ontario Reformatory, Guelph, a new addition is under construction to provide approximately three hundred cells, and at the Industrial Farm, Burwash, the construction of an additional dormitory wing is well advanced.

DEPARTMENT OF HIGHWAYS

This year, Highway extensions undertaken, whether in the northern or southern part of the Province, were carried on with a view to maintaining the highest standard of modern highway construction. Anyone who has had a chance to study our highway system must agree with the contention that the roads we are building to-day will not only serve the present generation, but are built for the future.

In the northern part of the Province we constructed 70 miles of new pavement; a greater length than had been completed in all the years from 1920 up to date. We also prepared 175 miles of grading, ready for surfacing this coming season. We erected 46 bridges of a heavy type, a number of these structures permitting of the opening of many miles of new highways.

In the southern part of Ontario we laid 264 miles of new pavement and 75 miles of grade were finished, the major portion of which permits of dual

highway development this summer. We also completed in the southern part of the Province 30 bridges, a number of which are the heaviest type of concrete, exceeding, in dimensions, anything that has ever been undertaken on Canadian highways up to date.

In accordance with our promise to municipalities that we would lighten the tax burden, we assumed 681 miles of what had formerly been heavily travelled county roads. Prior to last year, because of our assuming one hundred per cent. of the provincial expenditure, the counties of this Province were saved \$2,705,474.35. This year alone this amounted to \$5,000,000.00, certainly a most substantial saving for the municipalities.

Apart from the financial aspect of our highway problems, one must recognize the fact that because of our climatic conditions the hazard of highway traffic has increased, as compared with other sections of this continent. In the winter time we have snow, sleet, and ice conditions and in the summer, by reason of our geographic position—wedged as we are between densely settled sections of the United States, we have to provide highway accommodation for a population greatly in excess of our own. Confronted as we are by this problem, and for the sake largely of preserving human lives, having in mind the terrific increase in highway fatalities, this Government can justify very properly the huge investment of money in highway construction. We are looking forward to the day when the main arteries of our highway system will be in the nature of the super-highway, eliminating the incident of accident, according to statistics available by 66 $\frac{2}{3}$ %, so that our highway programme, progressive as it is, can be justified not only by the return of investment, but by saving the lives of our own citizens and the tourists from other lands, to whom we extend a most cordial invitation to visit this great domain, in order to glean first-hand information with regard to the natural resources with which we are blessed.

Incidentally, I may say that, largely because of the highways we enjoy, 71 per cent of the entire tourist business of the Dominion passes through Ontario.

The death toll on our highway systems has convinced this administration that we have gone beyond the saturation point of traffic so that there now remains practically no margin of safety in so far as traffic on major highways is concerned.

AGRICULTURAL DEVELOPMENT BOARD

The Agricultural Development Board is still engaged in the task of liquidating the loans that were made over a period of years. On January 31st of this year, according to the records of the Commissioner of Agricultural Loans, the Province now has on hand repossessed farms on which loans are outstanding of \$2,805,614.87, and current loans of \$43,258,529.28 as of December 31st, 1937, a total of \$46,064,144.15 of Provincial funds loaned and secured by farm mortgages. The current loans are made up of items totalling 16,172 different accounts, 10,729 of which are in arrears.

A statement of the mortgage loans in arrears as at December 31st, 1937, is as follows:

Number of loans in arrears.....	10,729
Total amount of principal.....	\$30,658,398.80
Principal in arrears.....	4,404,483.80
Interest in arrears.....	3,809,148.94
Total principal and interest in arrears.....	8,213,632.74

During the period April 1st, 1937, to December 1st, 1937, loans were reduced by order of the Board of Review of the Farmers' Creditors Arrangement Act as follows:

Book value of farms reviewed.....	\$1,351,663.52
Reduction in principal ordered.....	\$ 64,287.47
Reduction in interest ordered.....	222,100.66
Reduction of sundries, taxes, etc.....	11,589.45
Total amount of reductions ordered.....	\$297,977.58

There are presently to be dealt with by the Board of Review the applications of 364 mortgagors with an indebtedness of \$2,033,350. This is a sad story, but the authors of the mischief are those who, without regard to the economic value of the farms and the amounts that they could bear by way of repayment of interest and principal of the mortgage loans, loaned money on farms to people, many of them with little or no knowledge of farming, in amounts ranging from 25% to 200% in excess of the economic loanable value of the farms. I might tell you that, of the 17,000-odd loans originally made by the former Government, over 1,720 loans were made to mortgagors between the ages of 60 and 70 years; 440 loans were made to mortgagors between the ages of 70 and 80 years; and 70 loans were granted to mortgagors who were over 80 years of age. You will realize that some 10 to 15 years have elapsed since most of these loans were made and our problems are not at all sweetened by reason of the fact that many of the mortgagors are at such an advanced age.

The unhappy task of attempting to bring order out of a chaotic condition such as this is the most unpleasant responsibility that can possibly fall to the lot of a person charged with the performance of a public duty. This Government never loses sight of the human element and has reamortized hundreds of loans, extending the original mortgages on a twenty-year basis for a further period of from 20 to 30 years. The majority of these extensions provide that interest only shall be paid for the first three years and then principal, as well as interest, is required.

While I would have much to offer in criticism of the Farmers' Creditors Arrangement Act, I should like to make this statement that, much as this Government might desire to reduce some of the loans, if it reduced a loan for one man and not for another, it leaves itself open to a charge of discrimination. Therefore we welcome the decision of any mortgagor to appear before the Board of Review, the tribunal set up under The Farmers' Creditors Arrangement Act. What the findings of the Board are, the Provincial Commissioner of Agricultural Loans accepts without equivocation or argument.

The task of liquidating these loans will continue and every mortgagor who will show any indication of attempting to pay or to look after the farm which he has mortgaged will be given the fullest opportunity to have his loan rearranged. But I fear that in the case of at least 50 per cent. of the loans, totalling \$46,000,000 of Provincial funds, they are in such a position that a mortgagor, even if forgiven all the interest outstanding and allowed a discount on the principal, would still

find it almost impossible to liquidate his indebtedness for the very good reason that the amount originally loaned was in excess of the real loanable value of his property.

THE PROVINCE OF ONTARIO SAVINGS OFFICE

Total deposits in the twenty-five branches on December 31st, 1937, amounted to \$38,923,945.61, as compared with total deposits on December 31st, 1936, of \$37,505,429.49, or December 31st, 1934, when deposits totalled \$21,865,379.43.

Individual accounts increased 4,200 during the calendar year.

There has been no change in our interest rates since July 1st, 1936, and no increase in the number of branches during the year, so the increase in deposits shows the constantly increasing faith of the public in the financial stability of the Province.

LIQUOR CONTROL BOARD

Last year the revenue from the profits of the operations of the Liquor Control Board reached the sum of approximately \$10,000,000 and this year I anticipate that the Province will receive from the Board the sum of \$10,500,000.

It greatly surprises me that there are people in this Province who express regret that the Liquor Control Board operates at a profit. Why they would have it operate at a loss passes my comprehension. In this connection I should like to state that, whereas this Government, after taking into account the purchase price of the beer, wine and spirits, and the cost of handling, housing and marketing, as well as the risk of loss from fire and breakage, will receive a return of \$10,500,000 this year, the Dominion Government will collect from the goods which the Board handles the substantial sum of about \$11,255,000. Little criticism is heard of the vast sums that go into the Dominion cash box, but to some it is a folly and an offence for this Government to obtain any part of its revenue from the operations of the Board.

\$10,500,000 profit this year means less than 11% of the total gross revenue of the Province, but in the fiscal year which ended at October 31st, 1931, the portion of the net profits and permit sales remitted to the Province of Ontario by the then Liquor Control Board reached the sum of \$10,875,000, and that amounted to over 20% of the gross revenue reported by the previous administration.

DEPARTMENT OF AGRICULTURE

During 1937, in the Department of Agriculture, educational work continued at the institutions, under the Agricultural Representatives, Field Crops, Horticultural, Women's Institutes and Live Stock Branch. Soil testing was developed and animal nutrition tests were coupled with this work. Crop adaptation to soils and locality was successfully carried forward.

The programme for 1938 includes greater concentration upon carrying to the farmer, results of experimental and research work, through the medium of Agricultural Representatives and trained men in live stock, field crop, weed, fruit and vegetable problems.

REFORMATORIES AND PRISONS

At the Reformatories and Industrial Farms very considerable progress has been made in providing facilities for intensive discipline and training of prisoners.

At the Ontario Reformatory, Guelph, a new cell block is under construction and the auditorium has been completed. At Burwash another permanent building is nearing completion and will be available this Spring.

Because of the high percentage of young, irresponsible prisoners it has been necessary to increase guard staffs at Guelph and Burwash. The hours of duty of officers at Guelph have been reduced. These, with higher prices for food, clothing and other commodities have increased expenditures.

Early in the fiscal year Training Schools at Bowmanville and Galt and the three Industrial Schools were placed under the direction of the Provincial Secretary. The new reception and hospital building at Bowmanville was finished and placed in use last Summer. Complete X-ray and dental equipment has been installed through the generosity of the Toronto Industrial Schools Association in making a donation of \$5,000 for that purpose. A new building at Galt was completed this Winter and is now occupied.

The policy of giving juvenile delinquents short intensive training in these schools and then placing them in good, carefully selected homes, chiefly farm homes, appears to be very successful and therefore such placements are being increased. The main objective is, of course, making good citizens of these juveniles but it is also interesting to note that it results in less maintenance cost and saves the necessity of providing more accommodation at those Institutions.

DEPARTMENT OF LABOUR

Five months ago a full-time Minister of Labour was appointed and since then this Department has continued to increase the scope of its services to the people of the Province.

The Industry and Labour Board is completing the first year of its operation. The duties of this Board include the setting of minimum wage rates which will prevent the exploitation of the most helpless class of workers; encouraging employers and employees to meet together and agree on wages and working conditions that will be fair to both parties and to the consuming public; and administering The Apprenticeship Act, by means of which it is hoped to furnish industry with competent help and to provide youth with opportunities to fit itself for useful occupations.

A new service was undertaken by the Department of Labour with the appointment of a conciliation officer at the beginning of the fiscal year.

During the last calendar year there was considerable expansion in the activities of the Ontario Government Employment Offices. More employers made use of these employment offices and approximately 146,500 placements were made, an increase of 22,000 as compared with the previous year.

DEPARTMENT OF LANDS AND FORESTS

The fiscal year now drawing to a close has been the busiest one in many years, both from an operating and revenue point of view. The cut of log timber for lumbering purposes is estimated at 240,000,000 feet, or over 90,000,000 feet beyond the average for the prior seven-year period. Pulpwood has been cut from Crown lands to the extent of one and three-quarter million cords, or nearly 40% in excess of the average cut since 1930.

The reductions made by the Government in stumpage prices played no small part in encouraging bush enterprises, recreating a spirit of thrift and saving the morale of legions of anxious workers who had previously become disheartened. Optimism displaced pessimism, hitherto rampant in many small communities.

Notwithstanding stumpage concessions the revenue of the Department will approximate \$4,300,000.00, the highest revenue in eight years. (Applause.)

TEMISKAMING AND NORTHERN ONTARIO RAILWAY

The operation of the Temiskaming and Northern Ontario Railway during the past year has been eminently satisfactory. The Railway keeps pace with and assists materially in the development of the North and thus contributes directly and indirectly to the prosperity of the Province as a whole. The continued development of mining, lumbering and agricultural industries in the North which the Railway serves will undoubtedly and inevitably be reflected in the revenues of the Railway in future years.

During the year ended March 31st, 1937, expenditures for new equipment amounted to \$829,057.22 and consisted of:

Locomotives.....	\$292,947.48
Passenger-Train Cars.....	520,349.94
Motor Busses, etc.....	15,759.80
	<hr/>
	\$829,057.22

During the nine months ended December 31st, 1937, 453,846 revenue passengers were carried. For the same period in 1936, 330,214 revenue passengers were carried.

Here is the interesting part. Net Profit from operations for the fiscal year 1937 amounted to \$1,369,763.21. Net Profit amounted to \$792,012.49 for the fiscal year 1936. (Applause.)

THE MINING INDUSTRY

The constant and rapid growth of the mining industry of the Province is matter for congratulation.

Our chief products are gold, nickel, copper and natural gas. In addition we have platinum, palladium and other metals of the platinum group. Every

one of these was produced in greater quantity and value in 1937 as compared with 1936.

Gold produced in 1936 had a value of 83 million dollars, and in 1937 of 90 million dollars, an amount equal to 63% of the entire gold production in the Dominion of Canada.

Nickel gained from 44 million dollars in 1936 to 58 millions in 1937, copper from 27 millions to 43 millions, platinum and related metals from \$7,802,000 to \$10,725,000, and natural gas from 6 millions to 7 millions.

Canada as a whole produced last year 432 million dollars worth of minerals of all kinds. Of this 50% was produced in Ontario.

Iron is the most important of all metals. Notwithstanding the large deposits that exist, no iron ore has been mined for many years, not only in Ontario but in Canada as a whole. Now, due to the Iron Ore Bounty Act passed at the last Session, a large undertaking is under way in the District of Michipicoten which is expected to yield about 300,000 tons a year of finished ore ready for the furnace.

Mining is assuming a large share in solving the perplexing problem of unemployment. An industry of such magnitude puts many thousands of men to work at good wages. Of actual miners there are at present about 32,000, and including prospectors and those employed in preliminary work, the estimated total is about 40,000 men.

The latest statistics available show that in 1935, 43 million dollars were expended by the mines of Ontario for machinery, supplies and services of all kinds, not including, however, wages of labour, which may amount to 30 million dollars more, or say a total of 73 million dollars in all. It requires little imagination to visualize the importance of such a market for the farmers and manufacturers of older Ontario, by whom it is largely supplied.

That the industry is a profitable one may be seen from the dividends paid to shareholders of the mining companies. They amounted in 1936 to 53 million dollars and in 1937 to over 71 millions. Nickel-copper mines paid out 35 million dollars, gold mines a like amount, and silver and miscellaneous sources another million. The Province's share of the tax on mining profits amounted to \$1,563,000 in 1936 and to \$1,800,000 in 1937.

DEPARTMENT OF MUNICIPAL AFFAIRS

The Department of Municipal Affairs is the youngest of the departments of the Provincial administration, and will continue to increase both in importance and responsibility as time goes on.

The first important undertaking of the Department was the taking over of supervision of defaulting municipalities throughout the Province. While this has been a laborious task indeed, occupying possibly more than a fair share of the Department's attention, the progress made in rehabilitating the affairs and finances of these municipalities has more than warranted such attention. There

has not only been a marked improvement in the finances of all concerned but it has been possible to complete refunding plans for eight municipalities, thus effecting amicable settlement with the creditors of obligations approximating 57 millions of dollars.

Comprehensive survey work, an important and essential preliminary to refunding or debt settlement of any character, is being progressed with for the remaining 11 supervised municipalities. It is hoped that it will be found possible to commence refunding operations for the majority of these during the present year. Wherever possible, refunding will be expedited to the utmost, but it is not the Department's policy, nor that of the Government, to insist on or force refunding where the circumstances of the municipality do not show that it is either timely or warranted.

One might infer that the Department's activities have been more or less confined to assisting municipalities in financial trouble but such is by no means the actual fact. The Department's efforts have been directed in no small degree towards the improvement of municipal accounting and bookkeeping methods, improvement in the standards of municipal auditing, and the compilation and publication of municipal statistics.

This year the Department is issuing for the first time a preliminary report on municipal statistics with the object of making information available as early as possible.

This report indicates substantial improvement in the finances of municipalities generally throughout the Province. In the case of counties the report shows that there has been a decrease in county rates levied in 1937, as compared with 1936, of over one million dollars, which reflects the taking over of the cost of old age pensions and mothers' allowances by the Province. The gross debenture debt declined by \$1,500,000 during 1937, continuing the trend which commenced in 1932 when the county gross debenture debt stood at \$18,500,000. For the same period, the sinking funds have steadily increased so that the decrease in the net debenture debt has been greater still.

With respect to cities, and the larger towns, it is most gratifying to note that the percent of current tax levy collected within the current year has again increased over the previous year and that tax arrears outstanding have shown substantial reduction.

DEPARTMENT OF PUBLIC WELFARE

UNEMPLOYMENT RELIEF

Unemployment Relief in the Province of Ontario in the year 1937 showed an improvement over the year 1936. The total numbers assisted in the calendar year 1937 were 2,876,102 as against 4,102,251 in 1936.

The heavy load still comes in the months of January, February and March. The items of fuel and clothing contribute materially to the costs in these months.

Grants-in-aid from the Dominion of Canada have been decreased from

\$803,250 in the month of January, 1937, to \$465,000 in December, 1937. The total Dominion contribution for the calendar year 1937 was \$7,044,750 as compared with a total of \$10,647,000 for the calendar year 1936.

Total gross relief costs in the calendar year 1937 were \$22,306,433.84 and in the calendar year 1936 the total was \$30,899,339.80. Towards these costs the various Governments contributed as follows:

	1936		1937
Dominion.....	\$10,647,000.00	34.46%	\$ 7,044,750.00 31.58%
Provincial.....	12,536,701.19	40.57%	10,057,301.75 45.09%
Municipal.....	7,715,638.61	24.97%	5,204,382.09 23.33%
	<u>\$30,899,339.80</u>		<u>\$22,306,433.84</u>

During the past year the Dominion Government saw fit to establish an Unemployment Relief Commission, with the result that a classification of persons to whom assistance was being given was established.

Also plans were drawn up and put into execution jointly by both the Federal and Provincial Governments for the training of unemployed youth. This consisted of training in mining, forestation, agriculture, apprenticeship in all trades for boys, and learnership and home services training for girls. The results to date from this programme have been encouraging, indeed, in that up to the end of January, 1938, 2,107 were assisted in youth training programmes that were formerly unemployed. Approximately 900 of these have been placed in permanent positions and 300 of this number were taken directly off the relief rolls.

PENSIONS FOR THE BLIND

An important development during the past year has been the inauguration of pensions for the blind. There are presently on the pension rolls of this Department nearly 500 who are blind and are in receipt of a pension of \$20.00 per month. It is believed that before the end of the present calendar year the number will increase to over 800 persons.

DEPARTMENT OF GAME AND FISHERIES

The revenue which has been collected from April 1st, 1937, to date, indicates that the total amount of revenue which will be derived from all sources during the present fiscal year, will total in all not less than the sum of \$850,000.00. This will be more than \$60,000.00 in excess of the total collected during the previous fiscal year and represents the largest annual revenue ever produced by this Department.

A forecast of expenditures for the same period reveals the fact that ordinary expenditures will total \$521,000.00. This, however, does not include moneys spent for capital expenditures, such as the erection of ponds and buildings, purchase of a fisheries patrol boat, etc., etc., and which capital expenditures it is estimated will amount to \$52,000.00, thus bringing the total expenditures for the year to practically \$573,000.00.

The foregoing figures represent an indicated surplus of revenue over expenditure of \$277,000.00 as applied to our operations for the year.

These figures are a distinct improvement over those for the fiscal year ending October 31st, 1934, when revenue collected totalled \$544,738.47, and expenditures, including capital, were \$556,267.54, representing an operating deficit for the year of \$11,529.07.

Facilities for the work of fish culture were extended in 1937 and included a new rearing pond at Sandfield on Manitoulin Island, and an additional pond at White Lake, in the County of Frontenac. These additions are available for the culture of black bass and for the carrying of speckled trout over the winter. The North Bay speckled trout rearing station was completed during the year and the improvements made at the Codrington subsidiary trout rearing station will enable the production of speckled trout at this station from the egg stage. Improvements in the Fish Hatchery at Fort Frances will provide for the propagation of lake trout for the restocking of inland lakes in that region which are restricted to angling.

A favourable site for black bass and maskinonge propagation and the wintering of speckled trout has been located in the County of Peterborough in the vicinity of Havelock, while preliminary surveys have been made in the Muskoka and Temiskaming Districts with a view to establishing speckled trout rearing stations in these areas.

During the year 1937 there were some 82 regular enforcement officers whose services were augmented by 9 officers who performed seasonal duties during varying periods and by 70 seasonal officers who were engaged during the fish spawning periods to assist in providing adequate patrol service along important waters.

A comparison of the revenue received from the sale of non-resident angling licenses shows the following:—

1929.....	\$214,470.25
1934.	128,472.22
1937 (in excess of).....	329,530.50

HYDRO-ELECTRIC SYSTEM

RURAL LOANS

The Hydro-Electric Power Commission has been administering matters having to do with "The Rural Power District Loans Act of 1930." Since the passing of this Act up to December 31st, 1937, a total of 1,056 loans have been made to farmers throughout the Province, the total of which loans amounted to \$214,617.00. The principal instalments on these loans, matured to December 31st, 1937, amounted to \$128,551.21, and including interest on the loans to date, the total collected amounted to \$148,463.65. The payments on these loans have been made promptly by the loanees and only a comparatively small percentage of the outstanding loans remain matured and unpaid.

RURAL POWER DISTRICTS

During 1937, 2,296 miles of primary lines were added to the rural power districts; 12,580 consumers were added.

The bonus paid by the Province for the year 1937 amounted to \$1,956,554, and it is expected that the Province will be called upon to pay \$2,000,000 as a bonus during 1938.

HYDRO BORROWING

The latest bond issue of the Commission was a \$9,000,000 3¼%, 15-year issue, which was sold to yield 3.46%. The purpose of this issue was to refund \$9,000,000 4½% bonds which matured February 1st, 1938. This financing gives the Commission the cheapest long-term money in its history and effectively answers the constant statements being made by the ill-wishers of this Province, that the credit of Hydro has been destroyed. (Applause.)

ORDINARY REVENUE

It has been aptly said that finance is the beginning of every business undertaking, and one of the problems of public finance is that of securing necessary revenue by taxation, by licenses, by the successful operation of publicly-owned enterprises, and by the various other sources to which public authorities on this continent have recourse.

As Treasurer of this Province, it is my constant duty to see that the revenues are collected promptly and in accordance with the law. In discharging this duty, I wish to record my appreciation of the assistance of those officials of the Treasury and the other Departments of the Government who have co-operated in the heavy task of finding sufficient money to carry on the business of this Government.

The total gross revenue for the present fiscal year, based on 10 months' actual experience and two months estimated—and these estimates have been carefully checked and verified by the officials of the Provincial Auditor's Department—will amount to \$97,845,752. This is the largest sum of ordinary revenue ever collected by this Province, but it does not indicate, as has been falsely represented by opponents of this Government, that this is the result of increases in taxation. On the contrary, Mr. Speaker, this revenue has been collected in spite of the fact that this Government has reduced taxation, has reduced automobile fees and other licenses, has cancelled and abolished nuisance taxes.

I hope I may be pardoned if I refer with pride to the fact that, whereas but a few years ago, when my honourable friend the former Leader of the Opposition was the Treasurer, the revenue of the Treasury Department amounted to \$24,000,000, for this year the gross revenue of the Treasury Department, exclusive of interest collected, exceeds the sum of \$50,000,000. (Applause.)

With the permission of the House, I shall place upon the records an interim statement of gross ordinary revenue for the fiscal year April 1st, 1937, to March 31st, 1938. This statement, as I have already told the House, consists of 10 months' actual results and two months' forecast.

INTERIM STATEMENT OF GROSS ORDINARY REVENUE

Fiscal Year April 1, 1937—March 31, 1938

10 Months Actual—2 Months Forecast—12 months

DEPARTMENT	Detail	Gross Ordinary Revenue
1—AGRICULTURE.....		\$ 350,000.00
2—ATTORNEY-GENERAL.....		1,000,000.00
3—EDUCATION.....		135,000.00
4—GAME AND FISHERIES.....		850,000.00
5—HEALTH:		
Main Office and Branches.....	\$ 55,000.00	
Hospitals Branch.....	1,300,000.00	
		1,355,000.00
6—HIGHWAYS:		
Main Office.....	250,000.00	
Gasoline Tax Branch.....	17,600,000.00	
Motor Vehicles Branch.....	8,300,000.00	
		26,150,000.00
7—INSURANCE.....		240,000.00
8—LABOUR.....		125,000.00
9—LANDS AND FORESTS:		
Lands Branch.....	800,000.00	
Forests Branch.....	3,540,000.00	
		4,340,000.00
10—LEGISLATION.....		33,500.00
11—MINES.....		2,200,000.00
12—MUNICIPAL AFFAIRS:		
Main Office.....	12,000.00	
Housing Branch.....	112,000.00	
		124,000.00
13—PRIME MINISTER.....		22,000.00
14—PROVINCIAL SECRETARY:		
Main Office and Registrar-General's Branch.....	380,000.00	
Reformatories and Prisons Branch.....	850,000.00	
		1,230,000.00
15—PROVINCIAL TREASURER:		
Main Office—Subsidy.....	2,941,424.00	
Interest.....	72,828.00	
Liquor Control Board.....	10,500,000.00	
Controller of Revenue Branch:		
Succession Duty.....	19,400,000.00	
Corporation Tax.....	9,000,000.00	
Income Tax.....	5,950,000.00	
Stock Transfer Tax.....	840,000.00	
Land Transfer Tax.....	230,000.00	
Law Stamps.....	400,000.00	
Amusements Revenue Branch:		
Amusements Tax.....	227,000.00	
Theatres, etc.....	89,000.00	
Board of Censors.....	105,000.00	
Savings Office.....	282,000.00	
		50,037,252.00
16—PUBLIC WORKS.....		49,500.00
		\$88,241,252.00
PUBLIC DEBT—Interest.....		9,604,500.00
		\$97,845,752.00

SUMMARY

Ordinary Revenue.....	\$97,845,752.00
Ordinary Expenditure.....	85,107,050.00
Excess of Revenue over Expenditure.....	12,738,702.00
Less: Unemployment Direct Relief and Adminis- tration thereof.....	9,725,000.00
Interim Surplus.....	\$ 3,013,702.00

Such an accomplishment as the collection of 97 millions of dollars of gross revenue is deserving of some remarks by way of explanation.

The main source of revenue for the present fiscal year as was the case of last year, is Succession Duty. The amount which we have collected during the present fiscal year is expected to equal and probably surpass the sum of \$19,400,000. (Applause.) Last year the total was approximately \$16,000,000 and the previous year \$12,000,000, so that, in three years, the Treasury Department of this Government has collected in Succession Duty a sum in excess of \$47,000,000. (Applause.) This amount, Mr. Speaker, collected within the period of three years, exceeds by over seven times the collections of the former Government for the last fiscal year in which it held office. Considerably more than \$20,000,000 of this \$47,000,000 would have been lost to this Province had it not been for the continued efforts of the Treasury Department in the reinvestigation of estates which were closed without the proper amount of duty having been collected.

I estimate that there are still a great many millions of dollars to be collected from old estates, and I assure this House that I shall continue my efforts to see that all estates are carefully scrutinized and where fraud is suspected, a thorough investigation will be made, to the end that the taxes that rightfully belong to this Province shall be collected wherever found unpaid. (Applause.)

SUCCESSION DUTIES

The record of collections of Succession Duties in the Department of the Provincial Treasurer constitutes an arraignment against former senior officials of the Treasury Department and reputedly reputable lawyers of this Province, some of whom undoubtedly connived for the sole purpose of cheating and chiselling in the most flagrant and indefensible manner the treasury of this Province; and it redounds to the credit of this Administration which has had the courage to bring tax evaders to time and to compel, by legal methods, these same people to disgorge to the extent of over \$20,000,000, all of which revenue has been used to maintain the social services of this great Province. May I assure you further, Mr. Speaker, that this work has only begun; and the efforts of this Government to bring even more of these tax-dodgers to task will be redoubled and I can say without fear of being charged with exaggeration, that the \$20,000,000 collected is only a very small portion of the moneys which former treasurers have let these tax-dodgers get away with. If I never discharge another public duty in my life I pledge my word that I will see this public duty carried through to finality. (Applause.)

On a former occasion there was considerable laughter from the Opposition when I said two years ago that we were going to collect \$16,000,000 in Succession Duty. In this last estimate I have only provided for \$19,400,000; and since I came into the Chamber this afternoon I find that a further settlement has been made by another estate, which has paid \$900,000 in cash into the Treasury, making the actual collections to date the \$19,400,000 estimated. (Applause.) It is safe to say now that the revenue by the end of the fiscal year will be well over \$20,000,000. (Applause.)

INCOME TAX

This year we expect to collect from the Province of Ontario income tax the sum of \$5,950,000, which is a considerable variation from last year, due to several causes, one being that in each year, as the tax grows older, there is always a back-log of arrears from former years, and the collection of these helps out the current year's position. Further, last year we amended The Ontario Income Tax Act to take care of personal corporations situated outside of Canada but controlled by residents of the Province of Ontario. The legislation had the effect of cancelling their right to deduct from their incomes the levy exacted by the Dominion Income Tax authorities before computing the Ontario Income Tax. Further, there was the general improvement in business over the previous year.

From almost every quarter of the Province I have heard expressions of approval at the adoption of a Provincial Income Tax to supplant a municipal income tax. I doubt if you could find a reputable tax authority in the world who would deny the fact that income tax, being a tax on persons rather than on things, is too difficult for a municipal administration to collect with any degree of thoroughness. As wealth becomes more and more widespread, it becomes more and more elusive, and baffles the limited efforts of a local tax collector to locate concealed income. A larger and more powerful jurisdiction, such as that of a province or state, can, by reason of its authority and its wider sources of information more efficiently administer an income tax act with uniformity and with economy than can be expected of a municipality.

Sometimes I hear it said that income tax is an ever-increasing source of revenue. This is wholly incorrect. Whether the tax increases or decreases, providing the rates of tax and exemption allowed remain constant, depends upon the times that prevail. The revenue from income tax depends upon the national income and the sources from which the national income is derived, that is to say, the character of the incomes to be taxed, and the manner in which the national income is distributed. In this connection let me say that Ontario's share of the national income for the year 1936, has been estimated by officials of the Treasury Department to amount to about two billions of dollars. On this share of the national income the three jurisdictions, the Dominion, the Province and the Municipality have levied taxes of approximately \$315,000,000.

The Dominion taxes amount, in proportion to the national income of the people of Ontario, to 7.32%, the Provincial taxes to only 1.98% and the Municipal taxes, to 6.47% or a grand total of 15.77%. It will be observed that a very heavy burden of taxation rests upon taxpayers who contribute to the municipal treasuries. This Government is aware of this fact and is giving earnest study to the problem of the municipalities with a view to lightening their tax burden, within the limits of our own ability.

May I at this time state that the financial policy of this Government is to reduce oppressive taxation and to abolish nuisance taxes and to relieve the burden on real estate, wherever possible. This we aim to do without in any way impairing those services which are the responsibility of this Government.

Before I leave this subject, I should like to state that, in adopting a uniform method which we believe conforms to the soundest canons of taxation, we have

relieved the municipalities of what will be an ever-increasing burden. I mean the cost of old age pensions and pensions for the blind, and the cost of Mothers' Allowances. To give you some idea of the increasing cost of old age pensions, let me say that, according to the census of 1921, there were in Ontario at that time 102,286 persons who were 70 years of age or over. According to the census figures for 1931, the number of persons in Ontario of 70 years of age or over was 141,293, an increase in ten years of over 39,000 people 70 years of age and over, or an increase of over 38%. The cost of old age pensions to this Government for the fiscal year which closes on March 31st next will exceed \$3,250,000.

In Mothers' Allowances we have an ever-increasing burden. In the first fiscal year in which Mothers' Allowances were paid, there were 2,660 beneficiaries. Last year there were 11,420 beneficiaries, and the annual cost increased from \$772,666 for the first year to \$4,585,446.14 for the last fiscal year. In the year to come it will reach the figure of at least \$5,000,000.

AMUSEMENTS TAX

The revenue from the Amusements Tax this year amounts to only \$227,000, whereas last year it amounted to nearly \$2,000,000. Before this tax was cancelled last June, I had a conference with the principal theatre owners of the Province and received from them their solemn promise that, if we abolished the Amusements Tax, they would pass the benefit on to their patrons and in no case would they increase the price of admission to their places of entertainment. Reports have reached me that this promise has not been honoured, and I propose to take steps to institute a careful investigation to ascertain whether the charges of lack of faith are warranted. Unless theatre owners keep faith with the people, they need not be surprised if this Government takes some appropriate action in this matter. (Applause.)

CORPORATION TAX

This tax is made up largely of a tax of one-tenth of one per cent. on the invested capital of corporations, with some variations in the case of banks, insurance companies and trust companies, and also a tax of one per cent. on the net revenue of the corporations. It will yield this year approximately \$9,000,000. Some objections are raised because of the one-tenth of one per cent. on capital employed. But from study of the results of this tax I have learned this fact which is of interest and which assures me of the fact that, if we are to have a tax on corporations such as the one now in force, the Corporation Tax in the Province of Ontario might be said to be the least obnoxious when compared to the Corporation Tax imposed by other provinces. I make this statement because of the fact that for every one Dominion-incorporated company that during the past three years has changed its head office from Ontario to other provinces, at least ten Dominion-incorporated companies have changed the location of their head offices from other provinces to Ontario. These figures speak volumes in favour of the rates of tax and the administration of The Corporation Tax Act by this Province.

GASOLINE TAX AND MOTOR VEHICLE LICENSES

The collections from the gasoline tax this year will exceed the sum of \$17,600,000, which places this tax, as a revenue producer, in second place, second

only to that of the Succession Duties. This tax, together with the revenue from Motor Vehicles Licenses, which will amount this year to the sum of \$8,300,000, will bring in about \$26,000,000.

Frequently I hear the complaint raised that only part of the revenue of the Department of Highways is used for the construction and maintenance of highways and bridges in the Province. It will be of interest, therefore, to this House to learn that from the year 1920 up to March 31st, 1938, inclusive, the Province has spent on road construction, maintenance of highways and interest on our Highway debt, the huge sum of \$505,911,000, and has received in revenue a total sum of \$257,678,000, leaving a difference of over \$248,000,000 which has been expended by the Province for capital construction, maintenance and interest in excess of the highway revenue received. I think these figures will be a surprise to many.

LANDS AND FORESTS

The revenue from the Lands Branch this year will exceed \$800,000 and from the Forests Branch, \$3,540,000, or a grand total of \$4,340,000. The expenditures of the Department of Lands and Forests will amount to \$2,290,000, showing a net revenue from this department of \$2,050,000, which is quite in contrast with the record of the former Administration.

EXPENDITURES

I shall now give you the other side of the picture and with the permission of the House, will place upon the records an interim statement of gross ordinary expenditure for the fiscal year April 1st, 1937, to March 31st, 1938, ten months of which is actual experience and two months forecast.

INTERIM STATEMENT OF GROSS ORDINARY EXPENDITURE

Fiscal Year April 1, 1937—March 31, 1938

10 Months Actual—2 Months Forecast—12 Months

DEPARTMENT	Detail	Gross Ordinary Expenditure
1—AGRICULTURE.....		\$ 2,135,000.00
2—ATTORNEY-GENERAL.....		3,621,000.00
3—EDUCATION.....		11,335,000.00
4—GAME AND FISHERIES.....		521,000.00
5—HEALTH:		
Main Offices and Branches.....	\$1,025,000.00	
Hospitals Branch.....	7,950,000.00	
		8,975,000.00
6—HIGHWAYS.....		8,420,000.00
7—INSURANCE.....		65,000.00
8—LABOUR.....		711,000.00
9—LANDS AND FORESTS:		
Lands Branch.....	228,000.00	
Forests Branch.....	2,062,000.00	
		2,290,000.00
10—LEGISLATION.....		280,000.00
11—LIEUTENANT-GOVERNOR.....		21,000.00
12—MINES.....		375,000.00
13—MUNICIPAL AFFAIRS.....		3,125,000.00
14—PRIME MINISTER.....		190,000.00
15—PROVINCIAL AUDITOR.....		119,300.00

DEPARTMENT	Detail	Gross Ordinary Expenditure
16—PROVINCIAL SECRETARY:		
Main Office and Registrar-General's Branch.....	\$126,000.00	
Reformatories and Prisons Branch.....	2,075,750.00	
		\$2,201,750.00
17—PROVINCIAL TREASURER:		
Main Office.....	626,000.00	
Controller of Revenue Branch.....	460,000.00	
Amusements Revenue Branch.....	42,000.00	
Board of Censors.....	15,500.00	
Post Office.....	144,000.00	
Savings Office.....	282,000.00	
		1,569,500.00
18—PUBLIC WELFARE:		
Main Office and Branches.....	480,000.00	
Old Age Pensions Commission.....	3,282,500.00	
Mothers' Allowances Commission.....	5,000,000.00	
		8,762,500.00
19—PUBLIC WORKS.....		795,000.00
MISCELLANEOUS.....		90,000.00
STATIONERY ACCOUNT.....		5,000.00
		\$55,607,050.00
PUBLIC DEBT—Interest, Exchange, etc.....		29,500,000.00
		\$85,107,050.00
ADD—Unemployment Direct Relief and Administration thereof.....		9,725,000.00
		\$94,832,050.00

I am happy to be able, in reading this summary of the gross ordinary revenue and the gross ordinary expenditure, to supply the House with the following figures:—

Gross Ordinary Revenue.....	\$97,845,752.00
Gross Ordinary Expenditure.....	85,107,050.00
Excess of Revenue over Expenditure.....	12,738,702.00
From this amount is to be deducted the Province's share of the cost of unemployment relief and the administration thereof.	9,725,000.00
Leaving a free surplus of.....	\$ 3,013,702.00

Those of the Members who were present last year will recall the fact that, in bringing down the estimates for the present fiscal year, I budgetted for a surplus of ordinary revenue over ordinary expenditure in the sum of \$2,282,905.62. Naturally, I present these figures with no small degree of satisfaction which I trust will be shared by every member of this House, more especially when they consider the fact that the surplus of \$9,313,938.54 of last year added to the surplus this year of \$3,013,702, reaches the large sum of \$12,327,640.54. That is a two-year record of which any Government may well be proud and one which I am inclined to think will stand unchallenged for some years to come.

CAPITAL RECEIPTS

With the permission of the House I shall place upon the records an interim statement of gross capital receipts made up as follows:—

Works and Resources.....	\$ 683,658.21
Loan Repayments.....	16,296,850.67
Trust Fund Deposits.....	2,117,268.84
	\$19,097,777.72

INTERIM STATEMENT OF GROSS CAPITAL RECEIPTS

Fiscal Year April 1, 1937—March 31, 1938

10 Months Actual—2 Months Forecast—12 Months

GROSS CAPITAL RECEIPTS

DEPARTMENT	Works and Resources	Loan Repayments	Trust Fund Deposits
AGRICULTURE.....	\$	\$ 36,934.54	\$ 150.00
HEALTH.....	.....	125.00	.....
HIGHWAYS.....	392,938.88	.....	10,000.00
LANDS AND FORESTS:			
Lands Branch.....	49,316.39	1,513.86	.....
Forests Branch.....	9,327.06	.....	.....
MINES.....	76,301.26	.....	.....
MUNICIPAL AFFAIRS.....	.....	1,041,778.03	50,000.00
PRIME MINISTER:			
Public Service Superannuation Fund.....	.....	.....	1,789,556.18
PROVINCIAL TREASURER:			
Main Office.....	.....	2,856,235.50	267,562.66
Hydro-Electric Power Commission.....	.....	1,983,650.94	.....
PUBLIC WELFARE:			
Main Office.....	.....	15.93	.....
Dominion Government and Municipalities:			
Old Age Pensions Commission.....	.....	9,913,911.02	.....
Mothers' Allowances Commission.....	.....	462,685.85	.....
PUBLIC WORKS.....	155,774.62	.....	.....
	<u>\$ 683,658.21</u>	<u>\$16,296,850.67</u>	<u>\$2,117,268.84</u>

SUMMARY

Works and Resources.....	\$ 683,658.21
Loan Repayments.....	16,296,850.67
Trust Fund Deposits.....	2,117,268.84
	<u>\$19,097,777.72</u>

CAPITAL PAYMENTS

With the permission of the House I will place upon the records an interim statement of gross capital payments for the fiscal year April 1st, 1937, to March 31st, 1938, 10 months being actual experience and two months forecast, made up as follows:

Works and Resources.....	\$39,897,046.72
Loan Advances.....	10,072,814.57
Trust Fund Repayments.....	1,139,896.72
	<u>\$51,109,758.01</u>

INTERIM STATEMENT OF GROSS CAPITAL PAYMENTS

Fiscal Year April 1, 1937—March 31, 1938

10 Months Actual—2 Months Forecast—12 Months

DEPARTMENT	GROSS CAPITAL PAYMENTS		
	Works and Resources	Loan Advances	Trust Fund Repayments
AGRICULTURE.....	\$ 55,658.08	\$ 12,320.90	
EDUCATION.....	65,638.43		
GAME AND FISHERIES.....	52,000.00		
HIGHWAYS.....	34,990,501.20		
LANDS AND FORESTS:			
Lands Branch.....	79,721.16		
Forests Branch.....	262,910.61		
PRIME MINISTER—			
Public Service Superannuation Fund.....			\$ 787,400.64
PROVINCIAL SECRETARY:			
Reformatories and Prisons Branch.....	65,896.13		
PROVINCIAL TREASURER:			
Main Office.....		604,654.31	352,265.71
Hydro-Electric Power Commission.....	2,342,000.00	40,000.00	
PUBLIC WELFARE:			
Dominion Government:			
Old Age Pensions Commission.....		9,415,674.04	
PUBLIC WORKS.....	1,978,310.23		
MISCELLANEOUS.....	4,410.88	165.32	230.37
	<u>\$39,897,046.72</u>	<u>\$10,072,814.57</u>	<u>\$1,139,896.72</u>

SUMMARY

Works and Resources.....	\$39,897,046.72
Loan Advances.....	10,072,814.57
Trust Fund Repayments.....	1,139,896.72
	<u>\$51,109,758.01</u>

GROSS PROVINCIAL DEBT

There is an increase in the gross debt of the Province due entirely to the highway programme of the present fiscal year, but I would draw your attention to this fact—and I do this with some degree of satisfaction—that, whereas the expenditure for highway construction amounts to approximately \$35,000,000, which is entirely capital construction, the increase in the gross debt amounts to *\$23,000,000.00 approximately. In expending \$35,000,000 for highway construction, we have not burdened the Province, but rather we put it in a most favourable position. As you will see from the forecast, we expect to collect in the next fiscal year \$18,200,000 from the gasoline tax. This is a very moderate estimate; I should not be surprised if the collections reached \$20,000,000, and you will not disagree with me when I make this statement, because every estimate of gasoline collections that has been made by this Government has been equalled or exceeded.

In my considered opinion, there is no investment that this great Province can make in material things that will yield the returns by way of attracting tourists, by improving the living conditions of farmers, by increasing the value

*Interim figures only, actual results show increase of \$21,614,225.40.

of their farms, and by improving transportation facilities, as well as increasing the revenue of this Province, that will compare with the investment in modern highways. The Middle Road, alone, from Toronto to Hamilton, will probably bring two million dollars in gasoline tax revenue next year. Here we have exchanged our wealth in the form of dollars for capital, that is, wealth producing additional wealth, and will undoubtedly enjoy a very profitable return on our investment.

THE FUNDED DEBT OF ONTARIO

The Funded Debt of this Province, as represented by outstanding debentures, annuities and railway certificates as at March 31st, 1937, amounted to.....		\$567,973,130.86
ADD—		
Debentures issued during the fiscal year.....	46,600,000.00	
		<u>\$614,573,130.86</u>
DEDUCT—		
Debentures redeemed at maturity.....	\$35,198,500.00	
Debentures purchased for cancellation.....	2,438,946.67	
Debentures purchased under Succession Duty Act	188,400.00	
Railway Aid Certificates matured.....	92,594.20	
Annuities matured.....	10,175.00	
Sinking Fund Purchases (net).....	971,813.27	
		<u>38,900,429.14</u>
Total Reduction.....		<u>38,900,429.14</u>
Leaving the Funded Debt of the Province as at March 31st, 1938, at		<u>\$575,672,701.72</u>
An increase in the Funded Debt of a year ago in the sum of.....		\$ 7,699,570.86
But a decrease in the Funded Debt since October 31st, 1934, of ...		\$ 18,366,086.77
The Funded Debt as shown above includes \$149,620,646.87 borrowed for the Hydro-Electric Power Commission.		

STOCK AND DEBENTURES OUTSTANDING IN THE HANDS OF THE PUBLIC

Stock and Debentures payable only in Canada.....	\$289,075,800.00—50.2054%
“ “ “ “ “ London.....	3,208,824.74— .5573%
“ “ “ “ “ Canada, New York.....	49,353,050.00— 8.5714%
“ “ “ “ “ Canada, New York, London	234,148,500.00—40.6659%
	<u>\$575,786,174.74</u>

Debenture maturities for the remainder of the present calendar year amount to only \$9,269,000 and it is not anticipated that it will be necessary to go into the market for a considerable period of time.

NET DEBT

The net debt of the Province will vary in an amount closely following the amount of the gross debt. The exact amount of the variation cannot here be stated because of the necessity of ascertaining the amounts of certain balances which may be collected or outstanding at the end of the fiscal year. Full details of the change in the amount of the net debt will be available when the Public Accounts are brought down.

INDIRECT LIABILITIES AND GUARANTEES

There will be a reduction in the amount of indirect liabilities and guarantees of the Province at March 31st, 1938. The only new guarantees made by the Province for the present fiscal year are as follows:—

Co-operative Associations.....	\$ 15,000.00
Parks Commission.....	1,062,500.00
Hydro-Electric Power Commission.....	19,000,000.00
Total.....	<u>\$20,077,500.00</u>

Against this, however, will be the payment of the Hydro-Electric Power Commission debentures in the amount of \$19,626,950. Added to this there are certain guaranteed maturities which have been met by the borrowing authorities, so that the indirect debt of the Province will be reduced this year by something over \$1,000,000. Full details will be given in the Public Accounts.

ESTIMATES

I now take pleasure in presenting to the House estimates for the coming fiscal year.

We estimate the gross ordinary revenue for the fiscal year from April 1st, 1938, to March 31st, 1939, will amount to the sum of \$99,592,330.58, and the gross ordinary expenditure, including \$9,800,000 for unemployment relief, \$99,303,652.59, yielding an estimated surplus of ordinary revenue over ordinary expenditure of \$288,677.99. (Applause.)

With the permission of the House, I shall place upon the records the Budget Forecast of Ordinary Revenue, Ordinary Expenditure, Capital Receipts and Capital Payments for the fiscal year April 1st, 1938, to March 31st, 1939.

BUDGET FORECAST OF ORDINARY REVENUE

Fiscal Year April 1, 1938—March 31, 1939

DEPARTMENT	Detail	Gross Ordinary Revenue	Application of Revenue to Expenditure	Detail	Net Ordinary Revenue
1—AGRICULTURE.....		\$ 315,425.00	\$ 315,325.00		\$ 100.00
2—ATTORNEY-GENERAL.....		1,000,000.00	134,404.64		865,595.36
3—EDUCATION.....		140,000.00	138,700.00		1,300.00
4—GAME AND FISHERIES.....		850,000.00	1,000.00		849,000.00
5—HEALTH:					
Main Office and Branches.....	\$ 53,895.00		7,175.00	\$ 46,720.00	
Hospitals Branch.....	1,425,700.00	1,479,595.00	1,425,200.00	500.00	47,220.00
6—HIGHWAYS:					
Main Office.....	100,000.00			100,000.00	
Gasoline Tax Branch.....	18,200,000.00			18,200,000.00	
Motor Vehicles Branch.....	10,000,000.00	28,300,000.00		10,000,000.00	28,300,000.00
7—INSURANCE.....		230,000.00			230,000.00
8—LABOUR.....		119,475.00	118,700.00		775.00
9—LANDS AND FORESTS:					
Lands Branch.....	700,000.00		13,693.60	686,306.40	
Forests Branch.....	4,000,000.00	4,700,000.00	625,000.00	3,375,000.00	4,061,306.40
10—LEGISLATION.....		14,500.00	6,500.00		8,000.00
11—MINES.....		2,600,000.00	5,000.00		2,595,000.00
12—MUNICIPAL AFFAIRS:					
Main Office and Municipal Board.....	12,450.00		12,450.00		
Housing Branch.....	30,000.00	42,450.00	30,000.00		
13—PRIME MINISTER:					
King's Printer—Ontario Gazette.....		20,000.00			20,000.00
14—PROVINCIAL SECRETARY:					
Main Office and Registrar-General's Branch.....	368,500.00		5,000.00	363,500.00	
Reformatories and Prisons Branch.....	761,000.00	1,129,500.00	761,000.00		363,500.00
15—PROVINCIAL TREASURER:					
Main Office—Subsidy.....	2,941,424.00			2,941,424.00	
Interest.....	73,000.00			73,000.00	
Liquor Control Board.....	10,500,000.00			10,500,000.00	
Controller of Revenue Branch:					
Succession Duty.....	18,000,000.00			18,000,000.00	
Corporation Tax.....	9,000,000.00			9,000,000.00	
Income Tax.....	6,000,000.00			6,000,000.00	
Stock Transfer Tax.....	1,100,000.00			1,100,000.00	
Land Transfer Tax.....	250,000.00			250,000.00	
Law Stamps.....	400,000.00			400,000.00	
Motion Picture Censorship and Theatre Inspection Branch..	185,000.00			185,000.00	
Savings Office.....	277,688.52	48,727,112.52	277,688.52		48,449,424.00
16—PUBLIC WORKS.....		48,100.00	44,012.00		4,088.00
MISCELLANEOUS.....		100,000.00	100,000.00		
		89,816,157.52	4,020,848.76		85,795,308.76
PUBLIC DEBT—INTEREST.....		9,776,173.06	9,776,173.06		
TOTAL.....		\$99,592,330.58	\$13,797,021.82		\$85,795,308.76

SUMMARY

Net Ordinary Revenue.....	\$85,795,308.76
Net Ordinary Expenditure (not including Unemployment Relief).....	75,706,630.77
EXCESS OF ORDINARY REVENUE OVER ORDINARY EXPENDITURE.....	\$10,088,677.99
Estimated Net Expenditure on account of Unemployment Direct Relief and the administration thereof.....	9,800,000.00
SURPLUS FORECAST.....	\$ 288,677.99

BUDGET FORECAST OF ORDINARY EXPENDITURE

Fiscal Year April 1, 1938—March 31, 1939

DEPARTMENT	Detail	Gross Ordinary Expenditure	Application of Revenue to Expenditure	Detail	Net Ordinary Expenditure
1—AGRICULTURE.....		\$ 2,349,430.00	\$ 305,149.05		\$ 2,044,280.95
2—ATTORNEY-GENERAL.....		2,762,124.64	134,404.64		2,627,720.00
3—EDUCATION.....		12,473,986.00	138,700.00		12,335,286.00
4—GAME AND FISHERIES.....		623,850.00	1,000.00		622,850.00
5—HEALTH:					
Main Office and Branches.....	\$ 1,113,329.00		7,175.00	\$ 1,106,154.00	
Hospitals Branch.....	9,299,202.00		1,425,200.00	7,874,002.00	
		10,412,531.00			8,980,156.00
6—HIGHWAYS:					
Main Office and Branches.....	9,245,000.00			9,245,000.00	
Motor Vehicles Branch.....	405,000.00			405,000.00	
		9,650,000.00			9,650,000.00
7—INSURANCE.....		67,800.00			67,800.00
8—LABOUR.....		738,154.05	118,700.00		619,454.05
9—LANDS AND FORESTS:					
Lands Branch.....	246,100.00			246,100.00	
Forests Branch.....	2,269,600.00		625,000.00	1,644,600.00	
		2,515,700.00			1,890,700.00
10—LEGISLATION.....		273,335.00	6,500.00		266,835.00
11—LIEUTENANT-GOVERNOR..		10,000.00			10,000.00
12—MINES.....		460,000.00	5,000.00		455,000.00
13—MUNICIPAL AFFAIRS:					
Main Office and Municipal					
Board.....	116,900.00		12,450.00	104,450.00	
Subsidy—One Mill—					
To cities, towns, incorporated					
villages and townships.....	3,000,000.00			3,000,000.00	
Grant—To City of Toronto—					
Municipal Air Port.....	350,000.00			350,000.00	
		3,466,900.00			3,454,450.00
14—PRIME MINISTER.....		173,665.00			173,665.00
15—PROVINCIAL AUDITOR.....		121,000.00			121,000.00
16—PROVINCIAL SECRETARY:					
Main Office and Registrar-					
General's Branch.....	127,450.00		5,000.00	122,450.00	
Reformatories and Prisons					
Branch.....	1,919,725.00		761,000.00	1,158,725.00	
		2,047,175.00			1,281,175.00
17—PROVINCIAL TREASURER:					
Main Office.....	581,081.14			581,081.14	
Controller of Revenue Branch..	487,350.00			487,350.00	
Office of the Budget Committee	10,960.00			10,960.00	
Motion Picture Censorship and					
Theatre Inspection Branch..	38,200.00			38,200.00	
Post Office.....	152,825.00			152,825.00	
Savings Office.....	277,688.52		277,688.52		
		1,548,104.66			1,270,416.14
18—PUBLIC WELFARE:					
Main Office and Branches.....	400,700.00			400,700.00	
Old Age Pensions Commission..	3,489,750.00			3,489,750.00	
Mother's Allowances Commis-					
sion.....	5,389,400.00			5,389,400.00	
		9,279,850.00			9,279,850.00
19—PUBLIC WORKS.....		765,000.00	44,012.00		720,988.00
MISCELLANEOUS.....		102,400.00	100,000.00		2,400.00
		\$59,841,005.35	\$3,966,979.21		\$55,874,026.14
			10,175.95		
			13,693.60		
			30,000.00		
PUBLIC DEBT—Interest, Exchange, etc.....		29,662,647.24	9,776,173.06		19,832,604.63
TOTAL.....		\$89,503,652.59	\$13,797,021.82		\$75,706,630.77
ADD: Estimated Net Expenditure on account of					
Unemployment Direct Relief and the Ad-					
ministration thereof.....	9,800,000.00				9,800,000.00
GRAND TOTAL.....		\$99,303,652.59	\$13,797,021.82		\$85,506,630.77

BUDGET FORECAST OF CAPITAL RECEIPTS

Fiscal Year April 1, 1938—March 31, 1939

DEPARTMENT	CAPITAL RECEIPTS		
	Works and Resources	Loan Repayments	Trust Fund Deposits
AGRICULTURE.....		\$ 31,980.00	
HIGHWAYS.....	\$ 13,000.00		
LANDS AND FORESTS:			
Lands Branch.....	45,000.00		
Forests Branch.....	8,000.00		
MINES.....	65,000.00		
MUNICIPAL AFFAIRS.....		620,000.00	
PRIME MINISTER:			
Public Service Superannuation Fund.....			\$ 1,342,000.00
PROVINCIAL TREASURER:			
Main Office.....		3,875,021.91	196,751.46
Hydro-Electric Power Commission.....		1,820,102.71	
PUBLIC WELFARE:			
Dominion Government—			
Old Age Pensions Commission.....		10,015,000.00	
PUBLIC WORKS.....	25,000.00		
	<u>\$ 156,000.00</u>	<u>\$16,362,104.62</u>	<u>\$1,538,751.46</u>

SUMMARY

Works and Resources.....	\$ 156,000.00
Loan Repayments.....	16,362,104.62
Trust Fund Deposits.....	1,538,751.46
	<u>\$18,056,856.08</u>

BUDGET FORECAST OF CAPITAL PAYMENTS

Fiscal Year April 1, 1938—March 31, 1939

DEPARTMENT	CAPITAL PAYMENTS		
	Works and Resources	Loan Advances	Trust Fund Repayments
AGRICULTURE.....		\$ 25,000.00	.....
EDUCATION.....	\$ 65,638.43	.....	.....
GAME AND FISHERIES.....	15,000.00	.....	.....
HIGHWAYS.....	14,000,000.00	.....	.....
LANDS AND FORESTS:			
Lands Branch.....	79,500.00	.....	.....
Forests Branch.....	343,300.00	.....	.....
PRIME MINISTER.....	.....	.....	\$ 825,000.00
PROVINCIAL SECRETARY:			
Reformatories and Prisons Branch.....	60,000.00	.....	.....
PROVINCIAL TREASURER:			
Main Office.....	.....	1,414,055.15	203,533.90
Hydro-Electric Power Commission.....	1,963,500.00	40,000.00	.....
PUBLIC WELFARE:			
Old Age Pensions Commission.....	.....	10,165,000.00	.....
PUBLIC WORKS.....	4,750,000.00	.....	.....
	<u>\$21,276,938.43</u>	<u>\$11,644,055.15</u>	<u>\$1,028,533.90</u>

SUMMARY

Works and Resources.....	\$21,276,938.43
Loan Advances.....	11,644,055.15
Trust Fund Repayments.....	1,028,533.90
	<u>\$33,949,527.48</u>

In estimating a surplus of \$288,677.99, I propose to outline the Government Programme for the fiscal year which commences on April 1st.

There will be no increases in taxation nor any new forms of taxation for the coming fiscal year. (Applause.)

ONTARIO DEPARTMENT OF AGRICULTURE

Our continuance in the export markets of the world for live stock and live stock products is going to depend very largely on three factors: first, quality; second, health; and third, continued supply.

Quality is most important in connection with our export of bacon and to a lesser degree with the export of live cattle, particularly dairy cows for the United States or England.

At present our bacon in Great Britain, as compared with Irish or Danish, is discounted in price. We have a Canadian quota of 280,000,000 pounds annually, and last year we shipped 190,000,000 pounds and approximately 50% of this came from the Province of Ontario.

The quality of our best bacon is comparable to the Irish and Danish. The immediate problem facing the Department is to gradually build up, through ordinary educational work, through swine clubs, through distribution of pure bred animals, on the basis already established, so that a much larger percentage of our live pigs going to market will meet the requirements of number one bacon.

The United States is a ready purchaser of dairy cows provided the import health regulations are met. All cows must come from fully accredited herds and must have passed the test for Bang's Disease.

The authorities in Great Britain, realizing that they are losing \$70,000,000 per year through animal diseases, are instituting measures for cleaning up and replacements will have to come from outside. Ontario cattle are satisfactory provided they will pass the necessary tests for health.

T.B.-free areas will be definitely extended. Losses from Bang's disease, mastitis, parasites in sheep and swine and warbles in cattle will be lessened through intensive research and experimental work in the institutions and upon farms.

The establishment of an Animal Nutrition Laboratory at the Ontario Agriculture College will forestall, through careful investigations, animal deficiency problems and thereby prevent tremendous losses now being experienced because proper maintenance and health are necessary to maximum production.

Cheese is a standard export product; quality is essential. Competition is forcing a high standard. The causes of the manufacture of any cheese lower than the standard will be, through instructors, ascertained and corrected.

Our potatoes, through lack of attention in production and marketing, have gradually lost favour with the Ontario housewives. A campaign is under way and will be augmented by increased votes, to induce the Ontario grower to use better seed, to fertilize properly, to spray thoroughly and to market on a proper basis, or, in other words, to produce a good article and guarantee it to the consumer.

Fruit and vegetable producers as per their requests, will receive assistance

in production and marketing from competent men stationed in well defined areas throughout the Province. This service will be directed largely to intra-provincial marketing.

The interpretation and application of the research and experimental results obtained at our educational institutions to practical agriculture still remains the major problem. This work will be emphasized and definitely strengthened.

Co-operative effort as a means of education, production and marketing is at last recognized in Canada as one of the most effective means of improving the condition of the farmer. A strong, well-managed Branch, equipped to render a definite service to any section or group of people is now under consideration.

HIGHWAY EXPENDITURE PLANNED

The policy of the Department of Highways will be to continue with the same aggressiveness that has applied in the past. We intend to budget for this purpose the sum of \$14,000,000.

Added safety on highways will continue to be our slogan. Engineers will be instructed to exercise the greatest possible care in all work they undertake, satisfying themselves that the finished road is as nearly fool-proof as possible.

Special consideration will be given to completing gaps in the highway system. Typical of this is the Toronto-Hamilton Middle Road, which must be carried in to the City of Toronto in such a way that congestion will not apply, whether on the road itself or in the city at points where contacts will be made.

PUBLIC WORKS

We are placing in the estimates the sum of \$4,750,000 for hospital construction, this amount being required to complete the equipment in the new Mental Hospital at St. Thomas and to continue the building operations at Brampton, Woodstock, Port Arthur and New Toronto.

DEPARTMENT OF HEALTH

The Poliomyelitis Outbreak

During the latter part of 1937 an outbreak of Poliomyelitis occurred which was of unprecedented size for this Province. In meeting this situation, the Government took prompt action along the following lines:

(1) PUBLIC EDUCATION AND THE CONTROL OF ALARM

By means of advertisements and daily press conferences, the public were kept fully informed and special efforts were made in the direction of public education by issuing precise and accurate information concerning the nature of the disease, its possible prevention and the steps being taken for its control.

(2) PROVISION OF CONVALESCENT SERUM

The Provincial Laboratories prepared and distributed to physicians throughout the Province some 2,000 treatment packages of convalescent poliomyelitis serum.

(3) CONSULTATION SERVICE TO PHYSICIANS

Conferences were held with Medical Officers of Health in all areas affected. Literature dealing with the most recent medical information on poliomyelitis was distributed to all physicians in the Province. A group of 16 physicians were given special training and were placed as district consultants in strategic centres where their services were available at all times to practising physicians. Special arrangements were made to insure prompt and efficient treatment for all cases no matter how remotely situated through the co-operation of the Provincial Police and Air Services.

(4) EMERGENCY CARE OF RESPIRATORY CASES

Through the co-operation of the staff of The Hospital for Sick Children in Toronto, the Government arranged for the emergency construction of 23 respirators which were placed in hospital centres throughout the Province, and actually loaned to some other provinces which were not able to do what we had done.

(5) INVESTIGATION AND RESEARCH

In order that no opportunity of increasing present knowledge concerning this disease should be overlooked, the Government not only provided funds for an investigation into the effectiveness of nasal spray as a preventive measure, but undertook the systematic collection of detailed information on all aspects of the epidemic, a report concerning which will be available shortly.

(6) AFTER CARE OF PARALYSED CASES

In order to insure the greatest possible degree of recovery, in cases showing paralysis or muscle weakness, the Government arranged for the manufacture and free distribution of frames and splints to more than 650 patients. Upon the advice of orthopaedic consultants, the Government further provided a period of three weeks free hospitalization in order that these patients and their parents might receive necessary training in the proper use of this equipment. Orthopaedic wards were opened in 12 General Hospitals throughout the Province. It was found necessary to establish a special Orthopaedic Hospital in Toronto, at which 284 patients received this special type of care free of charge. A grant was made to the Ontario Society for Crippled Children for the provision of travelling nurses to insure the proper follow-up care of all paralyzed cases.

(7) EDUCATION OF PARALYSED AND PARTLY PARALYSED CHILDREN

Prompt measures were taken by the Department of Education to meet the educational emergencies arising out of the epidemic. Grants were augmented for Home Instruction Units, visiting teacher classes and hospital classes. All Inspectors and Boards of Education were advised concerning the method and desirability of establishing special educational provision for these handicapped children. 276 cases are at present receiving educational supervision along the above lines.

The following is a statement of the money expended,—

1. PUBLIC EDUCATION AND ADVERTISING

Daily and Weekly newspapers, magazines, etc..... \$ 40,482.46

2. SERUM

Payment to Donors.....	\$ 34,541.50	
Laboratory Costs.....	2,471.77	
		37,013.27

3. CONSULTANT SERVICE

Additional Medical Service Salaries.....	\$ 1,389.79	
Travelling Expenses.....	4,355.64	
Telephone and Telegraph.....	734.13	
		6,479.56

4. ORTHOPAEDIC EQUIPMENT AND RESPIRATORS

Frames, Splints, Respirators, express and transport charges.....	28,414.96
---------------------------------------------------------------------	-----------

5. HOSPITALIZATION

General Hospitals.....	38,834.50	
Ontario Orthopaedic Hospital.....	35,620.59	
		74,455.09

6. GRANTS

Nasal Spray Experiment.....	\$ 4,023.68	
Ontario Society for Crippled Children.....	6,000.00	
		10,023.68

Total.....	\$196,869.02
------------	--------------

I don't think, Mr. Speaker, anyone will regret that expenditure.

Tuberculosis Prevention

The Government programme for the prevention of tuberculosis has been hampered because of the fact that the municipalities have delayed in sending active cases of tuberculosis into sanatoria on account of the cost involved. These cases have remained months and sometimes years in the community, infecting others and thus multiplying the problem. The seriousness of this situation is apparent when one realizes that of 1,200 cases dying of tuberculosis in the Province in the year 1936, only 640 or 53% had received sanatorium treatment. In order to insure prompt admission to hospital, it is proposed that the Provincial Government assume the cost of sanatorium treatment, previously borne by the municipality (applause), and also provide free sanatorium treatment for those persons, who, while not actually indigent, could not hope to pay the costs of hospital care for any length of time. Provision has been made in the Estimates for an additional expenditure of \$1,000,000 to meet this need. Those persons whose economic situation leaves no doubt as to their ability to meet the costs of treatment will still be expected to do so.

In order to make available the additional beds that will be required, the Government gave grants to sanatoria during the past year amounting to

\$578,000.00, and as a result, some 540 additional beds will shortly be utilized in this preventive programme. In a further effort to curtail the cost and at the same time to provide beds for more needy cases, it is planned to return to their homes, or where homes are not available, to suitable boarding homes in the community, those patients now in sanatoria who have received maximum benefit from their treatment. Provision will be made for them to receive supervision and pneumothorax treatment, where indicated, in the vicinity of their places of residence, thus insuring that they will remain non-infective.

By adopting these measures, coupled with our Pasteurization Act, this Government hopes to eradicate the menace of tuberculosis from the Province of Ontario. (Applause.)

Mental Hospital Accommodation

During the present year the carefully planned programme of the extension of suitable mental hospital accommodation will have reached the point where some 1,400 beds will be available at the new hospital near St. Thomas and a Children's Unit of 400 beds will be opened at the Ontario Hospital, Woodstock. This will permit the transfer of a number of epileptic patients from Orillia, thus relieving some of the pressure on that institution. Plans are going forward for the construction of a new hospital at Brampton for mentally ill patients who are also suffering from tuberculosis. This, the First Hospital of its kind on the North American continent, will make it possible to remove from other mental hospitals of the Province those who are a source of danger to their fellow patients and the staff. Plans are progressing towards the transfer of some 700 patients now in hospitals in Southern Ontario to the vicinity of their homes in the Northern Districts. Progress is being made along research lines in the prevention and cure of mental disease and the Department of Health in collaboration with the Banting Institute, has accomplished sufficient in insulin shock treatment of mental disease to attract the attention of the Rockefeller Foundation. Substantial grants from this source may become available for further research work as soon as accommodation is available for its extension.

Medical Services in Unorganized Territory

The Department is planning to extend its immunization programme in unorganized territory to include the bulk of child population in these areas.

DEPARTMENT OF EDUCATION

I am pleased to be able to inform the House that the Legislative grants paid to the Public and Separate Schools of the Province represented the full amount earned by school boards. Since 1932, deductions varying from 10 per cent. to 20 per cent. have been made from these grants. Payment in full last year involved an expenditure of \$4,164,156.40 or \$580,373 more than was paid in 1936.

Provision is now being made for the appropriation for Public and Separate School grants of \$475,000 more than was paid during the present fiscal year. The result will be that the grants paid to the elementary schools for the Province in 1938 will exceed by \$1,000,000 the same grants paid in 1936. Provision is

being made, likewise, for substantial increases in the grants being paid to High Schools and Collegiate Institutes and to Vocational Schools. The Government hopes that two purposes will be served by this substantial increase in school grants. The first, that the burden of local taxation on real estate may be lightened; and the second, that the cost of education may be more equitably distributed by increasing the grants payable to those districts which, by reason of their small assessments, are least able to provide for the financial support of schools.

HYDRO-ELECTRIC POWER

Now I come to a paragraph that should be of particular interest to my honourable friend from Britannia Bay who made such an eloquent plea on behalf of rural Hydro users the other day. I believe we are going to grant his request, and I hope it will have the effect of re-electing my honourable friend.

At the present time, primary lines are constructed only where contracts have been obtained for a minimum of three standard farms per mile. In some cases, guarantee contracts are taken instead of actual active contracts. There are a considerable number of sections of the Province where it is impossible to obtain three standard farms per mile and it is proposed to reduce the minimum requirements to two standard farms per mile. (Applause.) This will have the effect of wiping out practically all of the present guarantee contracts. This will result in a considerable increase in the number of miles of line which would otherwise have been constructed during the next few years and will make electric service available to a large number of farmers who, under present conditions, are not able to obtain it because of the limited number of farms in their areas.

The estimated extensions during 1938 total 1,800 miles of primary lines with 12,900 added customers.

PROVINCIAL SUBSIDY

A year ago I indicated that a subsidy of one mill on the assessment would be paid to every municipality in the Province. This has been done at a cost of approximately \$3,000,000. This subsidy will continue in force in the next fiscal year. (Applause.)

GOVERNMENT POLICY

In determining our policy for the ensuing year, we have extended our activities in three main departments of government—Agriculture, Education, and Health, all of which deal with the social and economic well-being of the citizens of our Province.

In view of the fact that this Government has again been able to balance its budget, the question arises as to why further assistance has not been provided. We might point out, however, that in these three departments the increased expenditures will probably equal our budgetary surplus. But apart from that entirely, we must recognize the fact that at this very time the Royal Commission, headed by Chief Justice Rowell, is investigating Dominion and Provincial relations, with respect to taxation and associated economic problems, and until such time as the findings of this Commission are made known to the respective jurisdictions and dealt with, it is not deemed expedient to attempt to break any new ground with regard to the financial relationship between the Province

and the municipalities, although it is our considered judgment and firm intention that every assistance possible should be given to our municipalities, so as to enable them in turn to pass on the benefits to the taxpayers, who are owners of real property, in order that even greater stimulation may be given to the building industries. This important industry has lagged, because of unsound economic policies followed in Canada, and in my opinion we will not see a return of a prosperity which will be enduring and fundamentally sound until the building trades are revived.

Slum conditions are bad. Housing conditions, both in town and in country are primarily the result of bad economic policies and I long for the day when it will be possible to lift the burden from real estate, so that it will be profitable for a man to own his own home and for the man with money to invest, to build homes which may be rented at reasonable prices; also for those with surplus funds, to advance money on building loans at low rates of interest.

That, Mr. Speaker, is the sure road to a solution of the housing problem in this country. (Applause.)

Mr. Speaker, may I be permitted to repeat that the great benefits which have been passed on to the municipalities and taxpayers are the results of balanced budgets and the surpluses which are being continued. The people of this Province are not unmindful of this fact and appreciate that the entire costs of Provincial Highways, of Mothers' Allowances, of the municipal share of Old Age Pensions, Pensions for the Blind, of the direct municipal subsidy of one mill, of the abolition of the tax on school children's examination papers, and the freedom from amusement tax—making Ontario the only Province or state on this continent where amusement tax of some form is not levied—the sharp and drastic reduction in automobile and commercial truck license fees, coupled with the further benefits to which I have alluded in this Budget presentation—that of further assistance to the Department of Agriculture, the assumption on the part of the Province of the municipal share of the care of tuberculosis patients, the increased grants in the Department of Education, all of which tend toward further relief for taxpayers—are the blessings which this Government has passed on and is continuing to pass on, and I am certain that when the sound-thinking citizens of this Province have had the opportunity to carefully analyze the results of a good administration, the policies of this Government will continue to enjoy the overwhelming support of the people whose interests we serve. (Applause.)

It will be readily recognized that the dominant note of this Budget Address in outlining the policy for the ensuing year, is the care which this Government is exercising in the preservation and development of the human resources of the land. No Government with the proper conception of its duty, considers for a moment that the sole business of government is to produce surpluses and to run on what might be termed, a profit and loss basis. The duty of a government is to ensure that every child born within the state is assured of equality of opportunity and is encouraged and helped to grow up to make the most of his or her life, and to have the most helpful influence upon the lives of all citizens who make up the organized society of which he or she is a member. This is my firm belief and with this conviction as my guide I intend to chart the course of this Administration. (Applause.)

In order to assure you that the policies of this Government do not change from year to year, I crave your permission to repeat now, the concluding paragraph of the Budget Speech of a year ago, when I said something that is just as applicable to-day, after another year under Liberal rule; and when I set before you an ideal which I maintain is worthy of being written in enduring bronze and set up where every citizen of this great Province may read:

"It is my considered opinion that this Government has not reached the pinnacle of its achievement, rather is it in its early stages, and I am persuaded that by continuing to follow sound policies and to give honest government we shall carry the people of this country on to the great destiny that is the heritage of the sturdy offspring of our noble forefathers. I hope that we can reinculcate in our minds and hearts their hope, faith, courage, and vision, and accordingly, Mr. Speaker, may I urge that we turn our faces, not toward the shadows, but toward the sun and view in that direction a brighter and happier day for this great land." (Loud and sustained applause from both Sides of the House.)

SUB-INDEX No. 1

BALANCE SHEETS OF BOARDS AND COMMISSIONS, PUBLIC DEBT, AND STATISTICAL STATEMENTS

	PAGE
1—Balance Sheets—as at March 31st, 1937:	
A—Agricultural Development Board.....	46-47
B—Liquor Control Board.....	48-49
C—Niagara Parks Commission.....	50-51
D—Presqu'ile Park Commission.....	52-53
E—Province of Ontario Savings Office.....	54-55
F—Temiskaming and Northern Ontario Railway Commission.....	56-57
2—Comparative—Budget and Actual—Fiscal Year 1936-37:	
A—Summary.....	58
B—Ordinary Revenue.....	59
C—Ordinary Expenditure.....	60
3—Detailed Principal Sources of Net Revenue—Fiscal Year 1936-37.....	61
4—Analysis of Budgeted Gross Revenue—Fiscal Year 1938-39.....	62
5—Surpluses and Deficits, 1867 to 1938.....	63
6—Gross and Net Debt by Years and Regimes, 1914 to 1937.....	64-65
7—Gross and Net Debt, Comparative by Regimes, 1914 to 1937.....	66-67

STATEMENT No. 1A

AGRICULTURAL
(COMMISSIONER OF

Statement of Assets and Liabilities for

ASSETS

Mortgage Loans.....	\$44,379,023.24	
Farm Properties Owned.....	2,837,492.82	\$47,216,516.06
Mortgage Loans, Interest Arrears.....	\$ 4,023,746.16	
Farm Properties Owned, Interest Arrears.....	635,964.17	4,659,710.33
Mortgage Loans, Sundries.....	\$ 94,830.99	
Farm Properties Owned, Sundries.....	219,701.83	314,532.82
Interest Accrued and Earned.....		888,453.38
CASH ON HAND AND IN BANKS:		
Capital Account.....	\$ 26,211.39	
Current Account.....	91,337.29	
Insurance Loss Account.....	36,095.64	
Surplus Account.....	34,084.42	187,728.74
Office Equipment.....		7,909.47
Deficit March 31st, 1936.....	\$ 471,150.47	
Deficit for year ending March 31st, 1937.....	534,604.85	1,005,755.32
		<u>\$54,280,606.12</u>

STATEMENT No. 1A

DEVELOPMENT BOARD

AGRICULTURAL LOANS)

the Fiscal Year ending March 31st, 1937

LIABILITIES

Debentures due Provincial Treasurer.....	\$46,800,000.00
Interest Due on Debentures.....	6,036,127.40
Sale Surpluses held.....	34,084.42
Insurance Loss Balances.....	36,095.64
Insurance Account.....	64.71

RESERVES:

Farm Properties Owned—Interest Reserve.....	\$635,964.17	
Mortgage Loans—Interest Reserve.....	423,736.96	
	<u> </u>	\$1,059,701.13
Farm Properties Owned—Sundries Reserve.....	\$219,701.83	
Mortgage Loans—Sundries Reserve.....	94,830.99	
	<u> </u>	314,532.82
		<u> </u>
		1,374,233.95

\$54,280,606.12

STATEMENT No. 1B

THE LIQUOR CONTROL

BALANCE

As at March

ASSETS

Land, Buildings, Furniture, Equipment, Fixtures and Alterations to Rented Premises, Less Amounts written off	\$ 129,275.45
Cash on hand, in transit, and in banks	\$216,960.13
Accounts Receivable.....	195,901.40
Inventories of Liquor and Supplies in Warehouses and Stores	1,961,548.05
	<u>2,374,409.58</u>
Prepaid Charges.....	18,479.66
	<u>\$2,522,164.69</u>

STATEMENT No. 1B

BOARD OF ONTARIO

SHEET

31st, 1937

LIABILITIES

Accounts Payable, Accrued Charges, Deferred Revenue, etc. \$,1555,289.33

PROVINCIAL TREASURER:

Permit Sales—Balance from March 31st, 1936. . . \$ 7,350.45

Permit Sales—April 1st, 1935, to March 31st,
1937 (Net). 495,065.68

\$502,416.13

Less: Paid to Provincial Treasurer. 500,000.00

\$ 2,416.13

Confiscated Liquor Stocks. 8,090.48

\$1,565,795.94

SURPLUS:

Balance carried from Surplus Account. \$10,456,368.75

Less: Paid to Provincial Treasurer. 9,500,000.00

Balance March 31st, 1937. 956,368.75

\$2,522,164.69

CONTINGENT LIABILITIES:

Liquor ordered but not delivered. \$699,534.18

Duty on Stocks in Bond. 351,195.14

Consignment Stock. 31,635.91

AUDITORS' CERTIFICATE

We report that we have audited the books and accounts of The Liquor Control Board of Ontario for the year ended March 31st, 1937, and, in our opinion, the above Balance Sheet exhibits a true and correct view of the position of its affairs on that date.

(Signed) BROKENSHIRE, SCARFF & COMPANY,
Chartered Accountants.

Toronto, May 18th, 1937.

STATEMENT No. 1C

NIAGARA PARKS

BALANCE

As at March

ASSETS

CURRENT:

Cash on Hand.....	\$	1,550.00	
Accounts Receivable, General.....		95.82	
Inventories of Supplies and Souvenirs.....		15,318.91	
		<u> </u>	\$ 16,964.73
WATER RENTALS, EARNED.....			27,856.48

RESERVE FUND:

Sinking Fund Provision for Debenture Issues:

Deposit with the Treasury Department of Ontario as at December 1st, 1936.....	\$	231,374.82	
Accrued Interest thereon.....		3,085.00	
		<u> </u>	
(Deducted from Debenture Issues).....	\$	234,459.82	

PROPERTY:

Land, Buildings, Improvements, cost.....	\$4,638,980.09		
Less: Reserve for Depreciation.....	1,147,947.73		
	<u> </u>	\$3,491,032.36	
Office and Restaurant Equipment, cost.....	\$ 104,566.76		
Less: Reserve for Depreciation.....	100,514.35		
	<u> </u>	4,052.41	
Cars and Trucks, cost.....	\$ 11,879.05		
Less: Reserve for Depreciation.....	8,762.97		
	<u> </u>	3,116.08	
Miscellaneous Equipment and Tools, cost.....	\$ 29,749.85		
Less: Reserve for Depreciation.....	29,120.92		
	<u> </u>	628.93	
Tableware, Linens and Utensils, cost.....	\$ 28,511.51		
Less: Reserve for Depreciation.....	27,780.31		
	<u> </u>	731.20	
		<u> </u>	3,499,560.98

DEFERRED:

Payment made by the Commission in 1932 to the City of Niagara Falls in respect to the removal of the City Water Works from the Park Properties.....	\$	50,000.00	
Less: Written off.....		26,666.66	
		<u> </u>	\$ 23,333.34
International Railway Company Arbitration. Award, and Legal, Engineering and other costs paid to date, less proceeds of sale of property.....			1,114,289.25
Discount on Debentures.....	\$	87,820.00	
Less: Written off.....		39,162.63	
		<u> </u>	48,657.37
Inventories of Expense Items.....			5,772.90
			<u> </u>

\$4,736,435.05

STATEMENT No. 1C

COMMISSION

SHEET

31st, 1937

LIABILITIES

CURRENT:

Canadian Bank of Commerce, Niagara Falls:

Current Account.....	\$ 18,244.38
Payroll Account.....	5,299.46

	\$ 23,543.84
--	--------------

Less: Chairman's Account.....	4,005.85
-------------------------------	----------

	\$ 19,537.99
--	--------------

Accounts Payable, General.....	\$ 23,060.48
--------------------------------	--------------

Award, International Railway Company.....	1,057,436.00
-------------------------------------------	--------------

	1,080,496.48
--	--------------

	\$1,100,034.47
--	----------------

DEBENTURES (Guaranteed by Province of Ontario):

4% Instalment Gold Debentures, payable 1st

December, 1928 to 1947.....	\$2,000,000.00
-----------------------------	----------------

Less: Redeemed.....	711,000.00
---------------------	------------

	\$1,289,000.00
--	----------------

Accrued Interest thereon.....	17,186.66
-------------------------------	-----------

	\$1,306,186.66
--	----------------

5½% 15-Year Debentures, due 1st August, 1947..	\$ 300,000.00
------------------------------------------------	---------------

Accrued Interest thereon.....	2,750.00
-------------------------------	----------

	\$ 302,750.00
--	---------------

Less: Part of \$234,459.82 Sinking Fund..	70,170.63
-------------------------------------------	-----------

	232,579.37
--	------------

4½% 5-Year Debentures, due 15th October, 1937..	\$ 200,000.00
-------------------------------------------------	---------------

Accrued Interest thereon.....	4,125.00
-------------------------------	----------

	\$ 204,125.00
--	---------------

Less: Balance of \$234,459.82 Sinking Fund	164,289.19
--------------------------------------------	------------

	39,835.81
--	-----------

	1,578,601.84
--	--------------

RESERVE—Public Liability.....	29,208.61
-------------------------------	-----------

SURPLUS:

As at December 1st, 1936.....	\$1,753,496.49
-------------------------------	----------------

Add: Excess of Revenue over Expenditure for the year..	275,093.64
--------------------------------------------------------	------------

	2,028,590.13
--	--------------

COMMITMENTS:

(A) To purchase certain lands.

(B) To complete certain improvements.

(C) To pay pensions of about \$75.00 per month.

(D) In respect of the termination of a lease with the International Railway Company.

	\$4,736,435.05
--	----------------

STATEMENT No. 1D

PRESQU'ILE PARK

Balance Sheet as at

ASSETS

CURRENT:

Cash on hand.....	\$ 9.82	
Cash in Bank.....	784.31	
Bills Receivable (unpaid rents and taxes).....	122.75	
	<u>\$</u>	916.88

FIXED:

Lands, Roads, Parks, Wells.....	\$34,800.72	
Tools and Equipment.....	859.00	
Office Furniture and Equipment.....	143.15	
	<u></u>	35,802.87

INVESTMENTS (on a/c of Sinking Fund re Debentures):

Dominion and Ontario Government Bonds.....	\$ 8,470.08	
Special Deposit, Savings Account.....	377.52	
	<u></u>	8,847.60
		<u>\$45,567.35</u>

STATEMENT No. 1D

COMMISSION

March 31st, 1937

LIABILITIES

Rentals (1937) prepaid.....	\$65 .00
Debentures, 6% 1st May, 1923, due 1st May, 1943.....	20,000 .00
Surplus as on 31st March, 1936.....	\$23,638 .25
Add—Balance from Revenue Account.....	1,864 .10
	<u>25,502 .35</u>

\$45,567 .35

STATEMENT No. 1E

THE PROVINCE OF
Balance Sheet as at

ASSETS

CURRENT:

CASH:

Cash at Branches.....	\$605,760.25	
Royal Bank—Head Office Agency.....	9,868.80	
Due by other Banks.....	333,738.93	
In Transit—Clearings—Net.....	33,110.94	
	<u>\$</u>	982,478.92
Deposited with the Provincial Treasurer.....		36,933,265.98
Sundry Accounts Receivable.....		2,799.16
		<u>\$37,918,544.06</u>

FIXED:

Fixtures and Furniture.....	\$	119,204.68	
Less: Reserve for Depreciation.....		55,796.01	
		<u>63,408.67</u>	
			<u>\$37,981,952.73</u>

STATEMENT No. 1E

ONTARIO SAVINGS OFFICES

March 31st, 1937

LIABILITIES

Depositors' Funds.....	\$37,688,669 .63
Surplus.....	293,283 .10

\$37,981,952 .73

STATEMENT No. 1F

TEMISKAMING AND NORTHERN

Balance Sheet

ASSETS

INVESTMENTS:

Road.....	\$33,770,204.79	
Railway Equipment.....	6,187,830.42	
Restaurant and News Equipment.....	13,149.56	
		\$39,971,184.77
Investment in Affiliated Companies:		
Nipissing Central Railway—Advance.....	\$ 4,762,743.43	
Less Reserve.....	706,764.04	
		4,055,979.39
		<u>\$44,027,164.16</u>

CURRENT ASSETS:

Cash.....	\$ 164,580.55	
Accounts Receivable.....	164,681.27	
Traffic Balances.....	127,170.45	
Balances due on Townsite Sales.....	4,196.71	
Agents and Conductors.....	146,192.46	
Material and Supplies.....	584,116.08	
Ballast Pit Sidings.....	43,446.74	
Other Assets.....	469.08	
		1,234,853.34

DEFERRED ASSETS:

Pension Fund Investments.....	\$ 233,730.92	
Fire Insurance Fund Investments.....	33,825.76	
		267,556.68

UNADJUSTED DEBITS:

Insurance Premiums Prepaid.....	\$ 2,610.01	
Advances to Treasurer and Paymaster.....	905.68	
Discount on Debenture Debt.....	19,240.50	
Accounts in Suspense.....	361.02	
		23,117.21

\$45,552,691.39

STATEMENT No. 1F

ONTARIO RAILWAY

as at 31st March, 1937

LIABILITIES

PROVINCE OF ONTARIO:

Loan without Interest.....	\$30,207,934.92
----------------------------	-----------------

LONG TERM DEBT:

Debenture Debt—Payable in instalments in the years 1939 to 1968 inclusive—	
Interest 4% per annum.....	6,000,000.00
	<u>\$36,207,934.92</u>

CURRENT LIABILITIES:

Bank of Nova Scotia—Demand Loan.....	\$ 5,100,000.00
Audited Accounts and Wages.....	616,800.37
Traffic Balances.....	25,164.55
Debenture Interest—Due and Accrued.....	42,880.00
Deposits on Contracts.....	54.00
	<u>5,784,898.92</u>

DEFERRED LIABILITIES:

Pension Fund Reserve.....	\$ 233,730.92
Fire Insurance Reserve.....	33,825.76
	<u>267,556.68</u>

UNADJUSTED CREDITS:

Railway Equipment Depreciation Reserve.....	\$ 1,853,112.86
Restaurant and News Equipment Depreciation Reserve.....	9,144.68
Fidelity Insurance Reserve.....	3,500.00
Accounts in Suspense.....	4,413.14
	<u>1,870,170.68</u>

SURPLUS.....	1,422,130.19
--------------	--------------

	<u><u>\$45,552,691.39</u></u>
--	-------------------------------

STATEMENT No. 2A

COMPARATIVE STATEMENT

Reflecting Improvement in
Actual Over Budget Forecast
and Actual Over Previous Year

ORDINARY ACCOUNT

SUMMARY

Fiscal Year Ended March 31, 1937

ORDINARY NET REVENUE:

Budget..... \$72,283,813.99
Actual..... 80,488,439.95

INCREASE..... \$ 8,204,625.96

ORDINARY NET EXPENDITURE:

Budget..... \$71,685,828.35
Actual..... 71,174,501.41

DECREASE..... 511,326.94

\$ 8,715,952.90

ORDINARY ACCOUNT:

Revenue Budget.... \$72,283,813.99
Expenditure Budget 71,685,828.35

SURPLUS..... \$ 597,985.64

ORDINARY ACCOUNT:

Revenue Actual.... \$80,488,439.95
Expenditure Actual. 71,174,501.41

SURPLUS..... 9,313,938.54

\$ 8,715,952.90

RECONCILIATION

REVENUE INCREASED:

All Departments..... \$ 8,204,625.96

EXPENDITURE DECREASED:

All Departments:
General..... \$ 1,290,193.37

EXPENDITURE INCREASED:

Interest—Sinking Fund Instalments, Discount and Exchange..... 108,806.64
Unemployment Relief..... 670,059.79

511,326.94

\$ 8,715,952.90

ACTUAL COMPARED WITH ACTUAL OF PREVIOUS YEAR

ACTUAL NET ORDINARY REVENUE:

To March 31, 1936.. \$65,726,984.57
To March 31, 1937.. 80,488,439.95

INCREASE..... \$14,761,455.38

ACTUAL NET ORDINARY EXPENDITURE:

To March 31, 1936.. \$79,069,690.31
To March 31, 1937.. 71,174,501.41

DECREASE..... 7,895,188.90

\$22,656,644.28

ACTUAL SURPLUS ON ORDINARY ACCOUNT:

As at March 31, 1936..... \$13,342,705.74
As at March 31, 1937..... 9,313,938.54

\$22,656,644.28

STATEMENT No. 2B

COMPARATIVE SUMMARY ANALYSIS

GROSS AND NET ORDINARY REVENUE

Cumulative Period to March 31st—Fiscal Year 1937

DEPARTMENT	Actual Gross Revenue	Application of Revenue to Expenditure	Actual Net Revenue	Budget Forecast Net Revenue	Decrease or Increase
AGRICULTURE.....	\$ 332,685.76	331,878.11	\$ 807.65	\$ 11,433.00	\$ 10,625.35
ATTORNEY-GENERAL.....	1,367,211.35	76,608.02	1,290,603.33	486,150.00	804,453.33
EDUCATION.....	123,913.75	122,109.83	1,803.92	1,680.00	123.92
GAME AND FISHERIES.....	785,466.39	3,248.76	782,217.63	569,000.00	213,217.63
HEALTH:					
Main Office and Branches.....	49,679.95	11,628.52	38,051.43	28,700.00	9,351.43
Hospitals Branch.....	1,368,584.19	1,368,149.67	434.52	2,290.00	1,855.48
HIGHWAYS:					
Main Office and Branches.....	298,076.18		298,076.18	200,000.00	98,076.18
Gasoline Tax Branch.....	15,761,876.97		15,761,876.97	16,050,000.00	288,123.03
Motor Vehicles Branch.....	10,916,491.08		10,916,491.08	9,000,000.00	1,916,491.08
INSURANCE.....	237,840.86		237,840.86	159,000.00	78,840.86
LABOUR.....	129,769.66	122,453.49	7,316.17	4,130.00	3,186.17
LANDS AND FORESTS:					
Lands Branch.....	697,084.36	13,693.60	683,390.76	486,306.40	197,084.36
Forests Branch.....	2,874,151.12	582,634.34	2,291,516.78	1,623,000.00	668,516.78
LEGISLATION.....	15,195.22	8,268.15	6,927.07	9,100.00	2,172.93
MINES.....	2,114,320.92	3,739.60	2,110,581.32	1,878,000.00	232,581.32
MUNICIPAL AFFAIRS:					
Main Office.....	11,820.30	11,820.30		8,000.00	8,000.00
Housing Commission.....	109,656.26	109,656.26			
NORTHERN DEVELOPMENT					
Main Office.....	19,545.54	19,545.54			
Settlers' Loans.....	16,325.54	16,325.54			
PRIME MINISTER:					
King's Printer—Ontario Gazette.....	22,632.20		22,632.20	22,000.00	632.20
" " Stationery Account.....	5,626.60		5,626.60		5,626.60
PROVINCIAL SECRETARY:					
Main Office and Registrar-Gen.'s Branch	678,161.96	4,823.72	673,338.24	455,000.00	218,338.24
Reformatories and Prisons.....	728,429.79	721,017.80	7,411.99	6,000.00	1,411.99
PROVINCIAL TREASURER:					
Main Office—Dominion Subsidy.....	2,941,424.28		2,941,424.28	2,941,424.28	
" " Interest.....	72,816.35		72,816.35	72,810.31	6.04
" " Miscellaneous.....	568.24		568.24		568.24
Liquor Control Board.....	10,000,000.00		10,000,000.00	8,500,000.00	1,500,000.00
Controller of Revenue:					
Succession Duty.....	15,991,350.80		15,991,350.80	12,000,000.00	3,991,350.80
Corporations Tax.....	9,543,393.43		9,543,393.43	8,600,000.00	943,393.43
Income Tax.....	2,641,190.59		2,641,190.59	6,000,000.00	3,358,809.41
Stock Transfer Tax.....	1,420,994.78		1,420,994.78	1,000,000.00	420,994.78
Land Transfer Tax.....	231,883.60		231,883.60	150,000.00	81,883.60
Law Stamps.....	367,390.45		367,390.45	350,000.00	17,390.45
Miscellaneous.....	25,048.61		25,048.61		25,048.61
Amusements Revenue Branch:					
Amusements Tax.....	1,918,597.32		1,918,597.32	1,500,000.00	418,597.32
Theatres, etc.....	88,805.36		88,805.36	75,000.00	13,805.36
Miscellaneous.....	22.75		22.75		22.75
Board of Censors.....	100,725.35		100,725.35	90,000.00	10,725.35
Savings Office.....	270,107.17	270,107.17			
PUBLIC WELFARE.....	92,336.53	92,336.53			
PUBLIC WORKS.....	62,795.02	55,511.68	7,283.34	4,790.00	2,493.34
PROVINCIAL TREASURER:					
Public Debt—Interest, etc.....	10,443,221.90	10,443,221.90			
	<u>\$94,877,218.48</u>	<u>\$14,388,778.53</u>	<u>\$80,488,439.95</u>	<u>\$72,283,813.99</u>	<u>\$11,874,212.16</u>
					<u>\$3,669,586.20</u>

NET INCREASE—Actual over Forecast.....\$ 8,204,625.96

SUMMARY

Budget Forecast:	
Net Ordinary Revenue.....	\$72,283,813.99
Net Ordinary Expenditure.....	71,685,828.35
SURPLUS.....	\$ 597,985.64
Actual:	
Net Ordinary Revenue.....	\$80,488,439.95
Net Ordinary Expenditure.....	71,174,501.41
SURPLUS.....	9,313,938.54
ACTUAL SURPLUS INCREASE.....	\$8,715,952.90

STATEMENT No. 2C

COMPARATIVE SUMMARY ANALYSIS

GROSS AND NET ORDINARY EXPENDITURES

Cumulative Period to March 31st 1937—Fiscal Year 1937

DEPARTMENT	Actual Gross Expenditures	Application of Revenue to Expenditure	Actual Net Expenditure	Budget Forecast Net Expenditure	Decrease or Increase
AGRICULTURE.....	\$1,868,174.10	\$ 321,702.16	\$1,546,471.94	\$1,700,366.00	\$ 153,894.06
ATTORNEY-GENERAL.....	2,366,772.10	76,608.02	2,290,164.08	2,352,750.00	62,585.92
EDUCATION.....	10,124,060.14	122,109.83	10,001,950.31	10,330,380.00	328,429.69
GAME AND FISHERIES.....	449,380.33	3,248.76	446,131.57	494,000.00	47,868.43
HEALTH:					
Main Office and Branches.....	762,419.24	11,628.52	750,790.72	847,820.00	97,029.28
Hospitals Branch.....	6,745,382.03	1,368,149.67	5,377,232.36	5,868,170.00	490,937.64
HIGHWAYS:					
Main Office.....	4,639,139.92		4,639,139.92	4,536,610.00	102,529.92
Motor Vehicles Branch.....	292,166.73		292,166.73	300,435.00	8,268.27
INSURANCE.....	65,247.87		65,247.87	66,075.00	827.13
LABOUR.....	393,427.36	122,453.49	270,973.87	303,246.30	32,272.43
LANDS AND FORESTS:					
Lands Branch.....	210,644.03		210,644.03	235,600.00	24,955.97
Forests Branch.....	2,262,010.14	582,634.34	1,679,375.80	1,119,075.00	560,300.80
LEGISLATION.....	278,582.53	8,268.15	270,314.38	257,000.00	13,314.38
LIEUTENANT-GOVERNOR.....	12,459.73		12,459.73	8,000.00	4,459.73
MINES.....	323,400.18	3,739.60	319,660.58	345,003.60	25,343.02
MUNICIPAL AFFAIRS.....	74,873.87	11,820.30	63,053.57	83,125.00	20,071.43
NORTHERN DEVELOPMENT.....	1,424,453.33	16,977.70	1,407,475.63	1,500,000.00	92,524.37
PRIME MINISTER.....	153,896.20		153,896.20	164,465.00	10,568.80
PROVINCIAL AUDITOR.....	112,577.29		112,577.29	118,800.00	6,222.71
PROVINCIAL SECRETARY:					
Main Office and Registrar-Gen. Branch..	117,821.42	4,823.72	112,997.70	120,800.00	7,802.30
Reformatories and Prisons Branch.....	1,471,257.51	721,017.80	750,239.71	797,300.00	47,060.29
PROVINCIAL TREASURER:					
Main Office.....	401,591.64		401,591.64	426,606.14	25,014.50
Controller of Revenue Branch.....	331,977.33		331,977.33	210,635.00	121,342.33
Amusements Revenue Branch.....	84,331.88		84,331.88	95,600.00	11,268.12
Censor Board.....	11,542.08		11,542.08	14,876.60	3,334.52
Post Office.....	132,721.65		132,721.65	127,000.00	5,721.65
Savings Office.....	270,107.17	270,107.17			
PUBLIC WELFARE:					
Main Office and Branches.....	600,472.32	92,336.53	508,135.79	500,500.00	7,635.79
Old Age Pensions Commission.....	1,934,003.97		1,934,003.97	2,102,300.00	168,296.03
Mothers' Allowances Commission.....	2,563,246.08		2,563,246.08	2,778,216.00	214,969.92
Unemployment Relief Branch.....	13,270,059.79		13,270,059.79	12,600,000.00	670,059.79
PUBLIC WORKS.....	621,209.96	55,511.68	565,698.28	625,890.00	60,191.72
MISCELLANEOUS:					
Various.....	6,780.43		6,780.43	60,000.00	53,219.57
Workmen's Compensation Board.....	47,458.15		47,458.15	160,000.00	112,541.85
PROVINCIAL TREASURER:					
Interest—Public Debt.....	31,139,631.44	10,595,641.09	20,543,990.35	20,435,183.71	108,806.64
	<u>\$85,563,279.94</u>	<u>\$14,388,778.53</u>	<u>\$71,164,501.41</u>	<u>\$71,685,828.35</u>	<u>\$2,105,497.97</u>
					<u>1,594,171.03</u>
DECREASE.....					<u>\$ 511,326.94</u>

STATEMENT No. 3

Detailed Statement Showing Principal Sources of Net Revenue
For the Year Ended March 31st, 1937

DOMINION GOVERNMENT.....		\$ 3,014,240.63
Annual Subsidy.....	\$ 2,941,424.28	
Interest—Common School Fund.....	72,816.35	
	<u>\$ 3,014,240.63</u>	
TAXATION.....		49,220,252.46
Gasoline Tax.....	\$15,761,876.97	
Corporations Tax.....	10,964,388.21	
Succession Duties.....	15,991,350.80	
Income Tax.....	2,641,190.59	
Amusements Tax.....	1,918,597.32	
Mining or Mineral Taxes.....	1,676,817.82	
Fire Marshal.....	59,465.67	
Provincial Land Tax.....	178,621.85	
Wine Tax.....	24,789.59	
Other Taxes.....	3,153.64	
	<u>\$49,220,252.46</u>	
ROYALTIES, DUTIES AND DUES.....		2,315,918.87
Bonus and Timber.....	\$ 2,180,583.48	
Game and Fisheries.....	91,356.80	
Sand and Gravel.....	43,978.59	
	<u>\$ 2,315,918.87</u>	
LICENSES AND PERMITS.....		12,332,526.85
Motor Vehicles.....	\$10,560,181.88	
Game and Fisheries.....	662,808.65	
Liquor Permits.....	500,000.00	
Garages, Gas Pumps, etc.....	88,726.05	
Marriage.....	93,899.00	
Theatres, etc.....	88,805.36	
Miners.....	95,213.00	
Insurance Act.....	219,952.50	
Loan and Trust Corporations Act.....	10,405.00	
Other Licenses and Permits.....	12,535.41	
	<u>\$12,332,526.85</u>	
FEES.....		2,318,240.05
Law Stamps.....	\$ 367,390.45	
Letters Patent and Supplementary Letters Patent.....	451,040.00	
Companies Act (Incorporation Returns and Registration Fees).....	81,949.96	
Motor Vehicles.....	263,815.68	
Legislation (Private Bills).....	6,927.07	
Court and Legal (Police Magistrates, Crown Attorneys, Sheriffs, Division Court Clerks, Bailiffs).....	127,961.47	
Registry Offices and Land Transfers.....	414,016.17	
Brokers and Salesmen, Real Estate Brokers and Salesmen.....	157,301.54	
Censorship.....	100,725.35	
Vital Statistics (Certificates, Searches, etc.).....	38,560.03	
Mines and Mining (Including Fees of Operators).....	250,579.93	
Public Health (Boards of Health, Laboratories, Nurses).....	31,209.35	
Other Fees.....	26,763.05	
	<u>\$ 2,318,240.05</u>	
FINES AND PENALTIES.....		235,366.33
Breach of Highway Traffic Act.....	\$ 98,758.00	
Police Magistrates and Crown Attorneys.....	124,549.68	
Game and Fisheries.....	11,271.15	
Other Fines and Penalties.....	787.50	
	<u>\$ 235,366.33</u>	
PROFITS FROM TRADING ACTIVITIES.....		9,500,000.00
Liquor Control Board:		
Profits, Fines, Licenses, etc.....	\$ 9,500,000.00	
AGRICULTURE AND PUBLIC DOMAIN.....		635,225.59
Rentals—Crown Leases and Licenses of Occupation.....	\$ 425,553.37	
Ground Rentals.....	104,692.15	
Rentals, Parks, etc.....	32,047.23	
Rentals—Mining Leases and Licenses of Occupation.....	28,193.04	
Sales—Crown Lands.....	20,095.23	
Sales—Lumber, etc.....	13,835.27	
Miscellaneous.....	10,809.30	
	<u>\$ 635,225.59</u>	
REPAYMENTS—HIGHWAYS.....		172,899.46
Counties, Cities and Separate Towns.....	\$ 172,899.46	
MISCELLANEOUS—Unclassified.....		743,769.71
		<u>\$80,488,439.95</u>

STATEMENT No. 4

Analysis of Budgeted Gross Revenue

Fiscal Year 1938-39

DOMINION GOVERNMENT:

Annual Subsidy.....	\$ 2,941,424.00
Interest, Common School Fund.....	73,000.00

\$ 3,014,424.00 3.0268%

TAXATION:

Gasoline Tax.....	\$18,200,000.00
Corporations Tax.....	9,000,000.00
Succession Duties.....	18,000,000.00
Income Tax.....	6,000,000.00
Mining or Mineral Tax.....	2,247,820.00
Fire Marshal Tax.....	62,000.00
Provincial Land Tax.....	175,000.00
Stock Transfer Tax.....	1,100,000.00
Other Taxes.....	503,000.00

55,287,820.00 55.5142%

ROYALTIES, DUTIES AND DUES:

Bonus and Timber.....	3,281,900.00
Game and Fisheries.....	77,000.00
Sand and Gravel.....	50,000.00

3,408,900.00 3.4229%

LICENSES AND PERMITS:

Motor Vehicles.....	\$10,000,000.00
Game and Fisheries.....	734,300.00
Liquor Permits.....	500,000.00
Garage Gas Pumps, etc.....	80,000.00
Marriage.....	91,000.00
Theatres, etc.....	85,000.00
Miners.....	75,000.00
Insurance Act.....	218,865.00
Loan and Trust Corporations Act.....	10,835.00
Other Licenses and Permits.....	33,225.00

11,828,225.00 11.8766%

FEES:

Law Stamps.....	\$ 400,000.00
Letters Patent and Supplementary Letters Patent.....	173,500.00
Companies Act (Incorporation Returns and Registration Fees).....	36,000.00
Legislation (Private Bills).....	7,000.00
Court and Legal (Police Magistrates, Crown Attorneys, Sheriffs, Division Court Clerks, Bailiffs).....	348,300.00
Registry Office and Land Transfers.....	315,500.00
Brokers and Salesmen, Real Estate Brokers and Salesmen.....	100,000.00
Censorship.....	100,000.00
Vital Statistics (Certificates, Searches, etc.).....	40,000.00
Mines and Mining (including Fees of Operators).....	186,800.00
Public Health (Laboratories, Nurses Reg.).....	31,500.00
Other Fees.....	196,680.00

1,935,280.00 1.9433%

FINES AND PENALTIES:

Police Magistrates and Crown Attorneys.....	\$ 177,500.00
Other Fines and Penalties.....	11,675.00

189,175.00 .1899%

PROFITS FROM TRADING ACTIVITIES:

Liquor Control Board (Profits, Fines, Licenses, etc.).....	\$10,000,000.00
------------------------------------------------------------	-----------------

10,000,000.00 10.0409%

AGRICULTURE AND PUBLIC DOMAIN:

Rentals—Crown Leases and Licenses of Occupation.....	440,000.00
Ground Rentals.....	85,000.00
Rentals—Parks, etc.....	23,325.00
Rentals—Mining Leases and Licenses of Occupation.....	28,250.00
Sales—Crown Lands.....	15,000.00
Miscellaneous.....	130,000.00

721,475.00 .7244%

INTEREST—Public Debt, etc.....	\$ 9,840,986.66
--------------------------------	-----------------

9,840,986.66 9.8813%

MISCELLANEOUS—Sales, Maintenance of Patients, etc.....	\$ 3,365,944.92
--------------------------------------------------------	-----------------

3,365,944.92 3.3797%

\$99,592,330.58 100.0000%

LESS APPLICATION OF REVENUE TO EXPENDITURE.....	\$13,797,021.82	13.8535%
-------------------------------------------------	-----------------	----------

NET BUDGET ORDINARY REVENUE.....	\$85,795,308.76	86.1465%
----------------------------------	-----------------	----------

STATEMENT No. 5

STATEMENT SHOWING SURPLUS OR DEFICIT

For the Period from July 1st, 1867 to March 31st, 1938

	Ordinary Revenue *	Ordinary Expenditure *	Surplus	Deficit
July 1st, 1867 to December 31st, 1867.....	\$ 182,899.63	\$ 56,669.97	\$ 126,229.66	
Fiscal Year ended December 31st, 1868.....	2,250,207.74	1,179,269.17	1,070,938.57	
" " " " " 1869.....	2,625,179.29	1,445,751.73	1,179,427.56	
" " " " " 1870.....	2,500,695.70	1,578,976.65	921,719.05	
" " " " " 1871.....	2,333,179.62	1,816,784.11	516,395.51	
" " " " " 1872.....	3,060,747.97	2,217,555.07	843,192.90	
" " " " " 1873.....	2,961,515.31	2,940,803.45	20,711.86	
" " " " " 1874.....	3,446,347.93	3,870,704.14		\$ 424,356.21
" " " " " 1875.....	3,156,605.81	3,604,524.42		447,918.61
" " " " " 1876.....	2,589,222.83	3,139,505.66		550,282.83
" " " " " 1877.....	2,502,566.04	3,119,117.73		616,551.69
" " " " " 1878.....	2,285,178.07	2,902,388.37		617,210.30
" " " " " 1879.....	2,287,951.39	2,941,714.27		653,762.88
" " " " " 1880.....	2,584,169.76	2,518,186.80	65,982.96	
" " " " " 1881.....	2,788,746.78	2,579,802.28	208,944.50	
" " " " " 1882.....	2,880,450.40	2,918,826.95		38,376.55
" " " " " 1883.....	2,439,941.42	2,887,037.73		447,096.31
" " " " " 1884.....	2,820,555.45	3,207,889.67		387,334.22
" " " " " 1885.....	3,005,920.71	3,040,139.07		34,218.36
" " " " " 1886.....	3,148,660.01	3,181,449.69		32,789.68
" " " " " 1887.....	3,527,577.95	3,454,372.43	73,205.52	
" " " " " 1888.....	3,603,262.14	3,545,234.85	58,027.29	
" " " " " 1889.....	3,538,405.08	3,653,356.37		114,951.29
" " " " " 1890.....	3,423,154.99	3,896,324.38		473,169.39
" " " " " 1891.....	4,138,589.09	4,158,459.55		19,870.46
" " " " " 1892.....	4,662,921.57	4,068,257.39	594,664.18	
" " " " " 1893.....	4,091,914.01	3,907,145.32	184,768.69	
" " " " " 1894.....	3,453,162.69	3,839,338.75		386,176.06
" " " " " 1895.....	3,585,300.10	3,758,595.44		173,295.34
" " " " " 1896.....	3,490,671.45	3,703,379.73		212,708.28
" " " " " 1897.....	4,139,847.68	3,767,675.70	372,171.98	
" " " " " 1898.....	3,647,353.09	3,803,081.38		155,728.29
" " " " " 1899.....	4,096,494.96	3,710,420.82	386,074.14	
" " " " " 1900.....	4,192,940.18	4,003,729.37	189,210.81	
" " " " " 1901.....	4,466,043.92	4,038,834.49	427,209.43	
" " " " " 1902.....	4,291,082.91	4,345,003.58		53,920.67
" " " " " 1903.....	5,466,653.13	4,888,982.57	577,670.56	
" " " " " 1904.....	6,128,358.57	5,267,453.02	860,905.55	
" " " " " 1905.....	6,016,176.42	5,396,016.74	620,159.68	
" " " " " 1906.....	7,149,478.39	6,720,179.07	429,299.32	
" " " " " 1907.....	8,320,419.19	7,714,245.61	606,173.58	
" " " " " 1908.....	8,602,902.96	8,557,064.60	45,838.36	
Ten months ended October 31st, 1909.....	7,477,920.94	7,545,040.47		67,119.53
Fiscal Year ended October 31st, 1910.....	8,891,004.68	8,887,520.09	3,484.59	
" " " " " 1911.....	9,370,833.90	9,619,934.03		249,100.13
" " " " " 1912.....	10,042,000.68	10,287,991.59		245,990.91
" " " " " 1913.....	11,188,302.09	10,868,026.28	320,275.81	
" " " " " 1914.....	11,121,382.07	11,819,310.65		697,928.58
" " " " " 1915.....	12,975,732.19	12,704,362.16	271,370.03	
" " " " " 1916.....	13,841,339.64	12,706,332.90	1,135,006.74	
" " " " " 1917.....	18,269,597.23	16,518,222.64	1,751,374.59	
" " " " " 1918.....	19,270,123.71	17,460,404.05	1,809,719.66	
" " " " " 1919.....	19,904,772.04	21,464,574.88		1,559,802.84
" " " " " 1920.....	25,078,094.62	25,880,842.45		802,747.83
" " " " " 1921.....	29,261,477.39	28,579,687.98	681,789.41	
" " " " " 1922.....	38,507,311.09	37,442,985.83	1,064,325.26	
" " " " " 1923.....	26,166,213.39	41,361,439.92		15,195,226.53
" " " " " 1924.....	30,569,015.92	39,037,780.43		8,468,764.51
" " " " " 1925.....	35,852,404.28	40,959,769.27		5,107,364.99
" " " " " 1926.....	40,984,958.63	41,797,098.94		812,140.31
" " " " " 1927.....	46,607,638.88	46,248,415.49	359,223.39	
" " " " " 1928.....	48,570,217.10	48,341,980.66	228,236.44	
" " " " " 1929.....	54,012,679.53	51,369,785.85	2,642,893.68	
" " " " " 1930.....	57,343,291.21	57,989,352.69		646,061.48
" " " " " 1931.....	54,390,092.37	54,846,994.28		456,901.91
" " " " " 1932.....	54,175,233.01	56,236,031.32		2,060,798.31
" " " " " 1933.....	**51,373,051.98	50,896,626.37	476,425.61	
" " " " " 1934.....	50,067,841.37	80,667,091.15		30,599,249.78
Five Months ended March 31st, 1935.....	21,048,944.06	31,489,616.34		10,440,672.28
Fiscal Year ended March 31st, 1936.....	65,726,984.57	79,069,690.31		13,342,705.74
" " " " " 1937.....	80,488,439.95	71,174,501.41	9,313,938.54	
" " " " " 1938.....	***97,845,752.00	94,832,050.00	3,013,702.00	

*NOTE—Revenue and Expenditure Figures for the years 1867 to 1907 inclusive comprise both Ordinary and Capital revenue and expenditure.

Revenue and Expenditure from 1923 to 1937 inclusive shown as Net after applying certain Revenues as a reduction of Expenditure.

**Subject to certain adjustments, for particulars of which see Page 11 Budget Address delivered April 2nd, 1935.

***Gross Interim figures only, actual results show surplus of \$4,609,718.53.

STATEMENT No. 6

PROVINCE
Statement of Gross
1914-

		Gross Debt		Realizable and Income		
		Total	Yearly	Hydro	T. & N.O.	Loans, Cash and Accts. Receivable
		\$	\$	\$	\$	\$
End of Whitney Regime	1914.....	41,716,000	.....	10,110,000	20,246,000	5,066,000
Hearst Regime	1915.....	50,275,000	8,559,000	12,316,000	20,483,000	8,007,000
"	1916.....	59,336,000	9,061,000	21,939,000	21,184,000	7,684,000
"	1917.....	61,825,000	2,489,000	27,489,000	21,594,000	5,805,000
"	1918.....	75,309,000	13,484,000	36,244,000	21,823,000	9,477,000
"	1919.....	97,032,000	21,723,000	47,700,000	22,335,000	13,882,000
Drury Regime	1920.....	127,262,000	30,230,000	65,717,000	22,681,000	16,009,000
"	1921.....	202,446,000	75,184,000	102,946,000	23,599,000	31,292,000
"	1922.....	233,189,000	30,743,000	116,786,000	25,654,000	30,704,000
"	1923.....	291,025,000	57,836,000	124,360,000	28,075,000	37,612,000
Ferguson Regime	1924.....	329,508,000	38,483,000	135,045,000	30,208,000	45,262,000
"	1925.....	332,391,000	2,883,000	141,717,000	30,208,000	27,885,000
"	1926.....	349,116,000	16,725,000	142,473,000	30,208,000	31,899,000
"	1927.....	368,920,000	19,804,000	147,120,000	30,208,000	33,813,000
"	1928.....	394,114,000	25,194,000	152,936,000	30,208,000	37,176,000
"	1929.....	426,914,000	32,800,000	164,522,000	30,208,000	44,007,000
"	1930.....	473,372,000	46,458,000	176,799,000	30,208,000	53,587,000
Henry Regime	1931.....	520,667,000	47,295,000	188,377,000	30,208,000	58,055,000
"	1932.....	574,419,000	53,752,000	189,635,000	30,208,000	76,902,000
"	1933.....	594,128,000	19,709,000	187,965,000	30,208,000	76,514,000
"	1934.....	655,761,000	61,633,000	187,829,000	37,208,000	72,247,000
Hepburn Regime	1935*.....	674,386,000	18,625,000	187,878,000	37,208,000	70,885,000
"	1936.....	689,559,000	15,173,000	172,735,000	36,408,000	74,377,000
"	1937.....	656,460,000	33,099,000	151,573,000	30,208,000	69,243,000

*Five months ended March 31st.

**Population as per Dominion Bureau of Statistics' Estimates as shown in Canada Year Book 1936, p. 141.

a " " " " " " " " " " " 1937, p. 153.

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

STATEMENT No. 6

OF ONTARIO

and Net Debt

1937

Producing Assets

Net Debt

Total \$	Yearly Increase \$	Total \$	Yearly Increase \$	Year	Population	Per Capita Net Debt
35,422,000	.....	6,294,000	.....	1914 Est.	2,705,000	2.33
40,806,000	5,384,000	9,469,000	3,175,000	1915 "	2,724,000	3.48
50,807,000	10,001,000	8,529,000	940,000	1916 "	2,713,000	3.14
54,888,000	4,081,000	6,937,000	1,592,000	1917 "	2,724,000	2.55
67,544,000	12,656,000	7,765,000	828,000	1918 "	2,744,000	2.83
83,917,000	16,373,000	13,115,000	5,350,000	1919 "	2,789,000	4.70
104,407,000	20,490,000	22,855,000	9,740,000	1920 "	2,853,000	7.98
157,837,000	53,430,000	44,609,000	21,754,000	1921 Cen.	2,934,000	15.20
173,144,000	15,307,000	60,045,000	15,436,000	1922 Est.	2,980,000	20.15
190,047,000	16,903,000	100,978,000	40,933,000	1923 "	3,013,000	33.51
210,515,000	20,468,000	118,993,000	18,015,000	1924 "	3,059,000	38.90
199,810,000	10,705,000	132,581,000	13,588,000	1925 "	3,111,000	42.62
204,580,000	4,770,000	144,536,000	11,955,000	1926 "	3,164,000	45.68
211,141,000	6,561,000	157,779,000	13,243,000	1927 "	3,219,000	49.01
220,320,000	9,179,000	173,794,000	16,015,000	1928 "	3,278,000	53.02
238,737,000	18,417,000	188,177,000	14,383,000	1929 "	3,334,000	56.44
260,594,000	21,857,000	212,778,000	24,601,000	1930 "	3,386,000	62.84
276,640,000	16,046,000	244,027,000	31,249,000	1931 Cen.	3,432,000	71.10
296,745,000	20,105,000	277,674,000	33,647,000	1932 Est.	3,459,000	80.28
294,687,000	2,058,000	299,441,000	21,767,000	1933 "	3,524,000	84.97
297,284,000	2,597,000	358,477,000	59,036,000	1934 "	3,566,000	100.53
295,971,000	1,313,000	378,415,000	19,938,000	1934 "	3,566,000	106.12
283,520,000	12,451,000	406,039,000	27,624,000	1935 "	3,596,000	112.91
251,024,000	32,496,000	405,436,000	603,000	a 1936 "	3,690,000	109.87

STATEMENT No. 7

STATEMENT OF GROSS

1914-
INCREASES

		Gross Debt	
		Total	Hydro
End of Whitney Regime	1914.....	\$ 41,716,000	\$ 10,110,000
End of Hearst Regime	1919.....	97,032,000	47,700,000
End of Drury Regime	1923.....	291,025,000	124,360,000
End of Ferguson Regime	1930.....	473,372,000	176,799,000
End of Henry Regime	1934.....	655,761,000	187,829,000
HEARST—5 YEARS			
End of Hearst Regime	1919.....	97,032,000	47,700,000
End of Whitney Regime	1914.....	41,716,000	10,110,000
Increase over 5 years.....		\$ 55,316,000	\$ 37,590,000
Average Annual Increase.....		\$ 11,063,000	\$ 7,518,000
DRURY—4 YEARS			
End of Drury Regime	1923.....	\$291,025,000	\$124,360,000
End of Hearst Regime	1919.....	97,032,000	47,700,000
Increase over 4 years.....		\$193,993,000	\$ 76,660,000
Average Annual Increase.....		\$ 48,498,000	\$ 19,165,000
FERGUSON—7 YEARS			
End of Ferguson Regime	1930.....	\$473,372,000	\$176,799,000
End of Drury Regime	1923.....	291,025,000	124,360,000
Increase over 7 years.....		\$182,347,000	\$ 52,439,000
Average Annual Increase.....		\$ 26,049,000	\$ 7,491,000
HENRY—4 YEARS			
End of Henry Regime	1934.....	\$655,761,000	\$187,829,000
End of Ferguson Regime	1930.....	473,372,000	176,799,000
Increase over 4 years.....		\$182,389,000	\$ 11,030,000
Average Annual Increase.....		\$ 45,597,000	\$ 2,757,000
HEPBURN—			
End of March	*1935.....	\$674,386,000	\$187,878,000
End of Henry Regime	1934.....	655,761,000	187,829,000
Increase over 5 months.....		\$ 18,625,000	\$ 49,000
End of March, 1936.....		\$689,559,000	\$172,735,000
End of March, 1935.....		674,386,000	187,878,000
Increase for year 1936.....		\$ 15,173,000	\$ 15,143,000
End of March, 1937.....		\$656,460,000	\$151,573,000
End of March, 1936.....		689,559,000	172,735,000
Decrease for year 1937.....		\$ 33,099,000	\$ 21,162,000

*Five months ended March 31st.

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

STATEMENT No. 7

AND NET DEBT

1937

BY REGIMES

Realizable and Income Producing Assets			Net Debt
T. & N.O. Ry.	Loans, Cash and Accts. Receivable	Total	Total
\$ 20,246,000	\$ 5,066,000	\$ 35,422,000	\$ 6,294,000
22,335,000	13,882,000	83,917,000	13,115,000
28,075,000	37,612,000	190,047,000	100,978,000
30,208,000	53,587,000	260,594,000	212,778,000
37,208,000	72,247,000	297,284,000	358,477,000
22,335,000	13,882,000	83,917,000	13,115,000
20,246,000	5,066,000	35,422,000	6,294,000
\$ 2,089,000	\$ 8,816,000	\$ 48,495,000	\$ 6,821,000
\$ 418,000	\$ 1,763,000	\$ 9,699,000	\$ 1,364,000
\$ 28,075,000	\$ 37,612,000	\$190,047,000	\$100,978,000
22,335,000	13,882,000	83,917,000	13,115,000
\$ 5,740,000	\$ 23,730,000	\$106,130,000	\$ 87,863,000
\$ 1,435,000	\$ 5,932,000	\$ 26,532,000	\$ 21,966,000
\$ 30,208,000	\$ 53,587,000	\$260,594,000	\$212,778,000
28,075,000	37,612,000	190,047,000	100,978,000
\$ 2,133,000	\$ 15,975,000	\$ 70,547,000	\$111,800,000
\$ 305,000	\$ 2,282,000	\$ 10,078,000	\$ 15,971,000
\$ 37,208,000	\$ 72,247,000	\$297,284,000	\$358,477,000
30,208,000	53,587,000	260,594,000	212,778,000
\$ 7,000,000	\$ 18,660,000	\$ 36,690,000	\$145,699,000
\$ 1,750,000	\$ 4,665,000	\$ 9,172,000	\$ 36,425,000
\$ 37,208,000	\$ 70,885,000	\$295,971,000	\$378,415,000
37,208,000	72,247,000	297,284,000	358,477,000
.....	\$ 1,362,000	\$ 1,313,000	\$ 19,938,000
\$ 36,408,000	\$ 74,377,000	\$283,520,000	\$406,039,000
37,208,000	70,885,000	295,971,000	378,415,000
\$ 800,000	\$ 3,492,000	\$ 12,451,000	\$ 27,624,000
\$ 30,208,000	\$ 69,243,000	\$251,024,000	\$405,436,000
36,408,000	74,377,000	283,520,000	406,039,000
\$ 6,200,000	\$ 5,134,000	\$ 32,496,000	\$ 603,000

SUB-INDEX No. 2

FINANCIAL STATEMENTS

(As per Public Accounts)

AS AT MARCH 31, 1937

	PAGE
1—Public Debt—Proceeds of Loans.....	70
2—Public Debt—Payments.....	71
3—Provincial Debt, showing Investment thereof.....	72
4—Gross Provincial Debt—showing Decrease for Fiscal Year ended March 31st, 1937.....	73
5—Net Provincial Debt—showing Decrease for Fiscal Year ended March 31st, 1937.....	74
6—Sources of Revenue.....	75

STATEMENT No. 1

PUBLIC DEBT

Proceeds of Loans for Year ended March 31st, 1937

DEBENTURES:

Series					
"TI"	4¾%	6 years, due November 1st, 1942, payable in			
		Canada.....			\$ 1,100,000.00
"RA"	3%	15 years, due December 1st, 1951, payable in			
		Canada:			
		Par Value.....	\$20,000,000.00		
		Less—Discount.....	298,000.00		
					19,702,000.00
"RB"	2½%	6-10 years, due January 15th, 1943-47, payable in			
		Canada:			
		Par Value.....	\$ 5,000,000.00		
		Less—Discount.....	67,500.00		
				\$ 4,932,500.00	
"RB"	3%	11-25 years, due January 15th, 1948-62, payable in			
		Canada:			
		Par Value.....	\$10,029,000.00		
		Less—Discount.....	148,429.20		
				9,880,570.80	
					14,813,070.80

TREASURY BILLS:

Series					
"RTA"	2%	4 months	due September 1st, 1936, payable in Toronto.....	\$ 5,000,000.00	
"RTB"	1¾%	6 months	" February 28th, 1937, payable in Toronto.....	5,000,000.00	
"RTC"	1¾%	6 months	" March 12th, 1937, payable in Toronto.....	10,000,000.00	
"RTD"	1¾%	6 months	" June 1st, 1937, payable in Toronto.....	14,500,000.00	
"RTE"	1¾%	6 months	" August 15th, 1937, payable in Toronto.....	4,000,000.00	
"RTE"	1¾%	1 year	" February 15th, 1938, payable in Toronto.....	4,000,000.00	
"DZ"	1¾%	6 months	" August 27th, 1937, payable in Toronto.....	5,000,000.00	
"RTG"	1¾%	6 months	" September 12th, 1937, payable in Toronto.....	10,000,000.00	
					57,500,000.00

PROVINCE OF ONTARIO SAVINGS OFFICE:

Deposits with the Provincial Treasurer.....	5,646,279.28
	<u>\$98,761,350.08</u>

STATEMENT No. 2

PUBLIC DEBT

Payments for the Year ended March 31st, 1937

Annuities.....	\$16,700.00
----------------	-------------

STOCKS AND DEBENTURES:

MATURED—

Series			
\$3,000,000.00, 3½%		\$	50,650.00
Research Foundation, 5%			150,000.00
"TT"			11,879,500.00
"ZZ"			14,945,000.00
"BA"			20,000,000.00
"AH"	Instalment maturity due	December 1st, 1936	700,000.00
"AJ"	"	January 15th, 1937	800,000.00
"AK"	"	November 1st, 1936	800,000.00
"AL"	"	May 15th, 1936	429,000.00
"AP"	"	May 15th, 1936	372,000.00
"AR"	"	January 15th, 1937	324,000.00
"AS"	"	June 1st, 1936	370,000.00
"AX"	"	June 1st, 1936	2,000,000.00
"BD"	"	August 30th, 1936	7,339,000.00
			<u>\$60,159,150.00</u>

Purchased under the Succession Duty Act:

Series			
\$3,000,000.00, 3½%		\$52,000.00	
Inscribed Stock, 4%	£1,200.0.0	5,840.00	
Inscribed Stock, 4½%	£1,335.0.0	6,496.99	
"A"		7,000.00	
"C and D"		4,000.00	
			<u>75,336.99</u>

Purchased for Cancellation:

Series			
Inscribed Stock, 3½%	£7,415.0.0	\$36,086.32	
"SS"		50,000.00	
"TT"		11,500.00	
"UUX"		70,000.00	
"WWY"		298,500.00	
"ZZ"		5,000.00	
"AD"		115,000.00	
"AL"		32,000.00	
"AP"		77,000.00	
"AR"		18,000.00	
"AS"		126,000.00	
"AV"		72,999.99	
"AW"		2,500.00	
"BE"		5,000.00	
			<u>919,586.31</u>
			61,154,073.30

TREASURY BILLS:

MATURED:

Series			
"DN"	3%	due September 12th, 1936	\$10,000,000.00
"DP"	2¼%	" December 1st, 1936	7,000,000.00
"DR"	2¼%	" January 31st and February 15th, 1937	20,000,000.00
"DV"	2¼%	" December 1st, 1936	2,500,000.00
"DW"	2¼%	" November 15th, 1936	2,000,000.00
"DX"	2¼%	" December 1st, 1936	5,000,000.00
"DY"	2%	" June 1st, 1936	1,000,000.00
"RTA"	2%	" September 1st, 1936	5,000,000.00
"RTB"	1¾%	" February 28th, 1937	5,000,000.00
"RTC"	1¾%	" March 12th, 1937	10,000,000.00
			<u>67,500,000.00</u>

Purchased for Cancellation:

Series			
"RTD"	1¾%	due June 1st, 1937	2,000,000.00
			<u>69,500,000.00</u>
			<u>\$130,670,773.30</u>

STATEMENT No. 3

PROVINCIAL DEBT

Statement Showing Investment Thereof as at March 31st, 1937

FUNDED DEBT:

Stock and Debentures Outstanding.....	\$576,339,821	22
Certificates and Annuities.....	546,325	91
	<u>\$576,886,147</u>	<u>13</u>
Deduct—Sinking Fund Investments.....	8,913,016	27
Total Funded Debt.....	\$567,973,130	86

UNFUNDED DEBT—

Treasury Bills.....	\$ 38,000,000	00
Savings Office Deposits.....	37,688,669	63
Special Funds, etc.....	4,416,597	33
	<u>80,105,266</u>	<u>96</u>
ACCOUNTS PAYABLE AND ACCRUED INTEREST.....	8,381,950	55

Gross Debt.....	\$656,460,348	37
-----------------	---------------	----

INVESTMENT THEREOF—

Revenue Producing and Realizable Assets—		
Hydro-Electric Power Commission Advances.....	\$151,572,943	94
Temiskaming and Northern Ontario Railway—		
Advances.....	30,207,934	92
Farm, Housing and Settlers' Loans.....	59,937,548	69
Cash and Accounts Receivable.....	\$ 8,248,831	73
King's Highway and Trans-Canada		
Construction—		
Due by Cities and Counties.....	943,690	78
“ Federal Government.....	113,358	81
	<u>9,305,881</u>	<u>32</u>
	<u>\$251,024,308</u>	<u>87</u>

Revenue Producing but not Realizable Assets—

Roads and Highways.....	\$228,037,926	51
Less—Due by Cities, Counties and		
Federal Government.....	1,057,049	59
	<u>226,980,876</u>	<u>92</u>
Niagara Parks Commission (Surplus of Assets).....	1,753,496	49
Common School Fund—Trust Fund, Ontario and Quebec	1,459,679	55
	<u>230,194,052</u>	<u>96</u>

Total Revenue Producing Assets.....	\$481,218,361	83
-------------------------------------	---------------	----

Non-Revenue Producing Assets—

Provincial Buildings, Public Works, etc.....	\$ 93,929,630	95
Plant, Stores and Equipment.....	2,085,910	13
Deferred Assets.....	2,676,558	87
	<u>98,692,099</u>	<u>95</u>

Other Assets—

Capital Value of Annual Subsidy.....	\$ 58,828,485	60
Unemployment Relief (Direct) (Less amount written off)	14,045,036	40
Discount on Debentures, etc. (Less amount written off)	8,528,202	43
	<u>81,401,724</u>	<u>43</u>

Total Assets.....	\$661,312,186	21
-------------------	---------------	----

SURPLUS—represented in above Assets.....	\$ 4,851,837	84
------------------------------------------	--------------	----

STATEMENT No. 4

GROSS PROVINCIAL DEBT

Statement Showing Decrease

For the Fiscal Year, April 1st, 1936 to March 31st, 1937

	1934		1935		1936		1937		Decrease, 1937 over 1936	
	\$	c.	\$	c.	\$	c.	\$	c.	\$	c.
Funded Debt....	594,038,788	49	587,191,342	46	594,112,954	50	567,973,130	86	26,139,823	64
Unfunded Debt...	52,118,933	15	77,819,661	64	86,056,340	45	80,105,266	96	5,951,073	49
Income Liabilities	9,603,131	06	9,374,912	88	9,389,218	81	8,381,950	55	1,007,268	26
GROSS DEBT...	655,760,852	70	674,385,916	98	689,558,513	76	656,460,348	37	33,098,165	39

DECREASE IN GROSS DEBT ACCOUNTED FOR THUS—

SURPLUS ON ORDINARY ACCOUNT.....	\$ 9,313,938	54
RAILWAY AID CERTIFICATES—Written Off.....	99,367	48
SINKING FUND EARNINGS AND INSTALMENTS.....	998,682	86
ACCRUED INTEREST ON TREASURY BILLS—Provision.....	126,123	29
DISCOUNT ON DEBENTURES, ETC.—Written Off.....	916,583	90
ADVANCES TO HYDRO-ELECTRIC POWER COMMISSION— Decrease.....	21,162,206	84
ADVANCES TO TEMISKAMING AND NORTHERN ONTARIO RAIL- WAY—Decrease.....	6,200,000	00
AGRICULTURAL DEVELOPMENT FINANCE ACT—Investments— Decrease.....	1,696,412	37
LOANS TO MUNICIPALITIES—Decrease.....	802,974	97
CASH IN BANKS—Decrease.....	2,166,193	01
DECREASE IN INCOME LIABILITIES.....	1,007,268	26
	\$ 44,489,751	52

Deduct:

CAPITAL DISBURSEMENTS—

Disbursements on Highways, Northern Development, Public Buildings and Works, etc., Unemployment Relief, Municipal and Public Works.....	\$ 11,269,569	26
Less—Capital Receipts.....	1,367,280	91

	\$ 9,902,288	35
INCREASE IN CAPITAL ACCOUNTS RECEIVABLES.....	201,162	80
INCREASE IN DEFERRED ASSETS.....	518,691	61
DISCOUNT OR PREMIUM ON DEBENTURES ISSUED OR PURCHASED DURING YEAR.....	768,835	49
INCREASE IN COMMON SCHOOL FUND.....	107	88
INCREASE IN SPECIAL FUND INVESTMENTS.....	500	00
	11,391,586	13
NET DECREASE.....	\$ 33,098,165	39

STATEMENT No. 5

NET PROVINCIAL DEBT

Statement Showing Decrease

For the Fiscal Year, April 1st, 1936 to March 31st, 1937

	1934		1935		1936		1937		Decrease, 1937 over 1936	
	\$	c.	\$	c.	\$	c.	\$	c.	\$	c.
GROSS DEBT.	655,760,852	70	674,385,916	98	689,558,513	76	656,460,348	37	33,098,165	39
REVENUE PRODUC- ING AND REALIZ- ABLE ASSETS.	297,284,140	76	295,971,410	33	283,519,690	62	251,024,308	87	32,495,381	75
Net Debt.	358,476,711	94	378,414,506	65	406,038,823	14	405,436,039	50	602,783	64

DECREASE IN NET DEBT ACCOUNTED FOR THUS—

SURPLUS ON ORDINARY ACCOUNT.	\$ 9,313,938	54
RAILWAY AID CERTIFICATES—Written Off.	99,367	48
SINKING FUNDS—Earnings and Instalments.	998,682	86
ACCRUED INTEREST ON TREASURY BILLS PROVISION.	126,123	29
DISCOUNT ON DEBENTURES—Written Off.	916,583	90
DECREASE IN INCOME LIABILITIES.	1,007,268	26
INCREASE IN INCOME ACCOUNTS RECEIVABLE, ETC.	1,492,055	35
	\$ 13,954,019	68

Deduct—

CAPITAL DISBURSEMENTS—

Disbursements on Highways, Northern Development, Public Buildings and Works, etc., Unemployment Relief, Municipal and Public Works.	\$ 11,269,569	26
Less—Capital Receipts.	1,367,280	91

	\$ 9,902,288	35
INCREASE IN DEFERRED ASSETS.	518,691	61
DISCOUNT OR PREMIUM ON DEBENTURES ISSUED OR PURCHASED DURING YEAR.	768,835	49
INCREASE IN COMMON SCHOOL FUND.	107	88
DECREASE IN RECEIVABLES DUE FROM MUNICIPALITIES AND FEDERAL GOVERNMENT RE HIGHWAYS.	2,161,312	71

13,351,236 04

NET DECREASE. \$ 602,783 64

STATEMENT No. 6

STATEMENT SHOWING SOURCES OF ORDINARY REVENUE

For the Fiscal Year Ended March 31st, 1937

DOMINION GOVERNMENT—

Annual Subsidy.....	\$2,941,424 28	
Interest—Common School Fund.....	72,816 35	
		\$ 3,014,240 63

REVENUE DERIVED FROM INDIVIDUALS AND CORPORATIONS RECEIVING THE BENEFIT OF PROVINCIAL SERVICES, SPECIAL PRIVILEGES OR THE USE OF NATURAL RESOURCES AND PROPERTIES, AND PROFITS FROM TRADING, ETC.:

Taxation.....	\$49,220,252 46	
Gasoline, Mines, Lands, Corporations, Income, Race Tracks (betting), Amusements, Stock Transfers, Succession Duties and Wine.		
Royalties, Duties and Dues.....	2,315,918 87	
Bonus and Timber, Sand and Gravel, Game and Fish.		
Licenses and Permits.....	12,332,526 85	
Motor Vehicles, Liquor Permits, Hunting and Fishing, Insurance, Loan and Trust Companies, Mines, Theatres, etc.		
Fees.....	2,318,240 05	
Local Registrars, Police Magistrates, Crown Attorneys, etc.: Mine Recording, Companies and Brokers' Registration, etc.: Land Transfers, Motor Vehicle Transfers, etc.		
Fines and Penalties.....	235,366 33	
Profits from Trading Activities.....	9,500,000 00	
Liquor Control Board—Profits, Fines, Sale of Confiscated Liquor, etc.		
Agriculture and Public Domain.....	635,225 59	
Repayments—Highways.....	172,899 46	
Miscellaneous.....	743,769 71	
ONTARIO GAZETTE, sale of Government Publications, and Casual Revenue.		
		77,474,199 32
		<u>\$80,488,439 95</u>

