

BUDGET ADDRESS

Delivered by

The Hon. Mitchell F. Hepburn
Prime Minister and Treasurer of Ontario

in the

LEGISLATIVE ASSEMBLY OF ONTARIO

Thursday, February 15th, 1940

On Moving the House into Committee of Supply

Also Statements of
ASSETS AND LIABILITIES
REVENUE AND EXPENDITURE
COMPARATIVE AND STATISTICAL
INFORMATION



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Minister of Finance and Treasurer of Ontario

LEGISLATIVE ASSEMBLY OF ONTARIO

THURSDAY, FEBRUARY 14, 1940

On Addressing the House into Committee of Supply

Also Submitted by

ARTHUR L. L. L. L. L.

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BUDGET ADDRESS

DELIVERED BY

THE HON. MITCHELL F. HEPBURN

PRIME MINISTER AND TREASURER OF ONTARIO

IN THE

LEGISLATIVE ASSEMBLY OF ONTARIO

THURSDAY, FEBRUARY 15TH, 1940

MR. SPEAKER:

I beg to move, seconded by Mr. Nixon, of Brant, that you now leave the Chair and that the House resolve itself into Committee of Supply.

A week ago I indicated that I was going to forsake a well-established precedent of this Parliament and deliver an unprepared Budget Address. However, I subsequently received protests from the gentlemen up in the Gallery in which they said they could best cover the Address if it were in the form of a manuscript such as I have here before me now and which I will have to follow to keep the record clear. It all goes to prove, Mr. Speaker, the power of the Press.

Last year when, on the 30th of March, I offered this customary motion, the House met within the shadow of the threat of war. To-day we are actually at war with a ruthless, powerful enemy, the German Reich. Moreover, we are vitally concerned in two non-declared wars that are being waged; the one in Europe in which heroic Finland is being menaced with complete destruction by the onslaught of the imperialistic-minded Soviet Republic, and the other in Asia, where millions of Chinese soldiers and perhaps also millions of inoffensive, helpless women and children have been foully done to death by the hordes that make up the mechanized armies of Japan.

In Ontario, no sacrifice will be considered too great to the end that the people of this, the largest Province in Canada, may play their full part in the great struggle that now besets us. The people of Ontario are determined to see this war through to a victorious conclusion and, with this in view, are prepared to stake their last dollar and furnish the last man, if need be, so that the world may be rid of this constant threat of war.

This Assembly is represented overseas to-day by our highly esteemed friend and colleague, Lieutenant Colin A. Campbell, of the Canadian Engineers, and Minister of Public Works in this Government. I desire to record also the fact that a former Member of the Government, the Member for Windsor-Walkerville, Mr. David A. Croll, has enlisted for active service and is daily expecting orders to proceed overseas.

It should also be recorded to the credit of the members of the Civil Service of Ontario that approximately 170 members have enlisted. We pay due tribute to the unselfish devotion of our colleagues in the Assembly and to the members of the Civil Service of Ontario.

Early in the Spring of 1939 it became increasingly apparent that war between Germany and the Allies was inevitable. As Treasurer of this Province I endeavoured to chart a course which would be in the best interests of the Province and which would maintain our financial position should war break out, as it did on September 3rd last.

Some of the effective steps taken that circumstances appeared to warrant last Spring may be stated in a few words.

In April and June two public issues of debentures were created in a total sum of 31 million dollars. These sums were borrowed solely for refunding and were intended to meet obligations which would mature between the times that I have mentioned and June 1st, 1940. We were not pressed for the money at the time, but I judged it the part of wisdom to secure the money while it was available, and profit by the low rate of interest which obtained at that time, even though my doing so required the placing of the money in trust accounts at low rates of interest until the days of maturity arrived.

Then, in the matter of foreign exchange—and I shall deal with this problem at greater length later on in my presentation of the Budget—we bought New York exchange, both spot exchange and futures, in sums sufficient, we estimated, to meet possible demands during the current fiscal year. In other words, long before the war, anticipating unfavourable exchange rates, this Government protected itself by buying American exchange, all of which was purchased approximately at par.

We purchased medical supplies and instruments and such materials as were most likely to be affected in price by the outbreak of war. By showing foresight in this respect, a considerable saving was made, estimated at a sum of \$550,000.00.

Realizing the fact that Canada will play a major part in this war in respect of furnishing munitions and materials of war, we arranged to protect the vital points in the Province where hydro-electric power is produced and distributed.

I recite these various steps taken not in a boastful spirit, but rather in the discharge of a duty to the House, which is entitled to be put in possession of the information as to what steps were taken, promptly and with due consideration, to protect the financial position and the economy of the Province in wartime.

PUBLIC ACCOUNTS

The Public Accounts for the fiscal year ended March 31st, 1939, have been distributed to the members, and I call your attention to the fact that in the Budget Address delivered on the 30th of March, 1939, it was estimated that the surplus of ordinary revenue over ordinary expenditure would amount to \$236,038. The final result showed that the surplus for that fiscal year amounted to \$322,495.42.

Thus it will be seen that for the third successive year this Government was able to show a surplus of ordinary revenue over ordinary expenditure.

PUBLIC FINANCING

Debentures of a par value of \$15,000,000 were issued on April 15th, 1939; \$7,500,000 bearing a coupon rate of 2% and repayable in three and one-half years, and \$7,500,000 bearing a coupon rate of 3% and repayable in nine years with a provision for redemption on April 15th, 1946, or any subsequent interest date at the option of the Government. The price at which these debentures were sold has resulted in an effective cost for interest of 2.30% and 3.32% respectively.

On June 1st, 1939, debentures of a par value of \$16,000,000 were issued; \$6,000,000 bearing a coupon rate of 1.5% and repayable \$1,200,000 per year from June 1st, 1940, to June 1st, 1944, and \$10,000,000 bearing a coupon rate of 3% and repayable in fifteen years with a provision for redemption on June 1st, 1952, or any subsequent interest date at the option of the Government. In the sale of these debentures an effective cost for interest of 1.90% and 3.14% respectively has been obtained.

On November 1st, 1939, debentures of a par value of \$8,614,000 were issued, bearing a coupon rate of 3.25% and repayable in eight years, with a provision for redemption on November 1st, 1945, or any subsequent interest date at the option of the Government. The effective cost for interest on this issue was 3.57%.

On December 1st, 1939, debentures of a par value of \$12,000,000 were issued; \$3,000,000 bearing a coupon rate of 2.5% and repayable in four and one-quarter years, and \$9,000,000 bearing a coupon rate of 3.5% repayable in twelve years, with a provision for redemption on December 1st, 1949, or any subsequent interest date at the option of the Government. The price at which these debentures were sold has resulted in an effective cost for interest of 2.65% and 3.69% respectively.

Apart from the four public issues already described the Province in accordance with statutory requirements, has issued debentures to the amount of \$1,400,000 bearing interest at the rate of $4\frac{3}{4}\%$ per annum and has received in payment therefor an equivalent sum of money from the Teachers' and Inspectors' Superannuation Fund.

HYDRO-ELECTRIC POWER COMMISSION FINANCING

The Hydro-Electric Power Commission of Ontario has not issued any debentures since August 1st, 1938.

TREASURY BILLS

The Province has no Treasury Bills maturing before June 30th, 1940, and with the permission of the House I place on record a statement of the temporary loans covered by Treasury Bills, showing the date of maturity, the date of issue, the rates of interest, and the amounts of the Bills, which total 64 million dollars.

TEMPORARY LOANS—TREASURY BILLS

as at March 31st, 1940

Date of Maturity	Date of issue	Rate %	Series	Amount Outstanding	Where Payable
1940, June 30	1939, June 30	1 $\frac{1}{4}$ % Disc.	EH	\$ 2,000,000.00	Canada
Sept. 1	Sept. 1	1.50	EP	2,000,000.00	"
Sept. 1	Sept. 1	1.50	EQ	2,000,000.00	"
Sept. 1	Sept. 1	1.50	ER	1,000,000.00	"
Sept. 1	Sept. 1	1.75	ES	5,000,000.00	"
Sept. 2	Sept. 2	1 $\frac{1}{4}$ % Disc.	EN	1,000,000.00	"
Sept. 13	Sept. 13	1.25	RT-W	2,000,000.00	"
Sept. 13	1938, Sept. 13	1.65	RT-Q	5,000,000.00	"
Sept. 13	Sept. 13	1.65	RT-S	5,000,000.00	"
Sept. 15	1939, Sept. 15	1.50	ET	2,000,000.00	"
Nov. 1	1938, Nov. 1	1.65	RT-U	10,000,000.00	"
Dec. 21	Dec. 21	1.65	EM	10,000,000.00	"
1941, June 1	June 1	1.65	RT-N	5,000,000.00	"
Aug. 1	Aug. 1	1.65	RT-O	4,500,000.00	"
Aug. 1	Aug. 1	1.65	EJ	2,500,000.00	"
Sept. 13	Dec. 1	1.65	RT-T	5,000,000.00	"
				<u>\$64,000,000.00</u>	

FOREIGN EXCHANGE

Mr. Speaker, earlier in my remarks I informed the House that one of the precautionary measures taken by this Government was to purchase New York exchange in anticipation of an adverse exchange rate in the event of an outbreak of war. The Province of Ontario has direct obligations and guaranteed obligations of the Hydro-Electric Power Commission, the T. & N.O. Railway Commission, and the Niagara Parks Commission in an amount exceeding 300 million dollars which are payable, both with respect to interest and principal, at the option of the holders in United States funds.

All these obligations were entered into by previous Governments. I do not like to adopt an attitude of "I-told-you-so," but the House has been reminded on many occasions of the threat that hangs over this Province because of the unwisdom of former Governments in borrowing on debentures which were payable in foreign currency.

When times are normal and exchange markets are unhampered by Government restrictions, the law of supply and demand operates in respect to foreign exchange very much in the same manner as it does with any commodity of commerce. Operations in foreign exchange are simply the conversion of the currency of one nation into that of another. The nation that imports must pay for what it buys in another country. The nation that exports requires payment for what it sells abroad. In completing payments for those transactions, foreign exchange comes into the picture.

Generally speaking, the exports to which I refer fall into these classes;—merchandise, securities, services, precious metals and travel. In making payment for these exports, foreign exchange is necessary. Certain factors other than exports and imports affect foreign exchange. Movements of capital not represented by the transfer of securities, speculation, the operation of exchange equalization funds, and so on, come into play. If this Government had been able to purchase, say, 20 million dollars in New York exchange at favourable

rates up to the 31st of August, and no war had broken out, the Government would then have been in the unenviable position of being a seller of New York funds undoubtedly at a loss, and a Treasurer who allowed himself to be caught in such a position could not excuse himself on the ground that he had made provision for the normal requirements of the Treasury. In short, he would have been called a gambler in exchange and a gambler with public money.

Few, if any, are able to predict the fluctuations in exchange in wartime. If many people were able to predict what would happen to foreign exchange, it just would not happen. At the present time exchange is stabilized, and I have no complaint to make because of the exchange regulations and the rates that apply for New York funds. That is part of the war programme. War is a great economic effort and in order for the Allies to provide an adequate supply of oil and metals and munitions and foodstuffs and other materials and supplies, dollar exchange is an absolute necessity. In the last war Britain and her Allies were able to borrow tremendous sums of money in the United States. This helped to stabilize exchange for the time being. New York funds were practically never at a premium during the last war, or, at least, if at a premium, the highest rate never exceeded three per cent. During the war the pound sterling never dropped below \$4.49, and the low point was reached in September, 1915.

At present it is said that the Allies have available in the United States in dollar balances, readily saleable securities, and other resources over four and one-half billions of dollars. Beyond this, the British Empire and France have gold resources of close to six billion dollars and they have an annual gold production of three-quarters of a billion dollars. Over and above these resources the Allies cannot hope to make purchases in the United States of America, except from the building up of New York exchange, and this will be brought about by favourable trade balances and through the medium of exchange control.

Unless the present Neutrality Act, which forbids borrowing by belligerent nations, is modified to permit of borrowing in the United States of America by Great Britain or her Allies, purchases in the U.S.A. must be kept within the limits of the resources that I have enumerated above.

With the permission of the House I will place on record a statement showing the Interest and Principal Maturities on Debentures payable in New York funds, and the estimated exchange payable thereon for the period from April 1st, 1940, to September 16th, 1944.

PROVINCE OF ONTARIO

Statement showing Interest and Principal Maturities on Debentures payable in New York, and the Estimated Exchange payable thereon for the period from April 1st, 1940 to September 16th, 1944

FISCAL YEAR ENDING MARCH 31st						Period April 1st, 1944 to September 16th, 1944
SERIES	MATURITY DATES	1941	1942	1943	1944	
Interest						
AC	1 April and Oct. . . .	\$ 993,600.00	\$ 993,600.00	\$ 993,600.00		
AB	1 April and Oct. . . .	738,300.00	738,300.00	738,300.00	\$ 738,300.00	\$ 369,150.00
AM	1 May and Nov. . . .	1,668,200.00	1,668,200.00	1,668,200.00	1,668,200.00	834,100.00
B	1 May and Nov. . . .	80.00	40.00			
C & D	1 May and Nov. . . .	19,880.00	19,880.00			
AK	1 May and Nov. . . .	645,075.00	609,075.00	573,075.00	537,075.00	250,537.50
AL	15 May and Nov. . . .	982,800.00	962,320.00	941,020.00	918,900.00	453,820.00
AP	15 May and Nov. . . .	1,175,107.50	1,154,835.00	1,133,640.00	1,111,500.00	550,125.00
AS	1 June and Dec. . . .	1,045,600.00	1,027,980.00	1,009,640.00	990,560.00	490,420.00
AH	1 June and Dec. . . .	452,655.00	421,155.00	389,880.00	358,380.00	163,845.00
AN	2 June and Dec. . . .	1,663,375.00	1,663,375.00	1,663,375.00	1,663,375.00	831,687.50
AJ	15 Jan. and July. . . .	580,815.00	544,815.00	508,815.00	472,815.00	218,835.00
AR	15 Jan. and July. . . .	1,108,035.00	1,090,665.00	1,072,530.00	1,053,675.00	518,242.50
AG	1 Mar. and Sept. . . .	803,340.00	803,340.00	803,340.00	803,340.00	401,670.00
UU & XX	15 Mar. and Sept. . . .	813,900.00	813,900.00	813,900.00	406,950.00	
		\$12,690,762.50	\$12,511,480.00	\$12,309,315.00	\$10,723,070.00	\$ 5,082,432.50
Principal						
AC	October 1st.			\$19,872,000.00		
B	May 1st.		\$ 2,000.00			
C & D	November 1st.		497,000.00			
AK	November 1st.	\$ 800,000.00	800,000.00	800,000.00	\$ 800,000.00	
AL	May 15th.	502,000.00	522,000.00	543,000.00	563,000.00	\$ 586,000.00
AP	May 15th.	443,000.00	458,000.00	484,000.00	500,000.00	501,000.00
AS	June 1st.	432,000.00	449,000.00	468,000.00	486,000.00	505,000.00
AH	December 1st.	700,000.00	695,000.00	700,000.00	682,000.00	
AJ	January 15th.	800,000.00	800,000.00	800,000.00	781,000.00	
AR	January 15th.	386,000.00	403,000.00	419,000.00	382,000.00	
AG	September 1st.					17,852,000.00
UU & XX	September 15th.				13,565,000.00	
		\$ 4,063,000.00	\$ 4,626,000.00	\$24,086,000.00	\$17,759,000.00	\$19,444,000.00
		\$16,753,762.50	\$17,137,480.00	\$36,395,315.00	\$28,482,070.00	\$24,526,432.50

PROVINCE OF ONTARIO

Statement showing Interest and Principal Maturities on Debentures payable in New York, and the Estimated Exchange payable thereon for the period from April 1st, 1940, to September 16th, 1944

SUMMARY

Year ending	INTEREST AND PRINCIPAL MATURITIES			Total	EXCHANGE	
	Total	Province	Hydro		Province	Hydro
March 31st, 1941. . .	\$16,753,762.50	\$10,224,783.37	\$ 6,528,979.13	\$ 1,842,913.88	\$1,124,726.18	\$ 718,187.70
" " 1942. . .	17,137,480.00	10,420,812.61	6,716,667.39	1,885,122.80	1,146,289.39	738,833.41
" " 1943. . .	36,395,315.00	24,925,697.64	11,469,617.36	4,003,484.65	2,741,826.74	1,261,657.91
" " 1944. . .	28,482,070.00	14,582,202.49	13,899,867.51	3,133,027.70	1,604,042.27	1,528,985.43
April 1st to September 16th, 1944.	24,526,432.50	13,249,180.22	11,277,252.28	2,697,907.57	1,457,409.82	1,240,497.75
	\$123,295,060.00	\$73,402,676.33	\$49,892,383.67	\$13,562,456.60	\$8,074,294.40	\$5,488,162.20

NOTE—Exchange has been calculated at a rate of 11% premium.

Assuming that the war continues during this period, that is up to September 16th, 1944, and that the premium on exchange which presently obtains, namely, 11 per centum, continues, it will be observed that the cost of New York exchange to this Province will be \$13,562,456.60. Of this sum \$5,488,162.20 must be paid by Hydro customers, and the balance, some eight million dollars, is a dead weight upon the backs of the taxpayers of the Province of Ontario. From this there is no escape, provided, of course, that the Province meets its obligations in the exact terms of the contract. This the Government intends to do. But I would warn the House that the present premium of eleven per centum may be

exceeded. No one at this point can prophesy what the rate of exchange will be one year from to-day. But, if the present rates obtain, it will cost this Government during the next fiscal year \$1,842,913.88, of which over \$700,000 must be borne by Hydro consumers.

In view of the difficulties that I have outlined, and the unhappy position in which Ontario is placed because of the folly of former Governments in issuing debentures payable in U.S. funds, you must agree that this Government is entitled to full credit for borrowing on conditions which require repayment in Canadian funds only. Never have we borrowed a dollar repayable in New York funds.

Before proceeding to discuss the revenues and expenditures of the current year, I shall profit by the occasion to touch briefly and in a general way upon the activities of the principal Departments of Government.

DEPARTMENT OF AGRICULTURE

General production, educational and organization problems received attention through the Agricultural Offices maintained in 52 counties and districts. There were enrolled 5,069 boys and girls in 316 Clubs. These consisted of Calf, Foal, Swine, Poultry, Sheep, Grain, Potato, Garden and Garden and Canning Clubs. There was an enrolment of 1,889 in 54 short courses. 509 school fairs were held with an attendance of 106,900 pupils.

Soil testing has developed until it has over-taxed facilities, complete surveys were completed in several counties—are under way in nine counties, and in York County a complete survey was commenced in co-operation with the County Council. One Thousand Dollars was contributed by the County. In addition, thousands of individual tests were made at the Ontario Agricultural College, Kemptville and Ridgetown.

Thirty-two County Crop Improvement Associations were formed to promote the use of better seed of the most suitable varieties of field crops. Thousands of tests were made on farms to determine the most suitable varieties. Eight seed cleaning plants were established, bringing the total to 90 and cleaning 800,000 bushels of grain and 5,000,000 pounds of small seeds. Cultures for clovers were prepared and distributed.

Test plots to prove the value of the use of hybrid seed corn were carried wherever necessary.

Five large demonstration plots were carried in the principal potato producing counties to compare varieties, cultural methods, kind and amount of artificial fertilizer. Publicity and personal contacts were used to induce the purchase of certified seed.

Eighty-five municipalities used chemical weed killer on the roadsides. Several purchased power machines. Supervision, in so far as possible, was given. County councils were contacted, inspectors' meetings arranged in order to secure better enforcement of The Weed Control Act.

Administration of The Plant Diseases Act and The Farm Products Grades and Sales Act required the services of several permanent and many temporary officials. The spray service was made available to fruit growers.

Organization of nine additional counties for T.B. testing and regular inspection of over 1,500 stallions were continued. Bacon hog fairs and 144 bacon hog clubs were organized and supervised.

Under The Farm Products Control Act, the following schemes operated: Ontario Peach Growers, Ontario Pear, Plum and Cherry Growers, Ontario Asparagus Growers, Erie-St. Clair Onion Growers, Cheese Producers. Considerable assistance and co-operation has been given to co-operative organizations, including cold storages.

War activities included:

1. Meetings to acquaint people with the swine situation commenced in October and were held throughout the Province.
2. Distribution of foundation breeding stock of swine through the various organizations and agencies or Agricultural Representatives.
3. Perfecting county or group organizations for production work.
4. Seed grain survey by counties—to bring buyer and seller together.
5. Organization of committees to study particular phases of agriculture:
 - (a) General feed supply.
 - (b) Protein concentrate supply.
 - (c) Cod liver and other oil supplies used in poultry and animal feeds.
 - (d) Preparation of suggested rations for cattle and swine.
 - (e) Preparation for rapid tests where and when necessary.

ATTORNEY-GENERAL'S DEPARTMENT

The war has brought added duties and responsibilities to the Attorney-General in curtailing subversive elements and in the prosecution of offenders against the Defence of Canada Regulations passed under The War Measures Act. The law enforcement officials of the Province are kept informed and up-to-date on the Regulations by full briefs on the law and supplementary memoranda as they become necessary.

The largest increase in expenditure by this Department is occasioned by the appointment, equipping and arming of the Special Provincial Police and Veteran Guards for the purpose of guarding the vital power sources and hydro-electric work. The normal provincial police have been increased by the appointment of 142 special police officers and 600 veteran guards. The necessity of undertaking this important duty is self-evident. Hydro power is the life blood of the nation in the present crisis and any interruption in service, even for a short period of time, would result in losses to the people of the Province by the closing down of factories

and to the nation in the slowing-up of industry far in excess of any expenditure the Province is making to protect these interests. In this connection since the 3rd of September, 1939, to the end of the fiscal year (March 31st, 1940) the cost to the Province will have been \$895,000.00. This expenditure was wholly unanticipated.

DEPARTMENT OF EDUCATION

The Department of Education is making its contribution to the programme of economy in public expenditure by asking this year for approximately one million dollars less than it spent in the present fiscal year. By reason of changes and economies in administration it will be possible to save this amount without making any substantial reductions in the grants to either elementary or secondary schools. The suspension of the Middle School examinations, it is expected, will alone involve a saving of more than one hundred thousand dollars. Further savings will be effected by a reduction in the number of Summer Courses offered this year, and it is possible that a plan by which these courses will be given in alternate years may be adopted.

The teachers of special subjects, such as Agriculture, Music and Art, are being asked this year to forego the special grants which they have received hitherto. It is felt that these subjects have now become sufficiently well established in the schools of the Province to warrant the withdrawal of special subsidies and that school boards in fixing the salaries of teachers will give consideration to their qualifications in these subjects.

DEPARTMENT OF GAME AND FISHERIES

The Department of Game and Fisheries which is responsible for the administration of the wild life division of the provincial natural resources—under the protective legislation provided for that purpose—has experienced perhaps the most satisfactory and successful year in its history—particularly as to the restocking, protection and conservation provided and from the standpoint of the financial returns which have accrued.

Concerning development of departmental fish culture operations it may be of interest to state the new trout rearing station at Hill Lake, in the District of Temiskaming, is now being operated, while subsidiary trout ponds have been constructed in the vicinity of Brighton, and additional bass ponds have been provided at Sandfield (3), in the District of Manitoulin, at Skeleton Lake (5), in the District of Muskoka, and at Havelock (1), in the County of Peterborough. Further a hatchery and pond for the propagation of maskinonge, located at the outlet of Deer Lake in the County of Peterborough, was successfully operated and for the first time in the history of this Department maskinonge were reared to the fingerling stage, while studies were carried on in an experimental way in a portion of the waters of Stoney Lake, Peterborough County, with reference to conditions required for the successful production of this species in the natural state. Particular mention is made of the culture and distribution of speckled trout, brown trout, small-mouthed black bass, maskinonge and yellow pickerel, since the year's distribution of these species surpassed all previous records.

To administer and enforce the provisions of The Game and Fisheries Act, the Department maintains a regular staff of Field Officers throughout the Province

whose duties consist of securing observance of the laws and regulations pertaining to fishing, hunting and trapping. These permanent members of our field staff constitute an important section of the protective service. However, their services are augmented by the assistance and co-operation of members of the Ontario Provincial Police Force as well as certain seasonal officers who are retained for varying periods in the matter of providing adequate patrol service along certain waters during the spring and fall fish spawning periods and protective work during the various hunting seasons.

DEPARTMENT OF HEALTH

During the year the Province experienced the lowest infant death rate, as well as the lowest maternal death rate at child-birth in its history. This, together with a fifty per cent decrease in the incidence of both typhoid fever and diphtheria, a forty per cent decrease in undulant fever, and a new low in the tuberculosis death rate, would indicate that the efforts of the Government in the protection of the public health are meeting with success. Undoubtedly the rapid fall in the incidence of both typhoid fever and undulant fever, as well as the materially lower death rate from intestinal infections among infants, is attributable in a large measure to a safer milk supply as ninety-two per cent of the milk now distributed in the Province is pasteurized.

Mr. Speaker, may I pause for a minute to inject a remark here. This Parliament passed The Pasteurization Act and, for that reason alone, it will be known in history as the Parliament that saved more lives than any other Parliament that ever existed in the history of Ontario. (Applause.) There is a forty per cent decrease in the death rate from undulant fever, and we have lowered the death rate from tuberculosis. That is the effect of the protection which has been made available as the result of the Pasteurization measure alone which was passed by this Legislature. Its effects are reflected not only in the immediate results obtained, but they will be also apparent in the future in the slowing up of the number of young children coming to hospital from places where these diseases, including bovine tuberculosis, have been very prevalent. Only a short time ago a group of doctors from the Sick Children's Hospital asked me to convey to the Legislature appreciation of the action taken some years ago because, they said, the effects of that action will be felt in so many little children who otherwise would have remained subject to these diseases and many of them ending up crippled for life.

In addition to maintaining the accepted safeguards to the health of our citizens, arrangements were made to supplement the medical and diagnostic services of the country's war-time effort by offering the services of our laboratories as well as of our diagnostic clinics in both tuberculosis and mental disease. During the first four months of the war over three thousand specimens referred by the militia authorities were examined in our laboratories and fifteen thousand ounces of typhoid vaccine were distributed free to protect soldiers within the Province against this disease. At the same time hospitalization facilities were offered for soldier casualties.

I might say here that we shared in another problem brought on us by the war. That was in the case of the men who enlisted in the Army and, after three months or so in the forces, they were, on their second or third examination, found

to be suffering from tuberculosis. In many of these cases the men were formerly unemployed before enlistment, and to have sent them back to their families in that condition would have been almost criminal because, as you know, tuberculosis is highly infective. So we worked out a plan with the Militia Department by which we are notified immediately of these cases, and free hospital facilities are offered to these men and, if they are in dire circumstances and have no other source of support, their wives and children come under the provisions of The Mothers' Allowance Act. (Applause.)

DEPARTMENT OF HIGHWAYS

Work programmes during the past year have been generally modified and an effort has been made to consolidate projects already started or nearing completion. In the whole of Ontario during the year there was a total of 199 miles of grading completed, 121 miles of pavement laid, and there were 42 major structures built. While capital expenditure for the coming year must be reduced to a minimum, it will be the policy of the Department to carry to conclusion only certain works already open and uncompleted.

The major part of the work in the north last year consisted in the completion of express highways into mining territory, especially through the Temagami Forest Reserve and the south and west of Kirkland Lake.

The Porcupine mining centre now has its communities joined with concrete highways.

Southern Ontario, this year, has seen substantial progress made on the new Divided Highway from Fort Erie to Oshawa, with much heavy work concentrated at St. Catharines and at the Western entrance to Toronto. The portion of this highway connecting Fort Erie and Toronto was dedicated by Her Majesty, as the Queen Elizabeth Way. While much remains to be done to complete this development, it has more than justified the large expenditure involved. Traffic has been attracted in greatly increased volume, at times of traffic peak the volume is far beyond the capacity of the former two highways between Toronto and Hamilton. Further progress was made on the divided highway development between Gananoque and Brockville, serving the new International Bridge at Ivy Lea. Prior to the construction of this bridge, the maximum number of cars crossing by ferries in this vicinity was about 14,000 in one year. From the opening of the bridge in August, 1938, to the end of August, 1939, one complete twelve-month period, it carried a total of over 198,000 motor vehicles.

Following the declaration of war, our Department approached the Department of Militia and Defence at Ottawa undertaking to carry out any work that might be required where this work would be of such a nature as to further the cause of the war.

About the middle of October we were approached with a view to determining as to the possibility of our staff making surveys of airfields that would be used in connection with those already in existence. We undertook that we would carry on any work they had in mind. Under date of November 8th representatives of the Department of Transport advised us that several locations had been decided upon and asked that we commence surveys at once. We immediately did so.

From that time up to the present various locations have been decided until now thirty fields in all have been considered. Ten plans covering these fields have been turned over to Ottawa. Sixteen additional are over fifty per cent complete, with four fields yet to do.

To facilitate the speedy return of the plans to Ottawa our staff is working night and day that they may be returned with the least possible delay, as a matter of fact, instructions at the present time have been issued to the Surveys Branch that surveys as requested from Ottawa be given preference over all other work. I might say for your information much of our contract work is standing idle until such time as the plans are ready. I feel certain that the plans as they are returned to Ottawa are as fine as can be produced within the time limit.

In co-operation with the Department of Aviation our Department is constructing at the present time a road into Camp Borden, the total cost of which when completed is estimated to be \$270,000.00. Of this amount \$105,000.00 will be taken care of by the Ottawa Department of Mines.

DEPARTMENT OF LABOUR

All Branches of the Department of Labour have increased their activities during the year and especially within the past five months. Since the declaration of war, industries engaged in the manufacture of war materials have been pressed for production, which requires longer hours of work, more workers, more space and new machinery. The Boiler Inspection Branch, upon request from the Department of National Defence, has undertaken the inspection of used boilers and tanks before being installed in the various barracks for billeting soldiers, and orders for new equipment, such as tanks for installation in buildings taken over for the Department of National Defence have resulted in additional work for this Branch.

During the first nine months of this fiscal year more than 108,000 placements have been made by the Ontario Government Offices of the Employment Service of Canada, which number is approximately 6,000 more than during the corresponding period of the previous year. This increase is due largely to demands on war industries. In order to assist military authorities in obtaining the large numbers of building tradesmen and labourers required for work at Camp Borden, a new office of the Employment Service was established at Barrie in September.

The activity of the Conciliation Service of the Department of Labour has been an important factor in the decrease in time-loss due to strikes in Ontario during the year. In the fiscal year 1939 this saving in time-loss was the equivalent of a full year's work for approximately 700 men, and in the first 9 months of the present fiscal year, the time-loss has been less than two-thirds that of the same period last year.

From the aircraft classes established under the Dominion Provincial Youth Training Plan 200 aircraft mechanics will proceed to the Royal Canadian Air Force, on completion of their training on April 1st.

DEPARTMENT OF LANDS AND FORESTS

The uncertain condition of Europe during the year 1938 and the greater part of the following year caused grave apprehension in the Forest Products Industry of the Country and adversely affected prospective undertakings within the Province of Ontario. The declaration of war, with its consequent disturbance in the economic field, may, however, have an important reaction on the pulp and paper business of the Province. Although there have been serious governmental restrictions placed upon the use of newsprint in the United Kingdom which will affect Canadian export, it is predicted that the loss of the Scandinavian trade with the United States will afford Ontario an opportunity of gaining additional markets for its pulp and paper.

Throughout the past year there were distributed and planted by the Department of Lands and Forests over sixteen million trees, the largest number by over four million in the history of the Province, all this nursery stock representing nearly eleven thousand recipients and involving an investment that will in years to come enhance the potential forest wealth of the country and pay substantial dividends to the holders.

Immediately upon the declaration of war the Province offered all its facilities to the Dominion Government to the end of co-ordinating Provincial and Dominion resources for the purpose of speedily and effectively prosecuting the war. Included in these Provincial facilities was the Air Service of the Department of Lands and Forests, actively engaged in a type of work and comprising a personnel whose epic flights and experiences in the face of all difficulties in the northern hinterland have provided an organization that is now actively supporting the Dominion Government.

Two of our fast Stinson Reliant Aircraft have been loaned to the Dominion and for months have been progressively utilized as important units in connection with the war programme particularly in regard to survey work. The services of eight of our key pilots and two of our skilled engineers were readily accepted by Ottawa, and they are doing their share in different parts of Canada furthering war efforts. Another of our top-notch pilots has been absorbed for training purposes by the Dominion Provincial Youth Training Movement. In addition to these numbers it is creditable to observe that three other high ranking pilots of the Provincial Air Service and three engineers have joined the colours, two of the pilots, one "Joe" Heaven and the other George Phillips, having distinguished themselves in the last Great War.

Thousands of blankets, being part of the stores of the Fire Protective Service, were loaned and are still being used by the Department of National Defense.

All in all the Provincial Air Service is making an important contribution in the way of equipment and personnel to the Dominion Government in these exacting times.

DEPARTMENT OF MINES

The Mining Industry of the Province established an all-time record during 1939. Increasing demand for metals created by the war and a 10% increase in

the price of gold in September, were chiefly responsible for this achievement. Of the total value of Canada's mineral production, \$470,000,179, Ontario produced \$235,000,000 or 50%. The gold mines of Ontario produced bullion valued at \$109,508,979, to establish a new high record in the history of this particular industry. The nickel copper industry has likewise reported new all-time highs with regard to both quantity and value. Nickel and copper are very important in the present struggle for survival and Ontario is now in a better position to assist in a successful prosecution of war than was the case in 1914, owing to the fact that refineries have been established in Ontario for the production of these metals. Resumption of operations at the Helen Mine has brought Ontario back into the list of iron ore producers.

It is rather interesting to recall that Sir James Dunn appeared before the War Purchasing Board recently and informed the members that the Helen Mine was being worked with great success and was now able to carry on independently of outside sources for the production of high class steel.

DEPARTMENT OF MUNICIPAL AFFAIRS

The Department of Municipal Affairs may look back with pride on the many accomplishments that have been experienced during the last five years in the administration and financial position of municipalities in Ontario. Of outstanding note is the stabilization of municipal credit largely due to the amicable debt refundings for the supervised municipalities. Out of a total of \$105,000,000 of debenture debt in default at one time, involving 35 municipalities, over \$93,000,000 has been refunded for some 24 municipalities. Settlements with the Municipal Councils by debenture holders committees have been arranged to carry out the plans of four more municipalities involving over \$9,500,000. Plans for two other municipalities are pending and preliminary surveys are now under consideration for the remaining five with a view to refunding at an early date.

Gross Municipal debenture debt at the close of 1938 will amount to approximately \$404,300,000, a reduction of almost \$21,500,000 for the year. Thus the gross debenture debt of Ontario municipalities now stands at its lowest figure since 1923 when at December 31st of that year it amounted to \$376,512,000.

Continued improvement has also been experienced in the position of Ontario Housing Loans. There are, at present, only 11 municipalities indebted to the Province on this account, and the total balance of these loans outstanding is approximately \$550,000.

DEPARTMENT OF PROVINCIAL SECRETARY AND REGISTRAR

The Registrar-General's Branch—

An important activity of the Registrar-General's branch in recent months has been the issuing of information and certificates with respect to the registration of the births and marriages of recruits for overseas and their dependents, this information and certificates have been issued without any charge whatsoever.

Reformatories Branch—

Since December 31st last there has been a slight but definite decrease in the number of prisoners committed to Ontario Correctional Institutions and it is considered probable that a further reduction will occur prior to April 1st and through at least the early months of the coming fiscal year. Largely because of the closing of the Toronto Industrial Refuge in June last and the closing of the Toronto Industrial Farm in October, an increase in the prison population of the Province must unfortunately be reported for the calendar year 1939.

DEPARTMENT OF PUBLIC WELFARE

Municipalities of Ontario will save more than \$3,500,000 during the fiscal year ending March 31st, as a result of the continuance of the Government's policy of assuming their share of the cost of Old Age Pensions, Pensions for the Blind and Mothers' Allowances. Through the above-mentioned agencies, direct relief and grants to orphanages, refuges and war veterans there will be disbursed approximately \$37,818,184 of which approximately \$23,600,000 is recoverable from the other governmental bodies involved. As an indication of the extent to which the public generally is affected by this department of Government, during the month of December, 1939, more than 290,000 persons were dependent, wholly or in part, upon its assistance.

Another saving which accrued to Ontario's municipalities this year was by reason of the arrangement made whereby the Dominion Government, the Province and the Municipalities contribute on a 40-40-20 basis for unemployment relief, rather than by way of direct grant-in-aid. This change will result in a saving to Ontario municipalities of \$1,640,000 this year. On March 31st, 1939, there were approximately 300,000 persons in receipt of relief and it is anticipated that in the same month this year the rolls will be decreased by about 85,000.

DEPARTMENT OF PUBLIC WORKS

The Ontario Hospital at St. Thomas has been turned over to the Dominion Government as an Air Training Centre and all buildings are now occupied by the Royal Canadian Air Force.

The new unit at Woodstock for epileptic children has been completed. Due to the turning over of the St. Thomas Hospital to the Dominion Government, Woodstock has had to be used for tubercular mental patients, and for the same reason, Langstaff Gaol Farm has been leased from the City of Toronto for use as a mental hospital, the Gaol Farm inmates so displaced being cared for in Provincial Institutions. The new Institutions at Port Arthur and Brampton were not proceeded with due to war conditions.

Among other projects undertaken during the year is co-operative effort on the Grand River Conservation Scheme. Good progress has been made on this and funds have been provided in the estimates to pay the Province's contribution towards this work for the year ahead.

THE HYDRO-ELECTRIC POWER COMMISSION OF ONTARIO

Continued development of the mining industry in Northern Ontario was responsible for an increase of 16 per cent in the primary load of the Northern Ontario Properties, which are held and operated by the Hydro-Electric Power Commission of Ontario on behalf of the Province. Some 50 mining and large industrial properties, together with 15 townsites and permanent communities are now served.

It is very gratifying to note that the applications for rural electrical service equalled the annual records established for the preceding two years. During the year more than 13,000 consumers were added to existing districts, necessitating the construction of 2,300 miles of primary lines. Special attention was also given to serving new rural territory in Northern Ontario. At present there are all told approximately 18,000 miles of rural line serving about 113,000 consumers, more than half of which represents service to individual farms. For the ensuing year it is anticipated that 1,900 miles of primary lines will be constructed necessitating an expenditure of approximately \$4,500,000, of which the Province will contribute about \$2,250,000 as a grant-in-aid to assist in providing the benefits of Hydro service to the rural population. In addition to the grant-in-aid, the Province has advanced to the Commission a total of \$320,000 to enable it to make loans to bona fide farmers for the purpose of wiring their premises, and securing electrical equipment. This plan has filled a very real need, and farmers to the number of 1,611 are now enjoying these benefits, who otherwise might not have been able to take advantage of them.

TEMISKAMING AND NORTHERN ONTARIO RAILWAY COMMISSION

Although final figures will not be available for two or three months yet, indications are that the Temiskaming and Northern Ontario Railway will record for the fiscal year ending March 31st, 1940, one of the best years in its recent operating history. The reduced net earnings of the railway in the last fiscal year were only to be expected in view of the general situation as it affected all railway operations throughout the country, and the complete restoration of all wage reductions. The position for the present year, however, is completely changed and the net operating receipts for the period April 1st, 1939, to March 31st, 1940, may now be conservatively estimated at \$1,300,000 which reflects a decided improvement.

AGRICULTURAL LOANS

The Commissioner of Agricultural Loans continues to liquidate the loans made by the Agricultural Development Board during the years from 1922 to 1935, and the books of the Department as at January 31st, 1940, show the following balance still outstanding:

Principal.....	\$39,584,144.37
Interest.....	2,048,592.04
Sundries.....	28,327.68
Total.....	<u>\$41,661,064.09</u>

The collections for the ten months' period ending January 31st, are as follows:

Principal.....	\$2,028,373.02
Interest.....	1,440,736.87

Total Collections.....	\$3,469,109.89
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This represents an increase of \$279,913.13 over the collections for the corresponding period of last year. I might stress that all possible means have been taken to assist the mortgagors in meeting their obligations to the Commission. Numerous extensions have been granted for considerable periods of time and a total of 829 cases have been reamortized for additional periods ranging from 20 to 33 years. This number is in addition to 4,945 loans previously reamortized.

In a great many of these cases the mortgagors are required to pay interest only at 4% annually for a period of three years as against a 5% interest rate charged by the Federal Government under the Canadian Farm Loan Board.

The farm properties repossessed and on hand total 862. They have a book value of \$3,442,989.79. 478 of these farms have been sold but the final details of sale have not yet been completed. The total number of farms resold during the 10 months period referred to amounted to 521.

SETTLERS LOANS

In passing I might refer briefly to a mistaken impression that the Government's policy with regard to Settlers' Loans is driving people off their Northern Ontario lands to become relief charges in the city. There is no justification for such an impression. In fact not a single mortgagor under The Settlers' Loan Act was dispossessed in the year 1939 and very few, if any, were dispossessed prior to 1939. It is true that 70 farms were repossessed in the north under The Agricultural Development Act for the fiscal year ending March 31st last but none of these was repossessed unless it had been abandoned or the Government had been asked by the mortgagor to accept a quit claim deed, or else the Government had been compelled to pay insurance premiums and taxes on the mortgagor's behalf.

It has been the fixed policy of the Agricultural Development Board that no mortgagor is to be dispossessed unless he has fallen into arrears of interest for a period of at least four years, for when you find arrears of interest extending over four years, you also invariably find that other payments affecting the value of the property, insurance policies, for instance, are not being kept up. But as long as the interest has been paid, we have given the mortgagors every consideration as to principal sums overdue and unpaid.

ORDINARY EXPENDITURE

In presenting the statement of the Gross Ordinary Expenditure for the fiscal year which will end on the 31st of March, I report with some degree of satisfaction the fact that, in spite of the trying times in which we live, the various Departments in the aggregate, kept within the amount of supply voted, and this

notwithstanding the fact that a number of unforeseen items of expenditure had to be met. The amount voted for the fiscal year was \$103,356,038.44, while the gross amount expended will be \$102,900,929.00, leaving unexpended \$455,109.44.

I just want to refer now, Mr. Speaker, to some of those unforeseen expenditures. The policing of the Hydro power stations was a very necessary step and one that we have to maintain in order to ensure our power supply. That cost us \$895,000.00, an expenditure which was never contemplated when we brought down the Budget a year ago. Then we had extra expenditure in the Youth Training Movement, particularly in the training of young pilots who will be available for our own Royal Canadian Air Force. As regards the iron ore bounties, we are very glad to-day that the mines are being operated with success and the bonus in that connection amounts to \$237,000.00.

Some of the items of expenditure which were unforeseen were as follows:

Attorney-General's Department—	
Cost of guards for protecting power plants, etc.....	\$ 895,000.00
Department of Labour—	
Youth Training Movement.....	238,000.00
Department of Legislation—	
Cost of extra session.....	15,184.00
Provincial Secretary's Department—	
Due in large measure to the increase of prisoners.....	302,000.00
Treasury Department—	
Iron Ore Bounties.....	237,000.00
Public Works Department—	
Expense of transferring patients from St. Thomas Hospital.....	12,700.00
Alterations to old Dairy School, Kingston.....	20,837.00
Total.....	<u>\$1,720,721.00</u>

In the Public Debt there was an additional cost of \$326,000 due to foreign exchange, but this is repayable by the Hydro-Electric Power Commission, although it occurs in our increase in the gross expenditures.

It will be observed that, of the above amounts, the cost of guarding power plants, etc., \$895,000, the part of the Youth Training Plan applicable to aircraft mechanics, \$150,000, the removal of patients from St. Thomas Hospital, \$12,748.59, which is a total of \$1,057,748.59, these expenditures are directly attributable to Ontario's assistance in prosecuting the war.

Just at this point it is worthy of mention that the interest and depreciation charges in respect of the St. Thomas Hospital buildings, loaned to the Dominion Government for military purposes absolutely free of cost, amounts to approximately \$325,000 per annum.

With the permission of the Assembly, I desire to place on record an interim statement of the Gross Ordinary Expenditure for the fiscal year April 1st, 1939, to March 31st, 1940, being ten months actual and two months estimated. These expenditures, as I have said, amount to \$102,900,929.00.

INTERIM STATEMENT OF GROSS ORDINARY EXPENDITURE

Fiscal Year April 1, 1939—March 31, 1940

10 Months Actual—2 Months Forecast—12 Months

DEPARTMENT	Detail	Gross Ordinary Expenditure
1—AGRICULTURE.....		\$ 2,163,754.00
2—ATTORNEY-GENERAL.....		3,459,729.00
3—EDUCATION.....		12,786,056.00
4—GAME AND FISHERIES.....		563,782.00
5—HEALTH:		
Main Office and Branches.....	\$1,086,936.00	
Hospitals Branch.....	9,901,368.00	10,988,304.00
6—HIGHWAYS.....		10,193,366.00
7—INSURANCE.....		59,228.00
8—LABOUR.....		813,560.00
9—LANDS AND FORESTS.....		2,150,076.00
10—LEGISLATION.....		287,750.00
11—LIEUTENANT-GOVERNOR.....		9,650.00
12—MINES.....		382,305.00
13—MUNICIPAL AFFAIRS.....		4,651,194.00
14—PRIME MINISTER.....		181,134.00
15—PROVINCIAL AUDITOR.....		118,500.00
16—PROVINCIAL SECRETARY:		
Main Office and Registrar-General's Branch.....	117,745.00	
Reformatories and Prisons Branch.....	2,229,696.00	2,347,441.00
17—PROVINCIAL TREASURER:		
Main Office.....	778,073.00	
Budget Committee Office.....	10,672.00	
Controller of Revenue Branch.....	432,118.00	
Motion Picture Censorship and Theatre Inspection Branch.....	34,331.00	
Post Office.....	141,579.00	
Savings Office.....	274,038.00	1,670,811.00
18—PUBLIC WELFARE:		
Main Office and Branches.....	382,838.00	
Old Age Pensions Commission.....	3,382,811.00	
Mothers' Allowances Commission.....	5,209,538.00	8,975,187.00
19—PUBLIC WORKS.....		857,223.00
MISCELLANEOUS.....		4,694.00
STATIONERY ACCOUNT.....		29,379.00
		\$ 62,693,123.00
PUBLIC DEBT—Interest, Exchange, etc.....		30,838,134.00
		\$ 93,531,257.00
ADD: Unemployment Direct Relief and Administration thereof.....		9,369,672.00
		\$102,900,929.00

CAPITAL PAYMENTS

For the information of the House I also place on record an interim statement of the Gross Capital Payments for the fiscal year April 1st, 1939, to March 31st, 1940, being ten months actual and two months forecast, the total being \$38,116,705.00.

INTERIM STATEMENT OF GROSS CAPITAL PAYMENTS

Fiscal Year April 1, 1939—March 31, 1940

10 Months Actual—2 Months Forecast—12 Months

DEPARTMENT	GROSS CAPITAL PAYMENTS		
	Works and Resources	Loan Advances	Trust Fund Repayments
AGRICULTURE.....		\$ 27,500.00	
EDUCATION.....	\$ 65,638.00		
GAME AND FISHERIES.....	11,255.00		
HIGHWAYS.....	20,791,302.00		
LANDS AND FORESTS.....	397,423.00		
PRIME MINISTER:			
Public Service Superannuation Fund.....			\$ 831,264.00
PROVINCIAL TREASURER:			
Main Office.....		757,280.00	385,519.00
Hydro-Electric Power Commission.....	2,050,000.00	50,000.00	
PUBLIC WELFARE:			
Dominion Government:			
Old Age and Blind Pensions.....		10,115,191.00	
PUBLIC WORKS.....	2,634,333.00		
	<u>\$25,949,951.00</u>	<u>\$10,949,971.00</u>	<u>\$1,216,783.00</u>

SUMMARY

Works and Resources.....	\$25,949,951.00
Loan Advances.....	10,949,971.00
Trust Fund Repayments.....	1,216,783.00
	<u>\$38,116,705.00</u>

ORDINARY REVENUE

The ordinary revenue for the fiscal year reflects conditions in part due to the war and, in part, to other causes which I shall mention. In order that the members may see for themselves the items which have fallen short of the amount estimated, I shall, with the permission of the House, table a comparative statement of the Gross Ordinary Revenue for the fiscal year ending March 31st, 1940, showing the Budget forecast and the interim statement of revenue, which show ten months actual receipts and two months estimated.

It will be observed that the revenue shows a net decrease of \$4,945,000 over the forecast. The Motor Vehicles branch accounted for \$1,203,000 of this difference, Mines, \$346,000, Liquor Control Board revenue \$950,000, Succession Duty, \$3,600,000, Security Transfer Tax, \$246,000, and Land Transfer Tax, \$27,000. There are offsetting items of increase which improve the picture somewhat and these increases are shown on the comparative statement which I now table. The largest deficiency in revenue is in respect to Succession Duty, and this is due to the difficulties placed in the way of the Government arising out of the injunction obtained in what is known as the Kauffman case.

COMPARATIVE STATEMENT OF GROSS ORDINARY REVENUE FOR THE FISCAL YEAR ENDING MARCH 31st, 1940

DEPARTMENT	FORECAST		INTERIM		DIFFERENCE	
	DETAIL	TOTAL	DETAIL	TOTAL	DETAIL Increase—I Decrease—D	NET Increase—I Decrease—D
AGRICULTURE.....		\$ 339,000.00		\$ 378,000.00		\$ 39,000.00—I
ATTORNEY-GENERAL.....		1,032,000.00		1,113,000.00		81,000.00—I
EDUCATION.....		140,000.00		136,000.00		4,000.00—D
GAME AND FISHERIES.....		880,000.00		1,009,000.00		129,000.00—I
HEALTH:						
Main Office and Branches.....	\$ 59,000.00		\$ 67,000.00		\$ 8,000.00—I	
Hospitals Branch.....	1,509,000.00	1,568,000.00	1,414,000.00	1,481,000.00	95,000.00—D	87,000.00—D
HIGHWAYS:						
Main Office and Branches.....	10,000.00		14,000.00		4,000.00—I	
Gasoline Tax Branch.....	25,000,000.00		25,000,000.00			
Permits, Gas Pumps, etc.....	90,000.00		96,000.00		6,000.00—I	
Motor Vehicles Branch.....	9,200,000.00	34,300,000.00	7,987,000.00	33,097,000.00	1,213,000.00—D	1,203,000.00—D
INSURANCE.....		230,000.00		229,000.00		1,000.00—D
LABOUR.....		140,000.00		132,000.00		8,000.00—D
LANDS AND FORESTS.....		3,126,000.00		3,500,000.00		374,000.00—I
LEGISLATION.....		14,000.00		14,000.00		
MINES.....		2,600,000.00		2,254,000.00		346,000.00—D
MUNICIPAL AFFAIRS:						
Main Office and Municipal Board.....	10,000.00		31,000.00		21,000.00—I	
Housing Branch.....	35,000.00	45,000.00	62,000.00	93,000.00	27,000.00—I	48,000.00—I
PRIME MINISTER.....		20,000.00		18,000.00		2,000.00—D
PROVINCIAL SECRETARY:						
Main Office and Registrar-General's Branch.....	368,000.00		349,000.00		19,000.00—D	
Reformatories and Prisons Branch.....	914,000.00	1,282,000.00	954,000.00	1,303,000.00	40,000.00—I	21,000.00—I
PROVINCIAL TREASURER:						
Main Office—Subsidy.....	2,941,000.00		2,941,000.00			
Interest.....	73,000.00		73,000.00			
Miscellaneous.....			6,000.00		6,000.00—I	
Liquor Control Board.....	10,750,000.00		9,800,000.00		950,000.00—D	
Controller of Revenue Branch—						
Succession Duty.....	17,000,000.00		13,400,000.00		3,600,000.00—D	
Corporation Tax.....	9,388,000.00		9,382,000.00		6,000.00—D	
Race Tracks.....	612,000.00		612,000.00			
Income Tax.....	6,000,000.00		6,200,000.00		200,000.00—I	
Security Transfer Tax.....	700,000.00		454,000.00		246,000.00—D	
Land Transfer Tax.....	250,000.00		223,000.00		27,000.00—D	
Law Stamps.....	400,000.00		403,000.00		3,000.00—I	
Motion Picture Censorship and Theatre Inspection Branch.....	185,000.00		201,000.00		16,000.00—I	
Savings Office.....	279,000.00	48,578,000.00	274,000.00	43,969,000.00	5,000.00—D	4,609,000.00—D
PUBLIC WORKS.....		47,000.00		187,000.00		140,000.00—I
PUBLIC DEBT—Interest.....		\$ 94,341,000.00		\$ 88,913,000.00		\$5,428,000.00—D
		9,060,000.00		9,543,000.00		483,000.00—I
		\$103,401,000.00		\$98,456,000.00		\$4,945,000.00—D

ORDINARY REVENUE

I also table an interim statement of the Gross Ordinary Revenue for the fiscal year April 1st, 1939, to March 31st, 1940, being ten months actual and two months estimated.

INTERIM STATEMENT OF GROSS ORDINARY REVENUE

Fiscal Year April 1, 1939—March 31, 1940

10 Months Actual—2 Months Forecast—12 Months

DEPARTMENT	Detail	Gross Ordinary Revenue
1—AGRICULTURE.....		\$ 378,000.00
2—ATTORNEY-GENERAL.....		1,113,000.00
3—EDUCATION.....		136,000.00
4—GAME AND FISHERIES.....		1,009,000.00
5—HEALTH:		
Main Office and Branches.....	\$ 67,000.00	
Hospitals Branch.....	1,414,000.00	
		1,481,000.00
6—HIGHWAYS:		
Main Office.....	14,000.00	
Gasoline Tax.....	25,000,000.00	
Permits, Gas Pumps, etc.....	96,000.00	
Motor Vehicles Branch.....	7,987,000.00	
		33,097,000.00
7—INSURANCE.....		229,000.00
8—LABOUR.....		132,000.00
9—LANDS AND FORESTS.....		3,500,000.00
10—LEGISLATION.....		14,000.00
11—MINES.....		2,254,000.00
12—MUNICIPAL AFFAIRS:		
Main Office.....	9,000.00	
Municipal Board.....	22,000.00	
Housing Branch.....	62,000.00	
		93,000.00
13—PRIME MINISTER.....		18,000.00
14—PROVINCIAL SECRETARY:		
Main Office and Registrar-General's Branch.....	349,000.00	
Reformatories and Prisons Branch.....	954,000.00	
		1,303,000.00
15—PROVINCIAL TREASURER:		
Main Office—Subsidy.....	2,941,000.00	
Interest.....	73,000.00	
Miscellaneous.....	6,000.00	
Liquor Control Board.....	9,800,000.00	
Controller of Revenue Branch:		
Succession Duty.....	13,400,000.00	
Corporation Tax.....	9,382,000.00	
Race Tracks.....	612,000.00	
Income Tax.....	6,200,000.00	
Security Transfer Tax.....	454,000.00	
Land Transfer Tax.....	223,000.00	
Law Stamps.....	403,000.00	
Motion Picture Censorship and Theatre Inspection..	201,000.00	
Savings Office.....	274,000.00	
		43,969,000.00
16—PUBLIC WORKS.....		187,000.00
		\$88,913,000.00
PUBLIC DEBT—Interest.....		9,543,000.00
		\$98,456,000.00

SUMMARY

Gross Ordinary Revenue.....	\$98,456,000.00
Less: Gross Ordinary Expenditure before providing for Unemployment Direct Relief, Provision for Sinking Funds and Maturing Railway Aid Certificates.....	92,406,632.00
Surplus: before providing for Unemployment Direct Relief, Provision for Sinking Fund, and Maturing Railway Aid Certificates..	6,049,368.00
Less: Unemployment Direct Relief and Administration thereof..	\$9,369,672.00
Provision for Sinking Fund..	1,038,655.00
Maturing Railway Aid Certificates.....	85,970.00
	<u>10,494,297.00</u>
Interim Deficit.....	<u><u>\$ 4,444,929.00</u></u>

In order to summarize the results of the Ordinary Expenditure and the Ordinary Revenue, I call your attention to the following items:

Gross Ordinary Revenue.....	\$98,456,000.00
Less: Gross Ordinary Expenditure before providing for Unemployment Direct Relief, Provision for Sinking Funds and Maturing Railway Aid Certificates...	92,406,632.00
Surplus: Before providing for Unemployment Direct Relief, Provision for Sinking Fund, and Maturing Railway Aid Certificates.....	6,049,368.00

According to the Public Accounts of the other Provinces of the Dominion, direct unemployment relief is charged either in whole or in part as capital and not as ordinary expenditure. It is not my intention to charge the cost of direct relief to capital, but to continue as in the past to consider it as an item of ordinary expenditure. Therefore, charging back the cost of Unemployment Direct Relief and administration thereof in the sum of.....	\$9,369,672.00
Provision for Sinking Fund.....	1,038,655.00
Maturing Railway Aid Certificates.....	85,970.00
Making a total of.....	<u>\$10,494,297.00</u>
This shows a deficit on the year of.....	4,444,929.00

May I refer back here to one item of revenue which has to do with the Motor Vehicles Branch. In the past it was the practice to allow motor vehicle licenses to run with the calendar year, but we extended the time for the securing of licenses. We thought we would trust the people and let the sale of markers go on in an orderly way during the first three months of the year. But we have found that a whole lot of people have not thought of buying their licenses until the 31st of March and then, on the 1st of April, there were long waiting queues of people who wanted to buy licenses and that money, of course, goes into the revenue of the fiscal year which is to come. So this year we have notified our sales agents, through the Department, that they are going to operate on a purely calendar year and collect licenses on the first of January and thus overcome

those who have taken too full advantage of the Government's generosity and see that our revenue is applied to the fiscal year in which it belongs.

CAPITAL RECEIPTS

With the permission of the House, I shall now place on record an interim statement of the Gross Capital Receipts for the fiscal year April 1st, 1939, to March 31st, 1940, being ten months actual and two months forecast. The estimated total capital receipts are \$17,516,470.

INTERIM STATEMENT OF GROSS CAPITAL RECEIPTS

Fiscal Year April 1, 1939—March 31, 1940

10 Months Actual—2 Months Forecast—12 Months

DEPARTMENT	GROSS CAPITAL RECEIPTS		
	Works and Resources	Loan Repayments	Trust Fund Deposits
AGRICULTURE.....	\$	\$ 39,220.00	\$
HIGHWAYS.....	46,382.00	.....	.....
LANDS AND FORESTS.....	76,161.00	.....	.....
MINES.....	75,277.00	.....	.....
MUNICIPAL AFFAIRS.....	.....	214,987.00	.....
PRIME MINISTER:			
Public Service Superannuation Fund.....	.....	.....	1,345,000.00
PROVINCIAL TREASURER:			
Main Office.....	.....	2,805,533.00	221,420.00
Hydro-Electric Power Commission.....	.....	2,566,049.00	.....
PUBLIC WELFARE:			
Old Age and Blind Pensions Commission.....	.....	10,115,191.00	.....
PUBLIC WORKS.....	11,250.00	.....	.....
	<u>\$ 209,070.00</u>	<u>\$15,740,980.00</u>	<u>\$1,566,420.00</u>

SUMMARY

Works and Resources.....	\$ 209,070.00
Loan Repayments.....	15,740,980.00
Trust Fund Deposits.....	1,566,420.00
	<u>\$17,516,470.00</u>

GROSS PROVINCIAL DEBT

The increase in the Gross Provincial Debt this year amounts to \$24,482,239. With the permission of the House I shall place on record a detailed statement of the estimated increase in the Gross Debt for the year ending March 31st, 1940. You will observe that, although the Gross Debt has increased by the sum of \$24,482,239, there are capital disbursements for highways, public buildings, and public works amounting to nearly 26 million dollars.

PROVINCE OF ONTARIO

Detail Summary accounting for Estimated Increase in Gross Debt

For the Year Ending March 31, 1940

GROSS DEBT INCREASED BY—

Capital Disbursements—

Highways, Public Buildings, Public Works, etc. \$25,949,951.00

Less—

Capital Receipts 209,070.00

\$25,740,881.00

Discount on Debentures, etc., issued during year 812,975.00

Loan Advances—

Municipal Debentures (Net) 104,564.00

Payments re Guaranteed Debentures (Net) 354,319.00

Deficit—

Deficit on Ordinary Account \$4,444,929.00

Less—

Provisions charged to
Ordinary Expenditure—Railway Aid Certifi-
cates \$ 85,970.00Sinking Fund Instal-
ments 1,038,655.00

1,124,625.00

3,320,304.00

Increase in Income Liabilities 332,613.00

\$30,665,656.00

GROSS DEBT DECREASED BY—

Loan Repayments—

Hydro-Electric Power Commission of
Ontario \$2,521,811.00

Agricultural Development Board 2,401,000.00

Tile Drainage (Net) 71,643.00

Housing Loans 214,987.00

Miscellaneous (Net) 40,384.00

5,249,825.00

Discount on Debentures, etc.—Written off 924,777.00

Earnings on Sinking Fund Investments (Net) 8,679.00

Increase in Reserves 136.00

6,183,417.00

Estimated Increase as at March 31st, 1940 \$24,482,239.00

NOTE.—The above estimated increase in Gross Debt has been based upon the actual receipts and disbursements for the period from April 1st, 1939, to January 31st, 1940, and estimated receipts and disbursements for February and March, 1940.

In dealing with the Gross Debt of the Province let me say that the increase in the gross debt from October 31st, 1934, to March 31st, 1940, amounts to \$81,488,530.75. To call this an increase in the gross debt without showing the other side of the picture and dealing with what might properly be called the investments of the Province, gives an incomplete and misleading impression.

For the period that I have mentioned, namely, October 31st, 1934, to March 31st, 1940, during which the Gross Debt shows an increase of \$81,488,530.75, the Province has made capital expenditures, with corresponding increase in capital assets totalling \$146,308,803.76. For the information of the House I table a statement of these expenditures and I say that, because of this increase, the Province is not poorer, but richer, for in the matter of highways alone we have constructed and paid for approximately 125 millions of dollars of these revenue-producing assets and, as you will see from the Statement of Revenue for the present fiscal year, the revenue from the Highways Department alone will exceed 33 million dollars.

PROVINCE OF ONTARIO

Statement of Capital Expenditures which correspondingly increase the Capital Assets of the Province

For the Period from November 1st, 1934, to March 31st, 1940

	5 months ended Mar. 31, 1935	YEAR ENDED					Estimated Mar. 31, 1940	Total
		Mar. 31, 1936	Mar. 31, 1937	Mar. 31, 1938	Mar. 31, 1939			
AGRICULTURE:								
Purchase of Land, Erection of Buildings, etc.....				\$ 58,978.98			\$ 58,978.98	
EDUCATION:								
University of Toronto.....		\$ 65,638.43	\$ 65,638.43	65,638.43	\$ 65,638.43	\$ 65,638.43		328,192.15
GAME AND FISHERIES:								
Erecting Ponds, Buildings and Dams, Purchase of Land, Buildings, Machinery, equipment.....		16,139.83	27,997.38	50,554.53	16,902.91	11,254.94		122,849.59
HEALTH:								
Radium Emanation Plants, and Purchase of Radium.....	\$ 39,567.29	167,035.51	6,559.42					213,162.22
HIGHWAYS:								
Road Construction and Northern Ontario Roads.....	11,506,386.39	15,658,944.61	9,459,983.21	34,622,186.12	32,887,878.35	20,791,301.27		124,926,679.95
LANDS AND FORESTS:								
Reforestation, Surveys, Clearing Townsites, Equipment.....	97,656.24	290,430.05	415,494.35	312,952.89	390,176.92	397,423.18		1,904,133.63
PROVINCIAL SECRETARY:								
Additions and Alterations, Guelph and Burwash			74,321.92	65,422.62				139,744.54
PUBLIC WORKS:								
Construction of New Buildings, Roads, Bridges, etc.....	335,466.79	263,039.57	219,574.55	2,015,118.07	4,850,461.77	2,634,332.73		10,317,993.48
PUBLIC WELFARE:								
Retire Bonded Indebtedness, Alexandra Industrial School....		20,000.00						20,000.00
HYDRO-ELECTRIC POWER COMMISSION OF ONTARIO:								
Bonuses, Rural Transmission Lines.....	120,000.00	305,000.00	1,000,000.00	1,770,000.00	3,030,000.00	2,050,000.00		8,275,000.00
MISCELLANEOUS.....		211.84		1,857.38				2,069.22
	\$12,099,076.71	\$16 786,439.84	\$11,269,569.26	\$38,962,709.02	\$41,241,058.38	\$25,949,950.55		\$146,308,803.76

Further, I take this opportunity, when discussing this increase in the Gross Debt of 81 million dollars, of bringing to the attention of the House some of the investments of this Province in the human resources of the state. During this period under review, we have spent on education, in round figures, 59 million dollars; on health, 40 million dollars; on agriculture, 9 million dollars; on unemployment direct relief, nearly 73 million dollars; on Mother's Allowances, 20 million dollars.

Let me pause for a moment and deal particularly with this item of Mothers' Allowances. The greatest wealth that this country possesses is its children and in assisting the mothers, who are for the most part widows, to educate and rear their children and bring them up to be good and valuable citizens of this Province, the Government has achieved something that is worthy of the highest commendation. This Government can take credit for having increased Mothers' Allowances by extending them to the mother with one child the allowance formerly denied them.

Old Age Pensions and Pensions for the Blind amount to \$14,000,000 and there is another item which is in the nature of a rebate to the taxpayers. I mean municipal subsidies. We have returned, since these subsidies were introduced, a sum in excess of 10 million dollars to the municipalities, and this sum has been applied directly in reduction of the taxes paid by the ratepayers of the various municipalities.

A statement showing the various net ordinary expenditures which go to make up the \$226,664,761.85 is, with the permission of the House, tabled for the information of the members.

PROVINCE OF ONTARIO

Statement showing Various Net Ordinary Expenditures, by Fiscal Periods

From November 1, 1934, to March 31, 1940

	Five months ending Mar. 31, 1935	YEAR ENDING MARCH 31ST					Total
		1936	1937	1938	1939	(Interim) 1940	
EDUCATION.....	\$ 3,429,631.44	\$ 9,835,581.81	\$10,001,950.31	\$11,143,886.65	\$12,504,922.47	\$12,649,911.06	\$ 59,565,883.74
HEALTH.....	3,055,582.99	6,187,596.83	6,128,023.08	7,576,768.90	8,077,017.49	9,563,325.62	40,588,314.91
AGRICULTURE.....	690,618.76	1,531,781.13	1,546,471.94	1,753,862.10	1,809,962.63	1,785,840.55	9,118,537.11
UNEMPLOYMENT DIRECT RELIEF AND ADMINIS- TRATION THEREOF.....	8,192,673.31	21,813,368.20	13,270,057.29	9,996,164.35	10,175,482.56	9,369,671.60	72,817,417.31
MOTHERS' ALLOWANCES.....	747,886.55	2,133,489.86	2,477,971.29	4,851,641.50	5,000,040.68	5,067,881.50	20,278,911.38
OLD AGE PENSIONS.....	687,087.26	1,770,885.31	1,882,713.46	3,082,112.46	3,166,625.40	3,239,381.38	13,828,805.27
PENSIONS FOR THE BLIND.....				12,848.00	66,251.81	75,276.44	154,376.25
SUBSIDIES—MUNICIPAL AFFAIRS DEPARTMENT.....				2,920,962.96	2,941,477.08	4,450,075.84	10,312,515.88
	<u>\$16,803,480.31</u>	<u>\$43,272,703.14</u>	<u>\$35,307,187.37</u>	<u>\$41,338,246.92</u>	<u>\$43,741,780.12</u>	<u>\$46,201,363.99</u>	<u>\$226,664,761.85</u>

I am content to be judged by the people of the Province of Ontario in respect of the increase of 81 million dollars in the gross debt of the Province when I am able to report, as I do to-day, that during the same period we have an increase in the tangible capital assets of the Province of 146 million dollars, and I like to report having contributed to the human resources of the Province a sum in excess of 226 million dollars.

It may rightly be said of Governments that, long after they have disappeared and have been replaced by others, their records will be read and their success or failure appraised according as they have developed the material and human resources of the organized society for whose welfare they were for the time being responsible.

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

The indirect debt of the Province will show a decrease of some \$7,852,000 in the present year. The only guarantee given by this Government in the present fiscal year was one to a co-operative association in the sum of \$5,000. All other items entering into the Contingent Liability Account are deductions.

With the permission of the House I table a statement of the Contingent Liabilities of the Province as at March 31st, 1940, showing an estimated decrease of \$7,852,417.47.

PROVINCE OF ONTARIO

Contingent Liabilities, Bonds, etc., Guaranteed by the Province

Estimated as at March 31st, 1940

Total (as per Public Accounts, March 31st, 1939).....	\$143,838,873.98
ADD—New Guarantees for period from April 1st, 1939, to January 31st, 1940—	
Co-Operative Associations.....	5,000.00
	<hr/>
	\$143,843,873.98
LESS—Principal Maturities redeemed during period from April 1st, 1939, to January 31st, 1940—	
BY PROVINCE OF ONTARIO—	
Co-Operative Associations.....	\$ 15,000.00
Housing.....	67,537.16
Municipalities.....	2,828.19
Schools.....	31,349.77
	<hr/>
	\$ 116,715.12

BY MUNICIPALITIES—

Co-Operative Associations.....	\$ 99,600.00	
Housing.....	99,105.12	
Municipalities.....	52,852.84	
Park Commissions.....	103,000.00	
Power Commissions.....	6,329,000.00	
Railways.....	525,000.00	
Schools.....	160,882.69	
Universities.....	90,676.09	
	<u>\$7,460,116.74</u>	
		\$ 7,576,831.86

\$136,267,042.12

LESS—Sinking Fund Deposits—April 1st, 1939, to January 31st, 1940..... 19,146.66

Net Liability of the Province as at January 31st, 1940.....\$136,247,895.46

LESS—Principal Maturities to be redeemed during February and March, 1940—

BY PROVINCE OF ONTARIO—

Housing.....	\$ 42,735.98
Municipalities.....	1,346.38
Schools.....	138.12
	<u>\$ 44,220.48</u>

BY MUNICIPALITIES AND OTHERS—

Housing.....	\$ 5,514.14	
Railways.....	200,000.00	
Schools.....	11,604.33	
	<u>217,118.47</u>	
		261,338.95

\$135,986,556.51

LESS—Estimated Sinking Fund Deposits—February and March, 1940..... 100.00

Estimated Net Liability of the Province as at March 31st, 1940.....\$135,986,456.51

SUMMARY

Contingent Liability of the Province—March 31st, 1939.....	\$143,838,873.98
Estimated Contingent Liability of the Province—March 31st, 1940.....	135,986,456.51
Estimated Decrease.....	<u>\$ 7,852,417.47</u>

ESTIMATES

Permit me, Mr. Speaker, to present to this Assembly, the estimates for the coming fiscal year. In preparing these estimates the greatest possible care has been taken in order that we may clearly set out to the Assembly and to the people of the Province what financial plans have been prepared for carrying on the business of the state during this war period.

Far be it from me to paint any dark picture. I realize, as do we all, that we are in the second phase of the great war. There is no need to emphasize this point to-day but, realizing the responsibility that rests upon Canada, a responsibility that must be shared largely by this Province, it is the considered opinion of the Government that Ontario must give leadership to the rest of the Dominion. This richest, most prosperous, most progressive part of the Dominion must not betray any faltering in this time of testing. No greater disservice could be rendered the Dominion or the cause of the Allies than that this Province should forecast a deficit either in ordinary or capital accounts, and no greater disservice could be rendered than by a Government attempting to deceive itself by allowing estimates of revenue to be founded on optimism. We must be sure, and I believe

that we are certain—as certain as human foresight makes it possible—that we budget for a surplus for the year on which we are about to enter.

It is estimated that the ordinary revenue for the coming fiscal year from April 1st, 1940, to March 31st, 1941, will amount to \$89,051,209.40.

The net ordinary expenditure (not including Unemployment Relief) will amount to	\$82,744,970.24
Leaving an excess of ordinary revenue over ordinary expenditure of	6,306,239.16
And after providing expenditures on account of Unemployment Direct Relief and administration thereof in a sum of	5,950,000.00
We expect to present a surplus of	356,239.16

It is expected also that, after taking into consideration proposed capital expenditures and capital receipts we will be able to report at the end of the next fiscal year a reduction in the gross debt in the sum of \$864,899.23.

With the permission of the House, I place on the records the Budget forecasts of ordinary revenue, ordinary expenditure, capital receipts and capital payments for the fiscal year April 1st, 1940, to March 31st, 1941.

BUDGET FORECAST OF ORDINARY REVENUE

Fiscal Year April 1, 1940—March 31, 1941

DEPARTMENT	Detail	Gross Ordinary Revenue	Application of Revenue to Expenditure	Detail	Net Ordinary Revenue
1—AGRICULTURE.....		\$ 327,618.00			\$ 327,618.00
2—ATTORNEY-GENERAL:					
Main Office and Branches....		1,057,050.00	\$ 121,650.00		935,400.00
3—EDUCATION.....		100,000.00			100,000.00
4—GAME AND FISHERIES....		922,000.00			922,000.00
5—HEALTH:					
Main Office and Branches....	\$ 60,120.00		2,000.00	\$ 58,120.00	
Hospitals Branch.....	1,390,500.00	1,450,620.00		1,390,500.00	1,448,620.00
6—HIGHWAYS:					
Main Office and Branches....	10,000.00			10,000.00	
Gasoline Tax Branch.....	24,000,000.00			24,000,000.00	
Miscellaneous Permits Branch..	90,000.00			90,000.00	
Motor Vehicles Branch.....	8,500,000.00	32,600,000.00		8,500,000.00	32,600,000.00
7—INSURANCE.....		220,000.00			220,000.00
8—LABOUR.....		80,000.00	3,500.00		76,500.00
9—LANDS AND FORESTS:					
Main Office and Branches....		3,486,306.40			3,486,306.40
10—LEGISLATION.....		11,500.00			11,500.00
11—MINES.....		2,158,257.00	5,000.00		2,153,257.00
12—MUNICIPAL AFFAIRS:					
Main Office and Municipal Board.....		21,250.00			21,250.00
13—PRIME MINISTER:					
King's Printer—Ontario Gazette		16,000.00			16,000.00
14—PROVINCIAL SECRETARY:					
Main Office and Registrar-General's Branch.....	329,100.00			329,100.00	
Reformatories and Prisons Branch.....	901,000.00	1,230,100.00	682,000.00	219,000.00	548,100.00
15—PROVINCIAL TREASURER:					
Main Office—Subsidy.....	2,941,424.00			2,941,424.00	
Interest.....	73,000.00			73,000.00	
Liquor Control Board.....	9,500,000.00			9,500,000.00	
Controller of Revenue Branch:					
Succession Duty.....	12,000,000.00			12,000,000.00	
Corporations Tax.....	15,000,000.00			15,000,000.00	
Race Tracks.....	525,000.00			525,000.00	
Income Tax.....	5,000,000.00			5,000,000.00	
Security Transfer Tax.....	350,000.00			350,000.00	
Land Transfer Tax.....	225,000.00			225,000.00	
Law Stamps.....	365,000.00			365,000.00	
Motion Picture Censorship and Theatre Inspection Branch..	170,000.00			170,000.00	
Savings Office.....	276,824.36	46,426,248.36	276,824.36		46,149,424.00
16—PUBLIC WORKS.....		49,034.00	13,800.00		35,234.00
MISCELLANEOUS.....		100,000.00	100,000.00		
		\$90,255,983.76	\$ 1,204,774.36		\$89,051,209.40
PUBLIC DEBT—Interest, etc.....	\$ 8,917,189.75		8,917,189.75		
Foreign Exchange	718,187.70	9,635,377.45	718,187.70		
TOTAL.....		\$99,891,361.21	\$10,840,151.81		\$89,051,209.40

SUMMARY

Net Ordinary Revenue.....	\$89,051,209.40
Net Ordinary Expenditure (not including Unemployment Relief).....	82,744,970.24
EXCESS OF ORDINARY REVENUE OVER ORDINARY EXPENDITURE..	\$ 6,306,239.16
Estimated Net Expenditure on account of Unemployment Direct Relief and administration thereof.....	5,950,000.00
SURPLUS FORECAST.....	\$ 356,239.16

BUDGET FORECAST OF ORDINARY EXPENDITURE

Fiscal Year April 1, 1940—March 31, 1941

DEPARTMENT	Detail	Gross Ordinary Expenditure	Application of Revenue to Expenditure	Detail	Net Ordinary Expenditure
1—AGRICULTURE.....		\$ 2,128,885.00			\$ 2,128,885.00
2—ATTORNEY-GENERAL:					
Main Office and Branches....		3,186,410.00	\$ 121,650.00		3,064,760.00
3—EDUCATION.....		12,000,000.00			12,000,000.00
4—GAME AND FISHERIES....		610,000.00			610,000.00
5—HEALTH:					
Main Office and Branches....	\$ 1,226,260.00		2,000.00	\$ 1,224,260.00	
Hospitals Branch.....	9,420,790.00	10,647,050.00		9,420,790.00	10,645,050.00
6—HIGHWAYS:					
Main Office and Branches....	10,969,300.00			10,969,300.00	
Motor Vehicles Branch.....	402,000.00	11,371,300.00		402,000.00	11,371,300.00
7—INSURANCE.....		61,000.00			61,000.00
8—LABOUR.....		500,000.00	3,500.00		496,500.00
9—LANDS AND FORESTS:					
Main Office and Branches....		2,312,000.00			2,312,000.00
10—LEGISLATION.....		273,000.00			273,000.00
11—LIEUTENANT-GOVERNOR..		10,000.00			10,000.00
12—MINES.....		369,625.00	5,000.00		364,625.00
13—MUNICIPAL AFFAIRS:					
Main Office and Municipal Board.....	108,370.00				
Subsidy—1 Mill—					
To cities, towns, incorporated villages and townships....	3,000,000.00	3,108,370.00			3,108,370.00
14—PRIME MINISTER.....		167,265.00			167,265.00
15—PROVINCIAL AUDITOR....		118,200.00			118,200.00
16—PROVINCIAL SECRETARY:					
Main Office and Registrar-General's Branch.....	120,000.00			120,000.00	
Reformatories and Prisons Branch.....	1,950,000.00	2,070,000.00	682,000.00	1,268,000.00	1,388,000.00
17—PROVINCIAL TREASURER:					
Main Office.....	864,640.00			864,640.00	
Budget Committee Office....	9,520.00			9,520.00	
Controller of Revenue Branch.	464,510.00			464,510.00	
Motion Picture Censorship and Theatre Inspection Branch..	45,525.00			45,525.00	
Post Office.....	147,115.00			147,115.00	
Savings Office.....	276,824.36	1,808,134.36	276,824.36		1,531,310.00
18—PUBLIC WELFARE:					
Main Office and Branches....	387,810.00			387,810.00	
Old Age Pensions Commission and Pensions for the Blind..	3,475,165.00			3,475,165.00	
Mothers' Allowances Commission.....	5,271,420.00	9,134,395.00		5,271,420.00	9,134,395.00
19—PUBLIC WORKS.....		690,000.00	13,800.00		676,200.00
MISCELLANEOUS.....		104,400.00	100,000.00		4,400.00
		\$60,670,034.36	\$ 1,204,774.36		\$59,465,260.00
PUBLIC DEBT—Interest, etc.....		31,072,173.81	8,917,189.75		22,154,984.06
Foreign Exchange.....		1,842,913.88	718,187.70		1,124,726.18
TOTAL.....		\$93,585,122.05	\$10,840,151.81		\$82,744,970.24
ADD : Estimated Net Expenditure on account of Unemployment Direct Relief and the Administration thereof.....		5,950,000.00			5,950,000.00
GRAND TOTAL.....		\$99,535,122.05	\$10,840,151.81		\$88,694,970.24

BUDGET FORECAST OF CAPITAL RECEIPTS

Fiscal Year April 1, 1940—March 31, 1941

DEPARTMENT	CAPITAL RECEIPTS		
	Works and Resources	Loan Repayments	Trust Fund Deposits
AGRICULTURE.....		\$ 2,700.00	
HIGHWAYS.....	\$ 5,000.00		
LABOUR.....		55,000.00	
LANDS AND FORESTS.....			
MINES.....	40,000.00		
MUNICIPAL AFFAIRS.....		30,000.00	
PRIME MINISTER:			
Public Service Superannuation Fund.....			\$ 1,350,000.00
PROVINCIAL TREASURER:			
Main Office.....		3,543,973.76	166,616.78
Hydro-Electric Power Commission.....		7,768,676.91	
PUBLIC WELFARE:			
Dominion Government—			
Old Age Pensions Commission.....		9,810,000.00	
Pensions for Blind.....		240,000.00	
	<u>\$ 45,000.00</u>	<u>\$21,450,350.67</u>	<u>\$1,516,616.78</u>

SUMMARY

Works and Resources.....	\$ 45,000.00
Loan Repayments.....	21,450,350.67
Trust Fund Deposits.....	1,516,616.78
	<u>\$23,011,967.45</u>

BUDGET FORECAST OF CAPITAL PAYMENTS

Fiscal Year April 1, 1940—March 31, 1941

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.....	7,000,000.00		
LABOUR.....		55,000.00	
LANDS AND FORESTS.....	386,600.00		
PRIME MINISTER:			
Public Service Superannuation Fund.....			\$ 850,000.00
PROVINCIAL TREASURER:			
Main Office.....		1,401,544.44	234,901.78
Hydro-Electric Power Commission.....	2,250,000.00	60,000.00	
PUBLIC WELFARE:			
Dominion Government:			
Old Age Pensions Commission.....		9,810,000.00	
Pensions for Blind.....		240,000.00	
PUBLIC WORKS.....	525,500.00		
	<u>\$10,242,738.43</u>	<u>\$11,591,544.44</u>	<u>\$1,084,901.78</u>

SUMMARY

Works and Resources.....	\$10,242,738.43
Loan Advances.....	11,591,544.44
Trust Fund Repayments.....	1,084,901.78
	<u>\$22,919,184.65</u>

ORDINARY REVENUE

In forecasting the possible revenue collectible by way of Succession Duty, the amount of revenue estimated is 12 million dollars. It is believed that this amount represents what may now be looked upon as a normal annual revenue from this source, and any amounts collected in excess of 12 million dollars will not be taken into account as ordinary revenue, but will be considered as capital revenue and applied either in reduction of capital expenditures or for reduction of the debt of the Province.

While there are still upwards of 3,000 old estates to be investigated, it must be remembered that many of the larger estates have already made settlement and their payments have gone to make up the 25 million dollars collected from estates which were closed in former years. Let me assure the House that, with respect to the task of investigating these 3,000 old estates, there will be no relaxing of the efforts of the Treasury Department to ensure that where under-

payment is found to exist, duty and interest and penalties will be exacted and collected. Having put my hand to the plough, I have no intention of abating my efforts to complete the task of investigating every estate where fraud or under-payment obtains.

Having carefully surveyed all possible revenues which we may, with assurance, hope to collect during the coming fiscal year, consideration must be given to two hard facts, namely,—there will be an estimated shrinkage in revenue of approximately \$9,750,000. Amounts of extraordinary expenditure which are inescapable amount to about 4 million dollars, making a total gap to be bridged of approximately \$13,750,000. Part of this gap we hope to close by reductions in expenditures. In addition, it is proposed to amend The Corporation Tax Act by increasing the rate of tax on corporation income from two per centum to five per centum, and increasing the tax on banks, insurance companies, railways, telephone companies, telegraph companies, express companies and car companies by 25 per centum. Inasmuch as these latter companies are taxed on a different basis from the ordinary company, an increase of 25 per centum fairly approximates the increase on ordinary corporations due to the changed rate from two to five per centum. The increases will not be retroactive with respect to operations prior to January 1st, 1939.

I do not at this time, suggest that the increase shall form a permanent part of the fiscal system of the Province and, with this in view, the Bill to amend the Act will contain a provision by which the taxing sections of the Bill expire with the year 1941. The increased revenue from Corporations Tax is expected to amount to a sum of five millions of dollars.

EXPENDITURES

Your attention is called to the fact that a considerable reduction in expenditure is contemplated, the net expenditure forecast being \$88,684,970.24.

Particular attention is directed to the item of foreign exchange, from which it will be seen that the cost of foreign exchange for the ensuing fiscal year will be \$1,842,913.88, of which \$718,187.70 will be paid by the Hydro Power Commission, that being its share of the maturing debentures and the interest to be met during the coming fiscal year. This is a war expenditure, in that it is due to a condition arising out of the war and is inescapable.

Another item chargeable to the war is the sum of \$600,000, representing the cost of policing vulnerable points such as the Queenston Power Plant and other important power producing and distributing stations which might be the object of attack by saboteurs.

It is proposed to pay to the municipalities of the province a subsidy of one mill on the general assessment. May I remind you that during the last war instead of a subsidy of one mill, there was a special war tax of one mill on each dollar of general assessment levied and collected by the Province of Ontario.

Mr. Speaker, this is the sixth successive occasion on which I have had the honour of presenting the budget forecast to this Assembly. Five of these occasions were during a time which public men have chosen to call "the era of the dark thirties." As Treasurer of this Province and as head of the Government, I face the year 1940 with a strong belief in the future of Ontario. It should be a matter

of great satisfaction to everyone, that I am going to present to you a budget for the ensuing fiscal year which will ensure not only a surplus of ordinary revenues over ordinary expenditures, but also a reduction in the gross debt, and this, notwithstanding the serious and difficult times that beset us and the heavy sacrifices that our citizens are being called upon to bear—both financially and mentally—because of war conditions.

Our financial position is sound and is such that, in addition to being able to report that we are about to enter upon a new fiscal year with a prospect of a balanced budget and reduction in gross debt, the programme for next year calls for the maintenance of all vital services at a high standard of efficiency.

With a view to giving clearer information to the prospective American tourists, it has been decided by this Government to establish a Publicity Bureau which can effectively counteract any unfortunate propaganda or misunderstanding of war conditions in Canada. It shall be our responsibility to impress upon the minds of those who contemplate visiting Ontario that we have a highway system which we believe to be second to none on this North American continent. Ontario will be advertised also as the Province which levies no amusement tax, no tax on meals, no local sales tax, where a policy of fish propagation has been carried to the point of efficiency so that our inland lakes and waters will be most attractive to those who enjoy that particular kind of sport. Furthermore, we shall endeavour to impress upon the American travelling public who, because of war conditions, are prevented now from spending their holidays in lands overseas, that their American dollar will be accepted at the premium value.

And furthermore, what should very properly emanate from this Government in this critical war period is the indication in the statement of capital payments forecast for next year, that the Province will not embark upon any programme of new capital expenditures whatsoever, even though such expenditures could be justified on sound economic grounds, our intention being, in so far as it lies within our power, to leave the borrowing markets free and unhampered by Provincial financing, so that the field may remain clear for the Dominion Government to finance the successful prosecution of the war.

In raising money by taxation for the carrying on of the business of the Government let me remind you, that out of every hundred dollars of the national income, and by that I mean the total of the incomes of all the people, eleven dollars are taken in taxation by the Dominion Government, six dollars by the municipal governments and barely three dollars by the Government of the Province of Ontario. The aim and policy of this Government is and always has been, to apply taxes in proportion to the ability of the taxpayer, and to disburse the amounts made available by taxation, to improve the lot of the people in what might be called the lower economic scale. The people who toil and produce the wealth even under the best of systems, enjoy but a fraction of the wealth they produce and it is our business to see that a proper standard of living is assured to all our people.

The human services maintained by this Government must be kept at the maximum of efficiency, having in mind that the great natural resources of Ontario are sufficient to produce for every citizen an adequate standard of living. This administration recognizes its responsibility and realizes that the true functions of a Government are to increase and improve the comfort and happiness and well-being of all the people. (Loud applause from both sides of the House.)

SUB-INDEX No. 1

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STATEMENT No. 1A

COMMISSIONER OF
Balance Sheet

ASSETS

F.P.O. Mortgage Loans.....	\$ 2,886,819.89
F.P.O. Interest Charges.....	681,943.66
F.P.O. Sundry Charges.....	268,004.90
Current Loans.....	41,064,218.34
Current Interest, Due and Accrued.....	2,911,502.23
Current Sundries.....	36,673.37

BANK ACCOUNT:

Capital Account.....	\$ 6,286.76	
Current Account.....	19,818.00	
		26,104.76
Insurance Loss Account.....		23,796.47

DEFICIT ACCOUNT:

Debit Balance, April 1st, 1938.....	\$ 4,527,239.61	
Charges, net, during the year ended March 31st, 1939.....	501,667.91	
		5,028,907.52
Debit Balance, March 31st, 1939.....		<u>\$52,927,971.14</u>

STATEMENT No. 1A

AGRICULTURAL LOANS

as at March 31st, 1939

LIABILITIES

Debentures.....		\$42,750,000.00
Interest on Debentures, Due and Accrued.....		6,199,419.18
Insurance Loss.....		23,796.47
Surpluses.....		56,631.33
F.P.O. Interest Reserve.....	\$ 681,943.66	
Current Interest Reserve.....	2,911,502.23	
F.P.O. Expense Reserve.....	\$ 268,004.90	3,593,445.89
Current Expense Reserve.....	36,673.37	
		<u>304,678.27</u>

\$52,927,971.14

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	\$ 125,115.30
Cash on hand, in transit, and in banks	\$179,250.69
Accounts Receivable.....	172,535.30
Inventories of Liquor and Supplies in Warehouses and Stores	2,181,229.31
	<u>2,533,015.30</u>
Prepaid Charges.....	10,453.04

\$2,668,583.64

STATEMENT No. 1B

BOARD OF ONTARIO

SHEET

31st, 1939

LIABILITIES

Accounts Payable, Accrued Charges, Deferred Revenue, etc..... \$2,612,193.53

PROVINCIAL TREASURER:

Permit Sales—Balance from March 31st, 1938... \$ 33,995.62

Permit Sales—April 1st, 1938, to March 31st,
1939 (Net)..... 553,137.68

\$587,133.30

Less: Paid to Provincial Treasurer..... 585,000.00

\$ 2,133.30

Permit Sales—1939-1940 (Net)..... 1,126.65

Confiscated Liquor Stocks \$ 10,931.59

Less: Paid to Provincial Treasurer..... 5,000.00

5,931.59

\$2,621,385.07

SURPLUS:

Balance carried from Surplus Account.....\$10,457,198.57

Less: Paid to Provincial Treasurer..... 10,410,000.00

Balance March 31st, 1939..... 47,198.57

\$2,668,583.64

CONTINGENT LIABILITIES:

Liquor ordered but not delivered..... \$514,499.73

Duty on Stocks in Bond..... 483,387.82

STATEMENT No. 1C

NIAGARA PARKS

BALANCE

As at March

ASSETS

CURRENT:

Cash on Hand	\$	1,700.00	
Canadian Bank of Commerce, Niagara Falls:			
Chairman's "A" Account	\$	159,728.83	
Chairman's "C" Account		428,513.27	
	\$	588,242.10	
Less: Current Account		52,024.01	
Less: Payroll Account		6,421.18	
			529,796.91
Accounts Receivable			2,422.59
Inventories of Supplies and Souvenirs			68,108.34
			<u>\$ 602,027.84</u>
WATER RENTALS, EARNED			27,932.49

RESERVE FUND:

Sinking Fund Provision for 5½% 15-year Debentures due 1st August, 1947:			
Deposit with the Treasury Department of Ontario as at December 1st, 1938	\$	105,434.83	
Accrued Interest thereon		1,405.80	
			<u>\$ 106,840.63</u>
(Deducted from Debenture Issue)	\$	106,840.63	

PROPERTY:

Land, Buildings, Improvements, cost	\$5,546,168.89		
Less: Reserve for Depreciation	1,347,380.73		
		\$4,198,788.16	
Office and Restaurant Equipment, cost	\$ 134,878.23		
Less: Reserve for Depreciation	109,521.21		
		25,357.02	
Cars and Trucks, cost	\$ 16,006.57		
Less: Reserve for Depreciation	11,137.98		
		4,868.59	
Miscellaneous Equipment and Tools, cost	\$ 31,241.70		
Less: Reserve for Depreciation	27,184.09		
		4,057.61	
Tableware, Linens and Utensils, cost	\$ 32,594.41		
Less: Reserve for Depreciation	27,239.67		
		5,354.74	
		<u>4,238,426.12</u>	

DEFERRED CHARGES:

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	36,666.66		
		\$ 13,333.34	
Discount on Debentures	\$ 87,820.00		
Less: Written off	48,400.00		
		39,420.00	
Expenses in re New Bridge Approaches		9,242.03	
Inventories of Expense Items		7,527.77	
Unexpired Insurance		3,078.32	
		<u>72,601.46</u>	
		<u>\$4,940,987.91</u>	

STATEMENT No. 1C

COMMISSION

SHEET

31st, 1939

LIABILITIES

CURRENT:

Accounts Payable.....	\$	3,240.68
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FUNDED DEBT:

2% Notes, Guaranteed by the Province of Ontario, payable 21st December, 1940, \$500,000.00 each, numbered 1 to 5.....	\$2,500,000.00	
Accrued Interest thereon.....	13,698.63	
	<u>\$2,513,698.63</u>	

4% Instalment Gold Debentures, Guaranteed by the Province of Ontario, payable 1st December, 1928-1947.....	\$2,000,000.00	
Less: Redeemed.....	905,000.00	
	<u>\$1,095,000.00</u>	
Accrued Interest thereon.....	14,600.00	
	<u>1,109,600.00</u>	

5½% 15-Year Debentures, Guaranteed by the Province of Ontario, due 1st August, 1947.....	\$ 300,000.00	
Accrued Interest thereon.....	2,750.00	

	<u>\$ 302,750.00</u>	
Less: Amount of Sinking Fund.....	106,840.63	
	<u>195,909.37</u>	

RESERVE—Public Liability.....		3,819,208.00
		<u>29,208.61</u>

SURPLUS:

As at April 1st, 1938.....	\$2,187,634.06	
Deduct: International Railway Company, Arbitration, Award, and Legal, Engineer- ing and other costs incurred to date, less proceeds of sale of property.....		1,198,152.53

	<u>\$ 989,481.53</u>	
Add: Excess of Revenue over Expenditure for the year.....	99,849.09	
	<u>1,089,330.62</u>	

CONTINGENT:

Interest in re International Railway Company Arbitration.	
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COMMITMENTS:

(A) To purchase certain lands.
(B) To complete certain improvements.
(C) To pay pensions of about \$75.00 per month.

<u><u>\$4,940,987.91</u></u>

STATEMENT No. 1D

PRESQU'ILE PARK

Balance Sheet as at

ASSETS

CURRENT:

Cash on Hand.....	\$	8.90	
Cash in Bank.....		371.04	
Accounts Receivable (unpaid rent and taxes).....		487.25	
		<u> </u>	\$ 867.19

SINKING FUND INVESTMENTS:

Dominion and Ontario Government Bonds.....	\$ 8,470.08	
Cash held for investment in Special Savings Account.....	1,754.67	
	<u> </u>	10,224.75

FIXED:

Lands.....	\$18,000.00	
Wells.....	225.00	
Roads.....	16,575.72	
Parks.....	2,000.00	
Tools and Equipment (depreciated value).....	695.79	
Furniture and Fixtures (depreciated value).....	115.96	
	<hr/>	37,612.47
		<hr/>
		\$48,704.41

STATEMENT No. 1D

COMMISSION

March 31st, 1939

LIABILITIES

Bank Loan	\$ 1,000.00
Debentures, 6% May 1st, 1923, due May 1st, 1943	\$20,000.00
4% Sept. 1st, 1937, due Sept. 1st, 1957	2,500.00
	<u>22,500.00</u>

SINKING FUND RESERVE:

Represented by Sinking Fund Investments	\$10,224.75
Required in excess of Sinking Fund Investments	3,537.89
	<u>13,762.64</u>

SURPLUS:

Balance March 31st, 1939	11,441.77
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\$48,704.41

STATEMENT No. 1E

THE PROVINCE OF
Balance Sheet as at

ASSETS

Cash: On hand.....	\$475,741.28	
In banks	152,927.85	
Less: Due to Branches.....	\$ 2,934.84	
In Transit: Due from Branches.....	76,352.58	
	<u>73,417.74</u>	
		\$ 702,086.87
Deposited with the Provincial Treasurer.....		39,618,277.30
Miscellaneous Accounts Receivable.....		1,755.64
Furniture and Fixtures—Cost.....	\$ 124,578.18	
Less: Reserve for Depreciation.....	68,119.60	
	<u>\$ 56,458.58</u>	
Alterations to Premises—Cost.....	7,811.50	
Less: Written off.....	773.73	
	<u>7,037.77</u>	
		<u>\$40,385,616.16</u>

STATEMENT No. 1E

ONTARIO SAVINGS OFFICE

March 31st, 1939

LIABILITIES

Depositors' Funds.....	\$40,092,333.06
Surplus.....	293,283.10

\$40,385,616.16

STATEMENT No. 1F

TEMISKAMING AND NORTHERN

Balance Sheet

ASSETS

INVESTMENT:

Road.....	\$33,949,958.10	
Railway Equipment.....	6,545,588.80	
Restaurant and News Equipment.....	14,192.20	
		\$40,509,739.10

Investment in Affiliated Companies:

Nipissing Central Railway—Advance.....	\$ 4,762,743.43	
Less Reserve.....	706,764.04	
		4,055,979.39

\$44,565,718.49

CURRENT ASSETS:

Cash.....	\$ 122,400.14	
Accounts Receivable.....	253,737.47	
Traffic Balances.....	182,660.51	
Balances due on Townsite Sales.....	3,814.55	
Agents' and Conductors' Balances.....	115,337.92	
Material and Supplies.....	638,453.23	
Ballast Pit Sidings.....	58,894.91	
Other Assets.....	356.85	
		1,375,655.58

DEFERRED ASSETS:

Pension Fund Investments.....	\$ 300,705.54	
Fire Insurance Fund Investments.....	60,166.78	
		360,872.32

UNADJUSTED DEBITS:

Insurance Premiums Prepaid.....	\$ 484.15	
Advances to Treasurer and Paymaster.....	1,816.72	
Accounts in Suspense.....	1,767.40	
		4,068.27

\$46,306,314.66

STATEMENT No. 1F

ONTARIO RAILWAY COMMISSION

as at 31st March, 1939

LIABILITIES

PROVINCE OF ONTARIO:

Loan without Interest.....	\$30,207,934.92
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LONG TERM DEBT:

Debenture Debt—Payable in instalments in the years 1940 to 1968 inclusive—	
Interest 4% per annum.....	5,893,000.00

\$36,100,934.92

CURRENT LIABILITIES:

Bank of Nova Scotia—Demand Loan.....	\$ 3,825,000.00
Audited Accounts and Wages.....	348,452.74
Traffic Balances.....	25,102.21
Debenture Interest—Due and Accrued.....	42,746.70
Deposits on Contracts.....	497.20
	<hr/>
	4,241,798.85

DEFERRED LIABILITIES:

Pension Fund Reserve.....	\$ 300,705.54
Fire Insurance Reserve.....	60,166.78
	<hr/>
	360,872.32

UNADJUSTED CREDITS:

Equipment Retirement Reserve—	
Railway Equipment.....	\$ 2,082,750.16
Motor Busses.....	25,411.74
Restaurant and News Equipment.....	10,478.83
	<hr/>
	\$ 2,118,640.73
Fidelity Insurance Reserve.....	4,000.00
Accounts in Suspense.....	7,979.42
	<hr/>
	2,130,620.15
Surplus.....	3,472,088.42
	<hr/>
	\$46,306,314.66

STATEMENT No. 2A

COMPARATIVE STATEMENT

ORDINARY ACCOUNT

SUMMARY

Fiscal Year Ended March 31st, 1939

ORDINARY NET REVENUE:

Budget..... \$85,795,308.76
 Actual..... 86,843,270.67

INCREASE..... \$ 1,047,961.91

ORDINARY NET EXPENDITURE:

Budget..... \$85,506,630.77
 Actual..... 86,520,775.25

INCREASE..... 1,014,144.48

\$ 33,817.43

ORDINARY ACCOUNT:

Revenue Budget.... \$85,795,308.75
 Expenditure Budget 85,506,630.77

SURPLUS..... \$ 288,677.99

ORDINARY ACCOUNT:

Revenue Actual.... \$86,843,270.67
 Expenditure Actual. 86,520,775.25

SURPLUS..... 322,495.42

\$ 33,817.43

RECONCILIATION

REVENUE INCREASED:

All Departments..... \$ 1,047,961.91

EXPENDITURE Increased:

All Departments:

General..... \$ 69,140.28
 Unemployment Relief..... 375,482.56
 Interest, Sinking Fund Instalments, Discount and Exchange..... 569,521.64

1,014,144.48

\$ 33,817.43

ACTUAL COMPARED WITH ACTUAL OF PREVIOUS YEAR

ACTUAL NET ORDINARY REVENUE:

To March 31, 1938.. \$86,052,792.88
 To March 31, 1939.. 86,843,270.67

INCREASE..... \$ 790,477.79

ACTUAL NET ORDINARY EXPENDITURE:

To March 31, 1938.. \$81,443,074.35
 To March 31, 1939.. 86,520,775.25

INCREASE..... 5,077,700.90

\$ 4,287,223.11

ACTUAL SURPLUS ON ORDINARY ACCOUNT:

As at March 31, 1938..... \$ 4,609,718.53
 As at March 31, 1939..... 322,495.42

\$ 4,287,223.11

STATEMENT No. 2B

COMPARATIVE SUMMARY ANALYSIS

GROSS AND NET ORDINARY REVENUE

Cumulative Period to March 31st—Fiscal Year 1939

DEPARTMENT	Actual Gross Revenue	Application of Revenue to Expenditure	Actual Net Revenue	Budget Forecast Net Revenue	Decrease or Increase
AGRICULTURE.....	\$ 357,051.13	\$ 24,027.64	\$ 333,023.49	\$ 100.00	\$ 332,923.49
ATTORNEY-GENERAL.....	1,078,292.94	125,794.85	952,498.09	865,595.36	86,902.73
EDUCATION.....	141,456.88	.....	141,456.88	1,300.00	140,156.88
GAME AND FISHERIES.....	914,475.24	.....	914,475.24	849,000.00	65,475.24
HEALTH:					
Main Office and Branches.....	73,218.37	6,268.59	66,949.78	46,720.00	20,229.78
Hospitals Branch.....	1,406,137.11	.....	1,406,137.11	500.00	1,405,637.11
HIGHWAYS:					
Main Office and Branches.....	9,783.60	.....	9,783.60	10,000.00	216.40
Gasoline Tax Branch.....	18,508,746.55	.....	18,508,746.55	18,200,000.00	308,746.55
Permits, Gas Pumps, etc.....	99,490.50	.....	99,490.50	90,000.00	9,490.50
Motor Vehicles Branch.....	7,902,657.35	.....	7,902,657.35	10,000,000.00	2,097,342.65
INSURANCE.....	237,644.89	.....	237,644.89	230,000.00	7,644.89
LABOUR.....	129,804.63	63,139.85	66,664.78	775.00	65,889.78
LANDS AND FORESTS:					
Lands Branch.....	691,662.93	13,693.60	677,969.33	686,306.40	8,337.07
Forests Branch.....	3,965,456.60	.....	3,965,456.60	3,375,000.00	590,456.60
LEGISLATION.....	19,359.19	.....	19,359.19	8,000.00	11,359.19
MINES.....	3,099,644.65	4,666.35	3,094,978.30	2,595,000.00	499,978.30
MUNICIPAL AFFAIRS:					
Main Office.....	6,850.25	.....	6,850.25	.....	6,850.25
Municipal Board.....	5,095.04	.....	5,095.04	.....	5,095.04
Housing Branch.....	101,828.25	101,828.25	.....	.....	.....
PRIME MINISTER:					
King's Printer—Ontario Gazette.....	19,041.76	.....	19,041.76	20,000.00	958.24
PROVINCIAL SECRETARY:					
Main Office and Registrar-General's Branch.....	395,622.84	.....	395,622.84	363,500.00	32,122.84
Reformatories and Prisons Branch.....	1,073,965.18	808,129.08	265,836.10	.....	265,836.10
PROVINCIAL TREASURER:					
Main Office—Dominion Subsidy.....	2,941,424.28	.....	2,941,424.28	2,941,424.00	.28
Interest.....	72,835.46	.....	72,835.46	73,000.00	164.54
Miscellaneous.....	191.65	.....	191.65	.....	191.65
Liquor Control Board.....	11,000,000.00	.....	11,000,000.00	10,500,000.00	500,000.00
Controller of Revenue—					
Succession Duty.....	15,314,853.87	.....	15,314,853.87	18,000,000.00	2,685,146.13
Corporations Tax.....	9,979,678.84	.....	9,979,678.84	9,000,000.00	979,678.84
Income Tax.....	6,896,501.49	.....	6,896,501.49	6,000,000.00	896,501.49
Stock Transfer Tax.....	683,093.11	.....	683,093.11	1,100,000.00	416,906.89
Land Transfer Tax.....	224,602.16	.....	224,602.16	250,000.00	25,397.84
Law Stamps.....	397,323.40	.....	397,323.40	400,000.00	2,676.60
Miscellaneous.....	208.21	.....	208.21	.....	208.21
Motion Picture Censorship and Theatre Inspection Branch.....	206,008.31	.....	206,008.31	185,000.00	21,008.31
Savings Office.....	294,675.03	294,675.03	.....	.....	.....
PUBLIC WELFARE.....	26.55	.....	26.55	.....	26.55
PUBLIC WORKS.....	49,224.51	13,800.00	35,424.51	4,088.00	31,336.51
PROVINCIAL TREASURER:					
Public Debt—Interest, etc.....	8,936,597.58	8,936,597.58	.....	.....	.....
STATIONERY ACCOUNT—					
Excess Distribution on Purchases.....	1,361.16	.....	1,361.16	.....	1,361.16
	\$97,235,891.49	\$10,392,620.82	\$86,843,270.67	\$85,795,308.76	\$6,285,108.27
					5,237,146.36
NET INCREASE—Actual over Forecast.....					\$1,047,961.91

SUMMARY

Budget Forecast:	
Net Ordinary Revenue.....	\$85,795,308.76
Net Ordinary Expenditure.....	85,506,630.77
SURPLUS.....	\$ 288,677.99
Actual:	
Net Ordinary Revenue.....	\$86,843,270.67
Net Ordinary Expenditure.....	86,520,775.25
SURPLUS.....	322,495.42
ACTUAL SURPLUS INCREASE.....	\$ 33,817.43

STATEMENT No. 2C

COMPARATIVE SUMMARY ANALYSIS

GROSS AND NET ORDINARY EXPENDITURES

Cumulative Period to March 31st—Fiscal Year 1939

DEPARTMENT	Actual Gross Expenditure	Application of Revenue to Expenditure	Actual Net Expenditure	Budget Forecast Net Expenditure	Decrease or Increase
AGRICULTURE.....	\$2,142,614.59		\$2,142,614.59	\$2,044,280.95	\$ 98,333.64
ATTORNEY-GENERAL.....	2,794,062.53	\$ 125,794.85	2,668,267.68	2,627,720.00	40,547.68
EDUCATION.....	12,645,434.06		12,645,434.06	12,335,286.00	310,148.06
GAME AND FISHERIES.....	558,534.88		558,534.88	622,850.00	64,315.12
HEALTH:					
Main Office and Branches.....	1,013,914.20	6,268.59	1,007,645.61	1,106,154.00	98,508.39
Hospitals Branch.....	8,481,150.96		8,481,150.96	7,874,002.00	607,148.96
HIGHWAYS:					
Main Office.....	5,205,592.66		5,205,592.66	4,624,000.00	581,592.66
Municipal Roads Branch.....	2,943,716.32		2,943,716.32	3,852,000.00	908,283.68
Gasoline Tax Branch.....	44,803.25		44,803.25	75,000.00	30,196.75
Miscellaneous Permits Branch.....	24,698.08		24,698.08	29,000.00	4,301.92
Equipment Branch.....	542,871.72		542,871.72	665,000.00	122,128.28
Motor Vehicles Branch.....	327,596.31		327,596.31	405,000.00	77,403.69
INSURANCE.....	66,219.56		66,219.56	67,800.00	1,580.44
LABOUR:					
Main Office and Branches.....	544,628.86	63,139.85	481,489.01	459,454.05	22,034.96
Workmen's Compensation Board.....	42,321.46		42,321.46	160,000.00	117,678.54
LANDS AND FORESTS:					
Lands Branch.....	218,090.97		218,090.97	246,100.00	28,009.03
Forests Branch.....	2,013,865.42		2,013,865.42	1,644,600.00	369,265.42
LEGISLATION.....	268,976.56		268,976.56	266,835.00	2,141.56
LIEUTENANT-GOVERNOR.....	9,500.00		9,500.00	10,000.00	500.00
MINES.....	384,229.30	4,666.35	379,562.95	455,000.00	75,437.05
MUNICIPAL AFFAIRS:					
Main Office and Municipal Board.....	91,480.17		91,480.17	104,450.00	12,969.83
Subsidy to Municipalities.....	2,941,477.08		2,941,477.08	3,000,000.00	58,522.92
Grant to City of Toronto Airport.....	250,000.00		250,000.00	350,000.00	100,000.00
PRIME MINISTER:					
Main Office and Branches.....	174,258.63		174,258.63	173,665.00	593.63
PROVINCIAL AUDITOR.....	112,891.31		112,891.31	121,000.00	8,108.69
PROVINCIAL SECRETARY:					
Main Office and Registrar-Gen. Branch..	123,522.15		123,522.15	122,450.00	1,072.15
Reformatories and Prisons Branch.....	2,153,075.65	808,129.08	1,344,946.57	1,158,725.00	186,221.57
PROVINCIAL TREASURER:					
Main Office.....	528,806.73		528,806.73	581,081.14	52,274.41
Budget Committee Office.....	10,718.52		10,718.52	10,960.00	241.48
Controller of Revenue Branch.....	472,206.35		472,206.35	487,350.00	15,143.65
Motion Picture Censorship and Theatre Inspection.....	33,767.63		33,767.63	38,200.00	4,432.37
Post Office.....	146,975.87		146,975.87	152,825.00	5,849.13
Savings Office.....	294,675.03	294,675.03			
PUBLIC WELFARE:					
Main Office and Branches.....	377,844.44		377,844.44	400,700.00	22,855.56
Old Age Pensions Commission.....	3,363,936.79		3,363,936.79	3,489,750.00	125,813.21
Mothers' Allowances Commission.....	5,096,958.72		5,096,958.72	5,389,400.00	292,441.28
Unemployment Relief Branch.....	10,175,482.56		10,175,482.56	9,800,000.00	375,482.56
PUBLIC WORKS.....	795,243.29	13,800.00	781,443.29	720,988.00	60,455.29
MISCELLANEOUS:					
Various.....	18,980.12		18,980.12	2,400.00	16,580.12
PROVINCIAL TREASURER:					
Public Debt—Interest, etc.....	29,478,273.34	9,076,147.07	20,402,126.27	19,832,604.63	569,521.64
	96,913,396.07	10,392,620.82	86,520,775.25	85,506,630.77	3,241,139.90
					2,226,995.42
INCREASE.....					\$1,014,144.48

STATEMENT No. 3

Detailed Statement Showing Principal Sources of Net Revenue
For the Year ended March 31st, 1939

DOMINION GOVERNMENT.....		\$ 3,014,259.74
Annual Subsidy.....	\$ 2,941,424.28	
Interest—Common School Fund.....	72,835.46	
	<u>\$ 3,014,259.74</u>	
TAXATION.....		54,802,447.85
Gasoline Tax.....	\$18,503,788.90	
Corporations Tax.....	10,662,771.95	
Succession Duties.....	15,314,753.87	
Income Tax.....	6,896,501.49	
Mining and Mineral Taxes.....	2,823,019.87	
Fire Protection Tax.....	409,546.33	
Fire Marshal.....	60,207.49	
Provincial Land Tax.....	129,178.01	
Other Taxes.....	2,579.94	
	<u>\$54,802,447.85</u>	
ROYALTIES, DUTIES AND DUES.....		3,487,627.91
Bonus and Timber.....	\$ 3,351,304.55	
Game and Fisheries.....	87,584.62	
Sand and Gravel.....	48,738.74	
	<u>\$ 3,487,627.91</u>	
LICENSES AND PERMITS.....		9,643,536.42
Motor Vehicles.....	\$ 7,681,422.42	
Game and Fisheries.....	768,623.45	
Liquor Permits.....	585,000.00	
Garage, Gas Pumps, etc.....	104,408.15	
Marriage.....	102,720.00	
Theatres, etc.....	95,136.16	
Miners.....	60,661.86	
Insurance Act.....	219,993.50	
Loan and Trust Corporations Act.....	10,555.00	
Other Licenses and Permits.....	15,015.88	
	<u>\$ 9,643,536.42</u>	
FEES.....		2,263,187.03
Law Stamps.....	\$ 397,323.40	
Letters Patent and Supplementary Letters Patent.....	183,995.50	
Companies Act (Incorporation Returns and Registration Fees).....	61,588.57	
Motor Vehicles.....	152,102.96	
Legislation (Private Bills).....	6,372.63	
Court and Legal (Police Magistrates, Local Master of Titles, Local and Surrogate Registrars, etc., Sheriffs, Division Court Clerks, Bailiffs.....	488,309.52	
Registry Office and Land Transfers.....	224,602.16	
Brokers and Salesmen, Real Estate Brokers and Salesmen, Collection Agencies	114,202.57	
Censorship.....	110,370.50	
Vital Statistics (Certificates and Searches, etc.).....	47,318.77	
Mines and Mining (Including Fees of Operators).....	132,140.61	
Public Health (Boards of Health Laboratories, Nurses).....	38,002.02	
Tuition Fees (Agricultural Schools and Colleges, Training Schools, Spring and Summer Schools, Schools for Deaf and Blind and Industrial Schools).....	181,926.46	
Apprenticeship Board, Boiler Inspection Branch and Operating Eng. Board...	61,510.63	
Air Service and Radio.....	24,494.81	
Other Fees.....	38,825.92	
	<u>\$ 2,263,187.03</u>	
Fines and Penalties.....		238,922.37
Breach of Highway Traffic Act.....	\$ 75,891.33	
Police Magistrates and Crown Attorneys.....	132,853.14	
Game and Fisheries.....	27,225.30	
Other Fines.....	2,952.60	
	<u>\$ 238,922.37</u>	
PROFITS FROM TRADING ACTIVITIES.....		10,415,000.00
Liquor Control Board:		
Profits, Fines, Licenses, etc.....	\$10,415,000.00	
AGRICULTURE AND PUBLIC DOMAIN.....		648,742.69
Rentals—Crown Leases and Licenses of Occupation.....	\$ 465,818.03	
Ground Rentals.....	76,282.39	
Rentals, Parks, etc.....	26,337.06	
Rentals, Mining Leases and Licenses of Occupation.....	23,928.73	
Sales—Crown Lands.....	18,803.01	
Miscellaneous.....	37,573.47	
	<u>\$ 648,742.69</u>	
REPAYMENTS—HIGHWAYS.....		516.18
Counties, Cities and Separate Towns.....	\$ 516.18	
SALE OF MATERIAL.....		244,844.62
Produce, Live Stock, Equipment, etc.....	\$ 244,844.62	
RENT, BOARD, MAINTENANCE OF PATIENTS, ETC.....		1,726,205.85
MISCELLANEOUS—Ontario Gazette, Sale of Government Publications and Casual Revenue.....		357,980.01
		<u>\$86,843,270.67</u>

STATEMENT No. 4

Analysis of Budgeted Gross Revenue

Fiscal Year 1940-41

DOMINION GOVERNMENT:

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

\$ 3,014,424.00 3.0178%

TAXATION:

Gasoline Tax	\$24,000,000.00
Corporation Tax	15,000,000.00
Race Tracks	525,000.00
Succession Duty	12,000,000.00
Income Tax	5,000,000.00
Mining or Mining Tax	1,963,000.00
Fire Protection Tax	430,000.00
Fire Marshal's Tax	62,000.00
Provincial Land Tax	125,500.00
Security Transfer Tax	350,000.00

59,455,500.00 59.5201%

ROYALTIES, DUTIES AND DUES:

Bonus and Timber	\$ 222,000.00
Game and Fisheries	82,500.00
Sand and Gravel	16,000.00

2,318,500.00 2.3210%

LICENSES AND PERMITS:

Motor Vehicles	\$ 8,500,000.00
Game and Fisheries	810,550.00
Liquor Permits	350,000.00
Garage Gas Pumps, etc.	90,000.00
Marriage	97,000.00
Theatres, etc.	70,000.00
Miners	45,000.00
Insurance Act	204,900.00
Loan and Trust Corporations Act	10,535.00
Other Licenses and Permits	11,173.00

10,189,158.00 10.2002%

FEES:

Law Stamps	\$ 365,000.00
Letters Patent and Supplementary Letters Patent	128,000.00
Companies Act (Incorporation Returns and Registration Fees)	42,100.00
Legislation (Private Bills)	4,000.00
Court and Legal (Police Magistrates, Local Masters, Local and Surrogate Registrars, Crown Attorneys, Sheriffs, Division Court Clerks and Bailiffs)	505,000.00
Registry Office and Land Transfer	225,000.00
Brokers and Salesmen, Real Estate Brokers and Salesmen	100,000.00
Censorship	100,000.00
Vital Statistics (Certificates, Searches, etc.)	47,000.00
Mines and Mining (Including Fees of Operators)	90,300.00
Public Health (Boards of Health Laboratories and Nurses' Registration)	37,100.00
Tuition Fees (Agricultural Schools and Colleges, Training Schools, Spring and Summer Schools, Schools for Deaf and Blind) and Indian Schools	146,100.00
Apprenticeship Board, Boiler Inspection, Operating Engineers and Composite Inspection Branch	72,690.00
Other Fees	96,676.40

1,958,966.40 1.9610%

FINES AND PENALTIES:

Police Magistrates and Crown Attorneys	\$ 152,000.00
Game and Fisheries	12,750.00
Other	750.00

165,500.00 .1657%

PROFITS FROM TRADING ACTIVITIES:

Liquor Control Board (Profits, Fines, Licenses, etc.)	9,150,000.00
---	--------------

9.1600%

AGRICULTURE AND PUBLIC DOMAIN:

Rentals—Crown Leases and Licenses of Occupation	\$ 440,000.00
Ground Rentals	90,000.00
Rentals—Parks, Beaches, etc.	26,200.00
Rentals—Mining Leases and Licenses of Occupation	27,592.00
Sales—Crown Lands	24,000.00

607,792.00 .6085%

REPAYMENTS—Highways—Counties, Cities and Separate Towns

10,000.00 .0100%

SALE OF MATERIAL:

Produce, Live Stock, Equipment	907,455.00
--------------------------------------	------------

.9084%

RENT, BOARD, MAINTENANCE OF PATIENTS, ETC.

1,717,622.00 1.7195%

MISCELLANEOUS

761,066.36 .7619%

INTEREST—Public Debt, etc.

9,635,377.45 9.6459%

LESS APPLICATION OF REVENUE TO EXPENDITURE

\$ 99,891,361.21 100.0000%

NET BUDGET REVENUE

10,840,151.81 10.8533%

\$ 89,051,209.40 89.1467%

STATEMENT No. 5

STATEMENT SHOWING SURPLUS OR DEFICIT

For the Period from July 1st, 1867 to March 31st, 1934

	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.....	86,052,792.88	81,443,074.35	4,609,718.53	
" " " " " 1939.....	86,843,270.67	86,520,775.25	322,495.42	
" " " " " 1940.....	***98,456,000.00	102,900,929.00		4,444,929.00

*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 1939 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 deficit of \$3,234,096.19.

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
"	1938.....	678,075,000	21,615,000	149,621,000	30,208,000	59,952,000
"	1939.....	712,767,000	34,692,000	147,821,000	30,208,000	56,450,000

*Five months ended March 31st.

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

a " " " " " " " " " " " " 1939, p. 113.

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

STATEMENT No. 6

OF ONTARIO

and Net Debt

1939

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 "	2,863,000	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
239,781,000	11,243,000	438,294,000	32,858,000	a 1937 "	3,711,000	118.11
234,499,000	5,282,000	478,268,000	39,974,000	a 1938 "	3,731,000	128.19

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
End of March, 1938.....		\$678,075,000	\$149,621,000
End of March, 1937.....		656,460,000	151,573,000
Increase for year 1938.....		\$ 21,615,000	\$ 1,952,000
End of March, 1939.....		\$712,767,000	\$147,841,000
End of March, 1938.....		678,075,000	149,621,000
Increase for year 1939.....		\$ 34,692,000	\$ 1,780,000

*Five months ended March 31st.

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

STATEMENT No. 7

AND NET DEBT

1939

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
\$ 30,208,000	\$ 59,952,000	\$239,781,000	\$438,294,000
30,208,000	69,243,000	251,024,000	405,436,000
.....	\$ 9,291,000	\$ 11,243,000	\$ 32,858,000
\$ 30,208,000	\$ 56,450,000	\$234,499,000	\$478,268,000
30,208,000	59,952,000	239,781,000	438,294,000
.....	\$ 3,502,000	\$ 5,282,000	\$ 39,974,000

SUB-INDEX No. 2
FINANCIAL STATEMENTS

(As per Public Accounts)

AS AT MARCH 31, 1939

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STATEMENT No. 1

PUBLIC DEBT

Proceeds of Loans for Fiscal Year, 1939

STOCK AND
DEBENTURES:

Series

"BJ"

R.S.O. 1937, Cap. 22—

2 Geo. VI (Ontario), Cap. 26—3% Debentures,
due November 1, 1947-50, payable Canada—

Par Value..... \$15,000,000 00

Less Discount..... 412,500 00 \$14,587,500 00

"TI"

R.S.O. 1937, Cap. 366, Sec. 3 (3)—4¾% Stock,
due November 1, 1942, payable Toronto—

Par Value..... 1,300,000 00

"RG"

R.S.O. 1937, Cap. 22—3% Debentures,
due December 15, 1945-49, payable Canada—

Par Value..... \$16,500,000 00

Less Discount..... 288,750 00 16,211,250 00

\$32,098,750 00

TREASURY BILLS:

Series

"RT-M"

R.S.O. 1937, Cap. 22—(Renewal) 1½%, 1½ years,
due December 1, 1939.....

\$ 6,000,000 00

"RT-N"

R.S.O. 1937, Cap. 22—(Renewal) 1.65%, 3 years,
due June 1, 1941.....

5,000,000 00

"RT-O"

R.S.O. 1937, Cap. 22—1.65%, 3 years,
due August 1, 1941.....

4,500,000 00

"RT-P"

R.S.O. 1937, Cap. 22—(Renewal) 1¼%, 1 year,
due September 2, 1939.....

2,000,000 00

"RT-Q"

R.S.O. 1937, Cap. 22—(Renewal) 1.65%, 2 years,
due September 13, 1940.....

5,000,000 00

"RT-R"

R.S.O. 1937, Cap. 22—Disc.—1¼%, 1 year,
due September 2, 1939—

Par Value..... \$ 1,000,000 00

Less Discount..... 12,345 68 987,654 32

"RT-S"

R.S.O. 1937, Cap. 22—1.65%, 2 years,
due September 13, 1940.....

5,000,000 00

"RT-T"

R.S.O. 1937, Cap. 22—(Renewal) 1.65%, 2 years,
due September 13, 1940.....

5,000,000 00

"RT-T"

R.S.O. 1937, Cap. 22—(Renewal) 1.65%, 2 years, 9½ months,
due September 13, 1941.....

5,000,000 00

"RT-U"

R.S.O. 1937, Cap. 22—(Renewal) 1.65%, 2 years,
due November 1, 1940.....

10,000,000 00

"EG"

R.S.O. 1937, Cap. 22—

1 Edward VIII (Ontario), Cap. 44, 1¼%, 4 months,
due September 2, 1938.....

4,000,000 00

"EH"

R.S.O. 1937, Cap. 22—

1 Edward VIII (Ontario), Cap. 44, Disc. 1%, 6 months,
due December 30, 1938—

Par Value..... \$ 2,000,000 00

Less Discount..... 9,950 25 1,990,049 75

"EH"

R.S.O. 1937, Cap. 22—(Renewal),

1 Geo. VI (Ontario), Cap. 54, Disc. 1%, 6 months,
due June 30, 1939—

Par Value..... \$ 2,000,000 00

Less Discount..... 9,950 25 1,990,049 75

"EJ"

R.S.O. 1937, Cap. 22,

1 Geo. VI (Ontario), Cap. 54—1.65%, 3 years,
due August 1, 1941.....

2,500,000 00

"EK"

R.S.O. 1937, Cap. 22,

1 Geo. VI (Ontario), Cap. 54—1¼%, 1 year,
due September 13, 1939.....

2,000,000 00

"EL"

R.S.O. 1937, Cap. 22—

1 Geo. VI (Ontario), Cap. 54, Disc. 1%, 3 months,
due January 10, 1939—

Par Value..... \$ 2,500,000 00

Less Discount..... 5,229 02 2,494,770 98

"EM"

R.S.O. 1937, Cap. 22—

2 Geo. VI (Ontario), Cap. 26—(Renewal) 1.65%, 2 years,
due December 21, 1940.....

10,000,000 00

73,462,524 80

PROVINCE OF ONTARIO SAVINGS OFFICE—

Deposits with the Provincial Treasurer.....

239,294 14

\$105,800,568 94

NOTE.—All Treasury Bills issued are payable only at Toronto.

STATEMENT No. 2

PUBLIC DEBT

Payments for the Year ended March 31st, 1939

ANNUITIES:					
Matured.....				\$	1,875.00
STOCKS AND DEBENTURES:					
MATURED—					
Series	Instalment maturity due				
"AH"	December 1st, 1938.....	\$	700,000.00		
"AJ"	" January 15th, 1939.....		800,000.00		
"AK"	" November 1st, 1938.....		800,000.00		
"AL"	" May 15th, 1938.....		464,000.00		
"AP"	" May 15th, 1938.....		406,000.00		
"AR"	" January 15th, 1939.....		353,000.00		
"AS"	" June 1st, 1938.....		399,000.00		
"AX"	" June 1st, 1938.....		2,000,000.00		
"BD"	" August 30th, 1938.....		4,500,000.00		
				\$10,422,000.00	
Purchased under The Succession Duty Act—					
Series					
"A"		\$	6,600.00		
"C & D"			50,000.00		
				56,600.00	
					10,478,600.00
TREASURY BILLS:					
MATURED—					
Series					
"RTF"	1.75% due June 1st, 1938.....	\$	5,000,000.00		
"RTJ"	1.75% " June 1st, 1938.....		6,000,000.00		
"RTL"	1.50% " March 12th, 1939.....		2,000,000.00		
"EB"	1.65% " September 13th, 1938.....		10,000,000.00		
"EC"	1.65% " September 13th, 1938.....		6,000,000.00		
"ED"	1.75% " November 1st, 1938.....		10,000,000.00		
"EG"	1.25% " September 2nd, 1938.....		4,000,000.00		
"EH"	1.00% " December 30th, 1938.....		2,000,000.00		
"EL"	.85% " January 10th, 1939.....		2,500,000.00		
				47,500,000.00	
Purchased for Cancellation—					
Series					
"RTK"	1.65% due February 25th, 1939.....	\$10,000,000.00			
"RTT"	1.65% " September 13th, 1940.....	5,000,000.00			
				15,000,000.00	
					62,500,000.00
					<u>\$72,980,475.00</u>

STATEMENT No. 3

PROVINCIAL DEBT

Statement Showing Investment Thereof as at March 31, 1939

FUNDED DEBT:

Stock and Debentures Outstanding.....	\$607,435,374	55
Railway Aid Certificates.....	353,180	17
	<u>\$607,788,554</u>	<u>72</u>
Deduct—Sinking Fund Investments.....	10,898,422	54
Total Funded Debt.....	<u>\$596,890,132</u>	<u>18</u>

UNFUNDED DEBT—

Treasury Bills.....	\$ 60,000,000	00
Savings Office Deposits.....	40,092,333	06
Bank Overdraft.....	2,174,211	87
Special Funds, etc.....	4,697,734	64
	<u>106,964,279</u>	<u>57</u>

ACCOUNTS PAYABLE AND ACCRUED INTEREST.....	8,912,971	70
Gross Debt.....	<u>\$712,767,383</u>	<u>45</u>

INVESTMENT THEREOF—

Revenue Producing and Realizable Assets—		
Hydro-Electric Power Commission Advances.....	\$147,840,544	16
Temiskaming and Northern Ontario Railway—		
Advances.....	30,207,934	92
Farm, Housing, Municipal and Settlers' Loans.....	53,221,238	30
Accounts Receivable.....	\$ 2,283,002	78
King's Highway and Trans-Canada		
Construction—		
Due by Cities, Counties and		
Dominion Government.....	946,036	69
	<u>3,229,039</u>	<u>47</u>
	<u>\$234,498,756</u>	<u>85</u>

Revenue Producing but not Realizable Assets—		
Roads and Highways.....	\$295,077,371	58
Less—Due by Cities, Counties and		
Dominion Government.....	946,036	69
	<u>\$294,131,334</u>	<u>89</u>
Niagara Parks Commission (Surplus of Assets).....	1,089,330	62
Common School Fund—Trust Fund, (Ontario and Quebec)	1,460,000	85
	<u>296,680,666</u>	<u>36</u>

Total Revenue Producing Assets.....\$531,179,423 21

Non-Revenue Producing Assets—		
Provincial Buildings, Public Works, etc.....	\$106,308,138	05
Plant, Stores and Equipment.....	2,279,170	80
Deferred Assets.....	2,167,594	86
	<u>110,754,903</u>	<u>71</u>

Other Assets—		
Capital Value of Annual Subsidy.....	\$ 58,828,485	60
Unemployment (Direct) Relief (Less amount written off)	14,045,036	40
Discount on Debentures, etc. (Less amount written off).	8,422,477	94
	<u>81,295,999</u>	<u>94</u>

Total Assets.....\$723,230,326 86

SURPLUS AND RESERVES—represented in above Assets.....\$ 10,462,943 41

STATEMENT No. 4

GROSS PROVINCIAL DEBT

Statement Showing Increase

For the Fiscal Year, April 1, 1938, to March 31, 1939

	1936		1937		1938		1939		Increase 1939 over 1938
	\$	c.	\$	c.	\$	c.	\$	c.	\$
Funded Debt . . .	594,112,954	50	567,973,130	86	575,672,701	72	596,890,132	18	21,217,430 46
Unfunded Debt .	86,056,340	45	80,105,266	96	93,465,517	54	106,964,279	57	13,498,762 03
Income Liabilities	9,389,218	81	8,381,950	55	8,936,296	68	8,912,971	70	23,324 98
	<u>689,558,513</u>	<u>76</u>	<u>656,460,348</u>	<u>37</u>	<u>678,074,515</u>	<u>94</u>	<u>712,767,383</u>	<u>45</u>	<u>34,692,867 51</u>

INCREASE IN GROSS DEBT ACCOUNTED FOR THUS—

Capital Disbursements—

Disbursements on Highways, Public Buildings and Works, etc.

Less—Capital Receipts

\$ 41,241,058 38

149,489 33

\$ 41,091,569 05

738,725 20

3,172 57

311,487 53

1,402 96

\$ 42,146,357 31

Deduct:

Surplus—

Surplus on Ordinary Account (as per Statement 1)

\$ 322,495 42

Provision Charged to Ordinary Expenditures—

Retirement of Railway Aid

Certificates

88,501 54

Sinking Fund Instalments

992,655 27

\$ 1,403,652 23

878,372 45

20,937 73

56,882 20

Discount on Debentures, etc., written off

Earnings on Sinking Fund Investments (net)

Provision for Accrued Interest on Treasury Bills

Net Repayments on Loans Receivable—

Hydro-Electric Power Commission of Ontario

\$ 1,780,102 71

Agricultural Development Board

2,185,000 00

Housing Loans

377,694 81

Tile Drainage Loans

39,155 37

Mothers' Allowances, Old Age Pensions and Pensions for the Blind

46,347 40

Miscellaneous

109,977 28

4,538,277 57

Repayment from H.E.P.C. re Northern Ontario Properties

300,000 00

Decrease in Income Liabilities

23,324 98

Cash in Banks—Decrease

232,042 64

7,453,489 80

NET INCREASE \$ 34,692,867 51

STATEMENT No. 5

NET PROVINCIAL DEBT

Statement Showing Increase

For the Fiscal Year, April 1, 1938, to March 31, 1939

	1936		1937		1938		1939		Increase 1939 over 1938
	\$	c.	\$	c.	\$	c.	\$	c.	
Gross Debt	689,558,513	76	656,460,348	37	678,074,515	94	712,767,383	45	34,692,867 51
Revenue Producing and Realizable Assets . . .	283,519,690	62	251,024,308	87	239,780,832	24	234,498,756	85	5,282,075 39
NET DEBT . . .	406,038,823	14	405,436,039	50	438,293,683	70	478,268,626	60	39,974,942 90

INCREASE IN NET DEBT ACCOUNTED FOR THUS—

Capital Disbursements—

Disbursements on Highways, Public Buildings and

Works, etc. \$ 41,241,058 38

Less—Capital Receipts 149,489 33

\$ 41,091,569 05

Discount on Debentures, etc., Issued during year 738,725 20

Increase in Common School Fund 66 56

Decrease in Income Accounts Receivable 1,322,666 23

Increase in Savings Offices—Furniture and Fixtures and

Alterations to Premises 1,530 46

\$ 43,154,557 50

Deduct:

Surplus—

Surplus on Ordinary Account (as per Statement 1) \$ 322,495 42

Provision Charged to Ordinary Expenditure—

Retirement of Railway Aid

Certificates 88,501 54

Sinking Fund Instalments 992,655 27

\$ 1,403,652 23

Discount on Debentures, etc.—Written off 878,372 45

Earnings on Sinking Fund Investments (net) 20,937 73

Provision for Accrued Interest on Treasury Bills 56,882 20

Decrease in Deferred Assets 36,155 32

Increase in Receivables—due from Municipalities and Dominion Government—re Highways 511,409 59

Increase in Accrued Interest on Agricultural Development Board Debentures 248,766 27

Decrease in Income Liabilities 23,324 98

Miscellaneous Increases 113 83

3,179,614 60

NET INCREASE \$39,974,942 90

STATEMENT No. 6

STATEMENT SHOWING SOURCES OF ORDINARY REVENUE

For the Fiscal Year ended March 31, 1939

DOMINION GOVERNMENT—

Annual Subsidy	\$2,941,424 28	
Interest—Common School Fund	72,835 46	
		\$ 3,014,259 74

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	\$54,802,447 85	
Gasoline, Mines, Lands, Corporations, Income, Race Tracks (betting), Stock Transfers, Succession Duties, Fire Protection, etc.		
Royalties, Duties and Dues	3,487,627 91	
Bonus and Timber, Sand and Gravel, Game and Fish.		
Licenses and Permits	9,643,536 42	
Motor Vehicles, Liquor Permits, Hunting and Fishing, Insurance, Loans and Trust Companies, Mines, Theatres, etc.		
Fees	2,263,187 03	
Local Registrars, Police Magistrates, Crown Attorneys, etc., Mine Recording, Companies and Brokers' Registration, etc., Land Transfers, Motor Vehicle Transfers, Tuition, Examinations, etc.		
Fines and Penalties	238,922 37	
Profits from Trading Activities	10,415,000 00	
Liquor Control Board—Profits, Fines, Sale of Confiscated Liquor, etc.		
Agriculture and Public Domain	648,742 69	
Repayments—Highways	516 18	
Sale of Material	244,844 62	
Produce, Live Stock, Equipment, etc.		
Rent, Board, Maintenance of Patients, Perquisites, etc.	1,726,205 85	
Miscellaneous	357,980 01	
ONTARIO GAZETTE, sale of Government Publications, and Casual Revenue.		
		83,829,010 93
		<u>\$86,843,270 67</u>

