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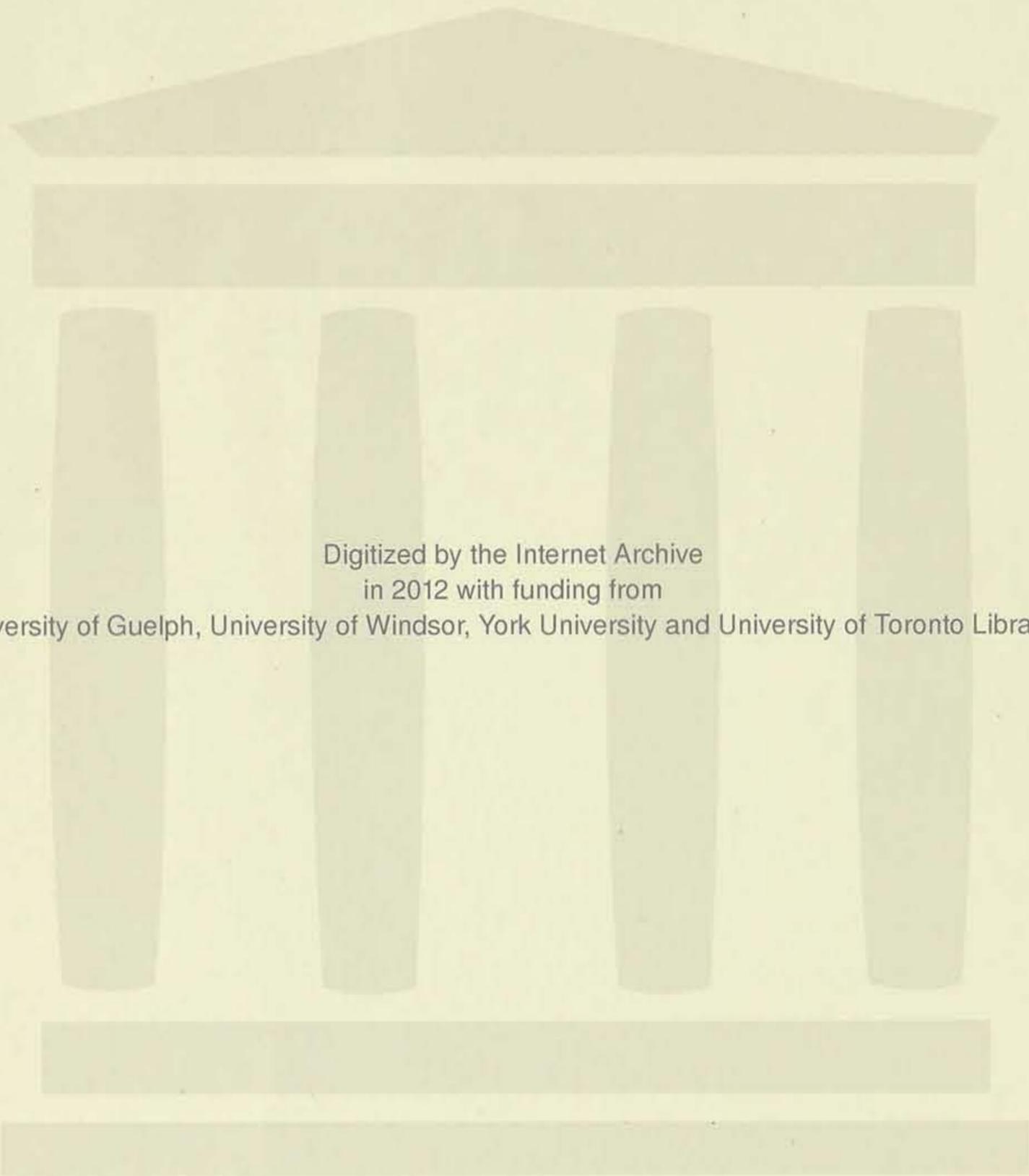
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BUDGET ADDRESS

Delivered by

The Hon. A. St. Clair Gordon
Treasurer of the Province of Ontario

in the

LEGISLATIVE ASSEMBLY OF ONTARIO

Friday, March 19th, 1943

On Moving the House into Committee of Supply

Also Statements of

ASSETS AND LIABILITIES

REVENUE AND EXPENDITURE

COMPARATIVE AND STATISTICAL

INFORMATION



ONTARIO

TORONTO

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

in the

LEGISLATIVE ASSEMBLY OF ONTARIO

1964, March 12, 1964

On Motion of the House and Committee of Supply

Printed and Published by the Queen's Printer

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BUDGET ADDRESS

DELIVERED BY

THE HON. A. ST. CLAIR GORDON

TREASURER OF THE PROVINCE OF ONTARIO

IN THE

LEGISLATIVE ASSEMBLY OF ONTARIO

FRIDAY, MARCH 19th, 1943

Mr. Speaker: Before presenting to the Members of this Legislature the Financial Statement of the Province for the current year ending March 31st, 1943, and submitting the Estimates of Revenue and Expenditures for the ensuing year, I want to make one or two observations.

I realize the grave responsibilities which fall on the Treasurer of this Province and at the outset of my remarks I want to pay tribute to the former Prime Minister and Treasurer of this Province—who has delivered a succession of successful Budgets to this House. We all recall the hard fight he had to obtain and maintain low interest rates, and the fight for money to carry on the finances of this Province and establish the excellent financial position which Ontario enjoys to-day. I also want to pay tribute to the Budget staff and those in the Treasury Department. May I express my sincere thanks and appreciation for the fine co-operation in the preparation of the Budget to be presented to-day to this Legislature.

This is the Fourth Budget to be presented to this Legislature during the present War and as this War progresses we are seeing further restrictions and further curtailments of articles and materials effected by War requirements, making it more difficult for private enterprise and non-war industry. These restrictions and regulations so placed on the people of Canada will meet with public approval as long as they are necessary and contribute to our War effort.

I want to assure the Members of this House, I have satisfied myself as to the accuracy of the financial position of this Province and can say to you, Sir, that the statement to be presented is the true picture of our financial affairs.

The financial affairs of this Province do not differ materially from that of individuals, industry or corporations and are affected by economic conditions in the same manner. We are all aware and realize the great financial responsibility and the great demands on the Government of Canada for Canada's part in the present conflict.

We know that this year our Government of Canada has a Budget of over five and one-half ($5\frac{1}{2}$) billion dollars and is faced with a deficit of over two and one-half ($2\frac{1}{2}$) billion dollars, with this amount of money being spent in Canada, possibly the largest part here in Ontario, for material from our industries and resources—and this has a marked bearing on the revenues of this Province and increases our revenue.

During the period we have gone through, and are passing through, with the tremendous increase in employment and the vast sums of money available, the Province has adhered to the policy of “no new taxation” and no unnecessary capital expenditures (applause), leaving this field entirely for the Government of Canada to carry on the War financing.

It must be pointed out that with conditions as they are, circumstances of this kind should set the policy of this Government. We must carry on the services now in effect, maintain Ontario's Government property in a good state of repair and liquidate our debts, in order that we can maintain such services when economic conditions change.

Above all, Sir, we must maintain a sound financial position, so that no possible interference can take place in the programme of this Province. We have a comprehensive programme of Social Welfare services, possibly the greatest on this continent. After all, it is good business, isn't it?—to pay your debts in good times so that in bad or depressed times you have good credit. In such a way, these services can be expanded to meet any post-war condition.

Too much credit cannot be given to Ontario's war contributions in the way of man-power, materials and money. Special mention should be made of the work done by our Departments of Government which have expanded their Social Services, and of Youth Training and services rendered to the Armed Forces. The coming year will see this work carried on, and further contributions on a larger scale than ever before.

I propose to give the House a brief review of our current year and a forecast of Estimates of Revenue and Expenditures for the ensuing year.

Mr. Speaker, I can now inform you, Sir, that we have a surplus of income over expenditures and a marked reduction in the Gross Debt of this Province (applause), and I can also tell you there will be no new taxation this year. (Prolonged applause.)

AGRICULTURE

Ontario's contribution to the development of agriculture as a major war industry is a matter of considerable pride and achievement. With the outbreak of hostilities the Government fully sensed the extent of the role which the farmers of this Province would be called upon to play, and in every possible way since has sought to stimulate and financially aid their production efforts.

To-day, Ontario farmers are organized from the standpoint of marketing and production as never before. If 1943 demands upon farm output should increase, as anticipated, beyond the record of 1942 production, Ontario can with confidence look forward to meeting those demands.

However, more than maximum effort from those upon the land will be needed to cope with such added responsibility. All the help which the urban centres can muster and supply will be required. Material encouragement from the Government is imperative, and will be forthcoming.

Two years ago, when low prices for hogs and cheese appeared about to doom the increased Ontario production in these export food products that Britain was expecting, if not actually demanding, the Government of this Province stepped into the breach with its subsidy policy. Since the inception of that policy, total payments to date on hogs and cheese to the amount of \$6,638,099 have been made. It can be well said that here the Government came to the rescue of the producers at a time when without financial help their position would have been hopeless. These hog and cheese subsidies, I'm pleased to be able to tell this House this afternoon, will be continued throughout the next fiscal year. (Applause.)

Essential as it may be, this financial aid is but one feature of the co-operation which the Government has granted in the past, and will grant during difficult days ahead, to improve the farmer's position, ensure the maximum in needed crop production, and, indirectly, promote successful prosecution of the war in which we are steadily becoming deeply involved.

The Department of Agriculture has already set up in every county an Agricultural War Committee whose duty it will be, in addition to many others, to report upon and organize locally for labour which may be supplied from any source—town, city, war prison camps or from unproductive farms throughout the country. This effort will be co-ordinated with that in the urban centres, where under the Farm Service Force, organizations will be established to obtain and transport "commando" and other labour to the farms. The Farm Service Force, last year, operated sixteen Government girls' camps with 2,303 girls, fifteen private camps with 485 girls and women, four boys' camps with 260 boys, and nine Japanese camps with 372 young men. In addition, it secured 1,500 women for canning factories and 300 men for wineries, and was responsible, to no small degree, for the fact that 13,000 urbanites helped in hoeing, haying and harvesting. Little wonder that this Force is becoming a model for all of Canada—that, already, its administrative setup and planning has been adopted in the majority of the other provinces. Little wonder, too, that the Government is counting strongly upon it this year to produce the much larger urban force of helpers that will be required if the 1943 crop objective is to be realized.

In other fields of agriculture the Government has been thoroughly alive to wartime requirements and obligations. Fruit and vegetable crops to the value of over \$5,000,000 were marketed last year in an orderly way under the direction of Growers Marketing Boards which, in turn, are under the Government's own Farm Products Control Board. Emphasis has, of course, been placed upon live stock production because of its importance for export to Great Britain and to other theatres of war, but this does not mean that production of other crops, for export or for domestic purposes, should be decreased or discouraged. Dry beans and soy beans are becoming more and more important in the wartime economy and planning. So is fibre flax. And the sugar beet crop, while of interest primarily to the southwestern counties of Ontario, is of major importance. In 1942, approximately 22,000 acres were planted, whereas the refining capacity

of the two plants available is sufficient for 40,000 acres. Labour is the deciding factor since an agreed-upon price has been reached. The subsidy of 55 cents per ton offered by this Government had much to do in bringing about the price agreement of \$10.00 per ton to the grower for a 16% beet delivered to the plant. (Applause.)

Various buildings, under direct control and administration of the Department of Agriculture, are now figuring prominently in operations of the Canadian military. Part of the O.A.C. building at Guelph, and the Kemptville Agricultural School, are now being used for training purposes by Air and Army. A cooking school and wireless school are being operated at the Guelph College by the college authorities in co-operation with the Air Force. The cooking school, in particular, has enjoyed such widespread recognition that the last issue of Collier's Magazine used it as a basis for a timely and illuminating article by Hannah Lees, entitled "Food to Fly".

ATTORNEY-GENERAL'S DEPARTMENT

Commendable progress has been made in building up the civilian defence forces of Ontario, under the guidance of a committee, of which the Attorney-General is chairman, and whose personnel is largely composed of officials of his Department and other senior civil servants. To-day, nearly 100,000 volunteer workers are enrolled in 113 municipalities throughout the Province under the banner of these forces. Such large-scale voluntary enrolment indicates beyond doubt that the people of Ontario not only appreciate duty and responsibility but are quick to measure up to both.

Maintenance of law and order, and adequate provision for the protection of power installations, formed another major responsibility for the Attorney-General's Department in 1942. Under supervision of the Provincial Police, guards were maintained on important generating and transmission stations of the Hydro-Electric Power Commission.

Extension of war industry, with increased fire hazards resulting therefrom, has added greatly to the activities of the Fire Marshal's Branch. Its officials have worked under heavy pressure in checking such hazards, investigating many fires, supervising the organization of auxiliary fire services under the civilian defence scheme, and in making special equipment available to various municipalities participating in the C.D.C. programme.

Worthy of mention, also, are the operations of the special anti-gambling and liquor control squads which were appointed, following the last Session of the Legislature, and which since have rendered material service in cleaning up sources of gambling activity and bringing about more effective enforcement of The Liquor Control Act.

EDUCATION

The outstanding feature of the estimates presented by the Department of Education for the next fiscal year is the increase of half a million dollars in the amount to be paid for the general public and separate schools legislative grants. Over the period of the past decade, there has been a substantial variation in

the amounts paid by the Province as grants to our elementary schools. In the year 1930-31, the amount was \$3,604,000. During the years of depression following the post-war boom, the amount declined to \$2,790,000 in 1933-34. By 1937-38 it had risen to \$3,055,000; by the year 1941-42 it had been possible to increase this appropriation to \$4,718,000. (Applause.) Last year the amount appropriated was \$4,981,000, which represented the largest amount paid by way of general legislative grants to elementary schools in the history of this Province. (Applause.)

No apology need be made for asking for a further increase in this appropriation for the next fiscal year. At a time when the people of this country, of the British Empire and of the Allied Nations are pouring forth their treasures without limit to the end that our children may be permitted to enjoy the benefits of freedom of thought and action in a democratic community, it behooves us in this Province to see to it that the children attending our schools are being prepared adequately to assume the responsibilities of what we hope will be a happier mode of life. In the elementary school of to-day is being laid the foundation of that democratic way of life which we pray may be the abiding compensation for the enormous sacrifices of life and treasure which the war has claimed and will claim in the future.

The effectiveness of the work being done in our schools is determined in large measure by the character of the leadership provided by the teaching profession. It, therefore, becomes a matter of supreme importance that the teaching profession shall be placed in such a position as to enable it to attract to its ranks young men and women possessed of the higher qualities of intellect and of character. For that reason it is necessary that the profession shall not be unduly handicapped by the competition of other vocations which offer more substantial financial rewards. This necessity alone justifies a more generous attitude on the part of the Province to its elementary schools in as much as it is investing part of its material resources in human character and personality.

It is of like importance that in so far as conditions make it possible there should be an equality of opportunity for the obtaining of an education in all parts of the Province. There has been, and probably there will continue to be, a general trend of good teachers from the rural school and the village school to the larger cities where salaries are higher and where there may appear to be certain advantages in the mode of life. In spite of this tendency, the rural school has been able to retain a great many of the most capable teachers in the profession. Nevertheless this trend will continue as long as there is a serious disparity between the financial rewards offered the country teacher as compared with those offered the teacher in the larger centres. The most serious consequence of this condition is to be found in the inequality of opportunity for obtaining a good elementary education enjoyed by the country boy as compared with his city cousin. The existence of this condition justifies a gradual increase in the financial aid provided for schools in the poorer communities of this Province, which are found mainly in the rural districts. For that reason the general legislative grants are apportioned on a basis which recognizes the need of the poorer community whose resources are not adequate to the provision of satisfactory educational facilities. At the present time approximately 70% of the amount appropriated for general legislative grants is distributed among rural schools.

It is proposed by the Department of Education that this amount shall be gradually increased as the resources of the Province make it possible to do so.

GAME AND FISHERIES

Revenue of \$950,000 for the current fiscal year, ending March 31st, is estimated by the Department of Game and Fisheries. While this return is some \$230,000 short of the corresponding figure for the last fiscal year, it must be borne in mind that 1941-1942 set an all time revenue high for this particular Department. Of the \$230,000 decrease I have mentioned \$195,000 can be attributed directly to the reduced sale in non-resident angling and hunting licenses brought about by a natural falling-off in American tourist trade immediately after the United States' entry into the war. Other revenue decreases have been noted in the collection of fur royalties and in fees from the sale of trapping and fur dealers' licenses. These reductions may also be attributed in whole or part to the prevailing war conditions.

The Department has continued the services of its enforcement officers believing, as the Government believes, that such services should always be maintained if the wild life resources of the Province are to continue, unimpaired, for the enjoyment of future generations of our own people and of the countless thousands of tourists who will again invade Ontario, once hostilities are over and vacationing can be restored to normal.

Similarly, the Department's propagation and distribution of fish in suitable waters of the Province has been carried on without curtailment, more than 693,000,000 fish of various species in various stages of development having been liberated during the first eleven months of the current operating year. The expenditure entailed is necessary. However, capital expenditures made during the past season were confined principally to improvements to buildings on various hatchery properties. Mindful of the need for saving, the Department has practised an economy policy wherever possible, even eliminating hunting license badges to conserve metal.

HEALTH

No Department of this Government has co-operated more closely with the win-the-war effort than the Department of Health. It has explored every possible means of bettering the working conditions of the armed forces and industrial plant employees, and, at the same time, has contrived to maintain the health of the civilian peoples of Ontario on levels that are eminently satisfactory and widely acclaimed.

Control of the diseases of sanitation has been among the foremost activities of this Department, and results have been most gratifying. In spite of the abnormally difficult conditions which now exist, typhoid fever in this Province has now been reduced to the lowest figure on record—with a death rate of .26 per 100,000 population. Other related diseases of sanitation have shown a corresponding reduction. This has been accomplished chiefly by greater supervision over water and milk supplies. Pasteurization has not only controlled the spread of these diseases and made the milk safe, but the programme now in force in Ontario has assured a high-quality, safe milk for all the armed forces,

for those engaged in essential war plants, and for civilians alike. It has been of tremendous importance to the war effort.

The year 1942, I'm happy to state, also presented Ontario with the lowest tuberculosis death rate in Canada. This did not come about by accident. In fact, for those responsible for the control of tuberculosis, the year opened with a challenge which at the outset seemed insurmountable. The armed forces had made great demands on the specially trained physicians of the Department and of sanatoria, not to mention the general practitioner who has always played a leading role in the control of the disease. With the realization that tuberculosis in wartime is even more dangerous than under peacetime conditions, the Department had to devise methods whereby it could not only continue its existing programme but even extend it with a very minimum of professional staff. Technicians were trained to conduct x-ray clinics, unaccompanied by doctors. Arrangements were made for the reading of all films in the central office, thus enabling the Department to release one-third of its travelling clinic physicians for war services or essential civilian duty. Mass x-ray surveys with a newly developed machine (this is now a permanent part of the Government's policy) were undertaken in war industries, with industry approving and now agreeable to sharing the expense of the same. Since the introduction of this policy more than 135,000 chest examinations have been conducted, and those individuals suffering from active disease have been removed from contact with others and placed under treatment.

The Division of Tuberculosis Prevention has likewise continued its whole-hearted co-operation with the military authorities, and among other things has reviewed the chest films of all recruits rejected for lung conditions and has arranged for the admission to sanatoria of all such recruits and soldiers in Ontario requiring treatment. In this connection 170,000 days of treatment have been given in sanatoria of this Province since the outbreak of the war. Towards the expense of this vital work the Provincial Government has contributed \$330,000.

Will any member of this House dispute the value of such policy, or criticize the expenditure involved?

Other achievements of the Department of Health—direct and indirect—in what might be termed “the wartime picture” can be summed up as follows:—

- 1—Due to the fact that the Government has continually impressed upon the municipalities the value of immunization against diphtheria, any outbreak of this disease in the armed forces during the early part of the war was prevented from spreading throughout the Province from camp or camps affected.
- 2—Thousands of dollars worth of biological products, useful in the prevention of disease, have been distributed to various industrial plants—chiefly to the larger ones.
- 3—Similar products, in adequate quantities, have been furnished to various units of the armed forces.
- 4—In addition to its general work, the Division of Laboratories, during the past year, examined 81,968 specimens for the R.C.A.F. and 92,130

specimens for the Army, and conducted 125,390 serological tests for the Canadian Red Cross, Blood Donor Clinics, and Industrial Projects.

- 5—The Industrial Hygiene Branch has endeavoured at all times to obtain suitable trained medical personnel, both physicians and nurses, to maintain the health of plant workers, and has set up courses of instruction for this personnel.
- 6—Engineering advice as to the control of dust and fumes has been supplied to many factories, and one physician has been loaned direct from the Departmental staff as Medical Director for the Allied War Supplies Corporation.
- 7—A great deal of time has been spent in assisting the military as well as industrial enterprises to obtain adequate water supplies and secure satisfactory disposal of sewage and waste.
- 8—Seventy-four thousand dollars (\$74,000) is estimated to have been spent by the Department, during the first three years of war, incidental to the prevalence and combatting of venereal diseases in the armed forces.

There is one other activity of the Department of Health which is deserving of special mention at this time. It has to do with the possible ill-effects of wartime upsets and pressure upon child life and maternal mortality. The Departmental staff have assisted local communities in an attempt to meet this emergency, and it is gratifying to report that, in spite of the complex situation, Ontario has lost fewer mothers than ever before. A new low in our maternal mortality rate (3.0 per thousand living births) has been attained, and the threatened critical rise in the infant death rate has been held to an increase of 2.3, or 45.2 deaths per thousand living births, as against 42.9 last year.

HIGHWAYS

In the last nine years the Province of Ontario has made a great advance in its highway development and at the present time no Province or State on the continent can show higher types of highways, more scientifically designed structures or a more efficient network of Secondary roads. Permanency has been the first consideration in all work undertaken and the alignment, the grades and the structures which have been incorporated into the trunk roads will stand for generations. Roads constructed in Ontario are called upon to meet the most trying climatic conditions with a temperature ranging from 100 degrees above to 40 below zero. Ontario has done much to solve her own problems; no other country could be used as a guide where such severe conditions are coupled with the vast distances as apply in this Province.

The Province has relieved the farmer and the taxpayer, saving them millions of dollars because of the assumption of the entire cost of main highways. Subsidies have been increased from time to time until the counties and townships are receiving one dollar for every dollar they expend and in many instances the poorer and less sparsely settled are obtaining even greater help. Highways in Northern Ontario have received particular attention following the amalgamation of the Department of Highways and Northern Development in 1937. The

extension of four-lane highways to relieve congestion on the main tourist and industrial routes in southern Ontario has reached a total of 180 miles.

The expansion of highway facilities has not only brought Ontario prominence as a leader in automotive transportation but it has brought enormous financial return as well. Between November 1st, 1934 and February 28th, 1943, the Department expended \$218,349,450.72 on capital and maintenance. During the same period the Department collected as revenue the sum of \$255,321,734.81 and a steady increase in motor vehicle registration has shown that the public is in favour of the policy adopted.

During 1942, capital expenditures on King's Highways and Secondary roads have been devoted entirely to projects which lend immediate assistance to the war effort. Chief among these might be noted the completion of the Niagara border connections, and the improvement of the routes from Niagara and Fort Erie to Windsor and Sarnia to provide for International traffic. The opening of a Trans-Canada Highway has given Canada its first coast-to-coast route which is ready for military needs if the necessity should arise. At Bark Lake, the Province has co-operated with the Ontario Hydro Electric Power Commission in the construction of urgently needed power developments, by relocating considerable mileage of highway. This road, forming part of a direct connection between the military establishments at Camp Borden and Petawawa, may also be classed as a military route. From Toronto to Oshawa and also south from Sarnia, highways have been constructed to meet the needs of vital war industries. Other projects included roads to mining and lumbering operations and improvements on connections to airfields and military establishments undertaken jointly with the municipalities.

While passenger car traffic has been greatly reduced, the Province is faced with increased truck loadings on all main highways and there has been little decrease in the maintenance expenditures required. Cost of such maintenance has also been increased by the payment of cost-of-living bonus to employees. Snow removal costs have been particularly heavy during the current year.

For the coming year it is anticipated that considerable reconstruction will be necessary on trunk highways having pavements which have been in service more than twenty years. These pavements, designed for much lighter vehicles, are rapidly deteriorating under the increased unit loads made necessary by wartime transportation. Sundry construction will be carried out in completing the Geraldton to Hearst connection of the new Trans-Canada Highway across northern Ontario. Similar work will also be done in re-establishing highways as required by hydro-electric power developments. Improvements will be continued on those roads serving airfields, military establishments and war industries in various parts of the Province.

Comprehensive plans for post-war highway development are being prepared by the Department engineers and similar investigations are also being undertaken in conjunction with the municipalities.

LABOUR

In keeping with the Government's policy of complete co-operation with the national war effort, the Department of Labour continues to render most

effective service. Possibly the most shining example of this is the part it has played in connection with the Dominion-Provincial War Emergency Training Programme. Working under this plan, in conjunction with the Department of Education and the Federal authority, it has enrolled to date alone close to 100,000 men and women of Ontario to meet the demand for skilled and semi-skilled workers for industry and the fighting forces. Of this enrolment 23,000 have been trained for the armed forces alone.

Courses of instruction have been conducted by the Labour Department in 42 vocational schools in the Province, and 45 special plant schools have been organized for training which requires facilities not available in the vocational institutions. The Aircraft Training School has an enrolment of over 1,000 students, and continues to serve the Royal Canadian Air Force and the Canadian Navy in a most commendable manner.

It must be a matter of pride to the people of Ontario, as it is to the Government, that this Province alone has trained more than 50 per cent of the total persons trained in Canada under this programme. Some day a grateful nation will acknowledge its debt to Ontario for this outstanding achievement. (Applause.)

The Apprenticeship Branch of the Labour Department is being utilized to provide and regulate rehabilitation training for returned soldiers in the designated trades, and to aid the building trades in securing apprentices at this moment, when demands upon man power for the armed forces are especially heavy. The Factory Inspection Branch is making its wartime contribution to "Canada's Answer" by bending every effort to protect workers in industry against the dangers attendant upon mass production.

LANDS AND FORESTS

The Government is proceeding as speedily as circumstances permit to develop the Onakawana Lignite deposits for fuel, under the management of the Department of Lands and Forests to which jurisdiction control was transferred on September 1, 1942, from the Temiskaming & Northern Ontario Railway.

The building to house the processing plant is nearing completion. Most of the machinery needed for this plant has been either purchased or is now on order. Deliveries will depend upon priorities.

Machinery and equipment for the actual mining of the lignite is already set up, but as raw lignite contains over fifty percent of moisture it must be put through the processing plant before it is feasible to market it.

Every effort is now being made to complete the processing plant in order that production may commence early next fall. To date, by diamond drilling, more than ten million tons of lignite have been mapped out, and there is a potential supply of over one hundred millions in the area.

Onakawana lignite—who knows?—may yet figure effectively in our wartime planning, just as our forests, to-day, in many instances are filling the gaps created by metal shortages, and as a result of new developments in research, are entering

into many additional uses. The demand for our yellow birch for wooden planes has been increased, and red pine just recently has been approved as one of the primary species of wood for general aircraft production. Ontario's pulpwood stands are supplying raw material for the manufacture of essential wood pulp for the production of high explosives for guns, and Ontario's huge pulp and paper industry is turning out many other pulp products of vital importance to the war effort. To the fullest extent possible the Department of Lands and Forests is working with industry and the Dominion Department of Munitions and Supply to meet the abnormal demands on various forest products.

MINES

Notwithstanding the pressure of wartime conditions the Department of Mines has not lost sight of the responsibilities which will devolve upon it during the period of post-war reconstruction. With these constantly in mind, a long range plan of geological work is now being prepared so that the utmost information on Ontario's mineral resources will be available at the proper time.

While the base metal mines of this Province, in 1942 produced record quantities of essential raw materials for the war effort of the United Nations, the gold mines, on the other hand, have been forced through shortages of labour and supplies to reduce their operations to a considerable degree. As a result of this off-setting factor the aggregate output value of Ontario's mining industry last year was reduced to an estimated \$256,000,000.

MUNICIPAL AFFAIRS

Since Canada's declaration of war, the efforts of Ontario municipalities have been mainly directed to reduction in debt and taxation and to facilitating, encouraging and making possible an all-out war effort by the Dominion. This co-operation has been manifested in various ways—by making available personnel services and accommodation to all important organizations such as local ration boards, civil defence, salvage, war loan, savings and housing committees, etc.—and by providing grants approximating \$750,000 to organizations registered under The War Charities Act for the purpose of assisting in the financing of various war services.

Believing the United Nations have passed through their darkest days, the Department of Municipal Affairs for Ontario is now directing the attention of municipal authorities to post-war problems. The chief post-war problem of our municipalities will be unemployment due to the cessation of war industries, the discontinuation of Dominion boards and services, and the demobilization of the armed forces. For example, employees now filling positions formerly occupied by members of the armed forces will, in the majority of cases, have to seek new employment. Employees of war industries will also be unemployed immediately hostilities are ended and will continue out of employment until such time as industry has adjusted itself to peacetime production.

The Department of Municipal Affairs has proceeded to have set up in each municipality, special committees of Council on post-war planning. The duty of these committees will be, with the assistance of the Department, to

work programmes that will aid in absorbing the jobless until such time as industry can again employ them.

Due to the advice, guidance and encouragement offered to municipal authorities by the Department, together with the control exercised over borrowings and municipal spending by the Ontario Municipal Board, municipal authorities are able and entitled to boast of their fine record of reduction in debt and taxation during the period of 1934-1942 inclusive. The Government's one-mill subsidy, which will be paid again this year (applause), has been a source of considerable encouragement in difficult days, and indirectly contributes to the air of confidence with which all municipalities, large and small, are to-day tackling their wartime obligations and preparing for the equally complex problems that post-war rehabilitation will bring.

PUBLIC WELFARE

One of the very constructive programmes of the Department of Public Welfare has been the establishment of Day Nursery Centres for both pre-school and school-age children of mothers engaged in war industry. These are being operated in conjunction with the Dominion Government, and to date some sixteen projects have been approved. Details of many additional projects, I'm pleased to be able to announce, are now being worked out by local committees and Boards of Education throughout Ontario. The purpose of these nurseries is quite clear—they fill a long-felt want. They make possible the entry into essential industry of many mothers, who, unless they knew their children were adequately cared for in their employment hours, might be inclined to withhold otherwise active and valuable participation in the war effort.

The Government has been hopeful that the Dominion authorities would consider increasing Old Age Pensions and Pensions for the Blind but as there is no indication that such action is contemplated and it is evident that many of these citizens are experiencing difficulty, the Province is providing supplementary assistance to such pensioners as are found to be in need of extra aid. (Applause). The cost of this programme will be borne one hundred per cent by the Province.

Increased opportunities for gainful employment have made it possible for many persons in receipt of Mothers' Allowances to now become self-supporting. There are a number, however, who cannot avail themselves of these opportunities, due to ill-health, or the responsibilities confronting a widow with small children. These too will be assisted by the Province, by means of a supplementary allowance. (Applause.)

The proposed aid I have outlined is in addition to the medical welfare plan which was inaugurated last year by an agreement with the Ontario Medical Association to furnish medical services to all those in receipt of Old Age Pensions, Blind Pensions and Mothers' Allowances. This plan has cost the Province upwards of half a million dollars but has brought comfort and security to many thousands, and the benefits derived will no doubt be reflected in the future health and happiness of our citizens. Let me say emphatically that it is the considered policy of this Government that, within the limitation of the financial strength of the Province, adequate provision shall always be made for any and all our citizens who, for one reason or another, find themselves in need of public assistance.

DEPARTMENT OF THE PROVINCIAL SECRETARY

Lumber Production at the Industrial Farm, Burwash

Owing to the increased demands for forest products in the war effort, the Provincial Secretary's Department undertook to produce larger quantities of logs to be converted into lumber at the Institution. This material is being produced for the United Nations war requirements. The Timber Controller will designate where it is to be shipped. Heretofore, a lesser amount of timber was produced at the Institution, but all of this was used to meet Provincial Government building requirements. It may be mentioned that half a million feet of lumber which had been on hand for Provincial use was diverted last fall to meet war requirements of the Timber Controller. In this way men at this institution are making a definite contribution to the war effort.

Federal Use of Girls' School at Galt

A year ago reference was made to the request of the Federal Government for the use of the Boys' Training School at Bowmanville for national defence purposes. During the current year, a definite request was made by the Federal Government for the use of the Girls' Training School at Galt. The Provincial Government assented to this request and temporary quarters for the girls who had previously been in training at the School were found at Cobourg. The same policy was followed with respect to the girls as had been followed with the boys from Bowmanville in the previous year,—that is, they were placed as rapidly as possible in foster homes, under supervision of school placement officers. It is believed that placement in foster homes rather than in institutions is fundamentally sound, as home surroundings are more readily conducive to proper readjustment. There has been but six months' experience under this arrangement for the girls. It is hoped that the plan will work out as satisfactorily as has been the case with the boys from Bowmanville.

PUBLIC WORKS

Of extremely valuable help to Canada's new fighting machine—particularly when that unit was in its infancy—was the Ontario Government's prompt decision to turn over to the Federal Government any Provincial buildings that might be required for the war effort. Since October, 1939, when the new Ontario Mental Hospital, near St. Thomas, was transferred under this decision to Federal operating authority, as training centre accommodation for the Air Force, 148 buildings with a total valuation of \$15,162,083, have been occupied by the Dominion. (Applause.)

These institutions are leased to the Dominion for the duration of the war, rent free; the Dominion reimbursing the Province for out-of-pocket expenses in providing temporary quarters for displaced personnel. Under the terms of the agreements, the Dominion will restore the buildings to the same condition as they were at date of occupancy, less reasonable wear and tear, and in all other respects the Dominion has accepted the conditions proposed by the Province.

The Department of Public Works has done everything in its power to expedite the war effort, and is now considering what measures should be undertaken in the post-war era. For this purpose an item has been placed in the estimates to defray expenses in preparing reports, surveys, and other costs to

formulate a plan of construction and works with which to provide employment during the period of adjustment from a wartime to a peacetime economy.

HYDRO

In the third year of the war the change-over from a peacetime to a wartime economy in the industrial plants of the Province was virtually complete, and all supplies of power available to The Hydro-Electric Power Commission were fully employed. During the year additional supplies of power totalling 129,000 horsepower were placed in service, but as was foreseen, the demand overtook the supply and a shortage was imminent. To ensure that war production should not be handicapped for power, the Dominion Power Controller imposed certain restrictions on the use of electricity and The Hydro-Electric Power Commission inaugurated a conservation programme, particularly directed to voluntary savings by domestic consumers. These measures were successful; the public response was adequate and the winter peak load was met with hardly any curtailment of supply to war industries.

Another influence which began to operate in 1942 tended to reduce power demands: non-essential industry and commercial enterprises found it difficult to secure men, materials and merchandise. Some shrinkage in power demand for non-essential purposes resulted, but its amount was difficult to evaluate.

It is estimated that had it not been for conservation and curtailment, the primary demand for power would have increased 275,000 horsepower, equivalent to a growth of 14 per cent. During the coming year 65,000 horsepower of new power will become available at DeCew Falls and improved conditions created by the Niagara weir, aided by higher water levels, will add about 20,000 horsepower to the effective capacity of the Commission's Niagara plants. To meet the continued demands for war industries, the present restrictions on non-essential use must continue.

The continued friendly co-operation with the United States enabled the Commission to obtain the maximum power output from its plants on the Niagara river. The Ogoki diversion project is nearing completion: the main dam is in operation holding up the water level and when certain improvements in the waterway leading to Nipigon lake have been completed in the early summer, a beneficial diversion of these waters will start to operate in accordance with the understanding with the United States.

In the Northern Ontario Properties there was some recession in the gold mining industry, leading to a reduction in the power required. The nickel industry has, however, needed increased supplies of power. In rural Ontario, because of shortage of materials, extensions of primary lines virtually ceased, except to wartime housing projects and certain war industries in rural districts. Nevertheless, the average power delivered to rural consumers increased by 6.5 per cent.

Revenue of the co-operative systems of the Commission continued to reflect the progressive adaptation of industry to war requirements and in accordance with its wartime policy, the Commission was able to set aside somewhat larger amounts to its reserves. The revenue of the Northern Ontario Properties from

gold mines was less than in 1941 to an extent not fully offset by increased revenues from other sources. The Properties, however, were in a position to make adequate provision for reserves.

The unprecedented progress that has been made in the mechanization of war equipment has depended upon the provision and ingenious application of ample supplies of electric power. Behind the very significant contribution Ontario is making to Canada's war effort stands Hydro power.

LIQUOR CONTROL BOARD OF ONTARIO

On December 16th, 1942, Order-in-Council P.C. 11,374 was passed by the Dominion Government pursuant to the War Measures Act approving of the "Wartime Alcoholic Beverages Order, 1942." This Order is comprised of three parts. Part 1 limited the proof gallonage of spirits which may be released for consumption in Canada during the twelve months commencing November 1st, 1942, to not more than 70% of the proof gallonage released during the preceding twelve months. With respect to wine, the limitation is 80%, and beer, 90%.

The Administrator of Alcoholic Beverages under the Wartime Prices and Trade Board stressed that he desired that the available supply of alcoholic beverages released for consumption should be distributed as equitably as possible during the year commencing November 1st, 1942, so as to ensure that some would be available during every month of the period.

As a result of the restrictive provisions of the "Wartime Alcoholic Beverages Order, 1942," together with the Administrator's request, and also the fact that the application of the restrictions was made retroactive to November 1st, 1942, a substantial oversold condition during November and December manifested itself and forced the adoption by the Board of additional sale limitations, as well as reduced selling hours in retail store outlets.

Prior to January 1st, 1943, an individual who desired to purchase spirits in Ontario could purchase same provided he possessed either an Annual Individual Liquor Permit (\$2.00), or a Special Single Purchase Permit (.25c.). The sale of the latter type of permit had reached very substantial proportions and thus, enhanced the revenue of the Province. With the restrictions in the "Wartime Alcoholic Beverages Order, 1942" becoming effective, and in order to promote an extended orderly marketing plan for spirits, the Board was forced to stop the issuance of the Special Single Purchase Permit after December 31st, 1942, and insist on the Annual Individual Liquor Permit having to be obtained by any person desiring to purchase spirits.

In addition, this Dominion Order compelled the establishment of reduced quantity sale limitations for spirits, wine and beer, with consequent reduction in Liquor Control Board income, thus affecting adversely Provincial revenue.

An estimate was made by Liquor Control Board Officials which showed that *had no Dominion restrictions been imposed*, the total net revenue which would have been realized from Liquor Board operations during the current twelve months which ends March 31st, 1943, would have reached the sum of \$18,860,000, whereas, for the ensuing fiscal year, that is, commencing April 1st, 1943, with

the restrictions in effect for a full twelve-month period, the estimated total net income would be \$11,750,000, a decrease of \$7,110,000.

In view of this estimated reduction in Liquor Control Board income, it was considered advisable to make representations to the Dominion Government for recoupment of revenue due to certain statements having been recorded during the Dominion-Provincial negotiations which were carried on during the preceding year which resulted in the Province being reimbursed for Provincial revenue lost by virtue of the Dominion Government taking over the collection of certain taxes which previously had been paid to the Province, such as corporation, personal income and gasoline taxes.

On January 28th, last, representatives from the various Canadian Provinces appeared before the Dominion Prime Minister and his Cabinet and presented their requests for reimbursement. Subsequently, written data was filed with the Dominion Government.

On March 1st, the Minister of Finance advised that he would be pleased to discuss with representatives of the respective Provinces, this problem, and make an offer which would be included in the Dominion Budget which he contemplated presenting to Parliament on March 2nd.

With respect to alcoholic beverages, I quote from Mr. Ilsley's offer:

"I hereby advise that the offer I am making in to-day's Budget is that the Dominion should guarantee for the duration of our liquor control restrictions the liquor revenues of any province on the basis of such revenues received during the twelve months ending June thirtieth, nineteen forty-two provided that the Province raises its retail prices for spirits by an amount at least sufficient to absorb a two dollar per proof gallon increase in the duty on Domestic and Imported Spirits which the Dominion is putting into effect at midnight to-day and as well an additional amount equivalent to two dollars per proof gallon to accrue to the benefit of the Province itself. The increase in retail prices should be made effective immediately if the Province desires the guarantee to apply to its liquor revenues for its fiscal year now in progress or not later than the beginning of its next fiscal year if it wishes the guarantee to apply only in respect of that year and later years. We are also making our Customs Duty apply on the basis of the actual strength of proof rather than on fifteen underproof as heretofore."

Mr. Speaker, we accepted the offer of the Dominion Government and have increased our retail selling prices of spirits only to the extent demanded by the Dominion Government in their offer of guarantee, it being felt that the obtaining of the guarantee was imperative to ensure continuity of Provincial income in these abnormal times during which it is impossible to forecast future Dominion action with respect to alcoholic beverages.

With the recently increased retail liquor prices in effect and provided there is no change in the Dominion restrictions after October 31st, next, it is estimated that the Board's total net income for the fiscal year commencing April 1st, 1943, from all sources, will be \$15,250,000, an increase in the amount estimated prior to Dominion negotiations of \$3,500,000. This figure will be aug-

mented, if necessary, by the Dominion Government in accordance with its guarantee to ensure the respective provinces "For the duration of our (Dominion) liquor control restrictions, the liquor revenues of any province on the basis of such revenues received during the twelve months ending June 30th, 1942", in view of the fact that Ontario liquor operations resulted in a total net revenue for the twelve months ending June 30th, 1942, of about \$15,750,000.

With respect to the Liquor Control Board operations for the twelve months which expire at the end of this month, it is estimated that the Provincial Treasury will receive \$17,275,000, which is an increase over the payments made during the last fiscal year of \$3,525,000, and which totalled \$13,750,000.

ORDINARY EXPENDITURE

Now, Mr. Speaker, with the permission of the House I desire to table an interim statement of the Gross Ordinary Expenditure for the fiscal year April 1st, 1942, to March 31st, 1943, consisting of ten months' actual payments and two months' forecast, the total gross expenditure being \$104,963,375.00.

INTERIM STATEMENT OF GROSS ORDINARY EXPENDITURE

Fiscal Year April 1, 1942—March 31, 1943

10 Months Actual—2 Months Forecast—12 Months

DEPARTMENT	Detail	Gross Ordinary Expenditure
1—AGRICULTURE.....		\$ 5,990,000.00
2—ATTORNEY-GENERAL.....		3,345,800.00
3—EDUCATION.....		14,400,000.00
4—GAME AND FISHERIES.....		595,000.00
5—HEALTH:		
Main Office and Branches.....	\$1,700,000.00	
Hospitals Branch.....	9,800,000.00	11,500,000.00
6—HIGHWAYS.....		13,600,000.00
7—INSURANCE.....		60,000.00
8—LABOUR.....		700,000.00
9—LANDS AND FORESTS.....		3,400,000.00
10—LEGISLATION.....		270,000.00
11—LIEUTENANT-GOVERNOR.....		10,175.00
12—MINES.....		340,000.00
13—MUNICIPAL AFFAIRS.....		3,100,000.00
14—PRIME MINISTER.....		340,000.00
15—PROVINCIAL AUDITOR.....		115,500.00
16—PROVINCIAL SECRETARY:		
Main Office and Registrar-General's Branch.....	158,000.00	
Reformatories and Prisons Branch.....	1,775,000.00	1,933,000.00
17—PROVINCIAL TREASURER:		
Main Office.....	857,000.00	
Budget Committee Office.....	8,000.00	
Controller of Revenue Branch.....	231,000.00	
Motion Picture Censorship and Theatre Inspection Branch.....	39,000.00	
Post Office.....	139,000.00	
Savings Office.....	293,000.00	1,567,000.00
18—PUBLIC WELFARE:		
Main Office and Branches.....	510,000.00	
Old Age and Pensions for the Blind Commission.....	3,880,000.00	
Mothers' Allowances Commission.....	3,840,000.00	8,230,000.00

19—PUBLIC WORKS.....	\$ 771,000.00
20—MISCELLANEOUS:	
Miscellaneous Grants, etc.....	105,900.00
STATIONERY ACCOUNT.....	40,000.00
	<u>\$70,413,375.00</u>
PUBLIC DEBT—Interest, Exchange, etc.....	32,900,000.00
	<u>103,313,375.00</u>
ADD: Unemployment Direct Relief and Administration thereof.....	1,650,000.00
	<u><u>\$104,963,375.00</u></u>

CAPITAL PAYMENTS

And Mr. Speaker, for the information of the House, I desire to table an interim statement of the Gross Capital Payments for the fiscal year April 1st, 1942 to March 31st, 1943, being ten months' actual and two months' forecast, the total payments being \$22,057,388.43.

INTERIM STATEMENT OF GROSS CAPITAL PAYMENTS

Fiscal Year April 1, 1942—March 31, 1943

10 Months Actual—2 Months Forecast—12 Months

DEPARTMENT	GROSS CAPITAL PAYMENTS		
	Works and Resources, Etc.	Loan Advances	Trust Fund Repayments
AGRICULTURE.....	\$ 1,200.00	\$ 5,000.00	\$.....
EDUCATION.....	65,638.43		
GAME AND FISHERIES.....	3,000.00		
HIGHWAYS.....	9,100,000.00		
LANDS AND FORESTS.....	700.00		
PRIME MINISTER—			
Public Service Superannuation Board.....			975,000.00
PROVINCIAL TREASURER—			
Main Office.....		472,000.00	696,500.00
Hydro-Electric Power Commission.....	275,000.00		
PUBLIC WELFARE—			
Old Age and Pensions for the Blind Commission.....		10,054,350.00	
PUBLIC WORKS.....	321,000.00		
MISCELLANEOUS.....			88,000.00
	<u>\$9,766,538.43</u>	<u>\$10,531,350.00</u>	<u>\$1,759,500.00</u>

SUMMARY

Works and Resources, etc.....	\$ 9,766,538.43
Loan Advances.....	10,531,350.00
Trust Fund Repayments.....	1,759,500.00
	<u><u>\$22,057,388.43</u></u>

ORDINARY REVENUE

For the information of the House, I desire to table an interim statement of the Gross Ordinary Revenue for the fiscal year April 1st, 1942, to March 31st,

1943, being ten months' actual and two months' forecast. The total ordinary revenue for the fiscal year ending March 31st, is estimated to be \$115,233,177.44. (Applause.)

SUMMARY

Gross Ordinary Revenue.....	\$115,233,177.44	
Less: Gross Ordinary Expenditure (before providing for Unemployment Direct Relief, Provision for Sinking Funds and Maturing Railway Aid Certificates).....	102,106,524.47	
		<u>102,106,524.47</u>
Surplus: (before providing for Unemployment Direct Relief, Provision for Sinking Fund, and Maturing Railway Aid Certificates).....	\$ 13,126,652.97	(Applause)
Less: Unemployment Direct Relief and Administration thereof.....	\$ 1,650,000.00	
Provision for Sinking Fund.....	1,181,000.00	
Maturing Railway Aid Certificates.....	25,850.53	
		<u>2,856,850.53</u>
Interim Surplus.....	\$10,269,802.44	(Applause)
		<u><u>\$10,269,802.44</u></u>

INTERIM STATEMENT OF GROSS ORDINARY REVENUE

Fiscal Year April 1, 1942—March 31, 1943

10 Months Actual—2 Months Forecast—12 Months

DEPARTMENT	Detail	Gross Ordinary Revenue
1—AGRICULTURE.....		\$ 360,000.00
2—ATTORNEY-GENERAL.....		1,017,800.00
3—EDUCATION.....		50,000.00
4—GAME AND FISHERIES.....		950,000.00
5—HEALTH:		
Main Office and Branches.....	\$ 93,000.00	
Hospitals Branch.....	1,495,000.00	
		<u>1,588,000.00</u>
6—HIGHWAYS:		
Main Office.....	17,000.00	
Gasoline Tax Branch.....	25,115,000.00	
Miscellaneous Permits Branch.....	100,000.00	
Motor Vehicles Branch.....	6,000,000.00	
		<u>31,232,000.00</u>
7—INSURANCE.....		215,000.00
8—LABOUR.....		105,000.00
9—LANDS AND FORESTS.....		5,800,000.00
10—LEGISLATION.....		9,000.00
11—MINES.....		2,540,000.00
12—MUNICIPAL AFFAIRS:		
Main Office.....	3,800.00	
Municipal Board.....	12,000.00	
		<u>15,800.00</u>
13—PRIME MINISTER.....		14,000.00
14—PROVINCIAL SECRETARY:		
Main Office and Registrar-General's Branch.....	365,000.00	
Reformatories and Prisons Branch.....	760,000.00	
		<u>1,125,000.00</u>

15—PROVINCIAL TREASURER:		
Main Office—Subsidy.....	\$	3,173,621.28
Interest.....		71,154.12
Miscellaneous.....		400,000.00
Liquor Control Board.....		17,275,000.00
Controller of Revenue Branch:		
Succession Duty.....		11,000,000.00
Subsidy in Lieu of Corporation Tax.....		19,192,089.79
“ “ “ “ Income Tax.....		8,400,536.45
Corporations Tax (Refunds).....		1,100,000.00
Income Tax.....		570,000.00
Race Tracks.....		804,582.62
Security Transfer Tax.....		220,000.00
Land Transfer Tax.....		375,000.00
Law Stamps.....		375,000.00
Motion Picture Censorship and Theatre Inspection Branch.....		190,000.00
Savings Office.....		293,000.00
		<hr/>
	\$	61,239,984.26
16—PUBLIC WELFARE.....		7,200.00
17—PUBLIC WORKS.....		100,000.00
MISCELLANEOUS.....		100,000.00
		<hr/>
		106,468,784.26
PUBLIC DEBT—Interest, etc.....		8,764,393.18
		<hr/>
		<u>\$115,233,177.44</u>

CAPITAL RECEIPTS

With the permission of the House, I desire to table an interim statement of the Gross Capital Receipts for the fiscal year April 1st, 1942, to March 31st, 1943, being ten months' actual and two months' forecast. The estimated total capital receipts are \$32,487,628.00.

INTERIM STATEMENT OF GROSS CAPITAL RECEIPTS

Fiscal Year April 1, 1942—March 31, 1943

10 Months Actual—2 Months Forecast—12 Months

DEPARTMENT	GROSS CAPITAL RECEIPTS		
	Works and Resources, etc.	Loan Repayments	Trust Fund Deposits
AGRICULTURE.....	\$	\$ 2,500.00	\$
HIGHWAYS.....	30,400.00	.....	.....
LABOUR.....	.....	.....	200,000.00
LANDS AND FORESTS.....	82,800.00	.....	.....
MINES.....	35,400.00	.....	.....
MUNICIPAL AFFAIRS.....	.....	15,700.00	.....
PRIME MINISTER:			
Public Service Superannuation Board.....	.....	.....	1,294,800.00
PROVINCIAL TREASURER:			
Main Office.....	2,253,656.00	4,082,000.00	186,000.00
Hydro-Electric Power Commission.....	.....	14,249,622.00	.....
PUBLIC WELFARE:			
Old Age and Pensions for the Blind Com- mission.....	.....	10,054,350.00	.....
PUBLIC WORKS.....	400.00	.....	.....
	<hr/>	<hr/>	<hr/>
	\$2,402,656.00	\$28,404,172.00	\$1,680,800.00

SUMMARY

Works and Resources, etc.	\$ 2,402,656.00
Loan Repayments.	28,404,172.00
Trust Fund Deposits.	1,680,800.00
	<u>\$32,487,628.00</u>

AN OVER-ALL SURPLUS

The foregoing statements of expenditures and revenues both on Ordinary and Capital account show an interim over-all Surplus for the fiscal year ending March 31st, 1943, of \$20,700,042.01. (Applause.)

Estimated Revenue—	
Ordinary.	\$115,233,177.44
Capital.	32,487,628.00
Total.	<u>\$147,720,805.44</u>
Estimated Expenditure—	
Ordinary.	\$104,963,375.00
Capital.	22,057,388.43
Total.	<u>127,020,763.43</u>
Interim Over-All Surplus.	<u><u>\$ 20,700,042.01</u></u>

PROVINCIAL DEBT

Mr. Speaker, with the permission of the House I shall now place on the table the following statements of the estimated debt position as at March 31st, 1943.

- (1) The Indirect Debt—Contingent Liabilities—
Bonds, etc., Guaranteed by the Province.
Showing a reduction for the year of \$2,368,886.06
 - (2) Temporary Loans—Treasury Bills—
Showing a reduction for the year of 6,500,000.00 (Applause.)
 - (3) The Funded Debt—
Showing a reduction for the year of 9,090,756.53 (Applause.)
 - (4) The Net Debt—
Showing a reduction for the year of 3,853,457.47 (Applause.)
- And I want to say to the House that the Net Debt Reduction of \$3,853,457.47 is the largest reduction in any single year in the history of this Province. (Prolonged applause.)
- (5) The Gross Debt—
Showing a reduction for the year of 20,750,632.43 (Applause.)

PROVINCE OF ONTARIO

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

Estimated as at March 31, 1943

Total (as per Public Accounts, March 31, 1942).....	\$125,245,722.81
ADD—New Guarantees for fiscal year ending March 31, 1943—	
Co-Operative Associations.....	\$ 5,000.00
Park Commissions.....	3,000,000.00
Power Commissions.....	31,500,000.00
	34,505,000.00
	\$159,750,722.81
LESS—Principal Maturities redeemed or to be redeemed during the fiscal year ending March 31, 1943—	
Co-Operative Associations.....	\$ 95,628.71
Housing.....	73,801.63
Municipalities.....	44,912.09
Park Commissions.....	3,116,000.00
Power Commissions.....	32,307,000.00
Railways.....	925,000.00
Schools.....	181,324.21
Universities.....	104,206.43
	36,847,873.07
	\$122,902,849.74
LESS—Sinking Fund Deposits for the fiscal year ending March 31, 1943.....	26,012.99
Estimated Net Contingent Liability of the Province as at March 31, 1943.....	\$122,876,836.75

SUMMARY

Contingent Liability of the Province—March 31, 1942.....	\$125,245,722.81
Estimated Contingent Liability of the Province—March 31, 1943.....	122,876,836.75
Estimated Decrease.....	\$ 2,368,886.06

PROVINCE OF ONTARIO

Temporary Loans—Treasury Bills

Estimated to be outstanding as at March 31, 1943

Date of Maturity	Date of Issue	Series	Rate %	Amount Outstanding	Where Payable
1943—June 27	1942—June 27	RT-X	1.75%	\$ 2,000,000.00	Canada
Sept. 1	Sept. 1	RT-AB	1.75%	5,000,000.00	"
Sept. 1	Sept. 1	RT-AD	1.75%	2,000,000.00	"
Sept. 3	Sept. 3	RT-Y	1.75%	1,000,000.00	"
Sept. 3	Sept. 3	RT-AH	1.75%	1,000,000.00	"
Sept. 13	Sept. 13	RT-Z	1.75%	3,000,000.00	"
Sept. 13	Sept. 13	RT-AA	1.75%	2,000,000.00	"
Sept. 13	Sept. 13	RT-AB	1.75%	5,000,000.00	"
Sept. 13	Sept. 13	RT-AF	1.75%	5,000,000.00	"
Nov. 1	Nov. 1	RT-U	1.75%	10,000,000.00	"
Dec. 4	Dec. 4	RT-AK	1.75%	4,000,000.00	"
Dec. 5	Dec. 5	RT-AJ	1.75%	2,000,000.00	"
Dec. 5	Dec. 5	RT-AL	1.75%	1,000,000.00	"
				<u>\$43,000,000.00</u>	

This will show a reduction of—

Outstanding as at March 31, 1942.....	\$49,500,000.00
Outstanding as at March 31, 1943.....	43,000,000.00

\$ 6,500,000.00

THE FUNDED DEBT OF ONTARIO

Detail Summary of Estimated Changes for the Fiscal Year ending March 31, 1943

As at March 31, 1942 (after deducting Sinking Funds).....		\$619,495,686.16
ADD—Sale of Debentures—		
CF-	5% —Due Sept. 1, 1947.....	\$ 700,000.00
RT	2% —Due Dec. 15, 1945.....	10,000,000.00
RT	3% —Due June 15, 1953.....	10,000,000.00
RU	2½% —Due July 1, 1945.....	15,000,000.00
TF-B	3½% —Due Jan. 1, 1952.....	1,100,000.00
TF-D	3½% —Due Apr. 15, 1972.....	6,850,000.00
TI	4¾% —Due Nov. 1, 1982.....	2,000,000.00
		45,650,000.00
		\$665,145,686.16
LESS—Redemptions—		
RM	2% —Due May 1, 1942.....	\$ 1,250,000.00
AL	4% —Due May 15, 1942.....	543,000.00
AP	4½% —Due May 15, 1942.....	484,000.00
AS	4% —Due June 1, 1942.....	468,000.00
RK	1½% —Due June 1, 1942.....	1,200,000.00
AW	5½% —Due July 1, 1946.....	100.00
CF	5% —Due Sept. 1, 1942.....	700,000.00
WW&YY	6% —Due Sept. 15, 1943.....	60,000.00
AC	5% —Due Oct. 1, 1942.....	19,948,000.00
RH	2% —Due Oct. 15, 1942.....	7,500,000.00
RQ	2% —Due Nov. 1, 1942.....	1,200,000.00
RS	2% —Due Nov. 1, 1942.....	1,050,000.00
AK	4½% —Due Nov. 1, 1942.....	800,000.00
AD	5½% —Due Dec. 1, 1942.....	15,393,000.00
AH	4½% —Due Dec. 1, 1942.....	700,000.00
AJ	4½% —Due Jan. 15, 1943.....	800,000.00
AR	4½% —Due Jan. 15, 1943.....	422,000.00
RB	2½% —Due Jan. 15, 1943.....	1,000,000.00
		\$53,518,100.00
Railway Aid Certificates.....		25,850.53
Sinking Fund Provisions—Current Year—		
Instalments.....		1,181,000.00
Earnings.....		15,806.00
		54,740,756.53
Estimated as at March 31, 1943 (after deducting Sinking Funds).....		\$610,404,929.63
Total New Issued.....		\$45,650,000.00
Total Redemptions.....		54,740,756.53
Net Decrease.....		\$ 9,090,756.53

PROVINCE OF ONTARIO

Estimated Decrease in Net Debt as at March 31, 1943

As at March 31, 1942—	
Gross Debt.....	\$724,770,880.95
Less Revenue Producing and Realizable Assets.....	217,642,774.47
Net Debt.....	\$507,128,106.48
As at March 31, 1943—	
Estimated Gross Debt.....	\$704,020,248.52
Less Estimated Revenue Producing and Realizable Assets..	200,745,599.51
Estimated Net Debt.....	\$503,274,649.01
Estimated Decrease in Net Debt.....	\$ 3,853,457.47

PROVINCE OF ONTARIO

Detail Summary Accounting for Estimated Decrease in Gross Debt

For the Year Ending March 31, 1943

Gross Debt as at March 31, 1942.....	\$724,770,880.95
Estimated Gross Debt as at March 31, 1943.....	704,020,248.52
Estimated Decrease as at March 31, 1943.....	\$ 20,750,632.43
GROSS DEBT DECREASED BY—	
Surplus—	
Surplus on Ordinary Account.....	\$10,269,802.44
Provisions charged to Ordinary Expendi- ture—	
Retirement of Railway Aid Certificates	25,850.53
Sinking Fund Instalments.....	1,181,000.00
	\$11,476,652.97
Discount on Debentures, etc., Written Off.....	1,056,850.00
Earnings on Sinking Fund Investments (Net).....	15,806.00
Loan Repayments—	
Hydro-Electric Power Commission of Ontario.....	\$14,220,200.00
Agricultural Development Board.....	3,140,700.00
Loans to Municipalities (Net).....	716,422.00
Miscellaneous.....	5,000.00
	18,082,322.00
Increase in Reserves.....	500.00
Decrease in Income Liabilities.....	552,335.96
	\$31,184,466.93
GROSS DEBT INCREASED BY—	
Capital Disbursements—	
Highways, Public Buildings, Public Works, etc.....	\$ 9,766,538.43
Less—Capital Receipts.....	149,000.00
	\$ 9,617,538.43
Payments re Guaranteed Debentures (Net).....	209,500.00
Discount on Debentures, etc., issued during year.....	606,796.07
	10,433,834.50
Estimated Decrease as at March 31, 1943.....	\$20,750,632.43

FISCAL YEAR 1943-1944

Now, Mr. Speaker, printed copies of the estimates have already been tabled and presented to you, Sir, and in addition printed copies have been supplied to members of the House for the fiscal year 1943-44.

With the permission of the House, I place on the records the Budget Forecasts of Ordinary Revenue and Ordinary Expenditure, Capital Receipts and Capital Payments for the fiscal year April 1st, 1943, to March 31st, 1944.

BUDGET FORECAST OF ORDINARY REVENUE

Fiscal Year April 1, 1943—March 31, 1944

DEPARTMENT	Detail	Gross Ordinary Revenue	Application of Revenue to Expenditure	Detail	Net Ordinary Revenue
1—AGRICULTURE.....		\$ 300,000.00			\$ 300,000.00
2—ATTORNEY-GENERAL.....		922,600.00	\$ 183,270.00		739,330.00
3—EDUCATION.....		50,000.00			50,000.00
4—GAME AND FISHERIES.....		650,000.00			650,000.00
5—HEALTH:					
Main Office and Branches....	\$ 90,000.00		4,200.00	\$ 85,800.00	
Hospital Branch.....	1,500,000.00	1,590,000.00	10,000.00	1,490,000.00	1,575,800.00
6—HIGHWAYS:					
Main Office and Branches....	10,000.00			10,000.00	
Gasoline Tax Branch.....	26,608,290.59			26,608,290.59	
Miscellaneous Permits Branch	40,000.00			40,000.00	
Motor Vehicles Branch.....	4,000,000.00	30,658,290.59		4,000,000.00	30,658,290.59
7—INSURANCE.....		200,000.00			200,000.00
8—LABOUR.....		90,000.00			90,000.00
9—LANDS AND FORESTS.....		5,400,000.00			5,400,000.00
10—LEGISLATION.....		9,700.00			9,700.00
11—MINES.....		1,500,000.00	5,000.00		1,495,000.00
12—MUNICIPAL AFFAIRS:					
Main Office and Municipal Board.....		14,000.00			14,000.00
13—PRIME MINISTER:					
King's Printer—Ontario Gazette.....		16,000.00			16,000.00
14—PROVINCIAL SECRETARY:					
Main Office and Registrar-General's Branch.....	255,000.00			255,000.00	
Reformatories and Prisons Branch.....	775,000.00	1,030,000.00	595,000.00	180,000.00	435,000.00
15—PROVINCIAL TREASURER:					
Main Office—Subsidy.....	3,155,007.48			3,155,007.48	
Interest.....	71,229.86			71,229.86	
Liquor Control Board.....	15,750,000.00			15,750,000.00	
Controller of Revenue Branch:					
Succession Duty.....	9,000,000.00			9,000,000.00	
Corporations Tax Subvention.....	23,322,276.47			23,322,276.47	
Income Tax Subvention....	6,748,391.55			6,748,391.55	
Corporation Tax.....	900,000.00			900,000.00	
Race Tracks.....	500,000.00			500,000.00	
Security Transfer Tax.....	200,000.00			200,000.00	
Land Transfer Tax.....	300,000.00			300,000.00	
Law Stamps.....	300,000.00			300,000.00	
Motion Picture Censorship and Theatre Inspection Branch.....	185,000.00			185,000.00	
Savings Office.....	296,500.00	60,728,405.36	296,500.00		60,431,905.36
16—PUBLIC WORKS.....		48,000.00			48,000.00
MISCELLANEOUS.....		100,000.00	100,000.00		
PUBLIC DEBT—Interest, etc.....	\$7,079,691.37	\$103,306,995.95	\$1,193,970.00		\$102,113,025.95
Foreign Exchange	659,498.84	7,739,190.21	7,079,691.37	659,498.84	
TOTAL.....		\$111,046,186.16	\$8,933,160.21		\$102,113,025.95

SUMMARY

Net Ordinary Revenue.....	\$102,113,025.95
Net Ordinary Expenditure (not including Unemployment Relief).....	95,402,413.86
EXCESS OF ORDINARY REVENUE OVER ORDINARY EXPENDITURE	\$ 6,710,612.09
Estimated Net Expenditure on account of Unemployment Direct Relief and administration thereof.....	1,200,000.00
SURPLUS FORECAST.....	\$ 5,510,612.09

BUDGET FORECAST OF ORDINARY EXPENDITURE

Fiscal Year April 1, 1943—March 31, 1944

DEPARTMENT	Detail	Gross Ordinary Expenditure	Application of Revenue to Expenditure	Detail	Net Ordinary Expenditure
1—AGRICULTURE		\$ 6,172,044.75			\$ 6,172,044.75
2—ATTORNEY-GENERAL		3,182,115.00	\$ 183,270.00		2,998,845.00
3—EDUCATION		15,047,330.00			15,047,330.00
4—GAME AND FISHERIES		630,225.00			630,225.00
5—HEALTH:					
	Main Office and Branches	\$ 1,835,590.00	4,200.00	\$ 1,831,390.00	
	Hospitals Branch	10,778,100.00	10,000.00	10,768,100.00	12,599,490.00
6—HIGHWAYS:					
	Main Office and Branches	13,795,800.00		13,795,800.00	
	Motor Vehicles Branch	243,000.00		243,000.00	14,038,800.00
7—INSURANCE		64,100.00			64,100.00
8—LABOUR		445,231.55			445,231.55
9—LANDS AND FORESTS:					
	General	3,041,925.92		3,041,925.92	
	War Emergency-Training and Reconstruction	500,000.00		500,000.00	3,541,925.92
10—LEGISLATION		278,900.00			278,900.00
11—LIEUTENANT-GOVERNOR		10,175.00			10,175.00
12—MINES		362,250.00	5,000.00		357,250.00
13—MUNICIPAL AFFAIRS:					
	Main Office and Municipal Board	115,347.00		115,347.00	
	Subsidy—1 Mill— To cities, towns, incorporated villages and townships	3,200,000.00		3,200,000.00	3,315,347.00
14—PRIME MINISTER		159,605.00			159,605.00
15—PROVINCIAL AUDITOR		126,000.00			126,000.00
16—PROVINCIAL SECRETARY:					
	Main Office and Registrar-General's Branch	165,540.00		165,540.00	
	Reformatories and Prisons Branch	1,848,500.00	595,000.00	1,253,500.00	1,419,040.00
17—PROVINCIAL TREASURER:					
	Main Office	542,500.00		542,500.00	
	Budget Committee Office	8,000.00		8,000.00	
	Controller of Revenue Branch	230,000.00		230,000.00	
	Motion Picture Censorship and Theatre Inspection Branch	39,000.00		39,000.00	
	Post Office	174,792.00		174,792.00	
	Savings Office	296,500.00	296,500.00		994,292.00
18—PUBLIC WELFARE:					
	Main Office	270,400.00		270,400.00	
	Children's Aid Branch	209,000.00		209,000.00	
	Day Nurseries Branch	182,500.00		182,500.00	
	Old Age and Pensions for the Blind Commission	4,760,000.00		4,760,000.00	
	Mothers' Allowances Commission	4,100,000.00		4,100,000.00	9,521,900.00
19—PUBLIC WORKS		741,700.00			741,700.00
MISCELLANEOUS		104,400.00	100,000.00		4,400.00
PUBLIC DEBT—Interest		\$73,660,571.22	\$1,193,970.00		\$ 72,466,601.22
	Foreign Exchange	27,726,590.28	7,079,691.37		20,646,898.91
	Sinking Fund Instalments and Railway Aid Certificates	1,687,727.13	659,498.84		1,028,228.29
		1,260,685.44			1,260,685.44
TOTAL		\$104,335,574.07	\$8,933,160.21		\$95,402,413.86
ADD: Estimated Net Expenditure on account of Unemployment Direct Relief and Administration thereof		1,200,000.00			1,200,000.00
GRAND TOTAL		\$105,535,574.07	\$8,933,160.21		\$96,602,413.86

BUDGET FORECAST OF CAPITAL RECEIPTS

Fiscal Year April 1, 1943—March 31, 1944

DEPARTMENT	CAPITAL RECEIPTS		
	Works and Resources, etc.	Loan Repayments	Trust Fund Deposits
AGRICULTURE.....			\$ 3,000.00
HIGHWAYS.....	\$ 5,000.00		
LANDS AND FORESTS.....	55,000.00		
MINES.....	50,000.00		
MUNICIPAL AFFAIRS.....		\$ 13,285.00	
PRIME MINISTER:			
Public Service Superannuation Board.....			1,327,750.00
PROVINCIAL TREASURER:			
Main Office.....	2,281,850.00	4,478,073.29	83,343.60
Hydro-Electric Power Commission.....		15,772,717.40	
PUBLIC WELFARE:			
Dominion Government—			
Old Age and Pensions for the Blind			
Commission.....		10,286,000.00	
PUBLIC WORKS.....	375.00		
	<u>\$2,392,225.00</u>	<u>\$30,550,075.69</u>	<u>\$1,414,093.60</u>

SUMMARY

Works and Resources, etc.....	\$ 2,392,225.00
Loan Repayments.....	30,550,075.69
Trust Fund Deposits.....	1,414,093.60
	<u>\$34,356,394.29</u>

BUDGET FORECAST OF CAPITAL PAYMENTS

Fiscal Year April 1, 1943—March 31, 1944

DEPARTMENT	CAPITAL PAYMENTS		
	Works and Resources, etc.	Loan Advances	Trust Fund Repayments
AGRICULTURE.....		\$ 25,000.00	
EDUCATION.....	\$ 65,638.43		
GAME AND FISHERIES.....	6,000.00		
HIGHWAYS.....	4,000,000.00		
LANDS AND FORESTS.....	3,500.00		
PRIME MINISTER.....			
Public Service Superannuation Board.....			\$ 975,000.00
PROVINCIAL TREASURER:			
Main Office.....		3,194,838.28	402,631.79
Hydro-Electric Power Commission.....	100,000.00		
PUBLIC WELFARE:			
Dominion Government:			
Old Age and Pensions for the Blind Commission.....		10,286,000.00	
PUBLIC WORKS.....	125,500.00		
	<u>\$4,300,638.43</u>	<u>\$13,505,838.28</u>	<u>\$1,377,631.79</u>

SUMMARY

Works and Resources, etc.....	\$ 4,300,638.43
Loan Advances.....	13,505,838.28
Trust Fund Repayments.....	1,377,631.79
	<u>\$19,184,108.50</u>

ESTIMATED OVER-ALL SURPLUS FOR 1943-1944

These statements of Expenditures and Revenues, both on Ordinary and Capital Account indicate a surplus for the ensuing fiscal year as follows:

ORDINARY ACCOUNT—

Net Ordinary Revenue.....	\$102,113,025.95
Net Ordinary Expenditure.....	96,602,413.86

Estimated Surplus on Ordinary Account.....	\$ 5,510,612.09
	(Applause.)

CAPITAL ACCOUNT—

Capital Receipts.....	\$ 34,356,394.29
Capital Payments.....	19,184,108.50

Estimated Surplus on Capital Account.....	15,172,285.79
---	---------------

Total Estimated Over-All Surplus for the coming fiscal year.....	\$20,682,897.88
	(Applause.)

STABILIZATION OF REVENUE

For the information of the House, I would like to point out that the Province of Ontario is fortunate, in these troubled times, in having the following revenues stabilized, either by the Act of Confederation or by subsequent agreements with the Dominion Government—

Dominion Subsidy.....	\$ 3,155,007.48
Interest on Common School Fund.....	71,229.86
Liquor Control Board Revenue.....	15,750,000.00
Corporations Tax Subvention.....	21,960,450.85
Income Tax Subvention.....	7,001,037.95
Insurance Act Subvention.....	2,550.74
Gasoline Tax Subvention.....	26,608,290.59
	<u>\$74,548,567.47</u>

The above total of \$74,548,567.47 represents 73% of the net revenue of \$102,113,025.95 estimated to be collectible during the fiscal year to end on March 31st, 1944.

SINKING FUNDS

I think this would be a proper place for me to inform the House that, considering the great burdens borne by the Government of the Dominion of Canada in financing our war, it is the right time to substitute deeds for words and I take this opportunity of announcing the intention of the Government of Ontario to participate in the coming Victory Loan, it having been decided to subscribe for the sum of Five Million Dollars in Victory bonds for our sinking funds. (Applause.)

COMMISSIONER OF AGRICULTURAL LOANS

Now, Mr. Speaker, I want to bring a matter to the attention of the House. It is a matter of vital importance. That is the position of our Agricultural Loans. The Agricultural Development Act was passed in the year 1922 for the express purpose of assisting the farmers to obtain money by way of first mortgages on their farms, thereby liquidating current obligations and affording new money for operating expenses. These loans were granted for a 20-year period and the

loans made in the years 1922 and 1923 have or are now falling due. An increasing number of these loans will fall due each year hereafter.

It is evident from our records that after 20 years a great many of these farmer mortgagors find themselves still heavily in debt to the Province. Efforts have been made in the past to assist them and many loans have been reamortized for a further period of 20 and as high as 30 years but from the record of payments made on the reamortized basis, it is evident that a great many of these mortgagors cannot meet their full annual payments of principal and interest and taxes. It is obvious therefore, that these same mortgagors will have a debt as great if not greater at the expiration of a further 20 or 30 years.

The main reason for this condition is due to the fact that money was loaned in amounts far in excess of the loanable value of the properties. It may be argued that this was not always the case as the boom years in the twenties resulted in high market values for farms and the loans during that period were not considered excessive. This may be rightly so in a great many cases but the fact remains that during the past decade, farm values have drastically declined and the farm returns reduced to an all-time low. This condition has resulted in an accumulation of both interest and principal arrears and arrears of taxes and the years of depression have further prevented most farmers from keeping up necessary repairs.

There are to-day, Mr. Speaker, 14,249 loans outstanding, amounting to \$33,710,543.19. There are 157 farms on hand for sale having a book value of \$509,000.00. Of these, 74 are in Northern Ontario and the balance of 83 in Old Ontario.

Let me give you one or two examples of what has occurred in the case of loans made:—

A loan of \$12,000 was granted to a farmer in 1922 and to-day, after a period of 20 years, his loan is still in excess of \$10,000. You might well ask what happened to this farmer and our records would answer from various inspectors' reports that this man has always been a first-class operator and farmer, but over a period of 20 years, he has lost three children and his father and mother who had been living with them, through death. The bulk of this farm comprises an apple orchard of 50 acres. During the severe winters of 1933 and 1934, ninety per cent of his orchard was frozen out and the farm rendered practically useless.

In another case, in this same year, 1922, a \$5,000.00 loan was granted, to-day this loan stands at approximately \$5,700.00; we value this property at about \$2,000.00. This man was 62 years of age when he got the loan and is now over 80 with no sons or daughters to whom he can bequeath this white elephant.

Now what further information do we glean from the records? These are the facts:—

Out of 14,249 current loans, we have 6,625 in arrear of principal and interest, 4,710 loans which were in arrear have been reamortized which means that over 10,000 farmers out of a total of 14,000 or 71% have been unable to meet their payments.

You will fully appreciate the fact that many borrowers from the Agricultural Development Board are labouring under an impossible burden of debt in that their mortgages are unreasonably large in proportion to the productive value of the farms. This means that no amount of effort on their part could enable them to meet their mortgage payments.

A great many of these mortgages will mature during the next five years and unless some plan for relief is made at this time, a large number of very worthy producers will find themselves in danger of being deprived of their homes which represent their only possessions and the result of a lifetime of toil and hardship. There are countless cases on record where the present operator is a son, grandson or great-grandson of the pioneer settler, who cleared the land out of the wilderness. Indeed in our great agricultural heritage of Northern Ontario, hundreds of the original settlers are still operating their first homesteads. It is unthinkable that these sturdy citizens whose courage and endurance have contributed so greatly to the development of our agricultural production should, in their declining years, be living in daily dread of foreclosure proceedings.

The Government proposes to set up a Board of Review composed of members of the judiciary to deal with such cases as have been above recited. This Board will sit in every County and District of the Province and any mortgagor may make application to the Board for a hearing and review of his case. There will be no exceptions. A farmer will not be disbarred because of a prior appeal under the Farmers' Creditors Arrangement Act or for any other reason. This Board of Review will be empowered to reduce a mortgagor's principal or interest arrears or both. It will of course, be expected that the mortgagor will make payment of his taxes pending review of his case. A Bill will in due course be presented to the House for ratification and I believe that this will be welcome news not only to our mortgagors but to their friends and public alike. (Applause.) Farmers have, more than any other class of industry, had their trials and tribulations and unless immediate and drastic steps are taken to alleviate these conditions, I have grave fears for the outcome of our basic industry.

SALE OF COLOURED GASOLINE

Mr. Speaker, here is some relief from a nuisance tax. For some months past the Minister of Highways and his officials and officials of the Treasury Department have been examining the problems attendant upon the sale of coloured gasoline free of tax. At the present time coloured gasoline under the direction of the Oil Controller of Canada is available for purposes other than for use or consumption in licensed motor vehicles and non-commercial marine engines. This gasoline is not rationed but bears both the Dominion and the Provincial tax, a total of 11 cents per gallon. It is desired to make coloured gasoline available to all farmers of this Province engaged purely in agricultural purposes, licensed fishermen, and licensed and other bona-fide tourist outfitters, free of Ontario tax. (Applause.) Because of the provisions of the Dominion-Provincial Tax Agreement ratified by this House, the consent of the Minister of Finance for Canada is necessary before any change is made in the methods of collecting gasoline tax or granting refunds. The Treasury Department has already communicated with the Department of Finance at Ottawa with a view to obtaining the consent of the latter Department to furnishing tax-free gasoline. It is the opinion of the Government that the Department of Finance at Ottawa will readily co-operate with this Government in making tax-free coloured gasoline

available, and it is hoped that regulations which will be satisfactory to the Department of Finance may be drawn up in the near future. In the meantime I am happy to announce that a Bill will be presented to this House within the course of a few days authorizing the Minister of Highways to permit the sale of tax-free gasoline to farmers, licensed fishermen, licensed and other bona-fide tourist outfitters.

THE TILE DRAINAGE ACT

Mr. Speaker, I further want to offer some cheap money to the farmers of Ontario in the hope of increasing production on the farms of this Province. The Department of Agriculture has for some time been urging that in order to make cheaper money available to farmers for purposes of under-draining their land and thereby increasing its productivity, the rate of four per centum per annum on tile drainage debentures, as provided by The Tile Drainage Act, being chapter 72 of the Revised Statutes of Ontario, 1937, be reduced from four per centum to three per centum per annum. It has been decided to adopt the recommendation of the Minister of Agriculture and an amendment to The Tile Drainage Act will be submitted to the House at this Session. The amendment will also provide for a reduction in rate from four per centum to three per centum in respect to the interest on the debentures now outstanding. It is hoped that in making money available at three per centum per annum, more farmers will be encouraged to improve their lands by drainage and so contribute to the increased production of food products so necessary for the prosecution of the war. (Applause.) The new rate will be effective as of the 1st day of April 1943.

THE MUNICIPAL DRAINAGE AID ACT

And further, having helped the individual, we propose also to help the municipalities. The Minister of Municipal Affairs has requested that a reduction should be effected in the interest rate on moneys available to municipalities for drainage purposes under The Municipal Drainage Aid Act, being chapter 71 of the Revised Statutes of Ontario, 1937. Consistent with the proposed amendment to The Tile Drainage Act a Bill will be introduced authorizing a reduction in the rate of interest under The Municipal Drainage Aid Act from four per centum to three per centum per annum. This reduction will include debentures presently outstanding as well as those hereafter (applause) issued and the new rate will be effective as of April 1st, 1943.

NATURAL GAS AND PETROLEUM IN ONTARIO

Owing to the shortage of natural gas throughout this Province, and from all the information available, it is in a very dangerous position. We have been successful and I am very pleased to announce that, through the efforts of this Government working in co-operation with the Dominion Minister of Finance, amendments to the Income Tax Regulations are now under consideration whereby the Natural Gas industry in the Province of Ontario will receive effective encouragement relative to the development of new and increasing supplies of natural gas.

Arrangements are in prospect of completion between the Dominion and this Government to extend to the Natural Gas and Petroleum industry in Ontario

such favourable tax considerations as will prove a stimulus to the search for new sources of natural gas within this Province. (Applause.)

It is very interesting also to note that on April 2nd, 1941, the question of extending encouragement for the development of natural gas and petroleum in South-western Ontario was outlined in this House by the Member for Lambton East. One of his suggestions at the time was that taxation should be imposed in such a manner as to be an incentive to search for new sources of petroleum and natural gas in Ontario.

CONCLUSION

Mr. Speaker, I want to thank the members of this House for the very kind consideration shown to me this afternoon and in conclusion, I want to say that our first obligation is the winning of the War. All our efforts and resources must be put to work with this in view—to assist the Government of Canada in the active part which has to be taken and the heavy responsibility of financing yet to be done.

We must look to the future for our post-war position. We must keep in mind the necessity for curtailing all unnecessary capital expenditures, both of Provincial Governments and municipalities, for the duration. We should endeavour to liquidate our debts and be prepared and ready for after-war projects.

I have always had faith in the Canadian people and our great country, and I believe that with all the force and enthusiasm in which we are so abundant, we are capable of furthering and maintaining our greatness by loyalty to our Country and the Empire, a loyalty which commands the most strenuous efforts and makes possible the greatest sacrifice so necessary until the war is won, and Victory ours. (Prolonged applause.)

SUB-INDEX No. 1

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AND STATISTICAL STATEMENTS

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STATEMENT No. 1A

COMMISSIONER OF

Balance Sheet

ASSETS

F.P.O. Mortgage Loans.....	\$ 1,302,289.31
F.P.O. Interest Charges.....	269,231.96
F.P.O. Sundry Charges.....	143,959.15
Current Loans.....	35,435,114.43
Current Interest, Due and Accrued.....	2,077,248.15
Current Sundries.....	21,411.08

BANK ACCOUNT:

Capital Account.....	\$ 379.17	
Current Account.....	4,766.93	
Insurance Loss Account.....		5,146.10
		<u>11,170.40</u>

DEFICIT ACCOUNT:

Debit Balance, April 1st, 1941.....	\$ 4,645,825.78	
Credits, net, during the year ended March 31st, 1942.....	326,470.02	
Debit Balance, March 31st, 1942.....		4,319,355.76
		<u>\$43,584,926.34</u>

STATEMENT No. 1A

AGRICULTURAL LOANS

as at March 31st, 1942

LIABILITIES

Debentures.....		\$35,087,000.00
Interest on Debentures, Due and Accrued.....		5,919,771.74
Insurance Loss.....		11,170.40
Surpluses.....		55,133.86
F.P.O. Interest Reserve.....	\$ 269,231.96	
Current Interest Reserve.....	2,077,248.15	
F.P.O. Expense Reserve.....	\$ 143,959.15	2,346,480.11
Current Expense Reserve.....	21,411.08	
		<u>165,370.23</u>

\$43,584,926.34

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	\$	102,177.00
Cash on hand, in transit, and in banks	\$279,420.94	
Accounts Receivable.....	376,399.70	
Inventories of Liquor and Supplies in Warehouses and Stores (Valued at Cost).....	5,328,690.96	
		<u>5,984,511.60</u>
Prepaid Charges.....		25,658.37
		<u><u>\$6,112,346.97</u></u>

STATEMENT No. 1B

BOARD OF ONTARIO
SHEET

31st, 1942

LIABILITIES

Accounts Payable, Accrued Charges, Deferred Revenue, etc..... \$2,139,813.03

PROVINCIAL TREASURER:

Permit Sales—Balance March 31st, 1941..... \$ 18,635.20

Permit Sales—April 1st, 1941, to March 31st,
1942 (Net)..... 731,070.58

\$749,705.78

Less: Paid to Provincial Treasurer..... 740,000 00

\$ 9,705.78

Confiscated Liquor Stocks..... 4,739.86

14,445.64

SURPLUS:

Balance carried from Surplus Account..... \$ 16,958,808 30

Less: Paid to Provincial Treasurer..... 13,000,000 00

3,958,088.30

\$6,112,346.97

CONTINGENT LIABILITIES:

Liquor ordered but not delivered..... \$ 2,661,571.82

Duty on Stocks in Bond..... 2,189,033.30

2,189,033.30

STATEMENT No. 1C

NIAGARA PARKS

BALANCE

As at March

ASSETS

CURRENT:

Cash on Hand.....	\$ 2,250.00	
Accounts Receivable.....	1,883.05	
Inventories of Supplies and Souvenirs.....	46,466.60	
		\$ 50,599.65

WATER RENTALS, EARNED..... 196,732.78

RESERVE FUND:

Sinking Fund Provision for 5½% 15-year Debentures due 1st August, 1947:		
Deposit with Treasury Department of Ontario as at December 1st, 1941.....	\$ 165,385.31	
Accrued Interest thereon.....	2,205.13	

(Deducted from Debenture Issue)..... \$ 167,590.44

PROPERTY:

Land, Buildings, Improvements, cost.....	\$6,302,583.91	
Less: Reserve for Depreciation.....	1,629,747.07	
		\$4,672,836.84
Office and Restaurant Equipment, cost.....	\$ 164,363.09	
Less: Reserve for Depreciation.....	113,241.19	
		51,121.90
Cars, Trucks, cost.....	\$ 17,333.97	
Less: Reserve for Depreciation.....	16,289.62	
		1,044.35
Miscellaneous Equipment and Tools, cost.....	\$ 43,478.61	
Less: Reserve for Depreciation.....	26,711.66	
		16,766.95
Tableware, Linens and Utensils, cost.....	\$ 34,251.57	
Less: Reserve for Depreciation.....	27,503.27	
		6,748.30
		4,748,518.34

DEFERRED CHARGES:

Discounts on Debentures.....	\$ 87,820.00	
Less: Written off.....	62,149.00	
		\$ 25,671.00
Expenses in re New Bridge Approaches.....	8,769.64	
Expenses in re Protection of Power Plants.....	2,808.04	
Expenses in re Garden Theatre Extension.....	112.95	
Inventories of Expense Items.....	10,757.79	
Unexpired Insurance.....	2,697.75	
		50,817.17

\$5,046,667.94

STATEMENT No. 1C

COMMISSION

SHEET

31st, 1942

LIABILITIES

CURRENT:

Canadian Bank of Commerce, Niagara Falls:

Chairman's Account.....	\$ 21,129.40	
Current Account.....	15,267.42	
Payroll Account.....	7,556.59	

43,953.41

Accounts Payable..... 18,399.87

\$ 62,353.28

FUNDED DEBT:

2½% Notes, Guaranteed by the Province of Ontario,
payable 21st December, 1942, \$500,000.00 each,
numbered 1-6.....

\$3,000,000.00

Accrued Interest thereon..... 20,547.94

\$3,020,547.94

4% Instalment Gold Debentures, Guaranteed by
the Province of Ontario, payable 1st Decem-
ber, 1928-47.....

\$2,000,000.00

Less: Redeemed..... 1,228,000.00

\$ 772,000.00

Accrued Interest thereon..... 10,293.33

782,293.33

5½% 15-Year Debentures, Guaranteed by the
Province of Ontario, due 1st August, 1947.....

\$ 300,000.00

Accrued Interest thereon..... 2,750.00

\$ 302,750.00

Less: Amount of Sinking Fund..... 167,590.44

135,159.56

RESERVE—Public Liability.....

3,938,000.83

29,208.61

SURPLUS:

As at April 1st, 1941..... \$ 964,531.23

Add: Excess of Revenue over Expenditure for the year..... 52,573.99

1,017,105.22

COMMITMENTS:

(A) To complete certain improvements.

(B) To pay pensions of about \$200.50 per month.

\$5,046,667.94

STATEMENT No. 1D

PRESQU'ILE PARK

Balance Sheet as at

ASSETS

CURRENT:

Cash on Hand.....	\$ 9.00	
Accounts Receivable (unpaid rent and taxes).....	713.91	
		\$ 722.91

SINKING FUND INVESTMENTS:

Dominion and Ontario Government Bonds.....	\$13,461.52	
Cash held for investment in Special Savings Account.....	48.31	
		13,509.83

FIXED:

Lands.....	\$18,000.00	
Wells.....	225.00	
Roads.....	16,575.72	
Parks.....	2,000.00	
Tools and Equipment (depreciated value).....	507.24	
Furniture and Fixtures (depreciated value).....	84.55	
		37,392.51
		\$51,625.25

STATEMENT No. 1D

COMMISSION

March 31st, 1942

LIABILITIES

Bank Overdraft	\$ 212.46	
Bank Loan	1,700.00	
	<u> </u>	\$ 1,912.46
Debentures, 6% May 1st, 1923, due May 1st, 1943.....	\$ 20,000.00	
4% Sept. 1st, 1937, due Sept. 1st, 1957.....	2,500.00	
	<u> </u>	22,500.00
SINKING FUND RESERVE:		
Represented by Sinking Fund Investments.....	\$13,509.83	
Required in excess of Sinking Fund Investments.....	4,546.25	
	<u> </u>	18,056.08
SURPLUS:		
Balance March 31st, 1942.....		9,156.71
		<u> </u>
		<u>\$51,625.25</u>

STATEMENT No. 1E

THE PROVINCE OF

Balance Sheet as at

ASSETS

Cash: On hand.....	\$453,244.04	
In banks	222,923.51	
	<u> </u>	\$ 676,167.55
Deposited with the Provincial Treasurer.....		33,391,365.63
Miscellaneous Accounts Receivable.....		1,958.16
Furniture and Fixtures—Cost.....	\$ 127,906.31	
Less: Reserve for Depreciation.....	87,162.74	
	<u> </u>	40,743.57
Alterations to Premises—Cost.....	\$ 23,665.16	
Less: Written off.....	4,295.64	
	<u> </u>	19,369.52
		<u> </u>
		<u> </u>
		\$34,129,604.43

STATEMENT No. 1E

ONTARIO SAVINGS OFFICE

March 31st, 1942

LIABILITIES

Depositors' Funds.....	\$33,836,321.33
Surplus.....	293,283.10

\$34,129,604.43

STATEMENT No. 1F

TEMISKAMING AND NORTHERN

Balance Sheet

ASSETS

INVESTMENT:

Road.....	\$34,395,488.97	
Railway Equipment and Motor Busses.....	6,512,682.39	
Restaurant and News Equipment.....	15,384.94	
Improvements to Leased Property.....	13,045.12	
		<u>\$40,936,601.42</u>
Investment in Affiliated Companies:		
Nipissing Central Railway—Advance.....	\$4,943,381.00	
Less Reserve.....	674,393.71	
		<u>4,268,987.29</u>
		<u>\$45,205,588.71</u>

CURRENT ASSETS:

Cash.....	\$ 162,749.42	
Accounts Receivable.....	211,147.87	
Agents' and Conductors' Balances.....	291,045.96	
Balances due on Townsite Sales.....	3,478.99	
Material and Supplies.....	903,172.15	
Ballast Pit Sidings.....	62,861.48	
Balances due by Employees on Purchase of Dominion of Canada War Loan (Bonds held as security).....	18,836.00	
Other Assets.....	57.91	
		<u>1,653,349.78</u>

DEFERRED ASSETS:

Pension Fund Investments.....	\$ 730,663.34	
Fire Insurance Fund Investments.....	77,757.13	
		<u>808,420.47</u>

UNADJUSTED DEBITS:

Lignite Deposit—Exploration.....	\$ 84,911.99	
Insurance Premiums Prepaid.....	528.83	
Advances to Treasurer and Paymaster.....	2,228.44	
Accounts in Suspense.....	315.39	
		<u>87,984.65</u>

\$47,755,343.61

STATEMENT No. 1F

ONTARIO RAILWAY COMMISSION

as at 31st March, 1942

LIABILITIES

PROVINCE OF ONTARIO:

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

LONG TERM DEBT:

Debenture Debt—Payable in instalments in the years 1943 to 1968 inclusive—	
Interest 4% per annum.....	5,546,000.00

\$35,753,934.92

CURRENT LIABILITIES:

Bank of Nova Scotia—Demand Loan.....	\$ 1,400,000.00	
Audited Accounts and Wages.....	468,961.56	
Traffic Balances.....	50,206.51	
Debenture Principal.....	6,000.00	
Debenture Interest—Due and Accrued.....	39,853.36	
Employees' Deposits on War Savings Certificates.....	1,668.50	
	<hr/>	1,966,689.93

DEFERRED LIABILITIES:

Pension Fund Reserve.....	\$ 730,663.34	
Fire Insurance Reserve.....	77,757.13	
	<hr/>	808,420.47

UNADJUSTED CREDITS:

Equipment Retirement Reserve—		
Railway Equipment and Motor Busses....	\$ 1,943,781.46	
Restaurant and News Equipment.....	11,087.00	
	<hr/>	\$1,954,868.46
Fidelity Insurance Reserve.....	3,610.43	
Casualty Insurance Reserve.....	5,445.00	
Accounts in Suspense.....	7,790.24	
	<hr/>	1,971,714.13
Surplus.....		7,254,584.16

\$47,755,343.61

STATEMENT No. 2A

COMPARATIVE STATEMENT

ORDINARY ACCOUNT

SUMMARY

Fiscal Year Ended March 31st, 1942

ORDINARY GROSS REVENUE:

Budget.....	\$115,179,775.37
Actual.....	121,934,376.28
INCREASE.....	\$ 6,754,600.91

ORDINARY ACCOUNT:

Revenue Budget.....	\$115,179,775.37
Expenditure Budget..	105,436,711.41
SURPLUS.....	\$ 9,743,063.96

ORDINARY GROSS EXPENDITURE:

Budget.....	\$105,436,711.41
Actual.....	106,775,222.28
INCREASE.....	1,338,510.87
	<u>\$ 5,416,090.04</u>

ORDINARY ACCOUNT:

Revenue Actual.....	\$121,934,376.28
Expenditure Actual..	106,775,222.28
SURPLUS.....	15,159,154.00
	<u>\$ 5,416,090.04</u>

RECONCILIATION

REVENUE INCREASED:

All Departments.....	\$6,754,600.91
----------------------	----------------

EXPENDITURE Increased

All Departments:	
General.....	\$3,234,342.43

EXPENDITURE DECREASED:

Interest, Sinking Fund Instalments, Discount and Exchange.....	\$ 185,320.80
Unemployment Relief.....	1,710,510.76
	<u>1,895,831.56</u>
	<u>1,338,510.87</u>
	<u>\$5,416,090.04</u>

ACTUAL COMPARED WITH ACTUAL OF PREVIOUS YEAR

ACTUAL GROSS ORDINARY REVENUE:

To March 31, 1941...	\$114,593,485.00
To March 31, 1942...	121,934,376.28
INCREASE.....	\$ 7,340,891.28

ACTUAL SURPLUS ON ORDINARY ACCOUNT:

As of March 31, 1941.....	\$13,934,431.14
---------------------------	-----------------

ACTUAL GROSS ORDINARY EXPENDITURE:

To March 31, 1941...	\$100,659,053.86
To March 31, 1942...	106,775,222.28
INCREASE.....	\$ 6,116,168.42
	<u>\$ 1,224,722.86</u>

ACTUAL SURPLUS ON ORDINARY ACCOUNT:

As of March 31, 1942.....	15,159,154.00
	<u>\$ 1,224,722.86</u>

STATEMENT No. 2B

COMPARATIVE SUMMARY ANALYSIS

GROSS ORDINARY REVENUE

Cumulative Period to March 31st—Fiscal Year 1942

DEPARTMENT	BUDGET FORECAST GROSS REVENUE		ACTUAL GROSS REVENUE		Increase or Decrease
	Detail	Total	Detail	Total	
AGRICULTURE.....		\$ 279,653.00		\$ 261,847.76	\$ 17,805.24
ATTORNEY-GENERAL.....		1,021,070.00		998,599.39	22,470.61
EDUCATION.....		60,000.00		56,474.76	3,525.24
GAME AND FISHERIES.....		1,000,000.00		1,183,269.29	183,269.29
HEALTH:					
Main Office and Branches.....	\$ 60,830.00		\$ 90,199.84		
Hospitals Branch.....	1,390,500.00	1,451,330.00	1,589,016.59	1,679,216.43	227,886.43
HIGHWAYS:					
Main Office and Branches.....	10,000.00		25,633.41		
Gasoline Tax Branch.....	26,500,000.00		27,646,695.71		
Miscellaneous Permits Branch.....	90,000.00		122,977.64		
Motor Vehicles Branch.....	9,500,000.00	36,100,000.00	10,144,469.05	37,939,775.81	1,839,775.81
INSURANCE.....		210,000.00		214,168.48	4,168.48
LABOUR.....		80,000.00		106,912.63	26,912.63
LANDS AND FORESTS.....		5,000,000.00		5,103,892.14	103,892.14
LEGISLATION.....		10,000.00		12,520.55	2,520.55
MINES.....		2,500,000.00		2,704,862.59	204,862.59
MUNICIPAL AFFAIRS:					
Main Office.....	6,110.00		7,459.93		
Municipal Board.....	15,000.00	21,110.00	16,293.73	23,753.66	2,643.66
PRIME MINISTER:					
King's Printer—Ontario Gazette....		14,400.00		14,817.58	417.58
PROVINCIAL SECRETARY:					
Main Office and Registrar-General Branch.....	330,000.00		428,742.87		
Reformatories and Prisons Branch...	912,000.00	1,242,000.00	932,783.07	1,361,525.94	119,525.94
PROVINCIAL TREASURER:					
Main Office—Subsidy.....	2,941,424.00		3,136,393.68		
Interest.....	73,000.00		72,852.09		
Northern Ontario Pro- perties.....			500,000.00		
Miscellaneous.....			165.11		
Liquor Control Board.....	12,000,000.00		13,750,000.00		
Controller of Revenue Branch— Succession Duty.....	12,000,000.00		11,676,453.25		
Subventions in lieu of Corporation Tax.....			2,196,045.08		
Subventions in lieu of Income Tax.....			700,103.80		
Corporation Tax.....	23,000,000.00		22,064,833.58		
Income Tax.....	5,000,000.00		4,664,401.04		
Race Tracks.....	525,000.00		648,832.18		
Security Transfer Tax.....	350,000.00		241,305.70		
Land Transfer Tax.....	225,000.00		319,166.53		
Law Stamps.....	365,000.00		386,645.30		
Miscellaneous.....			154.20		
Motion Picture Censorship and Thea- tre Inspection Branch.....	175,000.00		213,736.27		
Savings Office.....	261,174.48	56,915,598.48	305,961.46	60,877,049.27	3,961,450.79
PUBLIC WELFARE.....				9,018.26	9,018.26
PUBLIC WORKS.....		49,000.00		103,619.11	54,619.11
MISCELLANEOUS.....		100,000.00			100,000.00
KING'S PRINTER—STATIONERY ACCOUNT.....				15,075.80	15,075.80
PROVINCIAL TREASURER: Interest, etc.....		9,125,613.89		9,267,976.83	142,362.94
		\$115,179,775.37		\$121,934,376.28	\$6,898,402.00
					143,801.09
NET INCREASE—Actual over Forecast.....					\$6,754,600.91

STATEMENT No. 2C

COMPARATIVE SUMMARY ANALYSIS

GROSS ORDINARY EXPENDITURES

Cumulative Period to March 31st—Fiscal Year 1942

DEPARTMENT	BUDGET FORECAST GROSS EXPENDITURE		ACTUAL GROSS EXPENDITURE		Increase or Decrease
	Detail	Total	Detail	Total	
AGRICULTURE.....		\$ 5,984,117.50		\$ 5,427,179.38	\$ 556,938.12
ATTORNEY-GENERAL.....		3,070,645.00		3,321,351.46	250,706.46
EDUCATION.....		13,588,630.00		13,177,948.48	410,681.52
GAME AND FISHERIES.....		619,000.00		574,231.08	44,768.92
HEALTH:					
Main Office and Branches.....	\$ 1,310,860.00		\$ 1,316,921.83		
Hospitals Branch.....	9,474,825.00	10,785,685.00	9,583,275.97	10,900,197.80	114,512.80
HIGHWAYS:					
Main Office.....	600,000.00		523,551.53		
Division Offices.....	7,365,000.00		12,457,957.51		
Municipal Roads Branch.....	4,820,000.00		4,024,956.23		
Gasoline Tax Branch.....	100,000.00		57,485.85		
Miscellaneous Permits Branch.....	40,000.00		27,973.17		
Motor Vehicle Branch.....	400,000.00	13,325,000.00	299,602.76	17,391,527.05	4,066,527.05
INSURANCE.....		62,425.00		59,911.31	2,513.69
LABOUR.....		815,000.00		763,080.15	51,919.85
LANDS AND FORESTS.....		2,278,175.00		2,336,384.29	58,209.29
LEGISLATION.....		272,450.00		250,192.03	22,257.97
LIEUTENANT-GOVERNOR.....		10,000.00		10,231.74	231.74
MINES.....		367,275.00		341,488.86	25,786.14
MUNICIPAL AFFAIRS:					
Main Office.....	63,655.00		50,377.39		
Municipal Board.....	30,935.00		24,654.66		
Subsidy to Municipalities.....	3,000,000.00	3,094,590.00	2,988,908.38	3,063,940.43	30,649.57
PRIME MINISTER.....		407,065.00		506,339.19	99,274.19
PROVINCIAL AUDITOR.....		118,200.00		115,539.53	2,660.47
PROVINCIAL SECRETARY:					
Main Office and Registrar-General's Branch.....	147,050.00		148,304.45		
Reformatories and Prisons Branch...	1,910,500.00	2,057,550.00	2,112,147.02	2,260,451.47	202,901.47
PROVINCIAL TREASURER:					
Main Office.....	835,940.00		813,306.89		
Budget Committee Office.....	9,420.00		8,898.93		
Controller of Revenue Branch.....	404,460.00		370,671.57		
Motion Picture Censorship and Thea- tre Inspection Branch.....	44,025.00		41,250.32		
Post Office.....	148,140.00		150,031.58		
Savings Office.....	261,174.48	1,703,159.48	305,961.46	1,690,120.75	13,038.73
PUBLIC WELFARE:					
Main Office and Branches.....	219,975.00		229,936.70		
Children's Aid.....	188,200.00		172,858.69		
Old Age Pensions Commission.....	3,564,000.00		3,449,331.42		
Mothers' Allowance Commission.....	4,660,650.00		4,413,559.67		
Unemployment Relief Branch.....	4,985,000.00	13,617,825.00	3,274,489.24	11,540,175.72	2,077,649.28
PUBLIC WORKS.....		665,000.00		724,703.58	59,703.58
MISCELLANEOUS.....		104,400.00		15,029.35	89,370.65
PROVINCIAL TREASURER:					
Public Debt—Interest, etc.....		32,490,519.43		32,305,198.63	185,320.80
		\$105,436,711.41		\$106,775,222.28	\$4,852,066.58
NET INCREASE.....					3,513,555.71
					\$1,338,510.87

STATEMENT No. 3

Analysis of Budgeted Gross Revenue

Fiscal Year 1943-44

DOMINION GOVERNMENT:			
Annual Subsidy		\$3,155,007.48	
Interest—Common School Fund		71,229.86	
Corporation Tax		23,322,276.47	
Income Tax		6,748,391.55	
			33,296,905.36 29.984%
TAXATION:			
Gasoline Tax	*	\$26,608,290.59	
Corporations Tax		900,000.00	
Race Tracks		500,000.00	
Succession Duty		9,000,000.00	
Mining Tax		1,333,000.00	
Fire Marshal's Tax		70,000.00	
Provincial Land Tax		135,000.00	
Security Transfer Tax		200,000.00	
			38,746,290.59 34.892%
ROYALTIES, DUTIES AND DUES:			
Bonus and Timber		4,429,800.00	
Game and Fisheries		104,000.00	
Sand and Gravel		49,000.00	
			4,582,800.00 4.127%
LICENSES AND PERMITS:			
Motor Vehicles		4,000,000.00	
Game and Fisheries		516,500.00	
Liquor Permits		500,000.00	
Garage, Gas Pumps, etc.		40,000.00	
Marriage		100,000.00	
Theatres, etc.		82,200.00	
Miners		20,000.00	
Insurance Act		189,465.00	
Loan and Trust Corporations Act		10,435.00	
Other Licenses and Permits		11,300.00	
			5,469,900.00 4.926%
FEES:			
Law Stamps		300,000.00	
Letters Patent and Supplementary Letters Patent		62,000.00	
Companies Act (Incorporation Returns and Registrar's Fees)		21,225.00	
Legislation (Private Bills)		3,000.00	
Court and Legal (Police Magistrates, Local Masters, Local and Surrogate Registrars, Crown Attorneys, Sheriffs, Division Court Clerks, Bailiffs and Witnesses)		302,000.00	
Registry Office and Land Transfer		300,000.00	
Brokers and Salesmen, Real Estate Brokers and Salesmen		70,000.00	
Censorship		102,800.00	
Vital Statistics (Certificates, Searches, etc.)		58,000.00	
Mines and Mining (including Fees of Operators)		30,000.00	
Public Health (Laboratories and Nurses' Registration)		50,100.00	
Tuition Fees (Agricultural Schools and Colleges and Training Schools)		82,450.00	
Apprenticeship Board, Boiler Inspection, Operating Engineers and Composite Inspection Branch		81,350.00	
Other Fees		99,270.00	
			1,562,195.00 1.407%
FINES AND PENALTIES:			
Police Magistrates	\$	133,730.00	
Other		14,500.00	
			148,230.00 .133%
PROFITS FROM TRADING ACTIVITIES:			
Liquor Control Board (Profits, Fines, Licenses, etc.)	*		15,250,000.00 13.733%
AGRICULTURE AND PUBLIC DOMAIN:			
Rentals—Crown Leases and Licenses of Occupation		715,000.00	
Rentals—Parks and Beaches, etc.		19,850.00	
Rentals—Mining Leases and Licenses of Occupation		28,200.00	
Sales—Crown Lands		15,000.00	
			778,050.00 .701%
REPAYMENTS:			
Sulphur Fumes Arbitrator		5,000.00	
Savings Offices		296,500.00	
Public Trustee		122,600.00	
Official Guardian		37,600.00	
Accountant—Supreme Court of Ontario		23,070.00	
			484,770.00 .437%
SALES OF MATERIAL:			
Produce, Live Stock, Equipment		874,624.00	.788%
RENT BOARD, MAINTENANCE OF PATIENTS, ETC.		1,616,917.00	1.456%
MISCELLANEOUS		496,314.00	.447%
INTEREST—Public Debt, etc.		7,739,190.21	6.969%
			\$111,046,186.16

* Guaranteed by Dominion Government

STATEMENT No. 4

STATEMENT SHOWING SURPLUS OR DEFICIT

For the Period from July 1st, 1867 to March 31st, 1943

	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.....	88,172,951.62	91,407,047.81		3,234,096.19
" " " " " 1941.....	103,802,020.46	89,867,589.32	13,934,431.14	
" " " " " 1942.....	111,496,169.77	96,337,015.77	15,159,154.00	
" " " " " ***1943.....	115,233,177.44	104,963,375.00	10,269,802.44	

*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 1942 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.

STATEMENT No. 5

OF ONTARIO

and Net Debt

1942

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
229,875,000	4,624,000	507,203,000	28,935,000	a 1939 "	3,752,000	135.18
223,448,000	6,427,000	506,200,000	1,003,000	b 1940 "	3,763,000	134.52
217,643,000	5,805,000	507,128,000	928,000	c 1941 Cen	3,788,000	133.88

STATEMENT No. 6

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, 1941.....		\$729,648,000	\$137,600,000
End of March, 1935.....		674,386,000	187,878,000
Increase over 6 years.....		55,262,000	\$ 50,278,000
Average Annual Increase.....		\$ 9,210,000	\$ 8,379,000
End of March, 1942.....		\$724,771,000	\$135,904,000
End of March, 1941.....		729,648,000	137,600,000
Decrease for year.....		\$ 4,877,000	\$ 1,696,000

*Five months ended March 31st.

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

STATEMENT No. 6

AND NET DEBT

1942

BY REGIMES

Realizable and Income Producing Assets

Net Debt

	Loans, Cash and Accts. Receivable	Total	Total
T. & N.O. Ry.			
\$ 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
<u>\$ 2,089,000</u>	<u>\$ 8,816,000</u>	<u>\$ 48,495,000</u>	<u>\$ 6,821,000</u>
<u>\$ 418,000</u>	<u>\$ 1,763,000</u>	<u>\$ 9,699,000</u>	<u>\$ 1,364,000</u>
\$ 28,075,000	\$ 37,612,000	\$190,047,000	\$100,978,000
22,335,000	13,882,000	83,917,000	13,115,000
<u>\$ 5,740,000</u>	<u>\$ 23,730,000</u>	<u>\$106,130,000</u>	<u>\$ 87,863,000</u>
<u>\$ 1,435,000</u>	<u>\$ 5,932,000</u>	<u>\$ 26,532,000</u>	<u>\$ 21,966,000</u>
\$ 30,208,000	\$ 53,587,000	\$260,594,000	\$212,778,000
28,075,000	37,612,000	190,047,000	100,978,000
<u>\$ 2,133,000</u>	<u>\$ 15,975,000</u>	<u>\$ 70,547,000</u>	<u>\$111,800,000</u>
<u>\$ 305,000</u>	<u>\$ 2,282,000</u>	<u>\$ 10,078,000</u>	<u>\$ 15,971,000</u>
\$ 37,208,000	\$ 72,247,000	\$297,284,000	\$358,477,000
30,208,000	53,587,000	260,594,000	212,778,000
<u>\$ 7,000,000</u>	<u>\$ 18,660,000</u>	<u>\$ 36,690,000</u>	<u>\$145,699,000</u>
<u>\$ 1,750,000</u>	<u>\$ 4,665,000</u>	<u>\$ 9,172,000</u>	<u>\$ 36,425,000</u>
\$ 37,208,000	\$ 70,885,000	\$295,971,000	\$378,415,000
37,208,000	72,247,000	297,284,000	358,477,000
<u>.....</u>	<u>\$ 1,362,000</u>	<u>\$ 1,313,000</u>	<u>\$ 19,938,000</u>
<u>\$ 30,208,000</u>	<u>\$ 55,640,000</u>	<u>\$223,448,000</u>	<u>\$506,200,000</u>
<u>37,208,000</u>	<u>70,885,000</u>	<u>295,971,000</u>	<u>378,415,000</u>
<u>\$ 7,000,000</u>	<u>\$ 15,245,000</u>	<u>\$ 72,523,000</u>	<u>\$127,785,000</u>
<u>1,167,000</u>	<u>\$ 2,541,000</u>	<u>\$ 12,087,000</u>	<u>21,297,000</u>
\$ 30,208,000	\$ 51,531,000	\$217,643,000	\$507,128,000
30,208,000	55,640,000	223,448,000	506,200,000
<u>.....</u>	<u>\$ 4,109,000</u>	<u>\$ 5,805,000</u>	<u>\$ 928,000</u>

SUB-INDEX No. 2
FINANCIAL STATEMENTS

(As per Public Accounts)

AS AT MARCH 31, 1942

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STATEMENT No. 1

PUBLIC DEBT

Proceeds of Loans for Fiscal Year 1942

STOCK AND
DEBENTURES:

Series "RS"	R.S.O. 1937, Cap. 22—2% Debentures, due November 1, 1942-47, payable Canada—		
	Par Value.....	\$ 6,300,000 00	
	Less Discount.....	120,330 00	
			\$ 6,179,670 00
	R.S.O. 1937, Cap. 22—3% Debentures, due November 1, 1948-51, payable Canada—		
	Par Value.....	\$ 4,200,000 00	
	Less Discount.....	80,220 00	
			4,119,780 00
			\$10,299,450 00
"TFC"	R.S.O. 1937, Cap. 22—3¼% Debentures, due January 1, 1962, payable Canada—		
	Par Value.....		1,250,000 00
"TI"	R.S.O. 1937, Cap. 366 Sec. 3(3)—4¾% Stock, due November 1, 1942, payable Canada—		
	Par Value.....		1,500,000 00
			\$13,049,450 00

TREASURY BILLS:

Series "RT-U"	R.S.O. 1937, Cap. 22—(Renewal), 1¾%, 1 year, due November 1, 1942.....		\$10,000,000 00
"RT-X"	R.S.O. 1937, Cap. 22—(Renewal), 1½%, 1 year, due June 28, 1942—		
	Par Value.....	\$ 2,000,000 00	
	Less Discount.....	29,556 65	
			1,970,443 35
"RT-Y"	R.S.O. 1937, Cap. 22—(Renewal), 1¾%, 1 year, due September 3, 1942—		
	Par Value.....	\$ 1,000,000 00	
	Less Discount.....	17,199 02	
			982,800 98
"RT-Z"	R.S.O. 1937, Cap. 22—(Renewal), 1¾%, 1 year, due September 2, 1942.....		2,000,000 00
"RT-Z"	R.S.O. 1937, Cap. 22—(Renewal), 1¾%, 1 year, due September 13, 1942.....		5,000,000 00
"RT-AA"	R.S.O. 1937, Cap. 22—(Renewal), 1¾%, 1 year, due September 13, 1942.....		2,000,000 00
"RT-AB"	R.S.O. 1937, Cap. 22—(Renewal), 1¾%, 1 year, due September 1, 1942.....		5,000,000 00
"RT-AB"	R.S.O. 1937, Cap. 22—(Renewal), 1¾%, 1 year, due September 13, 1942.....		5,000,000 00
"RT-AD"	R.S.O. 1937, Cap. 22—(Renewal), 1¾%, 1 year, due September 1, 1942.....		2,000,000 00
"RT-AF"	R.S.O. 1937, Cap. 22, 1¾%, 1 year, due September 13, 1942.....		7,000,000 00
"EU"	R.S.O. 1937, Cap. 22, 1¾%, 1 year, due September 2, 1942.....		500,000 00
"EV"	R.S.O. 1937, Cap. 22, 1¾%, 1 year, due September 3, 1942—		
	Par Value.....	\$ 1,000,000 00	
	Less Discount.....	17,199 02	
			982,800 98
"EW"	R.S.O. 1937, Cap. 22, 1¾%, 1 year, due December 4, 1942.....		4,000,000 00
"EX"	R.S.O. 1937, Cap. 22, 1¾%, 1 year, due December 5, 1942.....		1,000,000 00
"EY"	R.S.O. 1937, Cap. 22, 1¾%, 1 year, due December 5, 1942.....		2,000,000 00
			\$49,436,045 31
			\$62,485,495 31

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

STATEMENT No. 2

PUBLIC DEBT

Payments for the Year ended March 31st, 1942

STOCKS AND DEBENTURES:

MATURED—

Series					
"B"	Straight term maturity due		May 1st, 1941.....	\$	7,000.00
"C&D"	"	"	" November 1st, 1941..		629,300.00
"M"	"	"	" March 1st, 1926.....		1,000.00
"AH"	Instalment	*	" December 1st, 1941...		695,000.00
"AJ"	"	"	" January 15th, 1942...		800,000.00
"AK"	"	"	" November 1st, 1941..		800,000.00
"AL"	"	"	" May 15th, 1941.....		522,000.00
"AP"	"	"	" May 15th, 1941.....		463,000.00
"AR"	"	"	" January 15th, 1942...		403,000.00
"AS"	"	"	" June 1st, 1941.....		449,000.00
"RK"	"	"	" June 1st, 1941.....		1,200,000.00
"RM"	"	"	" May 1st, 1941.....		1,250,000.00
"RQ"	"	"	" November 1st, 1941..		1,200,000.00
*4%	Stock	"	" May 1st, 1947.....		659,686.77
*4½%	"	"	" January 1st, 1945-65..		256,050.72
					\$ 9,335,037.49

TREASURY BILLS:

MATURED—

Series					
"RTN"		1.65%	due June 1st, 1941.....	\$	5,000,000.00
"RTO"		1.65%	" August 1st, 1941....		4,500,000.00
"RTT"	No. 11-60	1.65%	" September 13th, 1941		5,000,000.00
"RTU"	No. 61-160	1.75%	" November 1st, 1941..		10,000,000.00
"RTX"	No. 01-20	1.25%	Disc " June 29th, 1941.....		2,000,000.00
"RTY"	No. 01-10	1.50%	Disc " September 3rd, 1941.		1,000,000.00
"RTZ"	No. 01-20	1.75%	" September 1st, 1941 .		2,000,000.00
"RTZ"	No. 21-70	1.75%	" September 13th, 1941		5,000,000.00
"RTAA"	No. 11-30	1.75%	" September 13th, 1941		2,000,000.00
"RTAB"	No. 01-50	1.75%	" September 1st, 1941..		5,000,000.00
"RTAB"	No. 51-100	1.75%	" September 13th, 1941		5,000,000.00
"RTAC"		1.75%	" September 15th, 1941		2,000,000.00
"RTAD"		1.75%	" September 1st, 1941..		2,000,000.00
"RTAE"		1.75%	" December 21st, 1941.		8,000,000.00
"EJ"		1.65%	" August 1st, 1941....		2,500,000.00
					\$61,000,000.00

PROVINCE OF ONTARIO SAVINGS OFFICE—

Withdrawals from the Provincial Treasurer..... 2,942,461.45

\$73,277,498.94

*Registered Stock purchased for cancellation.—Repatriated.

STATEMENT No. 3

PROVINCIAL DEBT

Statement Showing Investment Thereof as at March 31, 1942

FUNDED DEBT—	
Stock and Debentures Outstanding.....	\$631,996,673 30
Railway Aid Certificates.....	141,466 63
	\$632,138,139 93
Deduct—Sinking Fund Investments.....	12,642,453 77
	\$619,495,686 16
UNFUNDED DEBT—	
Treasury Bills.....	\$ 49,500,000 00
Savings Office Deposits.....	33,836,321 33
Bank Overdraft.....	5,793,286 92
Special Funds, etc.....	6,065,614 93
	95,195,223 18
ACCOUNTS PAYABLE AND ACCRUED INTEREST.....	10,079,971 61
	\$724,770,880 95
INVESTMENT THEREOF—	
Revenue Producing and Realizable Assets—	
Hydro-Electric Power Commission Advances.....	\$135,904,436 96
Temiskaming and Northern Ontario Railway—	
Advances.....	30,207,934 92
Farm, Housing, Municipal and Settlers' Loans.....	45,272,181 16
Accounts Receivable.....	\$ 6,060,010 21
King's Highways and Trans-Canada	
Construction—	
Due by Cities, Counties and	
Dominion Government.....	198,211 22
	6,258,221 43
	\$217,642,774 47
Revenue Producing but not Realizable Assets—	
Roads and Highways.....	\$347,961,365 39
Less—Due by Cities, Counties and	
Dominion Government.....	198,211 22
	\$347,763,154 17
Niagara Parks Commission (Surplus of Assets).....	1,017,105 22
Common School Fund—Trust Fund, (Ontario and Quebec)	1,421,567 60
	350,201,826 99
	\$567,844,601 46
Non-Revenue Producing Assets—	
Public Buildings, Public Works, etc.....	\$114,265,056 87
Plant, Stores and Equipment.....	3,227,965 99
Deferred Assets.....	2,082,146 31
	119,575,169 17
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)	7,404,785 72
	80,278,307 72
	\$767,698,078 35
SURPLUS AND RESERVES—represented in above Assets.....	\$ 42,927,197 40

STATEMENT No. 4

GROSS PROVINCIAL DEBT

Statement Showing Decrease

For the Fiscal Year, April 1, 1941, to March 31, 1942

	1939		1940		1941		1942		Decrease 1942 over 1941	
	\$	c.	\$	c.	\$	c.	\$	c.	\$	c.
Funded Debt . . .	596,890,132	18	618,744,454	48	616,581,197	24	619,495,686	16	2,911,488	92
Unfunded Debt .	106,964,279	57	108,946,569	85	103,315,482	45	95,195,223	18	8,120,259	27
Income Liabilities	8,912,971	70	9,386,971	70	9,748,483	07	10,079,971	61	331,488	54
	<u>712,767,383</u>	<u>45</u>	<u>737,077,996</u>	<u>03</u>	<u>729,648,162</u>	<u>76</u>	<u>724,770,880</u>	<u>95</u>	<u>4,877,281</u>	<u>81</u>

DECREASE IN GROSS DEBT ACCOUNTED FOR THUS—

Provision Charged to Ordinary Expenditures—

Retirement of Railway Aid Certificates	\$ 48,751 32
Sinking Fund Instalments	1,129,000 00
Surplus on Ordinary Account (as per Statement 1)	15,159,154 00

\$ 16,336,905 32

Discount on Debentures, etc., written off 976,748 63

Earnings on Sinking Fund Investments (net) 15,722 27

Net Repayments on Loans Receivable—

Hydro-Electric Power Commission of Ontario	\$ 1,695,619 34
Agricultural Development Board	2,790,000 00
Housing Loans	31,188 16
Tile Drainage Loans	103,675 69
Mothers' Allowances, Old Age Pensions and Pensions for the Blind	898 70
Miscellaneous	152,927 21

4,774,309 10

Increase in Reserve (net) 3,248 28

Decrease—Cash 3,193,623 61

\$ 25,300,557 21

Deduct:

Capital Disbursements—

Disbursements on Highways, Public Buildings and Works, etc.	\$ 19,593,780 16
Less: Capital Receipts	130,348 74

\$ 19,463,431 42

Discount on Debentures, etc., issued during year 264,501 69

Increase in Income Liabilities 331,488 54

Payments re Guaranteed Debentures (net) 289,022 32

Adjustment—Accrued Interest on Treasury Bills 66,726 70

Payment of unclaimed Coupons 120 00

Increase in Sundry Assets of Savings Offices 7,981 73

20,423,275 40

NET DECREASE \$ 4,877,281 81

STATEMENT No. 5

NET PROVINCIAL DEBT

Statement Showing Increase

For the Fiscal Year, April 1, 1941, to March 31, 1942

	1939		1940		1941		1942		Increase 1942 over 1941	
	\$	c.	\$	c.	\$	c.	\$	c.	\$	c.
Gross Debt.....	712,767,383	45	737,077,996	03	729,648,162	76	724,770,880	95	4,877,281	81
Revenue Producing and Realiz- able Assets...	234,498,756	85	229,874,850	43	223,448,148	39	217,642,774	47	5,805,373	92
NET DEBT...	478,268,626	60	507,203,145	60	506,200,014	37	507,128,106	48	928,092	11

INCREASE IN NET DEBT ACCOUNTED FOR THUS—

Capital Disbursements—

Disbursements on Highways, Public Buildings and
Work, etc.....

\$ 19,593,780 16

Less—Capital Receipts..... 130,348 74

\$ 19,463,431 42

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

264,501 69

Increase in Income Liabilities.....

331,488 54

Adjustment—Accrued Interest on Treasury Bills.....

66,726 70

Increase in Savings Offices—Furniture and Fixtures and
Alterations to Premises.....

8,005 12

Decrease in Accrued Interest on Agricultural Development
Board Debentures.....

215,266 53

Payment of Unclaimed Coupons.....

120 00

20,349,543 00

Deduct:

Provision Charged to Ordinary Expenditure—

Retirement of Railway Aid Certificates..... \$ 48,751 32

Sinking Fund Instalments..... 1,129,000 00

Surplus on Ordinary Account (as per Statement 1)..... 15,159,154 00

\$ 16,336,905 32

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

976,748 63

Earnings on Sinking Fund Investments (net).....

15,722 27

Decrease in Deferred Assets.....

539,351 70

Increase in Income Accounts Receivable.....

1,524,669 97

Increase in Receivables—due from Municipalities and
Dominion Government—re Highways.....

21,348 47

Miscellaneous Increases.....

6,704 53

\$ 19,421,450 89

NET INCREASE..... \$ 928,092 11

STATEMENT No. 6

STATEMENT SHOWING SOURCES OF ORDINARY REVENUE

For the Fiscal Year ended March 31, 1942

DOMINION GOVERNMENT—	
Annual Subsidy	\$3,136,393 68
Interest—Common School Fund	72,852 09
Subvention—in lieu of Corporations Tax, Income Tax and Tax on Premiums—Reciprocals.....	2,896,403 95
	\$ 6,105,649 72
REVENUE DERIVED FROM INDIVIDUALS AND CORPORATIONS RECEIVING THE BENEFIT OF PROVINCIAL SERVICES, SPECIAL PRIVILEGES OR THE USE OF NATURAL RESOURCES AND PRO- PERTIES, AND PROFITS FROM TRADING, ETC.:	
Taxation	\$69,915,695 85
Gasoline, Mines, Lands, Corporations, Income, Race Tracks (betting), Stock Transfers, Succession Duties, Fire Protection, etc.	
Royalties, Duties and Dues.....	3,893,894 60
Bonus and Timber, Sand and Gravel, Game and Fish.	
Licenses and Permits	12,236,522 39
Motor Vehicles, Liquor Permits, Hunting and Fishing, Insurance, Loan and Trust Companies, Mines, Theatres, etc.	
Fees	2,171,363 95
Local Registrars, Police Magistrates, Crown Attorneys, etc., Mine Recording, Companies and Brokers' Regis- tration, etc., Land Transfers, Motor Vehicle Transfers, Tuition, Examinations, etc.	
Fines and Penalties.....	268,547 84
Profits from Trading Activities.....	13,000,000 00
Liquor Control Board—Profits, Fines, Sale of Confiscated Liquor, etc.	
Agriculture and Public Domain.....	904,526 61
Sale of Material.....	353,866 65
Produce, Live Stock, Equipment, etc.	
Rent, Board, Maintenance of Patients, Perquisites, etc.	1,682,062 53
Miscellaneous.....	964,039 63
ONTARIO GAZETTE, sale of Government Publications, and Casual Revenue, etc.	
	105,390,520 05
	\$111,496,169 77

