



BUDGET STATEMENT

of

THE HONOURABLE

*Treasurer
of the
Province of Ontario*

1959

BUDGET STATEMENT

of

THE HONOURABLE JAMES N. ALLAN

Treasurer of the Province of Ontario

in the

LEGISLATIVE ASSEMBLY OF ONTARIO

Wednesday, February 25, 1959

On Moving the House into Committee of Supply

Also

Financial and Economic Statements



ONTARIO

TORONTO

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TREASURER OF THE PROVINCE OF ONTARIO
in the
LEGISLATIVE ASSEMBLY OF ONTARIO

WEDNESDAY, FEBRUARY 25, 1959

MR. SPEAKER:

One year ago my responsibility involved the expenditure of large sums of money. Now my task is quite different: it is to find and allocate the funds which, in the main, others will spend. In preparing this Budget, I have been fortunate in having had before me the admirable record established by the Prime Minister, who, in 14 Budgets, fostered a pattern of economic life which assures our people a degree of opportunity and well-being never previously enjoyed.

This Budget carries forward the great design of the 16 Budgets which have been brought down since this Government assumed office. We have never been content to sit back and let the affairs of Ontario drift. We have sought vigorously to create an environment in which our population could prosper and expand, and to which people of other lands would be attracted. We have provided services and adopted policies to facilitate industrial growth. We have pushed ahead with the development and conservation of our farm, forest and mineral resources. We have undertaken a Province-wide program of developing adequate water supplies and combating stream pollution. We have created new power and energy sources and greatly augmented Ontario's transportation facilities. We have brought about fundamental improvements in the position of the municipalities. We have strongly reinforced the educational services and social fabric of our Provincial community. We have pioneered new services, including hospital insurance and disabled persons' allowances. In the process, we have enhanced conditions of work and strengthened individual and family security.

Over the past 15 years the population of Ontario has increased from 3.9 million to 5.9 million. This is a more rapid growth than that experienced by

almost any other region in the world. In a decade and a half, we have added to the Province a population equivalent to that of Metropolitan Toronto, Hamilton and London combined. Not only have we benefited from a spectacular rise in the number of births, but over 52 per cent of all the immigrants to Canada have settled in Ontario. The growth in our population has meant a marked expansion in the demand for our products. In the last decade and a half, more than \$25 billion has been invested in the development of our resources and the creation of factories, housing and other physical assets. This is tangible evidence of the confidence that investors, both here and abroad, have in this Province and in its future. Salaries, wages and other incomes have expanded and living standards have advanced along with the growth in industrial capacity and production.

Following a decade and a half of extraordinary progress, it was not unnatural that we should have experienced a period of adjustment, during which our economy moved more sideways than upwards. Such a period occurred from mid-1957 until late in 1958. Since our labour force was continuing to grow, a rise in unemployment was inevitable. In the face of this situation, we acted vigorously. We stepped up capital construction of highways, roads, hospitals, schools and other projects and, in addition—in order to reduce the seasonal impact of unemployment—we embarked upon a comprehensive program of winter work. The facts demonstrate that we have weathered the economic squall better than most and that we have commenced a new year in which the signs of recovery and gathering strength are clearly evident.

Although, in some sectors in our economy, development proceeded at a reduced pace during 1958, in others the forces of growth were in the ascendancy. Exports of cattle, wheat and flour raised the gross value of agricultural production to the second highest level in Ontario's history and farm cash income to the highest. Owing to the sharp upward climb in the production of uranium, the total output of Ontario's mines established a new record. While decreased demand and inventory liquidation curbed the production of certain durable manufactures, expenditures on food and wearing apparel and on utility and other services rose in 1958 well above those in 1957. Capital investment maintained its previous high level. Government action resulted in record activity in the residential construction field. Nearly 60,000 new dwelling units were completed in Ontario last year, 8,000 more than in any previous year. Moreover, there is an unusually large carry-over of residential units under construction this year, which augurs well not only for this branch of the construction industry but for industries engaged in supplying household furnishings and appliances.

The prospects for the year 1959 are good. Personal incomes and savings have been rising. Employment during these winter months is showing smaller than usual declines. According to the latest statistics, there are more workers employed at this time than in any previous year. A smaller proportion of our

labour force is without jobs than last year. The most notable improvements have occurred in manufacturing, including motor vehicles, metal working, textiles and clothing, and in logging.

Powerful underlying forces guarantee us a healthy, long-term growth. We possess bountiful supplies of natural resources and energy. The education and skills of our people are of the highest order. Our economy is broadly diversified. Our system of government is stable and our society provides a secure environment for capital investment. The nearly six million residents of Ontario are advantageously situated in the heart of a vast and growing consumer market. As the present upswing in the United States proceeds, the market for Ontario's iron ore, non-ferrous metals, and pulp and paper products will be enlarged. Furthermore, we may expect, in time, an increase in the capital investment which has been one of the principal factors in the growth of our economy in the past. Our prospects are bright.

This Budget, like its predecessors, has been shaped in part by the conditions of the present and in part by the conditions and problems which will be met in the future. Our plans are being made wisely and economically to ensure that we meet the requirements of the people and secure the maximum value for the money spent.

In the following sections, I shall outline a program for the present and for the future. First, however, I wish to summarize our expenditure, revenue and surplus for the fiscal year ending March 31, 1959 and to present to you, as well, a statement of the special grants and payments which we are proposing to meet from the current fiscal year's revenue.

SUMMARY OF EXPENDITURE, REVENUE AND SURPLUS, 1958-59

In the fiscal year ending March 31, 1959, the Government has carried out the largest works and service program in its history. Net ordinary expenditure, which includes \$17.9 million for sinking funds, \$45.0 million for transfer to the highway construction account and \$25.0 million for capital payments out of ordinary revenue, totals \$624.2 million. Capital disbursements amount to \$225.8 million, of which \$57.5 million is derived from the highway construction account. This exceeds last year's capital disbursements by \$25.0 million.

After the deduction of \$25.0 million of ordinary revenue allocated to capital payments, combined net ordinary and net capital disbursements total \$825.0 million, exceeding last year's by \$96.2 million. More than half of this increase represents additional aid to municipalities, school boards and other local bodies. This record outlay also includes the Province's contribution to hospital insurance and a massive strengthening of our welfare services. In spite of these commitments, we are able to finance a substantial proportion of our capital construction program out of current revenue, make provision for sinking funds and emerge with a surplus on ordinary account.

Bulking large in the Province's combined ordinary and capital disbursements of \$825.0 million are those of the following departments: Education (excluding expenditures of \$10.9 million for agricultural and veterinary colleges), \$176.9 million; Highways, \$238.0 million; Health, \$76.8 million; Public Works, \$58.5 million; Public Welfare, \$42.6 million; Municipal Affairs, including unconditional grants, \$32.2 million; Lands and Forests, \$27.3 million, and the Department of the Attorney-General, \$18.8 million. These expenditures are, as I have indicated, influenced by the present slower rate of economic advance. In view of the rise in unemployment, the dates for the letting of contracts have been advanced and our construction activity has been accelerated.

The reduction in the pace of our expansion has also affected the rate of growth of our revenues. Nevertheless, the net ordinary revenue of the Province of Ontario for this fiscal year, 1958-59, totals \$624.8 million—an increase of \$33.0 million over that of the preceding fiscal year. The principal increases were concentrated in the rental payment under the income tax rental agreement, \$14.9 million; corporations tax, \$7.0 million; gasoline tax, \$4.5 million; and Liquor Control Board profits and fees, \$3.9 million.

The most important sources of revenue were as follows: corporations tax, \$155.0 million (last year, \$148.0 million); gasoline tax, \$143.0 million (last year, \$138.5 million); rental payment under the income tax rental agreement, \$89.3 million (last year, \$74.4 million); motor vehicle licenses, etc., \$54.4 million (last year, \$52.6 million); Liquor Control Board profits and fees, \$70.6 million (last year, \$66.7 million); succession duty, \$34.0 million (last year, \$32.0 million); revenue from timber dues, water rentals, fish and game fees and licenses, etc., \$21.1 million (last year, \$22.2 million).

After the provision of \$17.9 million for sinking funds, the transfer of \$45.0 million to highway construction account and the application of \$25.0 million of ordinary revenue to the financing of capital disbursements, our interim surplus on ordinary account for the current fiscal year is estimated at \$590,000.

SPECIAL GRANTS AND PAYMENTS

This year we are providing a number of special grants and payments for education, health, cultural services, superannuation and the relief of unemployment. They total \$12,442,000. Supplementary estimates will be submitted for your approval to permit payment of these amounts before the end of this fiscal year. The grants are:

Education:

Royal Ontario Museum—for capital purposes	\$ 75,000
Royal Botanical Gardens—for capital purposes	50,000
Teachers' Superannuation Fund—special contribution	1,000,000

Health:

Special grants of \$150 per bed for physical improvement of public hospitals under the authority of The Public Hospitals Act and the regulations thereunder	\$5,000,000
Banting and Best Research Fund	20,000
Ontario Heart Foundation	150,000
Toronto Rehabilitation Institute—for capital purposes	147,000

Special Unemployment Assistance:

To make grants to municipalities towards costs incurred under the Winter Works Employment Stimulation Plan, as may be approved by the Minister	\$5,000,000
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Other:

Special contribution to the Public Service Superannuation Fund	\$1,000,000
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AN UNPRECEDENTED CAPITAL INVESTMENT AND EMPLOYMENT PROGRAM

Ontario's population increase of 2,000,000 since World War II—1,000,000 in the last six years alone—and a current rate of growth of 12,000 a month have imposed heavy responsibilities on the Province and the municipalities. Never before has a Government of Ontario been confronted with such pressing requirements for schools, universities, electric power facilities, hospitals, highways, municipal thoroughfares, water and sewage works and a multitude of other services which are rendered in partnership by the Province and the municipalities. In consequence of these urgent needs, we have enlarged our capital program to dimensions that could not have been envisaged even a decade ago. The provision of capital facilities has, however, been more than a simple response to the needs of an expanding industry and population; it has also been part of a conscious policy aimed at stimulating industrial and community growth and at fostering the efficient and orderly development of the Province.

The capital investment and repair expenditure program of the Government of Ontario and the municipalities and their respective commissions and other agencies, which is valued this year at \$950 million, covers a wide range of projects. While it is primarily intended to augment and reinforce our social or public capital, it serves at the same time to provide work and wages, in both on-site and off-site jobs, for nearly 235,000 workers. In the coming fiscal year the aggregate of our capital and repair expenditures will be even higher, rising to well over \$1 billion, with a corresponding increase in employment.

The range of this program is extremely broad. It includes expenditures by Ontario Hydro and local utilities for generating plants and transmission lines,

as well as for the conversion to 60-cycle power. It encompasses capital expenditures for water and sewage works being carried out by the Ontario Water Resources Commission and by the municipalities themselves. It embraces a huge volume of construction of highways and expressways, mining, logging and community access roads, schools, university buildings—towards which the Province makes substantial contributions—hospitals, conservation projects and many other works and buildings.

In recent years, the Government of Ontario's capital budget has been increasing rapidly. A dozen years ago only 15 per cent of our total Budget was devoted to new construction and other capital purposes. By 1951 this had increased to about 20 per cent. Now it is 30 per cent. The Government of Ontario's capital disbursements today are nearly 10 times what they were a dozen years ago. This does not take into account many outlays such as grants to school boards for the retirement of debt and contributions for new public general and chronic hospitals and university facilities, which are classified in our Budget as ordinary expenditure, but, nevertheless, add to the physical assets and public capital of our Province.

Recognizing the hardships that attend unemployment—which in Canada is always more severe in the winter months—and that the unemployed should have jobs rather than relief, we pioneered last year in conjunction with the municipalities a new program of special winter work. At the time, we commended our plan to the attention of the Federal Government and said we would welcome its participation. We were, therefore, gratified when last October the Federal Government signified its intention to join the Province. Accordingly, it has been possible this winter to provide for a more extended volume of construction work, involving streets, sidewalks, parks, sewers, waterworks and recreational and other facilities, which would not otherwise have been carried out during these winter months. We recognize, of course, that this winter work program is not a cure-all. Its objective is to provide jobs, instead of direct relief, during the period when unemployment, because of seasonal factors, is at its peak. It therefore serves a very useful purpose and within its acknowledged limits has been a distinct success.

By contributing 75 per cent of the labour cost of work not normally undertaken at this time of year, the Federal and Provincial Governments have provided a valuable incentive to the creation of new jobs. Over 500 plans have been implemented by about 160 municipalities across Ontario for work employing nearly 9,000 men. This is only one aspect of the special Provincial employment program, for jobs are also being created in connection with the construction of campsites, picnic areas and access roads. Through the Departments of Highways, and Lands and Forests, the Province itself has accelerated its activities to the extent of engaging about 2,750 additional employees for work across Ontario.

EDUCATION

Unquestionably, our greatest single responsibility is the upbringing and education of our children—to fit them for the fullest and most rewarding realization of their potentialities. At the same time, it is our duty to recognize and act upon the fact that the major need of our Province and nation in this age is trained men and women—if we are to have a continuing and steady advance in our economic and social life. The satisfaction of these two prime requirements—of the individual child on the one hand and of society on the other—is the objective of Ontario's educational system.

In the attainment of this goal, the Provincial Government is the partner of the local school boards and related authorities which are directly responsible for operating the system. During the current fiscal year expenditure by the Department of Education totals \$176.9 million. In the coming year it will rise to \$202.4 million, an increase of \$25.5 million. It has climbed in the last five years by no less than \$111 million, an amount greater than the total Budget of the Province 15 years ago.

Over the last decade and a half the method of financing our educational system has been changed almost beyond recognition. In 1944-45 we devised a new school grants formula and trebled our contributions to the school boards. But the explosive growth of Ontario's population soon made these arrangements inadequate. In 100 years our school enrolment had increased to just over 600,000. In the next dozen years it doubled. Keeping pace with this development, we have completely revolutionized our educational financing system. Equality of educational opportunity has been extended to the people of every community, as never before.

At the 1957 Session of the Legislature, the Government launched a three-year plan for the implementation of a new and greatly improved grants formula based on equalized assessments. The first year of the plan, 1957-58, called for a number of reforms plus an increase of \$19 million in the total of our school grants. During the second year, in 1958-59, the new assessment equalization factors were used for the first time in computing the grant to be paid to each school board. In addition, we built into the grants formula a growth-need factor to give further aid to school boards contending with rapid population expansion, high debt charges and transportation costs. As a result of these improvements, the Province's grants to school boards this fiscal year, 1958-59, total \$128.5 million—an increase of \$31.0 million over the payments in the previous year.

Now we are in the third stage of the development of our grants formula. This year, in addition to effecting a number of substantial adjustments which, with normal growth, will add \$18.5 million to our grants and assure the most efficient and just operation of our formula, we are making five important improvements, the effects of which will become increasingly and cumulatively significant from next year on.

First, we will pay grants on the approved cost of lands acquired for school purposes. This provision will be of assistance to all municipalities faced with a need for more schools, but it will be especially beneficial to municipalities in which enrolment is increasing rapidly and in which the cost of land is high.

Second, the Province will include in the base for computing grants the cost of industrial art shops and home economics classrooms. Heretofore these rooms have not qualified for Provincial grants.

Third, the Province will raise from \$20,000 to \$25,000 the approved or recognized cost for each classroom and science laboratory in secondary schools and will pay grants upon this substantially higher basis.

Fourth, for grant purposes, the Province will treat cafeterias in schools in the same way as it does classrooms. Thus, the approved cost of cafeterias will be included in the base for computing the Province's school grant.

Fifth, in computing its grants, the Province will treat a gymnasium or an all-purpose room or a basement used as an all-purpose room in the same way as it does classrooms and pay grants on their approved cost.

The adoption of these five improvements, which will be effective as from January 1st, 1959, will require increasingly larger amounts to be allocated by the Province for the operation of the elementary and secondary schools. In addition to these improvements, the Province, in the coming fiscal year, will undertake a thorough study of the established concepts of the approved costs on which the Province's school grants are paid.

For the next fiscal year, we are providing an appropriation of \$147.0 million for school grants. This is an increase of \$68 million in the last three years and \$79 million in the last four. We can say without qualification that we have brought into operation a school grants structure which guarantees equality of educational opportunity and relieves the local taxpayers of a very heavy financial burden.

Since the end of World War II new classroom accommodation has been provided for 650,000 pupils. Indeed, classrooms are being created at the present time at the rate of 1,600 a year in our elementary schools alone. During 1958, almost 75,000 pupil places were added in the elementary schools at a cost of more than \$50 million, while 19,000 new places were created for secondary students at a cost of over \$25 million. Now the secondary schools are beginning to feel the direct impact of the population growth which has hitherto imposed such immense stresses on our elementary school facilities. While we may soon anticipate an easing in the rate of construction of elementary schools, that for secondary schools will have to be increased for the next several years if we are to meet the added demands for accommodation.

In no previous year have so many been preparing for teaching careers in Ontario. The enrolment at the Ontario College of Education is higher than last year, while the number attending the various teachers' colleges is greater than ever before. The teachers' colleges will graduate this spring at least 700 more

teachers than last year. The prospects for next year are even better. With the opening next September of the new Lakeshore Teachers' College, our total training facilities will be greatly expanded and the output of new teachers will increase correspondingly. Ontario has established a teacher education system of the highest order. An aggressive teacher recruitment program is being pursued. Courses of study have been re-shaped so as to introduce the best standards. These measures, coupled with the vastly improved salaries and status of the profession, are operating to assure an adequate supply of competent teachers for our schools.

One of the indirect but very tangible benefits that the Province provides for teachers is its dollar-for-dollar matching of the contributions made by the teachers to their superannuation fund. Owing to the more generous rate of Provincial contribution, as well as to higher teachers' salaries, the Provincial contribution has risen very rapidly from \$1.4 million at the end of World War II, to \$2.6 million in 1950-51, to \$4.0 million in 1951-52 and then to \$11.8 million in 1958-59—a threefold increase since 1951-52. This year, as in each of the past seven years, the Province has made a special supplementary payment of \$1 million into the Teachers' Superannuation Fund. In the last 14 years alone, the Province's contribution to teachers' superannuation has benefited the municipalities and local school boards to the extent of \$63.2 million.

In the coming fiscal year, the Province will introduce a new and expanded system of aid to students of ability who are desirous of continuing their education beyond the secondary school level. The program will be in two parts. First, awards to be known as Ontario scholarships will be made to those who obtain high marks in the Grade 13 examinations and who plan to enter university or other institutions of higher learning. In this way, students will be encouraged to strive for high academic standing and to continue their studies at university. Second, the existing program of bursaries to students in need of financial assistance will be greatly enlarged, while the amount of such assistance to individual students will be increased.

To effect this major advance in student aid, \$1.2 million will be placed in the Estimates for 1959-60. This will make available Ontario scholarships and bursaries to 4,000 students, double the number of recipients of such awards in 1958. In addition, there will be Federal scholarships for many others. Our goal is to ensure that no student who has the capacity will be deprived of the opportunity of attending university and developing his talent to the fullest possible extent. If the appropriation we are making in this Budget should prove insufficient to fulfill this objective, additional funds will be provided.

In any consideration of the Province's aid to students of higher or advanced learning, account must be taken of our very substantial contributions to the universities. Fifteen years ago, Ontario assisted only three universities; today it contributes to nine. Furthermore, we pay the whole expense of the Ontario Agricultural College and the Ontario Veterinary College which, in effect, are also universities.

Maintenance and capital grants to the universities in this current fiscal year total \$21.0 million plus \$2.0 million paid out at the end of last year as supplementary estimates. In the coming fiscal year, they are being increased to \$24.4 million, of which over \$12.7 million is for maintenance and \$11.6 million is for capital. These grants do not include maintenance and capital expenditures in the current fiscal year of \$10.9 million for the operation of the Ontario Agricultural College, the Ontario Veterinary College and allied institutions and a projected total expenditure in the next fiscal year of \$12.0 million.

Just as the universities are vital to the economic and social development of Ontario, so too, are our technological institutions, for the products of these schools become the technical specialists of tomorrow. In this current fiscal year, the technological schools are receiving \$2.3 million. Next year they will cost us \$3.0 million. The expansion of the Provincial Institute of Trades and the construction of a new Ryerson Institute in Toronto are being pressed forward vigorously. In the past year one new unit at the latter school has been completed; a further unit is under construction at a cost in excess of \$2.5 million. The new building provided through the Department of Public Works for the Lakehead College of Arts, Science and Technology is now in use under the direction of its Board of Governors.

The following table summarizes maintenance and capital grants to our institutions engaged in higher education:

PROVINCIAL GRANTS TO UNIVERSITIES, FISCAL YEAR 1959-60

	Maintenance Grants (\$000's)	Grants for Capital Purposes (\$000's)	Total (\$000's)
University of Toronto.....	7,407	4,000	11,407
for Ontario College of Education.....	725	.....	725
Queen's University.....	1,075	1,250	2,325
University of Western Ontario.....	1,035	1,000	2,035
McMaster University.....	780	1,500	2,280
University of Ottawa			
for instruction in Medicine and Sciences.....	475	1,000	1,475
Carleton University.....	400	1,000	1,400
Assumption University for Essex College.....	300	750	1,050
Waterloo College Associate Faculties.....	250	1,000	1,250
Lakehead College of Arts, Science and Technology.....	105	125	230
Ontario College of Art.....	185	.....	185
Special Grant for Archaeological Research.....	10	.....	10
	<u>12,747</u>	<u>11,625</u>	<u>24,372</u>

Other facets of our educational program are receiving attention. A few years ago there were no schools for retarded children. Now, through the efforts of dedicated parents, service clubs and the Government, schools have been established to give these children the highly specialized and sympathetic care they require. In the past year the Province has made operating and capital grants of \$550,000 to 50 parent groups which have undertaken the responsibility of training approximately 1,400 retarded children. In the coming year we propose to give \$600,000 to these organizations.

Appropriations for the education of blind and deaf children were \$1.3 million this year. They will be increased next year to \$1.5 million. New accommodation is being planned for the education of the deaf.

Newcomers to Canada are making a most encouraging use of the language and citizenship courses available across the Province. This past year there were 1,100 classes, attended by 30,000 persons, an increase of 50 per cent over the previous year. Teaching techniques are being steadily improved. A new citizenship branch will be established in the Department of the Provincial Secretary and everything possible will be done to assist new Canadians to adjust themselves to our way of life.

Through this comprehensive policy we are constantly opening new opportunities for educational advancement, thereby assuring our economic growth and development and the preservation of our democratic system.

HEALTH

This year has witnessed the inauguration of the most far-reaching plan ever undertaken to protect the health of the citizens of Ontario. On January 1st, the hospital insurance plan came into operation, bringing low-cost prepaid hospital care to 5,500,000 persons or more than 93 per cent of the population. Our citizens' overwhelming response is indicative both of the need which the plan is now filling and of its basic excellence and acceptability. The establishment of a program of this kind has been one of the main objectives of the Government of Ontario, for it reinforces in the health field that equality of opportunity which we desire for our people in every branch of life in this Province. Indeed, Ontario was largely instrumental in securing the Federal-Provincial co-operation vital to the launching of hospital insurance on a nation-wide basis.

The program is very inclusive in its scope. No longer is there any limit on the duration of treatment in hospital. Elderly persons, those already in ill health or those engaged in hazardous occupations, many of whom have previously found it difficult to obtain hospital insurance, are eligible on the same terms as any other citizen of Ontario for the broad protection offered.

Satisfactory arrangements have been made with the municipalities in connection with the hospitalization of indigent patients. The municipalities may themselves pay the premiums of persons classified as indigents. In cases where the municipalities are obliged to make statutory payments for the care of uninsured indigents, the Province will recompense them through an unconditional grant based on their particular indigency experience in the years 1955-1957 inclusive. Municipalities will be saved an annual expenditure of approximately \$12 million for indigent care and hospital deficits. The effect of these measures will be to create a greater stability of income for the hospitals; the possibility of their incurring deficits on the treatment of indigents will be largely eliminated.

Particular attention will be paid in the coming year to our mental health services. The psychiatric staffs of mental hospitals across the Province are being enlarged in anticipation of a new campaign against mental illness which will involve a sweeping improvement of our treatment services. Always in the forefront in its care of the mentally ill, Ontario will continue to adapt its techniques to the soundest and most modern medical thinking. As a first step towards a more precise tailoring of treatment methods to fit the specific requirements of individual patients, the Department of Health is classifying every mental patient in the Province according to condition and care required. The intention is to rearrange services and facilities on the basis of the patterns thus indicated. Patients who are suffering from conditions that are curable will be separated from those whose mental incapacities are of a permanent nature.

There will be further development of out-patient treatment facilities. In the past 18 months, day care centres were opened in Toronto and Cobourg, while a psychiatric unit began operation at Brantford. A second day care centre will become available in Toronto this year. Of particular note has been the recent opening of special facilities for emotionally disturbed children at Thistle-town and the new children's out-patient department at the Toronto Psychiatric Hospital which has just commenced operation.

During the past year, an additional 1,356 mental hospital beds became available with the opening of a new hospital addition at Kingston and the construction of new facilities at Brockville and Woodstock. In the last 15 years mental hospital accommodation has been created for 8,000 additional patients. Beds that are now under construction or in the planning stage total about 3,000. Included in this number is a 1,200 bed hospital-school for retarded children at Cedar Springs in Kent County. Within the next year a new centre will be established at London for the classification and observation of retarded children. To carry out mental health activities in the coming fiscal year we are providing a total of \$57.8 million, an increase of \$5.5 million over 1958-59. Mental illness is, of course, a tragic burden to the individual and to the family. To the Province it is also a considerable expense. The cumulative expenditure for the construction, operation and maintenance of hospitals for the mentally ill in the last decade and a half amounts to \$365 million.

The success encountered in treating tuberculosis continues to be both gratifying and remarkable. So effective have prevention and treatment been that many of Ontario's T.B. hospitals contain vacant beds which can and will be diverted to other purposes. The T.B. death rate has been reduced from 19.3 per 100,000 in 1948 to 3.1 per 100,000 in this year. The Province's contribution to the abatement of this disease will total \$6.5 million in the fiscal year now ending, while next year \$6.9 million will be expended.

If prepaid hospital care is the keystone, other programs constitute the indispensable members in the arch of Ontario's public health system. In 1947-48 the Ontario Government introduced a program of capital grants for hospital construction which generated one of the greatest periods of hospital building

in the history of the Province and brought the ratio of public beds per 1,000 of population from 3.95 in 1947 to 5.1 today—a rate of construction which has even outpaced our rapid growth in population and has given Ontario one of the best hospital building records anywhere. Early in 1958, with the doubling of construction grants—ranging from \$4,000 to \$10,500 per bed¹—the pace of public hospital construction has been quickened. Last year alone, more than 1,500 additional beds were built. The total number of beds in all hospitals of the Province, after eliminating many beds as a result of obsolescence, has risen by 61 per cent since 1947, while 6,500 others are under construction or in the planning stage at the present time.

The attack on cancer is being pursued with mounting intensity. The Princess Margaret Hospital in Toronto is now in full operation. It constitutes one of the finest cancer treatment and research centres in the world and, with the other treatment facilities across the Province, places Ontario in a position of leadership in the campaign against this disease. In the current fiscal year we have provided \$1.3 million to operate the anti-cancer program.

A special grant of \$150,000 will be paid in this fiscal year to the Ontario Heart Foundation to help combat heart disease which today ranks first as a cause of death in this Province.

In order that major advances may be effected in alcoholism research and treatment services, our contribution to the Alcoholism Research Foundation will be increased from \$327,000 in the current fiscal year to \$434,000 in 1959-60.

Last year \$73.5 million was placed in the Estimates for health. This year we are providing \$81.2 million—an increase of \$7.7 million.

WELFARE

The strengthening of individual and family security in Ontario has been, and continues to be, the policy of this Government. In the last dozen years, particularly, many new measures have been adopted to mitigate hardship, relieve distress and provide greater comfort for the handicapped, the disabled, the unemployed and the aged.

In 1950 the Government of Ontario took a leading part in the establishment of old age pensions without a means test at 70 and of old age assistance payments at 65. It inaugurated medical services for all recipients of old age assistance, blind persons' allowances and old age security pensions and introduced supplementary old age assistance payments. In 1951 it introduced capital grants to religious, fraternal and charitable organizations engaged in providing accommodation and care for infirm and needy persons. These grants were raised in 1954 and 1956 and now amount to 50 per cent of the total cost of the institution up to a maximum of \$2,500 per bed. The Government has also increased the

¹Including the Federal Grant.

maintenance payments to these institutions and now meets 75 per cent of the expenses incurred by such organizations in providing accommodation for the aged. In 1952 it pioneered the payment of disabled persons' allowances. In 1955-56 it inspired a system of hospital insurance which extends prepaid hospitalization to the aged, the ill and the otherwise handicapped—in short to those whose need is often the greatest but to whom such coverage was previously not available except at a very high premium.

Since 1947 this Province has been engaged in a progressive program of extending benefits to elderly people requiring public assistance and care. Accommodation for persons in homes for the aged has been greatly expanded and modernized. This year the erection of homes for the aged in communities servicing unorganized territory will be facilitated. The problems of elderly people are under constant review by a special committee constituted for that purpose. Our contributions toward the well-being of our senior citizens, including homes for the aged, old age assistance and other services, total \$12.8 million this year and will rise to about \$17.0 million next year.

The security and happiness of dependent children is a continuing objective. Children's aid has been increased and mothers' allowances have been broadened. For the 1959-60 fiscal year, \$11.9 million will be requested for the payment of mothers' allowances. This is more than three times the amount made available in 1943-44. The new system under which flexible allowances are paid on the basis of an individual family's needs rather than on a flat rate has been widely applauded. Another significant advance in this field has been the introduction of a system of nursing and homemakers' services: an experimental home-care plan to be shared with the municipalities, which became effective August 1, 1958. The Province is prepared to assume 50 per cent of expenditures up to a maximum of \$8 a day for homemakers' services and \$2.50 for each home-call made by a registered nurse.

In the fiscal year 1959-60, the Government will make available \$5.6 million for child welfare, including aid to municipalities and direct payments to children's aid societies. This compares with \$5.0 million expended in the current fiscal year. Some 10,000 children under 18 years of age are now permanent wards of children's aid societies in Ontario. It is gratifying to note that the number of children being cared for in institutions continues to fall despite the increasing population. This is largely due to the vastly increased attention being paid by children's aid societies to the prevention and repair of family breakdown and to the development of protection services for children in their own homes.

Ontario is one of the few authorities on this continent to subsidize day nurseries and there are nearly 300 receiving support from the Department of Public Welfare. For the fiscal year 1959-60, the amount of \$225,000 has been provided for grants towards the cost of operating the nurseries.

To satisfy the needs of disabled, handicapped and blind persons, a broad program of allowances and rehabilitation services has been established. In

the fiscal year 1958-59, the Province put nearly \$3.8 million into the plan to provide allowances for about 13,000 disabled and blind persons. In 1959-60, \$4.5 million will be appropriated for this purpose. In order to support the rehabilitation services program, the Province has appropriated \$145,000 for the fiscal year 1959-60.

An all-important facet of our welfare program is the provision of aid to jobless persons not in receipt of unemployment insurance benefits. In the current fiscal year, the expenditure of this Government for the alleviation of such distress has been \$6.9 million.

A year ago—in February, 1958—the Province devised an emergency winter works program to stimulate employment during the remaining winter months. The Government paid 70 per cent of the direct labour costs of any special works undertaken by the municipalities during the winter season.

Last October the Federal Government agreed to participate in a more extended plan which came into effect on December 1, 1958. It provides for the payment by the Federal and Provincial Governments of 75 per cent of the wage or payroll cost of any special winter work that is carried out by a municipality in the five months from December 1 to April 30, if such work is in excess of what would normally be undertaken during this period. Efforts are being made to extend the period for an additional six weeks, until June 15, 1959. As a description of the volume of work now in progress has already been given under the capital investment section, I need say no more than that this program is serving a very useful purpose in making a definite contribution to the relief of the unemployed and, at the same time, providing worthwhile projects that we would not otherwise have.

In reinforcing the welfare services of our people, we have also been mindful of the needs of our Indian population which is increasing quite rapidly. The Indians on reserves come, of course, under Federal jurisdiction but efforts are being made to extend to them all the Provincial welfare benefits that are available to other population groups. Considerable progress has been made, and other steps of a tangible nature are being taken. Increased opportunities are being offered to the Indians by our various Departments in fields where their natural aptitudes and talents may be best employed. Special efforts will be made to have Indian youths participate in the activities of the Junior Forest Ranger camps. The integration of Indians into our school system is being pursued vigorously and it is intended to provide special bursaries for those who wish to improve their education. The co-operation of the Federal Government is being obtained in the development of these measures. Our purpose is to assist and encourage the Indians to play a full part in the life of the Province.

From this brief résumé of welfare services in Ontario and the progress that is being made, it is evident that substantially higher expenditures are involved. A decade and a half ago the Province's total welfare bill was less than \$10 million. In the current fiscal year it will amount to \$42.6 million and for next year the

appropriation is being raised to \$49.2 million—an increase of \$6.6 million. Not only have we greatly extended these services but we have assumed an increasing share of the welfare burden formerly borne by the municipalities. In every branch of service, the Province, either with or without the assistance of the Federal Government, is bearing a much higher proportion of welfare costs. This matter will be discussed more fully in the section on Provincial assistance to municipalities.

HIGHWAYS AND ROADS

The evolution of Ontario's present highway and road system is both a cause and an effect of the striking economic and social development of the Province in the last decade and a half. Trade and commerce, largely dependent upon the adequacy and convenience of transportation facilities, have expanded tremendously, as has the tourist industry. The registration of motor vehicles in Ontario has skyrocketed from 665,000 in 1945 to almost two million today. There is little likelihood of any diminution of these pressures upon our highway and urban road system. Thus, the type of program upon which we are now engaged will continue to be required well into the foreseeable future.

During 1958-59, Ontario opened 300 miles of new highway, reconstructed 330 miles of old road to modern standards and completed 112 structures. Notable items in the current year's program included: first, the completion of another 50 miles of Highway 401, so that 225 miles of this trans-provincial freeway are now in use; second, the opening of the \$18,800,000 Burlington Bay Skyway—the largest individual structural project in the history of the Department of Highways; third, improvements to the Queen Elizabeth Way; fourth, the construction of the Trans-Canada Highway between the Agawa River and Marathon and the reconstruction of the Northern Route of the Trans-Canada Highway from Cochrane to Nipigon; and fifth, the commencement of work on the Rainy Lake Causeway east of Fort Frances.

Ontario's total expenditure on highways and roads in the current fiscal year amounts to \$238.0 million. This can be broken down into \$68.6 million for maintenance and \$169.4 million for capital. Provincial road subsidies to the municipalities, which are included in the foregoing, total \$55.0 million¹, of which \$32.0 million is for new construction. Taking into account the amounts that the municipalities themselves will spend, the total outlay for highways and roads in the Province this year, 1958-59, is \$292.5 million.

The Lakehead area has been the gateway to the Canadian West since the days of the voyageurs and the fur traders. This, it must remain. Consequently, the Government will co-operate fully in extending and expanding the opportunities of Fort William and Port Arthur to serve the needs of the Canadian West. Accordingly, a conference will be called between Ontario, Manitoba, Saskatchewan, Alberta and British Columbia to work out a reciprocal trucking

¹Does not include \$1.3 million for roads in unincorporated townships in Northern Ontario.

agreement to operate between Port Arthur, Fort William and points in the Western Provinces.

This year's Budget provides for an expansion of the Province's long-term plan for highway improvement and modernization, and its five-year plan for large special projects, initiated last year. New capital construction includes a start on the high level bridge on the Queen Elizabeth Way traversing the Welland Canal at St. Catharines. Plans for other overpasses at Welland and Port Colborne will be advanced. In addition, the work on Highway 401 will be accelerated to achieve its completion by 1963—four years ahead of schedule—while further work will be done on the Rainy Lake Causeway and on the extension of Highway 120 west from Atikokan.

This Budget also makes provision for stepped-up assistance for municipal thoroughfares. Indeed, in order that the municipal roads program will not be curtailed by reason of the abnormally high expenditures this winter for snow-ploughing and sanding, we are including in municipal maintenance subsidies \$1.5 million more than was contemplated.

To finance this huge program, including the requirements of the municipalities, we are appropriating a total of \$261.3 million, which is an increase of \$23.3 million over our aggregate expenditure in this fiscal year. Of this amount, \$74.3 million will be for maintenance, while \$187.0 million will be for capital purposes.

The Province's aid to municipalities for their roads, with the additional \$1.5 million to which I have referred, will total \$61.5 million¹, \$6.5 million more than is being spent in this fiscal year. This includes \$37.0 million for new construction. If we add to the Government of Ontario's total appropriation the amount to be spent by the municipalities from their own revenues, the combined Provincial and municipal expenditure in the coming fiscal year, 1959-60, will be \$321.8 million, or \$29.3 million more than in this current fiscal year. This is an all-time record.

ONTARIO HYDRO

An immense contribution to the development of our economy has been made by the Hydro-Electric Power Commission of Ontario. Today, with both hydro- and thermal-electric generating stations, the Commission has a dependable peak capacity of 6.9 million horsepower, nearly four and one-half times the capacity of its hydro-electric stations in 1943. With the addition of purchased power, Ontario Hydro has a dependable peak capacity of 7.7 million horsepower compared with 2.5 million in 1943, 3.9 million in 1951 and 6.5 million a year ago.

Additional capacity is brought into service each year in order to meet the ever-growing requirements of Ontario's industrial economy. During the past year, 1.2 million horsepower of new capacity came into operation. Much of this was accounted for by the new St. Lawrence Generating Station, the first three

¹Does not include \$1.9 million for roads in unincorporated townships in Northern Ontario.

units of which began supplying the Province with power in July, 1958. By the end of the year, seven units with an installed capacity of 481,200 horsepower were in service. The remaining nine are expected to come into operation by November, 1959. Total installed capacity of the station will then be 1.1 million horsepower. The Sir Adam Beck-Niagara Generating Station No. 2, completed in 1958, also contributed substantially to the upsurge in capacity. The installation of the final two units at the main station and of three units at the pumping-generating station raised its capacity to 1.8 million horsepower and completed the Niagara development program started in 1950. In addition, two hydro-electric stations were brought into service in Northwestern Ontario during 1958—Whitedog Falls Generating Station on the Winnipeg River and Caribou Falls Generating Station on the English River—with a combined dependable peak capacity of about 162,500 horsepower, while single units were added at each of three other generating stations, increasing their capacity by a total of 56,100 horsepower.

It is expected that the dependable peak capacity of the Commission's own generating stations will reach 9.9 million horsepower by the end of 1962. About two-thirds of this three million-horsepower increase will come from conventional thermal-electric stations. The present capacity of the generating station at Toronto will be tripled by an addition of 1.1 million horsepower in four units. In addition, two new thermal plants, now under construction, will be placed in operation. The Lakeview Generating Station located just west of Metropolitan Toronto, will have an initial installed capacity of 800,000 horsepower in two units, while the Thunder Bay Generating Station at Fort William will have an installed capacity of 134,000 horsepower in one unit. A further one-quarter of the anticipated increase will come from the completion, in 1959, of the St. Lawrence Generating Station. The remainder will be accounted for by a new 61,000-horsepower hydro-electric station at Silver Falls, northwest of Port Arthur, a 175,600-horsepower station at Otter Rapids on the Abitibi River, a 50,900-horsepower plant at Red Rock Falls on the Mississagi River and a one-unit extension of 60,300 horsepower at the Abitibi Canyon Generating Station.

Work has re-commenced at the nuclear power demonstration plant near Des Joachims on the upper Ottawa River. Construction had been suspended in April, 1957 to permit the introduction of changes in the design of the reactor. The 27,000-horsepower station is scheduled for service in 1961. Developmental work for a large 268,000-horsepower nuclear-electric station is now being carried out in conjunction with Atomic Energy of Canada Limited through a nuclear power plant division established at Toronto. Every effort is being made to accelerate research into the utilization for power purposes of the vast uranium deposits indigenous to this Province.

Since the end of 1945, more than \$1.8 billion has been expended by the Commission on capital construction. About 60 per cent of this amount was accounted for by new generation facilities. In addition to capital expenditures of \$206.8 million made during 1958, more than \$25 million was spent on frequency conversion. Capital outlays during 1959 are forecast at \$196 million and conversion expenditures at about \$6 million.

NATURAL RESOURCES

To assist in the conservation, as well as development, of our natural resource industries, the Province will spend for ordinary and capital purposes a total of \$49.9 million in the coming fiscal year, as compared with \$45.9 million this year—an increase of \$4.0 million.

Agriculture

In 1958, Ontario experienced record or near-record success in all segments of agriculture. Cash income from the sale of farm products in 1958 was 10 per cent above the 1957 level, while the gross value of agricultural production was nine per cent higher. This increase stems not only from our expanding market but from the fact that agricultural producers are using, as never before, scientific methods and modern management techniques in their operations. The Government's program in connection with land use, soil fertility, pasture improvement, marketing, farm business management and other related matters is playing an important part in this development. For example, as a result of research, increasing attention is being given to soil treatment and this is reflected in a higher output per acre. All-time record yields were reported in 1958 for a number of cereal grains and other crops.

The brucellosis control program has also been making excellent headway and is now entering its final phase. During the past year many additional brucellosis-free areas were established in the Province. In the light of U.S. import regulations, the completion of this program is vital to the health of Ontario's beef and dairy cattle industry which last year increased its exports by 4,600 head or 14 per cent. The Province is also assisting in the upgrading of herds.

The sale of a large proportion of our agricultural production was again effected under established marketing plans. It is estimated that over 50 per cent of the annual farm cash income is now received through the operation of farm marketing boards.

To ensure that Ontario agriculture stays in the forefront, the Government is appointing a committee to make a thorough and comprehensive examination of the industry, with reference to the processing, handling, storing, transporting and marketing of farm products. The object of this inquiry will be to facilitate the processing and marketing of Ontario farm products in accordance with new merchandising and consumer demand patterns. Funds will be provided for this purpose.

In order to assist co-operative organizations in the establishment of storage facilities for agricultural produce, the Province made loans, in 1958-59, of \$750,000 under the Co-operative Loans Act. An additional \$4.6 million was approved in the 12 months ended January 31, 1959 for loans under The Junior Farmer Establishment Act to help qualified young farmers acquire their own farm properties. Since the inception of this act, 3,201 loans, totalling \$22.7 million, have been made.

The problem of rural electrification has been largely solved. Only a very few rural dwellings today are denied the benefits of a central electric supply and they are in the most remote areas. During 1958, some 21,000 additional customers, including 2,200 farmers, were added to the system, bringing the total number of rural electric power users to 474,400, of whom 67 per cent have received service since World War II. The Ontario Telephone Authority is engaged in integrating, consolidating and modernizing telephone facilities in rural Ontario.

The ultimate potential of Northern Ontario for farming and other industries is enormous. Recognizing this, we are initiating a new policy to ensure a more systematic and permanent development of the region's agricultural lands.

Both in teaching and research the Ontario Agricultural College, the Ontario Veterinary College and their allied institutions have earned an international reputation. In recent years many new facilities have been provided. Among these are the new Soils Building, the Seed Research Building and the Physical Education Building. A new Clinical Studies Building, which will treble the accommodation for animals, and a Biological Building, are now under construction. A Science Building is in the planning stage. It is estimated that \$3.9 million will be expended in 1959-60 on these new facilities which, together with \$8.1 million for maintenance, makes a total of \$12.0 million.

The total amount to be spent on agriculture next year, including capital disbursements on the agricultural colleges, will be \$19.2 million, as against \$17.6 million in the current fiscal year. That is an increase of \$1.6 million. Nothing is being left undone to ensure the continuing growth and prosperity of Ontario agriculture.

Mining

Ontario's mineral industry, with a production value of almost \$800 million in 1958, surpassed its 1957 level by \$50 million and established an all-time record. Uranium led the Province's minerals with an output valued at \$222 million—between two and three times the 1957 total of \$83 million.

With geological surveys, instruction for prospectors and other technical and administrative services, the Ontario Government assists private enterprise in the further exploration of our untapped mineral reserves, thereby fostering a continuing growth of our mining industry. Several new mines reached the stage of commercial production last year. As a result of mining activity, several attractive towns and communities have grown up in recent years. Examples are Elliot Lake, Atikokan, Manitouwadge and Bicroft, with an aggregate population of over 35,000. Wherever these new developments take place they pose intricate problems of community planning and require that provision be made for adequate public services, including electric power, water, roads and sewers.

The appropriation for the Department of Mines next year, excluding the allocation of \$1.5 million for mining and community access roads and a special payment to mining municipalities of \$3.0 million, is \$1.6 million. The total expenditure for these items is \$6.1 million.

Forestry

The value of production from Ontario's forests in 1958 approximated that of 1957 and, with the resurgence of demand from the United States, the outlook for 1959 has become considerably brighter.

As the forest cut and the production of pulp and paper have increased, Provincial expenditures required for forest management, conservation and regeneration have grown. In the last three years, the Province's total ordinary and capital expenditure has increased by \$10.0 million to \$27.3 million in 1958-59; and for the next year we are providing an additional \$0.5 million, or \$27.8 million. This expenditure is composed of \$7.0 million for timber management and reforestation; \$8.1 million for forest protection; \$4.4 million for fish and wild life; \$5.3 million for parks and \$1.5 million for logging and forest access roads.

The completion in 1957 of our forest resources inventory, which is being kept up to date by means of additional surveys, has been an important step in the application of sound forest management methods.

Closely connected with our reforestation and forest regeneration programs is the expansion of our tree nurseries. Last year, two large sites were acquired in Northern Ontario for this purpose. In 1958, 32.5 million trees were supplied by our nurseries, and it is expected that in the current year this number will be increased to more than 40 million.

The construction of forest and community access roads is going forward rapidly. Part of this program has been undertaken to relieve winter unemployment. In the past year it embraced the construction of 375 miles of new forest access road and the improvement of 40 miles of existing road. In co-operation with the Federal Government, work in a number of additional projects is proceeding. Under unemployment relief plans, about 130 miles of new forest access road will be completed in 1959, while work has already been started on projects involving the building of approximately 150 miles of access road under a Federal-Provincial roads-to-resources program. The agreement covering this five-year scheme is expected to be signed shortly; it calls for an expenditure in Northern Ontario of \$15 million. The new roads will facilitate the further development of our untapped forest and mineral resources.

Conservation

There are now 24 conservation authorities operating in Ontario—an increase of five in the last year alone. Several major flood control schemes and a number of smaller projects are in progress.

Since the Province increased its flood control grant on small projects from 37½ per cent to 50 per cent four years ago, there has been a marked increase in the number undertaken. These include dams and channels on the Ausable River, the purchase of land for the Orangeville Reservoir on the Credit River, a channel improvement on the Middle Maitland, a dam and reservoir on the Napanee, channel improvements on the Saugeen, a dam on the South Nation and the acquisition of flood plains and channel and flood control improvements on the Humber and Don Rivers and Highland Creek in the Metropolitan Toronto area.

Plans completed to the point of construction for flood control and conservation projects will involve an estimated expenditure of \$27.6 million, while preliminary plans and investigations have been made of other projects which will require an estimated expenditure of \$65 million, or an investment of nearly \$95 million altogether.

Assisted by Provincial subsidies, the number of farm ponds is increasing rapidly.

For the next fiscal year, 1959-60, the estimates of the various Departments concerned with conservation will include \$36.0 million for works and services—\$6 million more than is being spent this year.

PROVINCIAL PARKS

The recreational tastes of the people of Ontario are leaning more and more toward outdoor activities. In response, the Province is pressing forward energetically with the improvement and expansion of camping and picnicking facilities. Commencing this year, the Province will pay municipalities one-half the cost of acquiring and establishing approved parks and campsites in rural areas. It is the Government's policy to create a chain of parks spaced 100 or 150 miles apart across the length and breadth of Ontario.

Last year, 55 parks were operated by the Department of Lands and Forests, while another 24, not scheduled for opening until 1959, were also used by the public. In addition, 18 properties were acquired or set aside for future development and six others are being investigated. This year the facilities of Sibbald Park on Lake Simcoe will be expanded by at least one-third; the 5,000-acre park known as The Pinery on Lake Huron near Grand Bend will be opened, as will Inverhuron Provincial Park near Goderich, Holiday Beach near Windsor, Earl Rowe Park at Alliston and Grundy Lake near Parry Sound. The existing facilities at Rondeau Provincial Park on Lake Erie will be augmented and construction is proceeding in Lake Superior Provincial Park so that it will be ready to accommodate campers after the opening of Highway 17 in 1960. Two new park areas are being acquired in the Ottawa Valley, while Rideau River and Silver Lake Provincial Parks are undergoing further improvements.

The special winter works program being carried out by the Government of Ontario in co-operation with the Federal Government is not only providing jobs, but is also accelerating park development throughout the Province. This and other Federal-Provincial schemes will create 50 new campsites and 30 picnic areas in the next two years. Conservation authorities, which have developed some 7,500 acres of recreational land in 60 separate parks, will continue to receive the financial support and aid of the Government and in 1959 they will undertake a large volume of work. In Southeastern Ontario, under the aegis of the Ontario-St. Lawrence Development Commission, 15 separate park areas are being set aside along the St. Lawrence River and around the Bay of Quinte. Three of these were open for limited use in 1958; six more will be open in 1959 and the full system will be available to the public in 1961. We are appropriating \$7.7 million for our parks program in the coming year.

HOUSING

Residential building activity in Ontario during 1958 was greater than ever before. Total housing starts were 33.5 per cent higher than in the previous year, and total new housing completions were 32.1 per cent higher. During the past year, the Provincial Government has again participated with Federal and municipal governments in low-cost rental housing projects and in providing serviced lots to prospective builders at cost. Notable among these joint activities have been the schemes at Ottawa, Hamilton, London, Sarnia and Sandwich East.

By the end of 1958, the Federal-Provincial partnership had evolved 66 land assembly schemes in 35 municipalities, of which 54 had been developed or were in the process of development, while the land for the remaining 12 was being held for future development. In the rental housing field, 52 rental housing projects involving 4,681 units, have been approved in 26 municipalities and 42 projects with 4,234 units have been completed. In Kingston, another project with 71 units is awaiting approval, while 14 projects with approximately 2,200 units are under investigation. In the fiscal year 1958-59, it is anticipated that enquiries will be received from approximately 30 municipalities for future projects.

To promote redevelopment in urban centres, the Province has joined with the Federal Government in defraying 75 per cent of the cost of acquiring and clearing land for public housing redevelopment projects. Prior to this the municipalities were required to pay 50 per cent of such cost. The Province's action has resulted in two applications for assistance, one from the city of Toronto and one from the city of Windsor.

The amount of \$6.5 million is being placed in the 1959-60 Estimates to cover the Provincial cost of land assembly and rental housing projects, and a further \$3 million is being budgeted to meet the Provincial cost of land acquisition and clearance on redevelopment projects.

PROVINCIAL ASSISTANCE FOR WATER AND SEWAGE WORKS

Striking indeed has been the expansion in the activities and operations of the Ontario Water Resources Commission over the past year. The Commission is working with communities in every part of Ontario in the development of water supply systems or sewage treatment and pollution abatement works. One year ago only three Commission-built water systems were in existence. At the present time, 10 water systems and six sewage projects are in operation. These and 49 other projects under construction or municipal agreement are valued at approximately \$30 million.

This year the Commission, in its unrelenting effort to assure an ample supply of water for Ontario's expanding industries and homes and to eliminate pollution, has earmarked another \$26.5 million for municipal projects. Some 50 additional municipalities are conducting preliminary negotiations with the Commission in respect of water or sewage works, many of which will be commenced within the next fiscal year.

Aside from the 10 water systems in full operation now, the multi-million dollar Essex County integrated water pipeline project is partially operative, supplying chlorinated water from Lake Erie to a number of centres in the County. This undertaking will be completed later this year when work is finished on the modern filtration plant. Efforts are being pressed forward to achieve an agreement on construction of a water pipeline to serve the London region.

On the basis of extensive water pollution surveys and research studies, the development of efficient municipal sewage disposal systems will be stepped up. Already, pollution on the Grand and Credit Rivers is being abated through co-operation between the Commission and regional municipalities in the construction of sewage treatment works.

To support the Commission's program in 1958-59, the Province has provided \$965,000 for operating expenses and \$9.0 million for capital purposes. The appropriations for 1959-60 will be \$1.5 million for operation and \$26.5 million for capital.

PROVINCIAL ASSISTANCE TO MUNICIPALITIES

Over the last decade and a half, an increasing proportion of the Province's Budget has been devoted to assisting municipalities and other local authorities in the fulfilment of their key responsibilities. In 1942-43, the Province granted \$19.1 million to the municipalities, school boards and associated local agencies. This fiscal year Ontario is aiding and supporting them to the extent of \$275 million and next year its assistance will rise to more than \$310 million—an increase of \$35 million.

Sixteen years ago, 19.0 per cent of our total combined expenditure went toward the provision of services at the municipal level. Today, at over 35 per

cent, the proportion is nearly double. Expressed in terms of Provincial revenue, the magnitude of our municipal aid program is even more imposing: in 1942-43, the Province's contribution to municipalities represented less than 18 per cent of our total revenue; now it is 44 per cent.

We therefore have in operation today a Provincial-municipal partnership system that is quite different from that of a decade and a half ago. During that period we have paid the municipalities a total of \$1 $\frac{3}{4}$ billion and each year the annual amount grows. As I have said, 44 cents of every dollar of our revenue are channelled to the municipalities and their agencies. We are contributing one dollar for every two dollars of revenue which they themselves collect. And that does not include aid such as is rendered by the Ontario Water Resources Commission in providing local and regional water works and sewage systems. Nor does it take into account the credit assistance rendered by the Province's purchase of municipal bonds through the Ontario Municipal Improvement Corporation. In addition, there are other forms of indirect, but nevertheless real, aid to the municipalities. One of these is the construction by the Province of bypasses and connecting road links to relieve urban traffic congestion.

All these methods of assistance demonstrate conclusively that we have not been unmindful of the position of the municipalities. We know they have problems. We hope they will recognize that the same forces of growth and expansion which have imposed heavy burdens upon them also weigh with great severity upon the Province.

Not only has our municipal assistance policy afforded marked relief to local taxpayers but it has maintained—and enhanced—the strength of local democratic institutions of government. It has enabled the municipalities to provide a greatly improved standard of service which would otherwise have been virtually unobtainable. This has been especially true of education.

We are increasing our grants to school boards in 1959-60 by \$18.5 million, bringing the total amount of such assistance to \$147.0 million. Nor should it be forgotten that the Province makes a contribution to teachers' superannuation which in 1959-60 will amount to \$11.8 million.

Direct payments to municipalities in the form of unconditional grants will be \$25.3 million in 1959-60. These moneys are applied to the exclusive benefit of local residential and farm taxpayers. To assist in the maintenance and construction of roads and bridges in the municipalities, we are providing for subsidies totalling \$63.4 million in 1959-60. Not only will this make for another substantial improvement in these facilities, but it will help to expand employment.

More specifically aimed at creating employment, of course, is the winter works program in which the municipalities have embarked upon a wide range of useful projects. To finance our share of the program we have provided \$5 million in the supplementary estimates for the year now ending and \$3 million for our next fiscal year, 1959-60.

The municipalities have been freed of most of their hospital costs—an annual expenditure of about \$12 million—as a result of the operation of the hospital insurance plan. Their expenditures for hospital indigency are, in general, being refunded to them by the Province. In the field of welfare, the Province now carries by far the larger share of expenditures formerly borne by the municipalities. For instance, prior to December 1, 1957, the municipalities bore 50 per cent of the cost of unemployment relief. Now they pay only 20 per cent. In addition, the Province supplements allowances and provides further aid which previously constituted an expense of the municipalities. While relieving the municipalities of most of the cost of welfare services and compensating them for the remainder by means of unconditional grants, the Province has left the administrative responsibility for these services with the municipalities, for they, after all, possess the local knowledge on which efficient administration so often depends.

Over the past decade and a half the Government of Ontario has greatly expanded its assistance to municipalities in recognition of the essential but costly role they are playing in the development of this whole Province. In that time, the Province's grants to municipalities, school boards and other local agencies have been increased nearly sixteenfold. In the last four years alone this assistance has been raised by over \$145 million, or 88 per cent.

FEDERAL-PROVINCIAL RELATIONS

Throughout the post-war period, the Ontario Government has continually sought to make sound arrangements with the Federal Government in fiscal relations and other matters of mutual concern. Our representations have been instrumental in achieving notable advances in shared-cost programs such as hospital insurance, unemployment relief and other health and social security measures. We have endeavoured to work out mutually acceptable fiscal arrangements which would provide the Province with a fair and realistic share of the major direct tax fields of corporation income, personal income and succession duties. While several improvements have been effected in our fiscal arrangements, an equitable and lasting solution to this exceedingly difficult financial problem has yet to be realized. However, in the light of recent developments, we are encouraged that a settlement will be reached, and that this will lay a firm foundation for our future growth, development and prosperity.

The Federal Government has proposed that the entire subject of financial relations with the provinces receive active, co-operative study. For this purpose it has suggested the use of the machinery of the existing Federal-Provincial Continuing Committee on Fiscal and Economic Matters working under the direction of a committee of the Federal Minister of Finance and Provincial Treasurers. We are wholeheartedly in accord with this proposal. We will co-operate fully in working out a solution to our fiscal problems that will be in the best interests of the Ontario and Canadian people.

In the meantime, the Federal Government will amend the Federal-Provincial Tax-Sharing Arrangements Act to extend for another year the increase in the provincial share of the individual income tax which last year was raised from 10 per cent to 13 per cent of 1956 Federal rates of tax. No adjustment has been made, of course, in the standard rental or abatement rates for the other two major fields of direct taxation. These remain at nine per cent of corporation income and 50 per cent of Federal succession duties. In the coming fiscal year, it is anticipated that the computed rental payment to Ontario for the individual income tax field will amount to \$95.2 million, an increase of \$5.9 million over the estimated net payment of \$89.3 million in the current fiscal year.

We have stated on many occasions that the current fiscal arrangements fail to recognize the increasing revenue needs of the provinces and the municipalities in meeting the demands of rapid growth and development. The extensive and continuing capital outlays required for schools, highways, roads, hospitals, water and sewage works, public buildings and other undertakings must all be financed out of the limited sources of revenue available to the provinces and their municipalities.

Faced with these heavy and growing responsibilities, the Ontario Government has maintained that it must have a larger and more realistic share of the individual income and corporation tax collections. Any arrangement that limits the Province's share of these direct taxes—which for over half a century were deemed to be the exclusive property of the Province—to only one-seventh of the individual income tax and one-fifth of the corporation income tax field is simply not realistic. We have not changed our mind. All the evidence suggests that there should be a more equitable adjustment of the major direct tax fields, which would raise the Province's share to 15 per cent of corporation income and 15 per cent of Federal individual income tax collections.

We have also been of the strong conviction—and recent developments have strengthened it—that the Federal Government should vacate the succession duty field. Traditionally, succession duties have belonged to the provinces. During the recent war, the Federal Government imposed a succession duty for the first time, although the Ontario Government had enjoyed the sole occupancy of this field continuously since 1892. Succession duties bear a direct relationship to property and civil rights and accordingly should continue to be regarded as the exclusive domain of the provinces. In many cases, the accumulation of large estates parallels the depletion of natural resources—the conservation, replacement and development of which are a provincial responsibility. The Estate Duty represents a minor source of revenue to the Federal Government. It yields only 1.4 per cent of Ottawa's total revenue. This is inadequate justification for the complexities and tax problems that result from joint occupancy. The Federal Government should recognize the logic and good sense of this proposal and withdraw completely from the field.

I might point out that virtually all of the revenue we now obtain from the three major direct tax fields is turned over to the municipalities, school boards

and other local agencies. The increase in our assistance to local authorities in the current fiscal year alone is more than twice the increase in our revenue derived from the upward adjustment in the standard individual income tax rate. In the coming fiscal year, we are providing substantially larger amounts for assistance at the municipal level. In total this aid will exceed our revenue from the three major fields of direct taxation by many millions of dollars.

It is against this background that we welcome the Federal proposal to re-examine, in co-operation with the provinces, the entire subject of Federal-Provincial financial relations and the Canadian tax structure. Given the spirit of co-operation and understanding that led to the notable improvement in unemployment relief assistance and to the successful implementation of hospital insurance and our recently adopted winter works program, the proposed study should produce benefits of lasting value.

TAX CHANGES

There will be no new taxes and no increases in tax rates. Minor amendments will be made to the Ontario Corporations Tax Act to bring it into conformity with changes in the Federal law. There will be certain reductions in Ontario's succession duty as follows:

1. The present exemption of \$50,000 for widows and dependent children will be extended to \$60,000 for the widow plus \$10,000 for each dependent child. The effect of this amendment is that if a widow with four dependent children is left \$100,000, there will be no duty payable. Under the present Act, a duty is payable where the value exceeds \$50,000.
2. Where the deceased leaves a husband who is infirm and there are, in addition, one or more dependent children, the present exemption of \$50,000 will be extended to \$60,000 for the infirm husband and \$10,000 for each dependent child.
3. Where a deceased leaves no spouse and there are dependent children, the minimum exemption will remain at \$50,000 if there are three or fewer dependent children, but will be extended at the rate of \$15,000 for each dependent child where there are four or more. This means that four dependent children in this category will receive a total exemption of \$60,000 and five a total exemption of \$75,000.
4. The exemption for collaterals—that is brothers, sisters, nephews, nieces, etc.—will be increased. Collaterals are now subject to two rates of duty:
 - (a) on the proportionate amount received from an estate having an aggregate value of more than \$10,000, and
 - (b) on the actual amount received by one collateral where the amount exceeds \$10,000.

This amendment will relieve collaterals of the first tax if the aggregate value of the estate is \$20,000 or less. The effect is to double the amount of this exemption.

5. The Succession Duty Act will be amended to extend from \$1,500 to \$2,500 the amount that may be paid out without the consent of the Treasurer from a pension fund or plan where the payment is made for the benefit of any member of the family of the deceased who was one of the employees to whom the plan was applicable.

As I have already emphasized, the Federal Government should withdraw completely from the succession duty field, which was regarded for many decades as especially reserved for the provinces. Our exclusive occupancy would not only eliminate many complexities, but it would make possible more moderate and equitable rates and at the same time provide the Province with additional funds for reinvestment in the development of our resources and public facilities.

FORECAST OF REVENUE AND EXPENDITURE FOR 1959-60

In the coming fiscal year the Provincial Budget is forecast at \$885.7 million—an increase of \$60.7 million over that of 1958-59. Net ordinary expenditure, including \$18.1 million for sinking funds and \$15.0 million for transfer to highway construction account, will total \$637.5 million. Net capital disbursements are forecast at \$248.2 million. The increase in expenditure is a reflection of both the expansion of government services which I have already outlined and the rising costs of carrying on government business.

Capital disbursements will be increased by \$22.4 million over those for 1958-59. Appropriations for highways, and mining and logging access roads will be \$190.0 million, \$18.0 million more than expenditures in 1958-59. An increase of \$4.4 million in the appropriation for public works and buildings, including mental hospitals, and conservation will raise the appropriation to be made for these purposes to \$58.2 million.

Net ordinary expenditure in 1959-60, exclusive of provisions for sinking funds, highway construction account and capital disbursements financed out of ordinary revenue, will be \$68.2 million higher than in 1958-59.

The largest combined expenditures and increases will be made by the following Departments: Highways, \$261.3 million, up \$23.2 million; Education, \$202.4 million, up \$25.5 million; Lands and Forests, \$27.8 million, up \$0.5 million; Municipal Affairs, \$34.3 million, a rise of \$2.2 million; Planning and Development, \$12.2 million, an increase of \$7.2 million; Public Welfare, \$49.2 million, up \$6.6 million; Public Works, \$65.3 million, an increase of \$6.9 million and Attorney-General, \$20.1 million, up \$1.3 million.

Net ordinary revenue for 1959-60 is forecast at \$637.8 million, an increase of \$13.0 million over 1958-59. The largest estimated sources of revenue are as follows (figures for 1958-59 are in brackets): corporations tax, \$160.0 million (\$155.0 million); gasoline tax, \$146.0 million (\$143.0 million); rental payment under the income tax rental agreement, \$95.2 million (\$89.3 million); motor

vehicle licenses, etc., \$55.5 million (\$54.4 million); Liquor Control Board profit and fees, \$70.6 million (\$70.6 million); succession duty, \$30.0 million (\$34.0 million); revenue from timber dues, water rentals, fish and game fees and licenses, etc., \$22.8 million (\$21.1 million).

After making provision of \$18.1 million for sinking funds and \$15.0 million for transfer to highway construction account, we anticipate a surplus on ordinary account of \$259,000.

PROVINCIAL NET CAPITAL DEBT

The continuation of our huge capital program of the past few years has obliged us to add in some measure to our net capital debt. We estimate that the net capital debt as at March 31, 1959, will amount to \$948.4 million—an increase of \$129.8 million over that at March 31, 1958. In this current year, 1958-59, our capital construction program will amount to \$225.8 million and, in spite of the economic slowdown of the past year and increasing demands on our financial resources, we have been able to finance \$87.6 million of this program out of current revenue. Indeed, over the past decade and a half, while the Province expanded its physical assets to the value of \$1¼ billion, the net capital debt of Ontario has increased by only \$463 million. In other words, we have financed nearly \$800 million of investment in highways and roads, new hospitals and other public buildings—more than 60 per cent of our total capital expenditures—out of current revenue. This is an outstanding achievement. It testifies eloquently to the soundness of our fiscal policy. Without this tremendous investment in physical assets, we could not have advanced so far or so favourably. The growth of population and industry has made it imperative that we expand our facilities and this we have done.

A program of these dimensions could not have been carried out without either imposing an inordinately high level of taxation—which would have retarded the rate of development and limited our advance—or obliging the Province to incur a moderate and manageable increase in its net debt. We chose the latter course. Nevertheless, our financial position today is strong. For instance, our total net debt this year represents only nine per cent of the total personal income of the people of Ontario, as against 15 per cent a decade and a half ago. In terms of our revenue, the position is even more favourable. Today only 18 months' revenue is required to retire the whole net debt, as against four years' revenue a decade and a half ago. In constant dollars per capita, our net debt last March 31st was only \$67, compared with \$119 per capita on March 31, 1944. Thus, in that 15-year period our net debt per capita in constant dollars has been cut almost in half.

CONCLUSION

I said in my opening remarks that we had not been content to sit back and let the affairs of Ontario drift. I think this Budget attests to that. Judged by any standard, our policy has been imaginatively conceived and it is being carried out boldly, in keeping with the expanding requirements of our people and industries and the need for a moderate system of taxation.

We have undertaken to promote the efficiency and the productivity of our workers and industry. We have been deeply conscious of human issues and needs. We have constructed, or assisted in the construction of, schools and university buildings, hospitals, highways and roads, waterworks and sewers, conservation projects and a whole range of other public buildings and works which fill an essential role in our developing economy. We have played a full part in stimulating employment and reinforcing the framework of social welfare to ensure that no person will be in serious want. We have sought to integrate our Indian population into the central current of life in Ontario.

During the next 12 months we will press forward at a greater pace than ever before. In every phase of development we are making provision for expansion. The capital works program is being raised to the highest level in our history. Construction dates have been advanced to provide additional employment opportunities. A broad winter works program is underway. Assistance to elementary and secondary schools and to universities is being substantially increased. Total Provincial grants to municipalities, including local school boards and agencies, are being raised to an impressive \$310 million—\$35.0 million more than in last year's Budget. We are undertaking an unprecedented highway construction and improvement program. More hospital beds will be built. Financial provision is being made for the operation of Ontario's hospital insurance plan. Additional parks are being established.

Our natural resource services are being expanded and a Committee of Inquiry will be appointed to study and make recommendations on the various processing and marketing phases of agricultural production. We have inaugurated a broad program of northern development, one facet of which is to provide for sound agricultural development and the other is to expedite the construction of access roads into forest and mining areas and to inter-connect communities in the more remote parts of the Province.

Through the extension of our credit and guarantees, we are assisting Ontario Hydro to meet the electric power demands of our expanding Provincial community. Additional funds are also being supplied to the Ontario Water Resources Commission for its program of water and sewage works. The Ontario Municipal Improvement Corporation is making additional money available to municipalities through the acquisition of their debentures. In many other ways, we are contributing to the progressive development of our Province. We are

projecting in the coming fiscal year an even greater program, yet we will have a surplus on ordinary account—our seventeenth—and will finance part of our total capital expenditure from current revenue.

A house built on rock will endure. A Budget built on a sound foundation will contribute to development and well-being. In this Province we have great resources, both material and human. Education and research are being advanced. Our schools and universities have achieved a standard of merit that is recognized throughout the world. Our industrial structure is modern and efficient. Our industry and skills are becoming steadily more developed and diversified. Our home and foreign markets are expanding. Public confidence, which has been an essential ingredient in our development and prosperity, is increasing. Ahead lies a great future. With an abundance of resources, varied skills and a well-informed, self-reliant people, we will move forward into an era of ever-advancing living standards and opportunities for all.

SUMMARY

1. An interim surplus on ordinary account of \$590,000 is estimated for the fiscal year 1958-59 after providing \$87.9 million for sinking funds, highway construction account and for financing, in part, capital disbursements on highways and public works. Net ordinary and capital expenditures in 1958-59 are estimated at \$825.0 million, including \$62.9 million for sinking funds and highway construction account. (pp. 7, 8)
2. We are budgeting in 1959-60 for our seventeenth consecutive surplus on ordinary account—estimated to total \$259,000 after providing \$18.1 million for sinking funds and \$15.0 million for highway construction account. Net ordinary and capital expenditures for 1959-60 are forecast at \$885.7 million—an increase of \$60.7 million over 1958-59. (pp. 33, 34)
3. Net ordinary revenue is estimated at \$624.8 million in 1958-59 and \$637.8 million in 1959-60, an increase of \$13.0 million. (pp. 8, 33)
4. There will be no new taxes and no increase in tax rates. On the contrary, The Succession Duty Act will be amended to provide higher exemptions for widows, infirm husbands, and dependent children. There will also be an improvement in the exemptions for collaterals. (pp. 32, 33)
5. Special grants and payments totalling \$12,442,000 are being provided this year. The major grants are: \$5 million for public hospitals; \$5 million for municipal winter works programs to stimulate employment; \$1 million each for the Teachers' Superannuation Fund and the Public Service Superannuation Fund; \$150,000 for the Ontario Heart Foundation; and \$147,000 for the Toronto Rehabilitation Institute. (pp. 8, 9)

6. Provincial assistance to municipalities, school boards and associated local agencies is being raised by \$35 million from \$275 million in 1958-59 to \$310 million in 1959-60. In the last four years alone, this assistance has been raised by over \$145 million or 88 per cent. The Provincial contribution now represents 44 per cent of our total revenue, as compared with 18 per cent in 1942-43. (pp. 28-30)
7. Expenditure by the Department of Education totals \$176.9 million in 1958-59. In the coming year, it will rise to \$202.4 million, an increase of \$25.5 million. It has climbed in the last five years by no less than \$111 million, an amount greater than the total Budget of the Province fifteen years ago. (p. 11)
8. This year is the third stage in the development of our educational grants system. In addition, we are making five important special improvements:
 - (1) grants will be paid on the approved cost of land acquired for school purposes;
 - (2) the cost of industrial arts shops and home economics classrooms will be included in the base for computing grants;
 - (3) the approved cost for each classroom and science laboratory in secondary schools will be raised to \$25,000;
 - (4) cafeterias in schools will be treated for grant purposes in the same way as classrooms; and
 - (5) gymnasiums or all-purpose rooms or basements used as all-purpose rooms will be treated for grant purposes in the same way as classrooms.

For the coming fiscal year, we are providing an appropriation of \$147 million for school grants. This is an increase of \$68 million in the last three years and \$79 million in the last four. (pp. 11, 12)
9. A new and expanded system of Ontario scholarships and bursaries will be made available for students to continue their education. An appropriation of \$1.2 million is included in the 1959-60 Estimates for this purpose and it is expected that the awards will be higher and that the number of recipients in 1959 will be double that of last year. (p. 13)
10. Maintenance and capital grants to universities in 1959-60 will total \$24.4 million, of which over \$12.7 million is for maintenance and \$11.6 million is for capital purposes. (p. 14)
11. Teachers' colleges will graduate this spring 700 more teachers than last year. With the opening in September 1959 of the new Lakeshore Teachers' College and the addition at Hamilton, the output of new teachers will increase correspondingly. (pp. 12, 13)

12. The capital investment and repair expenditure program of the Government of Ontario and the municipalities and their respective commissions and agencies is valued in 1958-59 at \$950 million and provides on-site and off-site employment for nearly 235,000 workers. In 1959-60, the aggregate of these capital and repair expenditures will be well over \$1 billion, with a corresponding increase in employment. (p. 9)
13. In conjunction with the Federal Government and the municipalities, we have initiated a new winter works program which is more comprehensive than that provided in the winter of 1958. (p. 10)
14. The Province is continuing to expand its highway construction program. Expenditure for new construction and maintenance of the Provincial highways system and for assistance to municipal roads is expected to reach \$261.3 million in 1959-60, an increase of \$23.3 million over our aggregate expenditure in 1958-59. Including what the municipalities will spend on their own account, the total outlay will rise to \$321.8 million in 1959-60. (p. 21)
15. An unprecedented municipal roads program is also under way. The Province's assistance to municipalities for roads in 1959-60 will total \$63.4 million, an increase of \$7.1 million over that in 1958-59. (pp. 21, 29)
16. In 1959-60, the Province's expenditure on the construction of public works, including hospitals, other buildings and conservation projects will total \$56.1 million—an increase of \$8.0 million over that in 1958-59. (p. 55)
17. Of our immense capital construction program amounting to \$225.8 million in 1958-59, we have been able to finance \$87.6 million out of current revenue. (p. 34)
18. The Province's parks program is being expanded with an appropriation of \$7.7 million for the fiscal year 1959-60. Commencing this year, the Province will pay one-half the cost of acquiring and establishing approved parks and campsites in rural areas. (pp. 26, 27)
19. The Ontario Government will appoint a committee to make a thorough and comprehensive examination of the agricultural industry for the purpose of facilitating the processing and marketing of Ontario farm products. (p. 23)
20. In 1959-60, the Province will provide \$12 million for the maintenance and extension of facilities of the Ontario Agricultural College, the Ontario Veterinary College and their allied institutions. (p. 24)
21. Electric power was extended to 21,000 additional customers in rural areas in 1958. (p. 24)
22. Notable progress is being made in forestry, mining and community access road construction. (p. 25)

23. Nearly 60,000 housing units were completed in Ontario last year, 8,000 more than in any previous year. The unusually large carry-over of residential housing units under construction augurs well for the construction and household supply industries. (p. 6)
24. The amount of \$6.5 million is being placed in the 1959-60 Estimates to cover the Provincial cost of land assembly and rental housing projects, and a further \$3 million is being budgeted to meet the Provincial cost of land acquisition and clearance on redevelopment projects. (p. 27)
25. The activities and operations of the Ontario Water Resources Commission will be greatly expanded. To support the Commission's program in 1959-60, the Province is appropriating \$1.5 million for operating expenses and \$26.5 million for capital purposes. This compares with an expenditure in the current fiscal year of \$965,000 for operating expenses and \$9.0 million for capital. (p. 28)
26. Today the Hydro-Electric Power Commission of Ontario has a dependable peak capacity, including purchased power, of 7.7 million horsepower. During the past year 1.2 million horsepower of new capacity came into operation. (p. 21)
27. Since the end of 1945, more than \$1.8 billion has been spent by Ontario Hydro on capital construction. In 1958 its outlays were \$206.8 million for capital purposes and more than \$25 million for frequency conversion. (p. 22)
28. As part of the hospital insurance program, the Province will recompense the municipalities for their statutory payments on behalf of uninsured hospitalized indigents through an unconditional grant based on their particular indigency experience in the years 1955-57 inclusive. In total, the municipalities will be saved an annual expenditure of approximately \$12 million for indigent care and hospital deficits. (p. 15)
29. Our contribution to the Ontario Alcoholism Research Foundation will be \$434,000 in 1959-60, as against \$327,000 in 1958-59. (p. 17)
30. The psychiatric staffs of mental hospitals across the Province are being enlarged in anticipation of a new campaign against mental illness which will involve a sweeping improvement of our treatment services. Every mental patient is being classified according to condition and care needed, as the first step towards a more precise tailoring of treatment methods to fit the specific requirements of individual patients. (p. 16)
31. Ontario's health bill in the coming fiscal year is estimated at \$81.2 million, an increase of \$7.7 million over the appropriation of \$73.5 million in last year's Budget. (p. 17)

32. The total expenditure for Provincial welfare services will amount to \$49.2 million in the fiscal year 1959-60, \$6.6 million above the outlay in the current fiscal year. (pp. 19, 20)
33. The Ontario Government is in accord with the recent Federal proposal that the entire subject of financial relations between the Dominion and the provinces receive active, co-operative study. The Province seeks a more equitable adjustment of the major direct tax fields, which would raise the Province's share to 15 per cent of corporation income and 15 per cent of Federal individual income tax collections. In addition, the Federal Government should vacate the succession duty field. (pp. 30, 31)

APPENDIX I

GOVERNMENT STATEMENTS

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**INTERIM STATEMENT OF ORDINARY REVENUE, ONTARIO,
FISCAL YEAR APRIL 1, 1958 TO MARCH 31, 1959**

9 MONTHS' ACTUAL PLUS 3 MONTHS' FORECAST

DEPARTMENT	Gross Ordinary Revenue	Application of Revenue to Expenditure	Net Ordinary Revenue
AGRICULTURE.....	\$ 1,500,000	\$.....	\$ 1,500,000
ATTORNEY-GENERAL.....	6,716,000	801,000	5,915,000
EDUCATION.....	2,600,000	504,000	2,096,000
HEALTH.....	4,681,000	1,204,000	3,477,000
HIGHWAYS.....	769,000	.....	769,000
INSURANCE.....	467,000	.....	467,000
LABOUR.....	754,000	25,000	729,000
LANDS AND FORESTS.....	19,154,000	.....	19,154,000
MINES.....	9,466,000	29,000	9,437,000
MUNICIPAL AFFAIRS.....	289,000	.....	289,000
PROVINCIAL SECRETARY.....	2,185,000	.....	2,185,000
PUBLIC WORKS.....	239,000	3,000	236,000
REFORM INSTITUTIONS.....	3,889,000	3,185,000	704,000
TRANSPORT.....	54,480,000	.....	54,480,000
TRAVEL AND PUBLICITY.....	255,000	.....	255,000
TREASURY:			
Main Office—Subsidy.....	3,641,000	.....	3,641,000
Interest.....	71,000	.....	71,000
Ontario Racing Commission.....	107,000	.....	107,000
Liquor Control Board—Profits.....	70,000,000	.....	70,000,000
Transfer Fees.....	600,000	.....	600,000
Province of Ontario Savings Office.....	820,000	820,000	.....
Provincial share of Income Tax collected from privately-owned corporations operating public utilities.....	1,200,000	.....	1,200,000
Comptroller of Revenue:			
Income Tax Rental Agreement.....	89,267,000	.....	89,267,000
Corporations Tax.....	155,000,000	.....	155,000,000
Gasoline Tax.....	143,000,000	.....	143,000,000
Motor Vehicle Fuel Tax.....	5,300,000	.....	5,300,000
Hospitals Tax.....	4,400,000	.....	4,400,000
Succession Duty.....	34,000,000	.....	34,000,000
Race Tracks Tax.....	5,200,000	.....	5,200,000
Security Transfer Tax.....	2,200,000	.....	2,200,000
Land Transfer Tax.....	4,000,000	.....	4,000,000
Law Stamps.....	1,400,000	.....	1,400,000
Logging Tax.....	1,800,000	.....	1,800,000
Water Rentals.....	1,960,000	.....	1,960,000
Total for Treasury.....	\$523,966,000	\$ 820,000	\$523,146,000
	\$631,410,000	\$ 6,571,000	\$624,839,000
PUBLIC DEBT—Interest, etc.....	19,337,000	19,337,000	.....
	<u>\$650,747,000</u>	<u>\$ 25,908,000</u>	<u>\$624,839,000</u>

**INTERIM STATEMENT OF ORDINARY EXPENDITURE, ONTARIO,
FISCAL YEAR APRIL 1, 1958 TO MARCH 31, 1959**

9 MONTHS' ACTUAL PLUS 3 MONTHS' FORECAST

DEPARTMENT	Gross Ordinary Expenditure	Application of Revenue to Expenditure	Net Ordinary Expenditure
AGRICULTURE.....	\$ 13,932,000	\$.....	\$ 13,932,000
ATTORNEY-GENERAL.....	19,612,000	801,000	18,811,000
ECONOMICS.....	301,000	.....	301,000
EDUCATION.....	177,367,000	504,000	176,863,000
HEALTH.....	78,007,000	1,204,000	76,803,000
HIGHWAYS.....	113,604,000	.....	113,604,000
INSURANCE.....	374,000	.....	374,000
LABOUR.....	2,716,000	25,000	2,691,000
LANDS AND FORESTS.....	21,678,000	.....	21,678,000
LIEUTENANT-GOVERNOR.....	20,000	.....	20,000
MINES.....	1,544,000	29,000	1,515,000
MUNICIPAL AFFAIRS.....	32,171,000	.....	32,171,000
PLANNING AND DEVELOPMENT.....	3,459,000	.....	3,459,000
PRIME MINISTER.....	195,000	.....	195,000
PROVINCIAL AUDITOR.....	418,000	.....	418,000
PROVINCIAL SECRETARY.....	2,693,000	.....	2,693,000
PUBLIC WELFARE.....	42,620,000	.....	42,620,000
PUBLIC WORKS.....	11,673,000	3,000	11,670,000
REFORM INSTITUTIONS.....	14,852,000	3,185,000	11,667,000
TRANSPORT.....	3,792,000	.....	3,792,000
TRAVEL AND PUBLICITY.....	1,546,000	.....	1,546,000
TREASURY.....	11,652,000	820,000	10,832,000
	<u>\$554,226,000</u>	<u>\$ 6,571,000</u>	<u>\$547,655,000</u>
PUBLIC DEBT—Interest, etc.....	52,990,000	19,337,000	33,653,000
	<u>\$607,216,000</u>	<u>\$ 25,908,000</u>	<u>\$581,308,000</u>
PUBLIC DEBT—Sinking Fund Instalments...	17,941,000	.....	17,941,000
	<u>\$625,157,000</u>	<u>\$ 25,908,000</u>	<u>\$599,249,000</u>
Capital Disbursements on Highways, Public Works, etc., financed out of Ordinary Revenue	25,000,000	.....	25,000,000
	<u>\$650,157,000</u>	<u>\$ 25,908,000</u>	<u>\$624,249,000</u>

SUMMARY

Ordinary Revenue and Ordinary Expenditure, Fiscal Year April 1, 1958 to March 31, 1959

9 MONTHS' ACTUAL PLUS 3 MONTHS' FORECAST

Net Ordinary Revenue.....	\$624,839,000
Less: Net Ordinary Expenditure.....	\$581,308,000
Provision for Sinking Funds.....	17,941,000
Capital Disbursements financed out of Ordinary Revenue.....	25,000,000
	<u>624,249,000</u>
Interim Surplus.....	<u>\$ 590,000</u>

**INTERIM STATEMENT OF CAPITAL RECEIPTS, ONTARIO,
FISCAL YEAR APRIL 1, 1958 TO MARCH 31, 1959**

9 MONTHS' ACTUAL PLUS 3 MONTHS' FORECAST

DEPARTMENT	Gross Capital Receipts	Application of Receipts to Payments	Net Capital Receipts
HEALTH.....	\$ 56,000	\$.....	\$ 56,000
HIGHWAYS.....	1,335,000	.....	1,335,000
LABOUR.....	11,600,000	.....	11,600,000
LANDS AND FORESTS.....	480,000	.....	480,000
MINES.....	85,000	.....	85,000
MUNICIPAL AFFAIRS.....	50,000	.....	50,000
PLANNING AND DEVELOPMENT.....	881,000	.....	881,000
PROVINCIAL SECRETARY.....	20,200,000	.....	20,200,000
PUBLIC WELFARE.....	11,426,000	11,426,000	.....
PUBLIC WORKS.....	1,746,000	.....	1,746,000
TRANSPORT.....	3,600,000	.....	3,600,000
TREASURY.....	91,501,000	.....	91,501,000
	<u>\$142,960,000</u>	<u>\$ 11,426,000</u>	<u>\$131,534,000</u>

SUMMARY

Sale of Lands, Buildings, etc.....	\$ 5,099,000
Repayment of Loans and Advances.....	25,903,000
Special Funds.....	36,282,000
Deferred Assets, etc.....	64,250,000
	<u>\$131,534,000</u>

**INTERIM STATEMENT OF CAPITAL DISBURSEMENTS, ONTARIO,
FISCAL YEAR APRIL 1, 1958 TO MARCH 31, 1959**

9 MONTHS' ACTUAL PLUS 3 MONTHS' FORECAST

DEPARTMENT	Gross Capital Payments	Application of Receipts to Payments	Net Capital Payments
AGRICULTURE.....	\$ 800,000	\$.....	\$ 800,000
EDUCATION.....	500,000	.....	500,000
HIGHWAYS.....	111,935,000	.....	111,935,000
Highway Construction Account.....	57,500,000	.....	57,500,000
LABOUR.....	12,800,000	.....	12,800,000
LANDS AND FORESTS.....	5,600,000	.....	5,600,000
MINES.....	1,000,000	.....	1,000,000
MUNICIPAL AFFAIRS.....	3,777,000	.....	3,777,000
PLANNING AND DEVELOPMENT			
—realizable assets.....	8,300,000	.....	8,300,000
—conservation works, etc.....	1,500,000	.....	1,500,000
PROVINCIAL SECRETARY.....	5,140,000	.....	5,140,000
PUBLIC WELFARE.....	11,426,000	11,426,000	.....
PUBLIC WORKS.....	47,060,000	.....	47,060,000
Ontario Water Resources Commission.....	9,000,000	.....	9,000,000
TRANSPORT			
Unsatisfied Judgment Fund.....	3,300,000	.....	3,300,000
TREASURY.....	12,493,000	.....	12,493,000
	<u>\$292,131,000</u>	<u>\$ 11,426,000</u>	<u>\$280,705,000</u>
Less: Financed out of Ordinary Revenue.....	25,000,000	.....	25,000,000
	<u>\$267,131,000</u>	<u>\$ 11,426,000</u>	<u>\$255,705,000</u>

SUMMARY

Highways, Buildings, etc.....	\$225,834,000	
Less: Financed out of Ordinary Revenue.....	25,000,000	
	<u> </u>	\$200,834,000
Loans and Advances.....		28,229,000
Special Funds.....		21,814,000
Miscellaneous.....		4,828,000
		<u> </u>
		<u>\$255,705,000</u>

**STATEMENT OF CURRENT OPERATIONS INCLUDING CAPITAL DISBURSEMENTS
FINANCED OUT OF ORDINARY REVENUE, ONTARIO,
FISCAL YEAR APRIL 1, 1958 TO MARCH 31, 1959**

9 MONTHS' ACTUAL PLUS 3 MONTHS' FORECAST

FUNDS PROVIDED:

Net Ordinary Revenue.....		\$624,839,000
Capital Receipts—		
Highway Construction Account:		
Balance from Prior Years.....	\$ 37,500,000	
1958-59 Budget Appropriation.....	\$45,000,000	
Less: Amount carried forward to 1959-60	25,000,000	
	<u>20,000,000</u>	
	\$ 57,500,000	
Sale of Lands, Buildings, etc.....	5,099,000	
	<u>62,599,000</u>	
Total Funds Provided.....		<u>\$687,438,000</u>

FUNDS APPLIED:

Net Ordinary Expenditure.....	\$581,308,000	
Gross Capital Disbursements for Non-realizable Assets—		
Highways:		
Construction Account.....	\$ 57,500,000	
Construction, Subsidies, Land		
Acquisition, etc.....	111,935,000	
	<u>\$169,435,000</u>	
Logging and Forest Access Roads.....	1,600,000	
Mining and Access Roads.....	1,000,000	
Rural Power Transmission Lines.....	1,500,000	
Conservation Works, etc.....	2,560,000	
Public Works.....	45,739,000	
Provincial Parks.....	4,000,000	
	<u>\$225,834,000</u>	
Proportion of above Capital Disbursements to be paid from		
Funds Provided.....	87,599,000	
Total Funds Applied.....		<u>668,907,000</u>
Balance (before providing for Sinking Funds).....		\$ 18,531,000
Less: Provision for Sinking Funds.....		<u>17,941,000</u>
Interim Surplus.....		<u>\$ 590,000</u>

PROVINCE OF ONTARIO
Net Ordinary And Net Capital Expenditures And Revenues
Fiscal Year 1958 - 1959 ⁽¹⁾

Scale in Millions of Dollars

0 50 150 250 350 450 550 650 750

EXPENDITURES ⁽²⁾ - Total 780.1

Highways and Roads	238.0
Education	176.9
Health and Public Welfare	119.4
Other Departments	89.8
Public Works	58.5
Public Debt -Int. and Sinking Fund Instalments	51.6
Natural Resources and Conservation	45.9

0 50 150 250 350 450 550 650

REVENUES - Total 629.9

Corporations Tax	155.0
Gasoline Tax	143.0
Tax Rental Agreement	89.2
Liquor Profits and Fees	70.6
Other Revenues	57.5
Motor Vehicle Licences, etc.	54.4
Succession Duty	34.0
Timber Dues, Water Rentals, etc.	21.1
Net Capital Receipts	5.1

(1) Nine months' actual—three months' forecast.

(2) Excluding \$45.0 million appropriated from Ordinary Account for Highway Construction Account.

**ESTIMATED INCREASE IN THE GROSS CAPITAL DEBT, ONTARIO,
FOR THE FISCAL YEAR ENDING MARCH 31, 1959**

Estimated Gross Capital Debt as at March 31, 1959.....	\$1,579,299,988.88
Gross Capital Debt as at March 31, 1958.....	1,285,809,988.88
Estimated Increase in Gross Capital Debt.....	<u>\$ 293,490,000.00</u>

GROSS CAPITAL DEBT INCREASED BY:

Capital Disbursements on Highways, Public Buildings, Works, etc.....	\$225,834,000.00
Less: Capital Receipts.....	\$ 5,099,000.00
Charged to Highway Construction Account.....	57,500,000.00
Capital Disbursements financed out of Ordinary Revenue.....	25,000,000.00
	<u>87,599,000.00</u>
	\$138,235,000.00
Advance to the Hydro-Electric Power Commission of Ontario—secured by bonds.....	75,000,000.00
Increase in Tile Drainage Loans (net).....	590,000.00
Increase in Investments of The Ontario Junior Farmer Establishment Loan Corporation.....	3,284,000.00
Increase in Co-operative Loans (net).....	590,000.00
Increase in Advances under The Housing Development Act (net).....	4,620,000.00
Increase in Advances to The Ontario Telephone Develop- ment Corporation.....	50,000.00
Discount and Exchange on Debentures issued during year	7,137,904.68
Increase in Investments of The Ontario Municipal Improvement Corporation.....	10,675,000.00
Advance re Student Aid Loans.....	500,000.00
Increase in Advances on Special Projects.....	3,727,000.00
Increase in Advances to Ontario Water Resources Com- mission.....	9,000,000.00
Increase in Cash on Hand and in Banks.....	81,194,845.32
Repayment to Government of Canada under Tax Rental Agreement, 1952-56.....	4,567,000.00
	<u>\$ 339,170,750.00</u>

GROSS CAPITAL DEBT DECREASED BY:

Sinking Fund Provision charged to Ordinary Expenditure\$	17,941,000.00
Estimated Surplus on Ordinary Account.....	590,000.00
	<u>\$ 18,531,000.00</u>
Discount and Exchange on Debentures, written off.....	1,309,000.00
Repayments of Loans Receivable— The Hydro-Electric Power Commission of Ontario	
—on secured advances.....	\$12,564,000.00
—on unsecured advances...	1,242,000.00
Agricultural Development Board....	275,000.00
Miscellaneous (net).....	121,000.00
	<u>14,202,000.00</u>
Decrease in Investments of Housing Corporation Limited	770,000.00
Increase in Reserves (net).....	329,000.00
Decrease in Temporary Investments.....	8,438,750.00
Decrease in Advances to Ontario-St. Lawrence Development Commission.....	2,101,000.00
	<u>45,680,750.00</u>
Estimated Increase in Gross Capital Debt.....	<u>\$ 293,490,000.00</u>

**ESTIMATED INCREASE IN THE NET CAPITAL DEBT, ONTARIO,
FOR THE FISCAL YEAR ENDING MARCH 31, 1959**

Estimated as at March 31, 1959:

Estimated Gross Capital Debt.....	\$1,579,299,988.88	
Less: Estimated Revenue-Producing and Realizable Assets.....	630,928,643.43	
Estimated Net Capital Debt.....		\$948,371,345.45

As at March 31, 1958:

Gross Capital Debt.....	\$1,285,809,988.88	
Less: Revenue-Producing and Realizable Assets.....	467,203,548.11	
Net Capital Debt.....		818,606,440.77

Estimated Increase in Net Capital Debt.....	<u>\$129,764,904.68</u>
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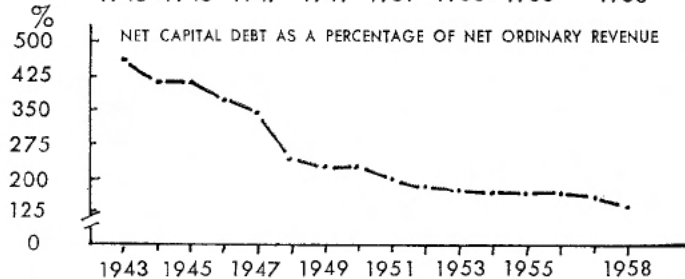
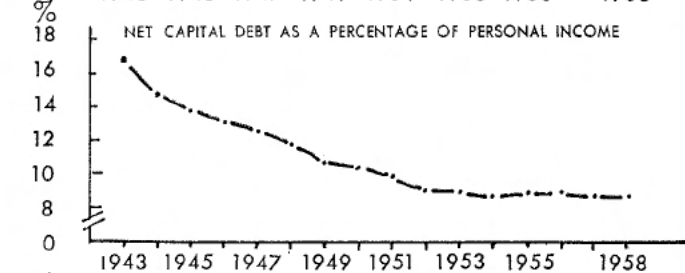
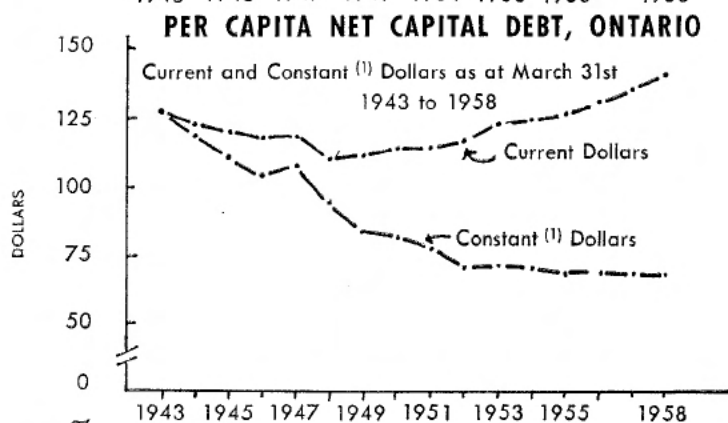
NET CAPITAL DEBT INCREASED BY:

Capital Disbursements on Highways, Public Buildings, Works, etc.....	\$ 225,834,000.00	
Less: Capital Receipts.....	\$ 5,099,000.00	
Charged to Highway Construction Account.....	57,500,000.00	
Capital Disbursements financed out of Ordinary Revenue....	25,000,000.00	
	<u>87,599,000.00</u>	
		\$138,235,000.00
Discount and Exchange paid on Debentures issued during year.....		7,137,904.68
Repayment to Government of Canada under Tax Rental Agreement, 1952-56		4,567,000.00
		<u>\$149,939,904.68</u>

NET CAPITAL DEBT DECREASED BY:

Sinking Fund Provision charged to Ordinary Expenditure \$	17,941,000.00	
Surplus on Ordinary Account.....	590,000.00	
	<u>\$ 18,531,000.00</u>	
Discount and Exchange on Debentures, written off....	1,309,000.00	
Increase in Reserves (net).....	329,000.00	
Miscellaneous Decreases.....	6,000.00	
		<u>20,175,000.00</u>

Estimated Increase in Net Capital Debt.....	<u>\$129,764,904.68</u>
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(1) DEFLATED BY NATIONAL ACCOUNTS IMPLICIT PRICE INDEX
GOVERNMENT EXPENDITURES (1943 = 100)

**ESTIMATED INCREASE IN THE FUNDED DEBT, ONTARIO,
FOR THE FISCAL YEAR ENDING MARCH 31, 1959**

Estimated as at March 31, 1959 (after deducting Sinking Funds).....	\$1,321,199,500.00
As at March 31, 1958 (after deducting Sinking Funds).....	1,043,204,500.00
Estimated Increase in Funded Debt.....	<u>\$ 277,995,000.00</u>

FUNDED DEBT INCREASED BY:

Debentures Issued:

Series "TI" —4½% due November 1, 1962*....	\$18,500,000.00
Series "CM" —3¼% due May 1, 1963.....	25,000,000.00
Series "CN" —4% due May 1, 1983.....	50,000,000.00
Series "CP" —3¾% due December 15, 1963.....	35,000,000.00
Series "CQ" —4¼% due June 15, 1978.....	40,000,000.00
Series "CR" —4¾% due January 1, 1965.....	15,000,000.00
Series "CS" —5% due January 1, 1979.....	50,000,000.00
Series "CT" —4¾% due February 1, 1984.....	75,000,000.00

\$308,500,000.00

Deduct: Provision for Sinking Funds.. \$17,941,000.00

Less: Debentures retired from
Sinking Funds..... 6,342,000.00

11,599,000.00

FUNDED DEBT DECREASED BY: \$ 296,901,000.00

Redemption of Debentures:

On Maturity.....	\$ 6,342,000.00
Prior to Maturity.....	12,564,000.00

18,906,000.00

Estimated Increase in Funded Debt..... \$ 277,995,000.00

*Issued under The Teachers' Superannuation Act.

**ESTIMATED INCREASE IN CONTINGENT LIABILITIES, ONTARIO,
(Before Deducting Guaranteed Bonds Held in Sinking Funds)
FOR THE FISCAL YEAR ENDING MARCH 31, 1959**

Estimated as at March 31, 1959.....	\$1,407,727,734.80
As at March 31, 1958.....	1,352,773,734.80

Estimated Increase in Contingent Liabilities..... \$ 54,954,000.00

CONTINGENT LIABILITIES INCREASED BY:

New guarantees or increases in existing guarantees during the fiscal year ending March 31, 1959—

The Hydro-Electric Power Commission of Ontario	\$75,000,000.00
Ontario Northland Transportation Commission ...	1,400,000.00

\$ 76,400,000.00

CONTINGENT LIABILITIES DECREASED BY:

Principal maturities redeemed, or to be redeemed, including redemptions prior to maturity, during the fiscal year ending March 31, 1959—

The Hydro-Electric Power Commission of Ontario	\$17,323,500.00
Ontario Northland Transportation Commission ...	3,534,000.00
Co-operative Associations.....	471,700.00
Ontario Stock Yards Board.....	100,000.00
Schools.....	11,300.00
Municipality.....	3,000.00
University of Western Ontario.....	2,500.00

21,446,000.00

Estimated Increase in Contingent Liabilities..... \$ 54,954,000.00

**BUDGET FORECAST OF ORDINARY REVENUE, ONTARIO,
FISCAL YEAR APRIL 1, 1959 TO MARCH 31, 1960**

DEPARTMENT	Gross Ordinary Revenue	Application of Revenue to Expenditure	Net Ordinary Revenue
AGRICULTURE.....	\$ 1,540,000	\$.....	\$ 1,540,000
ATTORNEY-GENERAL.....	6,790,000	964,000	5,826,000
EDUCATION.....	2,866,000	650,000	2,216,000
HEALTH.....	5,057,000	4,104,000	953,000
HIGHWAYS.....	1,600,000	.....	1,600,000
INSURANCE.....	458,000	.....	458,000
LABOUR.....	728,000	25,000	703,000
LANDS AND FORESTS.....	17,540,000	.....	17,540,000
MINES.....	11,396,000	26,000	11,370,000
MUNICIPAL AFFAIRS.....	282,000	.....	282,000
PROVINCIAL SECRETARY.....	2,063,000	.....	2,063,000
PUBLIC WORKS.....	228,000	3,000	225,000
REFORM INSTITUTIONS.....	4,124,000	3,430,000	694,000
TRANSPORT.....	55,580,000	.....	55,580,000
TRAVEL AND PUBLICITY.....	279,000	.....	279,000
TREASURY:			
Main Office—Subsidy.....	3,641,000	.....	3,641,000
Interest.....	71,000	.....	71,000
Ontario Racing Commission.....	130,000	.....	130,000
Liquor Control Board—Profits.....	70,000,000	.....	70,000,000
Transfer Fees.....	600,000	.....	600,000
Province of Ontario Savings Office.....	863,000	863,000	.....
Provincial share of Income Tax collected from privately-owned corporations operating public utilities.....	1,200,000	.....	1,200,000
Comptroller of Revenue:			
Income Tax Rental Agreement.....	95,200,000	.....	95,200,000
Corporations Tax.....	160,000,000	.....	160,000,000
Gasoline Tax.....	146,000,000	.....	146,000,000
Motor Vehicle Fuel Tax.....	5,400,000	.....	5,400,000
Hospitals Tax.....	4,500,000	.....	4,500,000
Succession Duty.....	30,000,000	.....	30,000,000
Race Tracks Tax.....	5,200,000	.....	5,200,000
Security Transfer Tax.....	2,000,000	.....	2,000,000
Land Transfer Tax.....	4,000,000	.....	4,000,000
Law Stamps.....	1,300,000	.....	1,300,000
Logging Tax.....	2,000,000	.....	2,000,000
Water Rentals.....	5,232,000	.....	5,232,000
Total for Treasury.....	<u>\$537,337,000</u>	<u>\$ 863,000</u>	<u>\$536,474,000</u>
PUBLIC DEBT—Interest, etc.....			
	<u>\$647,868,000</u>	<u>\$10,065,000</u>	<u>\$637,803,000</u>
	<u>19,433,000</u>	<u>19,433,000</u>	<u>.....</u>
	<u><u>\$667,301,000</u></u>	<u><u>\$29,498,000</u></u>	<u><u>\$637,803,000</u></u>

**BUDGET FORECAST OF ORDINARY EXPENDITURE, ONTARIO,
FISCAL YEAR APRIL 1, 1959 TO MARCH 31, 1960**

DEPARTMENT	Gross Ordinary Expenditure	Application of Revenue to Expenditure	Net Ordinary Expenditure
AGRICULTURE.....	\$ 15,326,000	\$.....	\$ 15,326,000
ATTORNEY-GENERAL.....	21,062,000	964,000	20,098,000
ECONOMICS.....	360,000	.....	360,000
EDUCATION.....	203,037,000	650,000	202,387,000
HEALTH.....	81,201,000	4,104,000	77,097,000
HIGHWAYS.....	89,250,000	.....	89,250,000
INSURANCE.....	415,000	.....	415,000
LABOUR.....	2,846,000	25,000	2,821,000
LANDS AND FORESTS.....	26,258,000	.....	26,258,000
LIEUTENANT-GOVERNOR.....	21,000	.....	21,000
MINES.....	1,617,000	26,000	1,591,000
MUNICIPAL AFFAIRS.....	34,084,000	.....	34,084,000
PLANNING AND DEVELOPMENT.....	9,162,000	.....	9,162,000
PRIME MINISTER.....	158,000	.....	158,000
PROVINCIAL AUDITOR.....	440,000	.....	440,000
PROVINCIAL SECRETARY.....	3,910,000	.....	3,910,000
PUBLIC WELFARE.....	49,233,000	.....	49,233,000
PUBLIC WORKS.....	12,207,000	3,000	12,204,000
REFORM INSTITUTIONS.....	16,054,000	3,430,000	12,624,000
TRANSPORT.....	4,591,000	.....	4,591,000
TRAVEL AND PUBLICITY.....	1,774,000	.....	1,774,000
TREASURY.....	11,246,000	863,000	10,383,000
	<u>\$584,252,000</u>	<u>\$10,065,000</u>	<u>\$574,187,000</u>
PUBLIC DEBT—Interest, etc.....	64,736,000	19,433,000	45,303,000
	<u>\$648,988,000</u>	<u>\$29,498,000</u>	<u>\$619,490,000</u>
PUBLIC DEBT—Sinking Fund Instalments...	18,054,000	.....	18,054,000
	<u>\$667,042,000</u>	<u>\$29,498,000</u>	<u>\$637,544,000</u>

SUMMARY

Ordinary Revenue and Ordinary Expenditure, Fiscal Year April 1, 1959 to March 31, 1960

NET ORDINARY REVENUE.....		\$637,803,000
Less: Net Ordinary Expenditure....	\$619,490,000	
Provision for Sinking Funds...	18,054,000	
	<u> </u>	637,544,000
FORECAST SURPLUS.....		<u>\$ 259,000</u>

**BUDGET FORECAST OF CAPITAL RECEIPTS, ONTARIO,
FISCAL YEAR APRIL 1, 1959 TO MARCH 31, 1960**

DEPARTMENT	Gross Capital Receipts	Application of Receipts to Disbursements	Net Capital Receipts
HIGHWAYS.....	\$ 550,000	\$.....	\$ 550,000
LABOUR.....	14,000,000	.....	14,000,000
LANDS AND FORESTS.....	520,000	.....	520,000
MINES.....	100,000	.....	100,000
PLANNING AND DEVELOPMENT.....	1,000,000	.....	1,000,000
PROVINCIAL SECRETARY.....	21,850,000	.....	21,850,000
PUBLIC WELFARE.....	12,581,000	12,581,000	.....
PUBLIC WORKS.....	1,000,000	.....	1,000,000
TRANSPORT.....	3,600,000	.....	3,600,000
TREASURY.....	51,270,000	.....	51,270,000
	<u>\$106,471,000</u>	<u>\$12,581,000</u>	<u>\$93,890,000</u>

SUMMARY OF NET CAPITAL RECEIPTS

Sale of Land, Buildings, etc.....	\$ 2,170,000
Repayment of Loans and Advances.....	16,940,000
Special Funds.....	40,026,000
Deferred Assets, etc.....	34,754,000
	<u>\$93,890,000</u>

**BUDGET FORECAST OF CAPITAL DISBURSEMENTS, ONTARIO,
FISCAL YEAR APRIL 1, 1959 TO MARCH 31, 1960**

DEPARTMENT	Gross Capital Disbursements	Application of Receipts to Disbursements	Net Capital Disbursements
AGRICULTURE.....	\$ 885,000	\$.....	\$ 885,000
EDUCATION.....	3,000,000	.....	3,000,000
HIGHWAYS.....	147,007,000	.....	147,007,000
Highway Construction Account.....	40,000,000	.....	40,000,000
LABOUR.....	14,000,000	.....	14,000,000
LANDS AND FORESTS.....	1,600,000	.....	1,600,000
MINES.....	1,500,000	.....	1,500,000
MUNICIPAL AFFAIRS.....	1,000,000	.....	1,000,000
PLANNING AND DEVELOPMENT			
—housing.....	6,500,000	.....	6,500,000
—conservation works.....	3,000,000	.....	3,000,000
PROVINCIAL SECRETARY.....	5,500,000	.....	5,500,000
PUBLIC WELFARE.....	12,581,000	12,581,000	.....
PUBLIC WORKS.....	53,135,000	.....	53,135,000
Ontario Water Resources Commission.....	26,500,000	.....	26,500,000
TRANSPORT.....	3,000,000	.....	3,000,000
TREASURY.....	3,756,000	.....	3,756,000
	<u>\$322,964,000</u>	<u>\$12,581,000</u>	<u>\$310,383,000</u>

SUMMARY OF NET CAPITAL DISBURSEMENTS

Highways, Buildings, etc.....	\$248,242,000
Loans and Advances.....	38,935,000
Special Funds.....	23,206,000
	<u>\$310,383,000</u>

**STATEMENT OF CURRENT OPERATIONS INCLUDING CAPITAL DISBURSEMENTS
TO BE FINANCED OUT OF ORDINARY REVENUE, ONTARIO,
APRIL 1, 1959 TO MARCH 31, 1960**

FUNDS PROVIDED:

Net Ordinary Revenue.....		\$637,803,000
Capital Receipts—		
Highway Construction Account—		
Balance from previous year.....	\$ 25,000,000	
1959-1960 Appropriation.....	15,000,000	
	<u>\$ 40,000,000</u>	
Sale of Land, Buildings, etc.....	2,170,000	42,170,000
Total Funds Provided.....		<u>\$679,973,000</u>

FUNDS APPLIED:

Net Ordinary Expenditure.....	\$619,490,000
Gross Capital Disbursements for Non-Realizable Assets—	
Highways—	
Construction Account.....	\$ 40,000,000
Construction, Subsidies, Land	
Acquisition, etc.....	147,007,000
	<u>\$187,007,000</u>
Logging Roads.....	1,500,000
Mining Roads.....	1,500,000
Rural Power Transmission Lines.....	1,850,000
Conservation Works, etc.....	3,250,000
Public Works.....	53,135,000
	<u><u>\$248,242,000</u></u>

Proportion of above Capital Disbursements to be paid from
Funds Provided..... 42,170,000

Total Funds Applied.....	<u>661,660,000</u>
Balance (before providing for Sinking Funds).....	\$ 18,313,000
Less: Provision for Sinking Funds.....	<u>18,054,000</u>
Forecast Surplus.....	<u><u>\$ 259,000</u></u>

ONTARIO'S INVESTMENT IN PHYSICAL ASSETS AND HUMAN BETTERMENT, FISCAL YEARS 1943-44 TO 1958-59

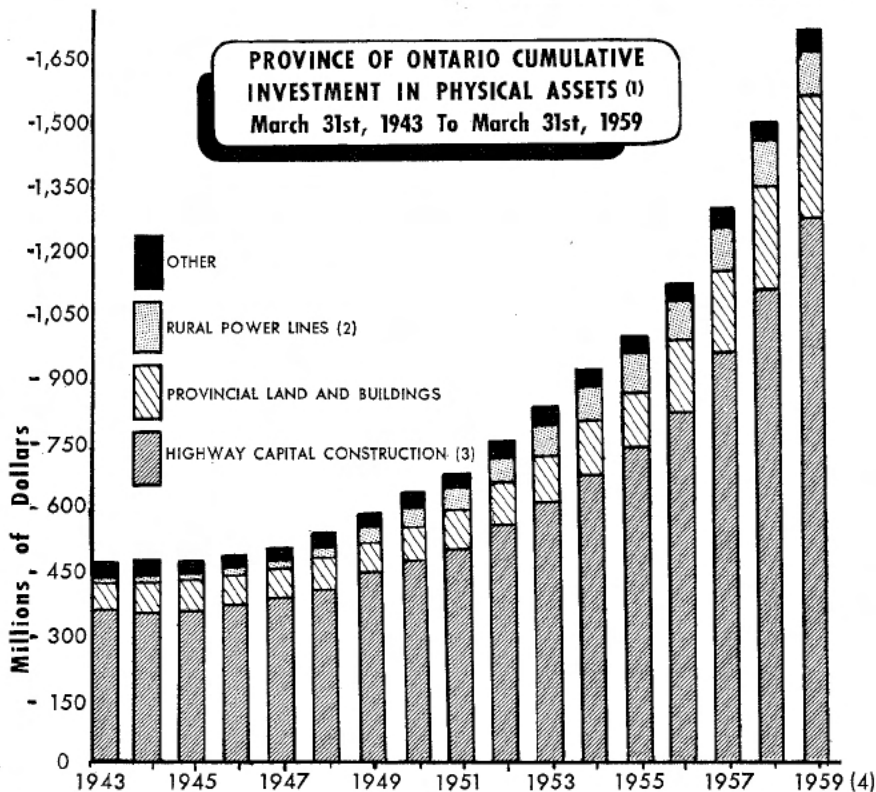
PHYSICAL ASSETS

	Estimated 1958-59	Estimated Sixteen-Year Total 1943-44 to 1958-59
Highways.....	\$170,640,000*	\$ 920,347,686*
Provincial Lands and Buildings.....	43,993,000	216,775,774
Rural Power Lines.....	1,500,000	94,099,229
Miscellaneous.....	4,602,000	12,990,001
	<u>\$220,735,000*</u>	<u>\$1,244,212,690*</u>

*Including expenditure from Highway Construction Account.

HUMAN BETTERMENT

	Estimated 1958-59	Estimated Sixteen-Year Total 1943-44 to 1958-59
Education.....	\$176,863,000	\$1,141,257,196
Health.....	76,803,000	636,793,598
Public Welfare.....	42,620,000	359,127,190
	<u>\$296,286,000</u>	<u>\$2,137,177,984</u>



(1) Does not include Niagara Parks Commission-surplus of assets.

(2) Includes \$1.8 million written off for Capital Expenditure prior to Oct. 31, 1928

(3) Includes \$111.6 million written off for Capital Expenditure prior to Oct. 31, 1928

(4) Estimated

ONTARIO'S HIGHWAY EXPENDITURE, FISCAL YEARS 1958-59 AND 1959-60

		Estimated Expenditure (9 months' actual plus 3 months' forecast) 1958-59	Allocation of Appropriation 1959-60
CAPITAL DISBURSEMENTS			
1. South Western Ontario Districts.....	Chatham, London, Stratford and Owen Sound—including grading, culverts, granular base and structures on Highway 401; grading, culverts, granular base and structures on various roads in all Districts.	\$ 17,716,000	\$ 16,888,000
2. Central Southern Ontario Districts.....	Hamilton, Toronto, Port Hope—including granular base, hot mix paving, structures on the Queen Elizabeth Way; grading, culverts, structures and paving on Highway 401; commencement of the Homer Skyway, as well as grading, culverts, granular base, hot mix paving and structures on various roads in all Districts.	40,627,000	37,964,000
3. South Eastern Ontario Districts.....	Kingston, Ottawa, and Bancroft—including granular base, hot mix paving, and structures on Highway 401; and grading, culverts, granular base, hot mix paving and structures on various roads in all Districts.	17,540,000	24,560,000
4. North Central and North Eastern Districts.....	Huntsville, North Bay, Sudbury, New Liskeard, Cochrane, Sault Ste. Marie and White River—including grading, culverts, granular base, hot mix paving and structures on Trans-Canada Highway in Huntsville and Sault Ste. Marie Districts; paving and structures on Highway 17 (Trans-Canada Highway) between Marathon and Agawa River; grading, culverts, granular base, hot mix paving and structures on various roads in these Districts.	39,246,000	35,662,000
5. North Western Ontario Districts.....	Fort William, Kenora—including grading, culverts, granular base, hot mix paving, and structures on Trans-Canada Highway, and similar work on various roads in these Districts.	12,716,000	15,893,000
6. Property Purchases.....		13,000,000	14,500,000
7. Surveys, Soils and Testing Laboratory, etc.....		5,555,000	6,705,000
8. Municipal Roads.....		39,435,000	46,835,000
		<u>\$185,835,000</u>	<u>\$199,007,000</u>
Less: Estimated amount recoverable under the Trans-Canada Highway Agreement and the St. Lawrence Seaway Agreement.....		16,400,000	12,000,000
		<u>\$169,435,000</u>	<u>\$187,007,000</u>
9. Mining, Logging and Forest Access Roads.....		2,600,000	3,000,000
		<u>\$172,035,000</u>	<u>\$190,007,000</u>
Total Capital.....			

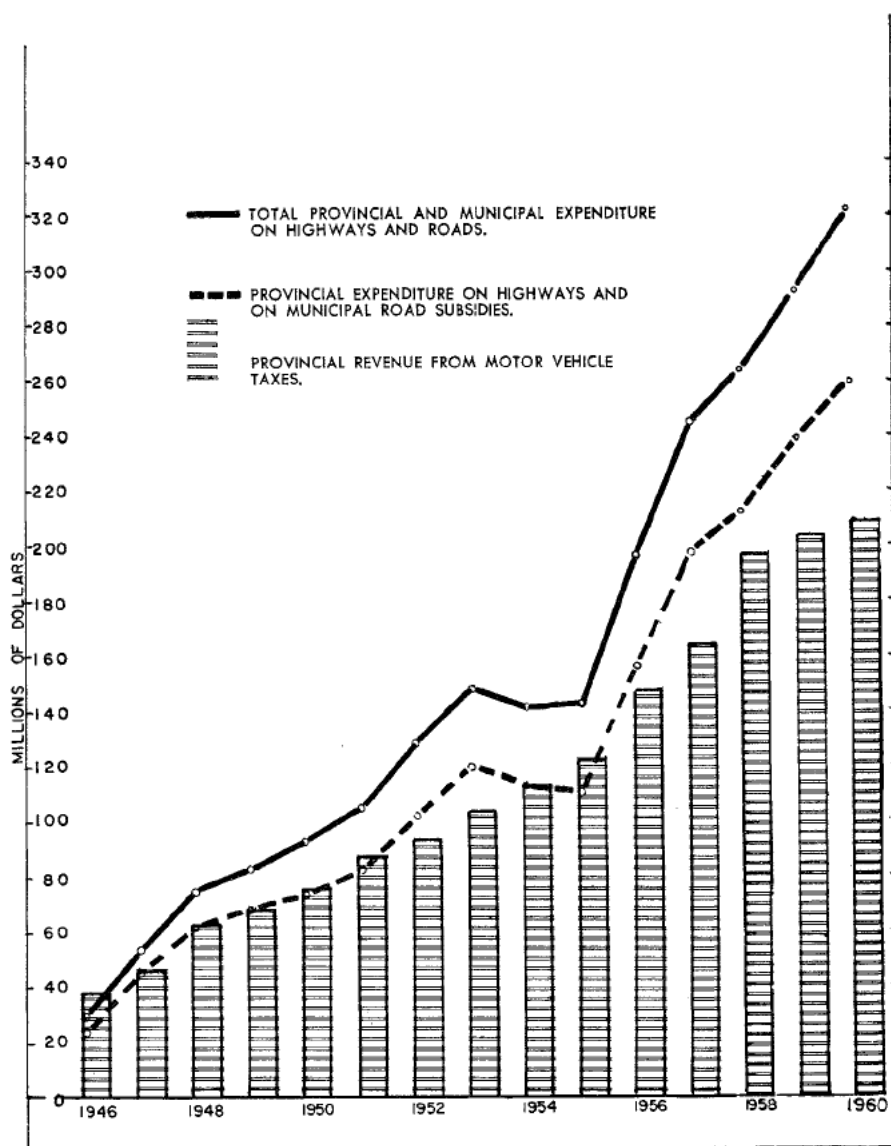
ORDINARY EXPENDITURE	Estimated Expenditure (9 months' actual plus 3 months' forecast) 1958-59	Allocation of Appropriation 1959-60
Maintenance of King's Highways and Secondary Highways, and Administration of the Department.....	\$ 42,004,000	\$ 46,800,000
Repaving Present Roads.....	2,400,000	1,600,000
Amount Allotted to Municipalities for Maintenance under Municipal Roads Branch.....	24,200,000	25,850,000
Total Ordinary.....	\$ 68,604,000	\$ 74,250,000
Combined Capital and Ordinary.....	\$240,639,000	\$264,257,000
Unallocated Amount in the Highway Construction Account.....	25,000,000	Nil
	<u>\$265,639,000</u>	<u>\$264,257,000</u>

HIGHWAY CONSTRUCTION ACCOUNT

(Formerly Highway Reserve Account)

Appropriated from Ordinary Account in 1952-53.....	\$ 30,000,000
Appropriated from Ordinary Account in 1953-54.....	40,500,000
Appropriated from Ordinary Account in 1954-55.....	38,500,000
Appropriated from Ordinary Account in 1955-56.....	28,500,000
Appropriated from Ordinary Account in 1956-57.....	57,500,000
Appropriated from Ordinary Account in 1957-58.....	57,500,000
Appropriated from Ordinary Account in 1958-59.....	45,000,000
	<u>\$297,500,000</u>
Capital Disbursements in 1953-54.....	\$29,331,195
Capital Disbursements in 1954-55.....	26,937,616
Capital Disbursements in 1955-56.....	43,103,889
Capital Disbursements in 1956-57.....	58,127,300
Capital Disbursements in 1957-58.....	57,500,000
Capital Disbursements in 1958-59 (est.).....	57,500,000
	<u>272,500,000</u>
Estimated Balance at March 31, 1959.....	\$ 25,000,000
Appropriation from Ordinary Account in 1959-60.....	15,000,000
	<u>40,000,000</u>
Estimated Capital Disbursements in 1959-60.....	<u>\$ 40,000,000</u>

COMPARISON OF MOTOR VEHICLE REVENUES
AND EXPENDITURES ON HIGHWAYS AND ROADS
FISCAL YEARS ENDING MARCH 31,
1946 TO 1960



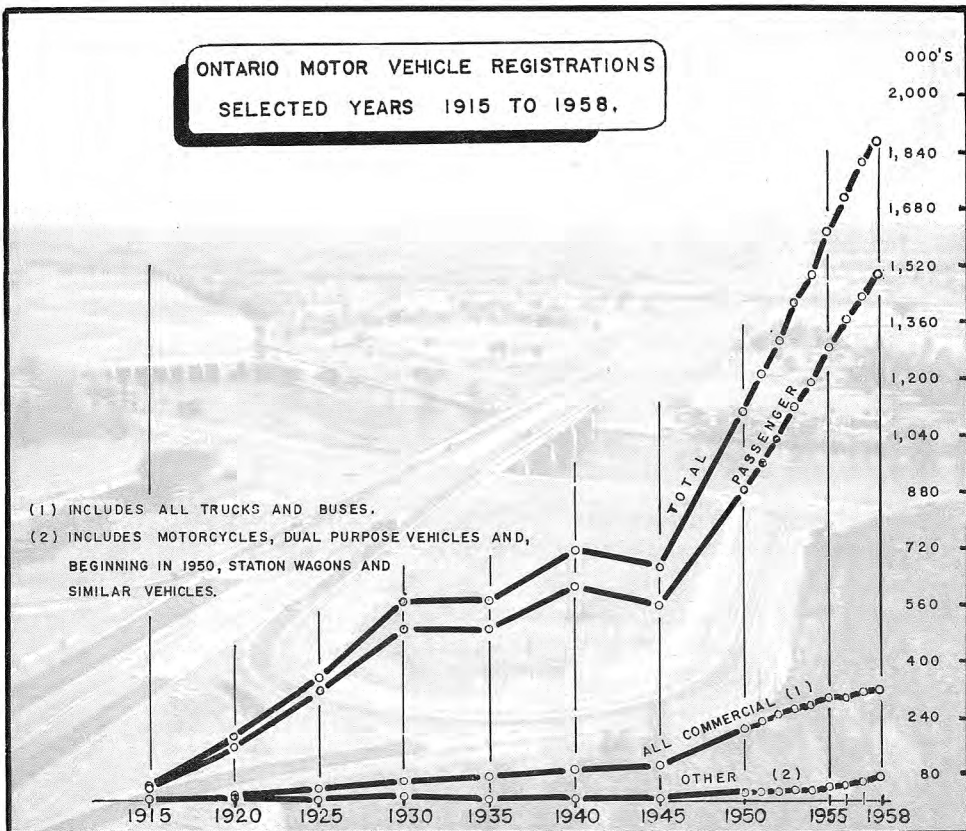
ONTARIO MOTOR VEHICLE REGISTRATIONS, SELECTED YEARS 1915 TO 1958

Year	Passenger	All Commercial ¹	Heavy Commercial ²	Other ³	Total
1915.....	42,346	.....	.....	4,174	46,520
1920.....	155,861	16,204	.....	5,496	177,561
1925.....	303,736	34,690	.....	3,748	342,174
1930.....	490,906	61,690	.....	9,910	562,506
1935.....	489,610	67,590	.....	6,876	564,076
1940.....	610,576	86,038	.....	7,258	703,872
1945.....	555,461	100,234	1,848	7,024	662,719
1946.....	585,604	117,217	2,840	8,285	711,106
1947.....	645,252	140,930	4,389	10,765	796,947
1948.....	698,384	162,589	5,887	12,285	873,258
1949.....	771,709	183,598	7,551	14,062	969,369
1950.....	881,143	202,800	10,187	20,137	1,104,080
1951.....	958,082	225,271	12,899	21,745	1,205,098
1952.....	1,024,816	243,591	15,437	23,346	1,291,753
1953.....	1,117,175	261,923	18,197	27,021	1,406,119
1954.....	1,187,725	272,241	20,485	30,014	1,489,980
1955.....	1,292,133	287,942	24,951	37,778	1,617,853
1956.....	1,365,874	297,329	28,911	47,037	1,710,240
1957.....	1,431,438	304,568	31,166	57,493	1,793,499
1958 (estimated)....	1,490,000	308,000	33,350	68,000	1,866,000

¹Includes trucks and buses.

²Includes trucks and buses over 10 tons gross weight but does not include trailers. Between 1946 and 1957, the number of heavy trailers (over 10 tons gross weight) rose from 299 to 10,614.

³Includes motorcycles, dual purpose vehicles, and, beginning in 1950, station wagons and similar vehicles.



Photo—courtesy Department of Highways: No. 401 Highway crossing the Trent River.

MINING, FORESTRY AND COMMUNITY ACCESS ROADS

The Mining and Access Roads Program, initiated in 1951, was designed to give impetus to the development of proven mining properties and to link isolated communities with established transportation routes. In 1955 the plan was broadened in order to aid the growth of the forestry and tourist industries and the settlement of potentially desirable agricultural lands.

At the end of 1958, 55 projects with a total road mileage of nearly 500 miles had been completed under this program. Twenty-eight of these were financed entirely by the Government while the costs of the remainder were shared between the Province and those companies which stood to derive important benefits from this road construction. By the end of the fiscal year 1958-59, the Ontario Government's aggregate expenditure on roads built under this program since its inauguration will be about \$6 million.

Roads Completed in 1958

	Miles
1. Palomar-Foley Road*	12
2. Hornepayne to Highway No. 11*	43
3. Geraldton-Nakina Road*	43
4. Temagami Mine Road	11
5. Highway No. 11 to Caramat*	20
6. Sioux Lookout-Alcona Road* ¹	6
Total	135

*Financed entirely by the Ontario Government.

¹A large bridge will be built over the Sturgeon River before the road is opened.

In the present year, our access roads program will be accelerated considerably as a result of Federal-Provincial negotiations concerning a comprehensive roads-to-resources program. In anticipation of ratification of these plans by the two Governments, construction on some projects has commenced already. Under the terms of the proposed agreement, \$15 million will be expended over the next five years. The costs are to be shared equally between the Federal and Provincial Governments, although under certain circumstances, private companies may also be required to bear part of the expense.

Preliminary agreement has been reached with respect to the following projects and construction on all of them is well under way:

	Miles
1. Foleyet-Chapleau Road	60
2. Road from Savant Lake to Highway 17	25
3. Road from Port Arthur northward	30
4. Nakina-Percy Lake Road	22
5. Road from Minaki to Pellatt	15
6. H. G. Young Mine Road	2

The pace of our Forest Access Roads Program was accelerated by the unemployment relief program initiated in February and completed in June of 1958. Here also, the Federal Government assumed responsibility for 50 per cent of the costs. The program involved the construction of 375 miles of new forest access roads and the improvement of 40 miles of existing roads at an expenditure of \$1.3 million.

Under similar terms, a comparable program is being implemented this year. The following projects have been approved:

Projects	Miles
Clearing right-of-way	45
New road construction	129
Improvement to existing roads	93

In addition to access road construction, approximately 44 miles of park roads are to be built or improved this year as part of an over-all Parks Development program estimated to cost in excess of \$1 million. Furthermore, under a separate Federal-Provincial Parks-Highway program, plans are being considered for the construction of connecting roads between parks and established highways.

CONSERVATION

The growing interest in conservation in the Province is illustrated by the number of Conservation Authorities created during the past decade and a half, the number of petitions requesting the formation of additional Authorities, and the wide range of their activities.

There are now 24 Conservation Authorities in Ontario, covering an area of 14,647 square miles. During the past year alone, five new Authorities were formed—Central Lake Ontario, Crowe Valley, Sauble Valley, Spencer Creek and Twelve-Mile Creek—embracing an area of 1,650 square miles and including 45 municipalities. Preparatory work for the establishment of three more was also carried out. Since the passing of the Conservation Authorities Act in 1944, the Conservation Branch of the Department of Planning and Development has undertaken 47 surveys to assess the natural resources of the watersheds encompassing the 326 member municipalities and to recommend plans for their preservation and development.

Among the major flood control schemes which have been proposed are the Upper Thames, at a cost of \$10 million which is to be spread over a 10-year period, the Ausable, \$2.7 million and the Moira, \$400,000. These projects are awaiting a favourable decision by the Federal Government to contribute 37.5 per cent of the cost, thus matching the contribution to be made by the Ontario Government. The remaining 25 per cent will be raised by the Authority concerned. In addition, the Metropolitan Toronto and Region Conservation

Authority has prepared a long-range plan of flood control and water conservation which calls for 13 multi-purpose dams and reservoirs, a number of channel improvements and the acquisition of 7,600 acres of flood plain lands for conservation and parkland at a total estimated cost of \$34.6 million. This project will be considered by both the Federal and Provincial Governments in the near future.

In the four years since the Province increased flood control grants on small projects from 37.5 to 50 per cent, there has been a considerable increase in the number of such schemes undertaken. Several were completed during the past year. These include, on the Ausable River, the Morrison Dam at Exeter and the Grand Bend Channel Improvement; on the Credit, the purchase of land for the Orangeville Reservoir; on the Middle Maitland, the Listowel Channel Improvement; on the Napanee, the Second Depot Lake Dam and Reservoir; on the Saugeen, Channel Improvement at Walkerton; on the South Nation, the Casselman Dam; on the Grand, the Guelph Dam and Channel Improvement; and in the Metropolitan Toronto Region, flood control at Goodwood, the acquisition of flood plain lands, flood line mapping, and channel improvements on Black Creek and at Long Branch. The total cost for all these projects approached \$2 million.

Flood control schemes now under way include stream-bank erosion control on the Thames, Saugeen and Grand Rivers and channel improvement and acquisition of flood plain lands on the Don and Humber Rivers and Highland Creek within the Metropolitan Region. The amount of \$3 million is being placed in the 1959-60 Estimates for the work.

Plans for flood control projects which have been advanced to the point where construction could begin, entail an expenditure of \$27.6 million; completed preliminary plans and investigations, involve construction estimated at \$65.5 million; other flood control projects still under consideration will require \$14.1 million in capital outlays. Together, these projects represent an anticipated investment of \$107.2 million.

Reforestation constitutes another major aspect of the work of Conservation Authorities. Up to the present time, 13 agreements have been completed between the Department of Lands and Forests and the Conservation Authorities for management of their reforestation lands. These now encompass a total area of 40,183 acres. Private reforestation has also been encouraged and, with Authority assistance, over 900,000 trees were planted by private landowners in the past year.

Another phase of Authority work, one which has become increasingly important over the past months, is the acquisition and development of recreation areas in conjunction with conservation schemes. There are now 65 such conservation parklands with a total area of 8,300 acres, including fringe lands of reservoirs and parcels of land adjacent either to Authority forests or land use demonstration lots. During 1958, more than one million people enjoyed the use of these areas.

The policy of subsidizing the creation of farm ponds has been continued and more than 350 were developed with Authority assistance in 1958. In conjunction with the educational work on conservation which is carried on by the Authorities, the Metropolitan Toronto and Region Authority plans to establish a permanent conservation camp school in the Albion Hills for use throughout the year.

Eight Conservation Authorities participated in the Winter Works Program under which the Federal Government contributed 50 per cent and the Provincial Government, 25 per cent of the labour costs of work carried out under the program. The winter works projects undertaken by these Authorities, at a total cost of \$300,000, included the clearance of reservoir sites and the construction of roads and dams.

During the fiscal year 1958-59, the total expenditure of all Departments for conservation purposes will reach about \$30 million. For 1959-60, \$36 million is being placed in the Estimates for such work.

MAJOR FLOOD CONTROL AND WATER CONSERVATION PROJECTS COMPLETED BY CONSERVATION AUTHORITIES

Authority	Scheme	Year Completed	Total Cost \$	Ontario Grant %
Ausable.....	Port Franks	1950	158,802	75
	Morrison Dam, Exeter	1958	210,000	50
	Grand Bend	1958	37,650	50
Grand Authority.....	Guelph Dam and Channel	1958	752,115	50
	Wellesley Dam Repairs*	1958	42,375	50
Grand Commission.....	Shand Dam	1942	2,056,487	37½
	Luther Marsh Dam	1953	233,985	37½
	Conestogo Dam	1957	5,400,000	37½
Upper Holland.....	Fairey Lake Dam*	1955	36,914	37½
Metropolitan Toronto and Region.....	Brampton Diversion	1952	976,600	75
	Long Branch Diversion	1949	155,600	75
	Long Branch Channel	1958	70,000	50
	Dredging, Lower Don	1956	75,000	50
	Erosion Control, Queen Street	1956	69,804	37½
	Humber, Black Creek	1958	580,430	50
	Goodwood, Duffin Creek	1958	36,970	50
Moira.....	Deloro Dam*	1953	51,621	37½
Napanee.....	Second Depot Lake Dam*	1958	200,000	50
South Nation.....	Casselman Dam*	1958	25,000	50
Upper Thames.....	Ingersoll Channel	1950	1,002,992	75
	Fanshawe Dam	1953	4,895,894	37½
			<u>17,068,239</u>	

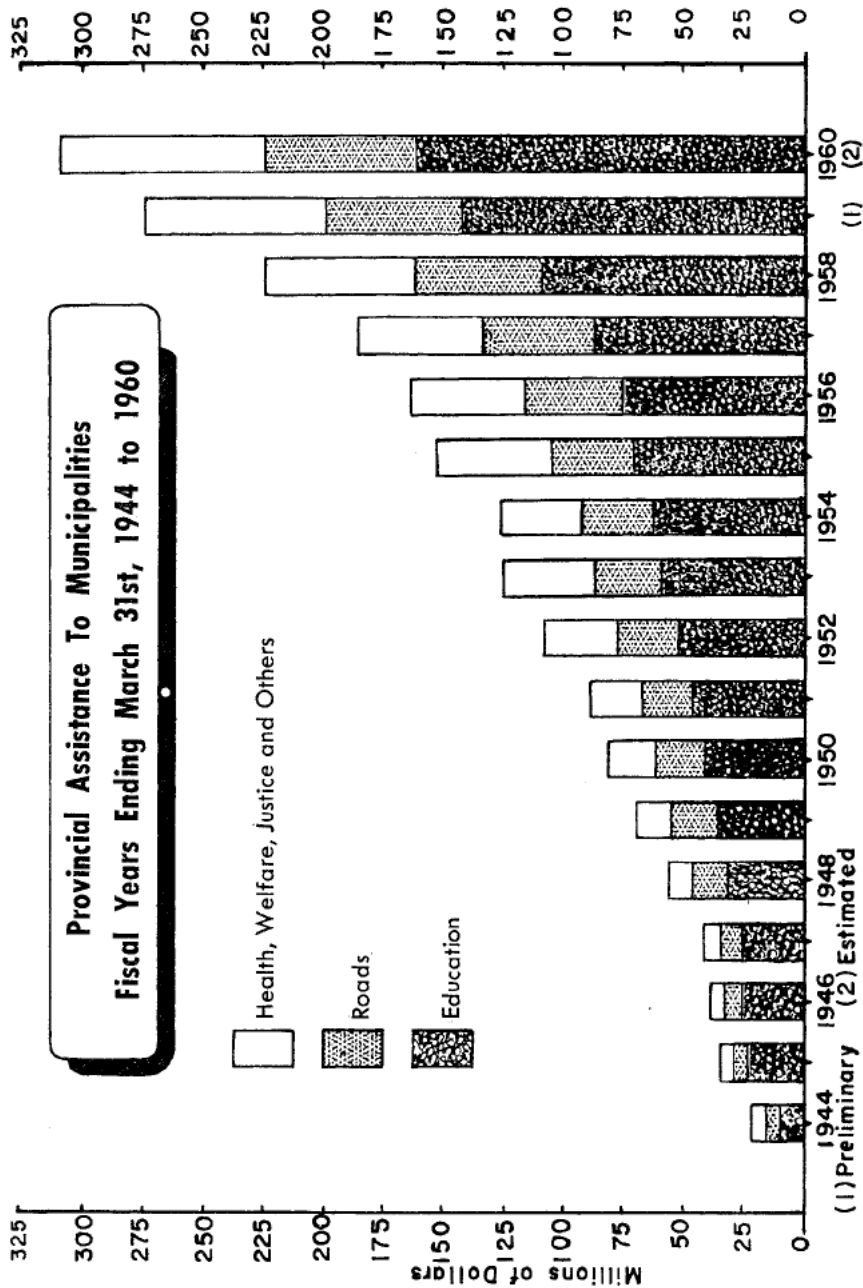
*Water Conservation Scheme.

ASSISTANCE TO MUNICIPALITIES BY THE PROVINCE OF ONTARIO, FISCAL YEARS ENDING MARCH 31, 1948 TO 1960*

	1948	1950	1952	1953	1954	1955	1956	1957	1958	1959 ¹	1960 ²
							(Thousands of Dollars)				
Education:											
General Legislative Grants, etc..	29,977	38,708	48,863	55,438	59,044	68,104 ³	70,757	81,201 ³	99,932 ³	131,215	150,340
Provincial Contributions to the Teachers' Superannuation Fund*	1,866	2,334	3,974	4,551	4,973	2,739	5,960	6,686	10,509	11,836	11,752
Total Education.....	31,843	41,042	52,837	59,989	64,017	70,843	76,717	87,887	110,441	143,051	162,092
Hospitals:											
Maintenance and Construction..	3,283	9,394	11,716	14,761	12,580	15,754	15,696	16,100	15,127	20,130	25,450
Special Grants for Rehabilitation and Other Capital Purposes...	.....	.....	5,750	7,111	7,070	6,243	5,754	6,865	5,837	5,000	.....
Total Hospitals.....	3,283	9,394	17,466	21,872	19,650	21,997	21,450	22,965	20,964	25,130	25,450
Health Units, School Medical Inspection and School Dental Services.	428	489	580	646	672	700	775	856	896	965	1,095
Roads.....	15,339	20,752	25,232	28,025	28,084	33,526	40,519	46,794	52,490	56,335	63,435
One-Mill Subsidy.....	3,279	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Police Act.....	.....	1,363	1,894	2,311	2,727	131	137	162	167	190	205
Fire Departments Act.....	.....	1,375	1,721	2,076	2,273	106	117	128	131	150	160
Unconditional Grants.....	.....	.....	.....	.....	.....	15,235	12,396	12,702	20,670	21,000	25,250
Grants for Urban Redevel. Projects	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	3,000
Grants for Special Work Projects..	.....	.....	.....	.....	.....	.....	.....	.....	.....	6,000	3,000
Day Nurseries.....	134	144	217	217	213	204	196	197	212	240	225
Children's Aid.....	88	824	1,152	1,340	1,487	1,615	1,730	2,127	3,321	4,551	4,950
Homes for the Aged.....	.....	463	2,238	1,971	1,829	2,357	2,978	4,373	5,346	3,156	5,211
Erection of Housing Units for Elderly Persons.....	.....	.....	.....	.....	69	76	39	18	190	93	219
Unemployment Relief.....	1,807	2,396	3,038	2,831	2,811	3,338	3,667	3,900	4,556	6,890	6,475
Community Centres.....	9	482	423	204	187	300	150	265	352	370	275
Conservation, Drainage Aid and Flood Control.....	66	1,012	1,367	1,251	1,256	1,142	1,125	1,759	1,794	2,575	3,925
Mining Municipalities.....	150	300	372	1,427	1,493	1,498	1,499	2,000	2,276	2,700	3,000
Payments in Lieu of Certain Municipal Taxes.....	.....	.....	.....	376	375	448	530	628	788	1,000	1,250
Miscellaneous.....	427	1,881	884	1,076	506	515	638	425	1,170	881	981
Total Assistance to Municipalities	56,853	81,917	109,421	125,612	127,649	154,031	164,663	187,186	225,764	275,277	310,198

*This schedule is not strictly comparable with those of previous years because of the inclusion of Provincial contributions to the Teachers' Superannuation Fund.

¹Interim—9 months' actual plus 3 months' forecast.²Forecast.³Includes Grants per pupil of average daily attendance.



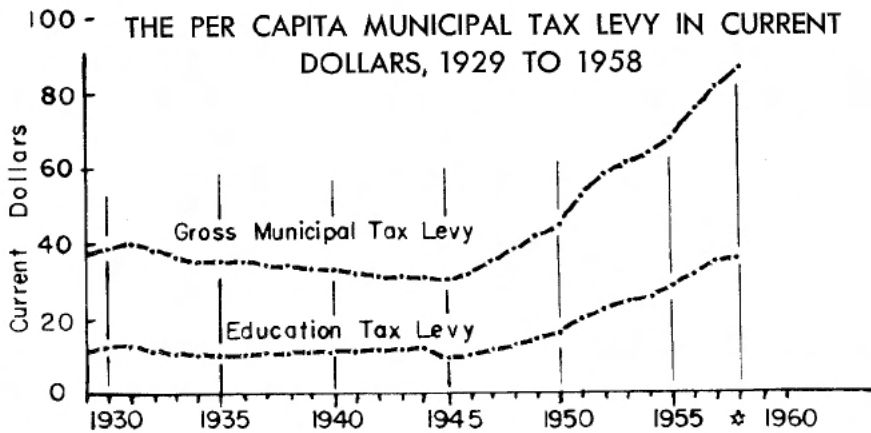
**ONTARIO GROSS MUNICIPAL TAX LEVY IN CURRENT AND CONSTANT¹ DOLLARS, WITH LEVY IN PER CAPITA TERMS
AND AS A PROPORTION OF ASSESSMENT, DEBENTURE DEBT AND PERSONAL INCOME IN ONTARIO
SELECTED YEARS 1929 TO 1958**

Year	Gross Tax Levy ²			Education Tax Levy			Gross Tax Levy as Percent of							
	Assessed Population (000's)	Current Total Amount (\$000's)	Per Capita (\$)	Constant Total Amount (\$000's)	Current Per Capita (\$)	Constant Total Amount (\$000's)	As % Gross Tax Levy (%)	Total Municipal Assessment (%)	Municipal Debt (%)	Personal Income in Ontario (%)				
1929	3,065	115,787	37.78	107,498	35.07	37,847	12.35	35,137	11.46	32.7	25.6	6.1	8.3	5.6
1935	3,322	117,466	35.36	121,760	36.65	34,557	10.40	35,820	10.78	29.4	25.4	29.4	3.9	6.5
1939	3,443	114,255	33.18	111,819	32.50	39,297	11.41	38,459	11.17	34.4	35.1	3.9	3.9	3.9
1940	3,479	114,921	33.03	106,865	30.72	40,287	11.58	37,463	10.77	35.1	31.4	3.8	3.8	3.8
1941	3,509	112,256	31.99	100,509	28.64	40,852	11.64	36,577	10.42	36.4	33.5	3.7	3.7	3.7
1942	3,545	110,277	31.11	90,091	25.41	41,420	11.68	33,838	9.55	37.6	36.1	3.6	3.6	3.6
1943	3,580	111,546	31.16	88,260	24.65	43,023	12.02	34,042	9.51	38.6	39.6	44.1	44.1	44.1
1944	3,580	111,381	31.11	84,103	23.49	43,502	12.15	32,848	9.18	39.1	46.8	3.5	3.5	3.5
1945	3,612	108,163	29.95	77,716	21.52	34,485	9.55	24,778	6.86	31.9	55.1	5.2	5.2	5.2
1946	3,695	117,629	31.83	86,892	23.52	37,125	10.05	27,424	7.42	31.6	54.8	3.7	3.7	3.7
1947	3,854	135,348	35.12	93,980	24.39	44,608	11.57	30,974	8.04	33.0	61.5	4.0	4.0	4.0
1948	3,942	151,361	38.40	92,643	23.50	51,180	12.98	31,325	7.95	33.8	62.5	4.4	4.4	4.4
1949	4,083	171,450	41.99	99,167	24.29	59,864	14.66	34,625	8.48	34.9	61.6	4.3	4.3	4.3
1950	4,203	190,312	45.28	105,336	25.06	67,244	16.00	37,219	8.86	35.3	55.1	4.5	4.5	4.5
1951	4,326	228,271	52.77	113,235	26.18	85,313	19.72	42,320	9.78	37.4	52.2	5.2	5.2	5.2
1952	4,490	262,491	58.46	124,753	27.78	100,079	22.29	47,564	10.59	38.1	52.9	5.5	5.5	5.5
1953	4,648	282,116	60.70	129,505	27.86	112,217	24.14	51,513	11.08	39.8	47.2	5.6	5.6	5.6
1954	4,842	308,216	63.65	136,502	28.19	121,836	25.16	53,959	11.14	39.5	44.7	5.1	5.1	5.1
1955	5,013	338,350	67.49	145,395	29.00	139,841	27.90	60,092	11.99	41.3	44.1	5.2	5.2	5.2
1956	5,131	384,624	74.96	156,888	30.58	163,947	31.95	66,874	13.03	42.6	43.6	5.3	5.3	5.3
1957	5,320	433,789	81.54	168,392	31.65	185,882	34.94	72,157	13.56	42.9	40.6	5.5	5.5	5.5
1958 ³	5,504	475,000	86.30	176,869	32.13	198,000	35.97	74,511	13.54	41.7	40.9	5.8	5.8	5.8

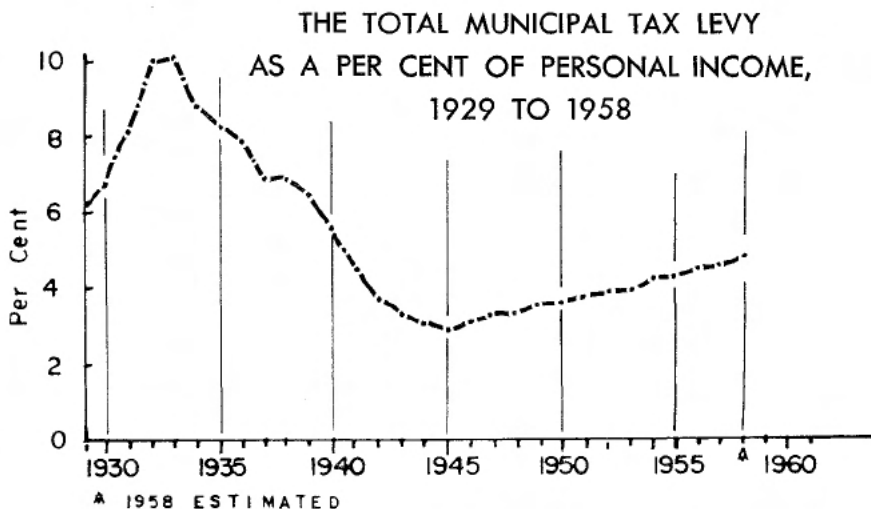
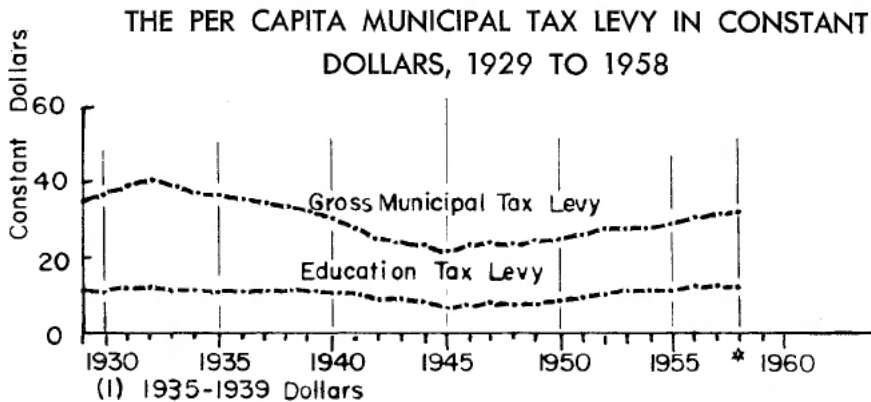
¹Computed in 1935-39 dollars by National Accounts Implicit Price Deflator for Government Expenditures after arithmetically converting the Deflator from a 1949 to a 1935-39 base.

²Including miscellaneous charges on the roll.

³Estimated by the Ontario Department of Economics.



(II)



**DISTRIBUTION OF ONTARIO MUNICIPAL GROSS DEBENTURE
DEBT OUTSTANDING, 1929 TO 1958**

Year	Total Debenture Debt						
	Municipal	Education	Utilities and Municipal Enterprises	Current Dollars		Constant Dollars ¹	
				Amount	Per Capita	Amount	Per Capita
	\$000's	\$000's	\$000's	\$000's	\$	\$000's	\$
1929	218,715	86,354	146,868	451,937	147.44	419,583	136.88
1930	247,971	86,552	150,757	485,280	154.47	458,637	145.99
1931	257,689	88,782	152,531	499,002	156.22	486,716	152.37
1932	260,343	88,144	156,269	504,756	155.82	520,412	160.65
1933	255,734	84,723	153,997	494,434	151.78	520,912	159.90
1934	243,349	83,068	157,535	483,952	147.76	509,869	155.67
1935	225,570	79,571	156,512	461,653	138.98	478,531	144.07
1936	209,229	76,624	145,693	431,546	128.81	441,000	131.64
1937	230,435	67,520	127,840	425,795	126.06	420,273	124.42
1938	219,334	64,695	120,310	404,339	119.13	395,719	116.59
1939	215,634	59,499	113,386	388,249	112.76	379,972	110.36
1940	207,138	56,961	101,525	365,624	105.09	339,995	97.72
1941	188,887	53,114	93,419	335,420	95.58	300,320	85.58
1942	171,552	49,418	84,492	305,462	86.17	249,547	70.40
1943	159,404	45,070	76,989	281,463	78.61	222,706	62.20
1944	136,181	46,483	70,023	252,687	70.59	190,802	53.30
1945	123,954	43,042	63,911	230,907	63.93	165,909	45.93
1946	115,337	42,182	57,151	214,670	58.10	158,576	42.92
1947	120,447	46,412	53,089	219,948	57.06	152,723	39.62
1948	137,399	57,333	47,611	242,343	61.48	148,329	37.63
1949	150,777	71,745	55,644	278,166	68.13	160,891	39.41
1950	170,322	89,100	86,222	345,644	82.25	191,311	45.52
1951	197,141	120,916	119,520	437,577	101.16	217,062	50.18
1952	221,902	145,552	128,351	495,805	110.42	235,640	52.48
1953	243,236	178,546	175,531	597,313	128.51	274,195	58.99
1954	281,593	204,977	202,250	688,820	142.26	305,064	63.01
1955	291,513	238,284	237,548	767,345	153.07	329,742	65.77
1956	335,266	289,927	256,671	881,864	171.87	359,712	70.11
1957	394,131	343,371	280,526	1,018,028	191.37	395,186	74.29
1958 ²	450,000	400,000	310,000	1,160,000	210.76	436,528	79.31

¹Computed in 1935-39 dollars by National Accounts Implicit Price Deflator for Government Expenditures after arithmetically converting the Deflator from a 1949 to a 1935-39 base.

²Estimated by the Ontario Department of Economics.

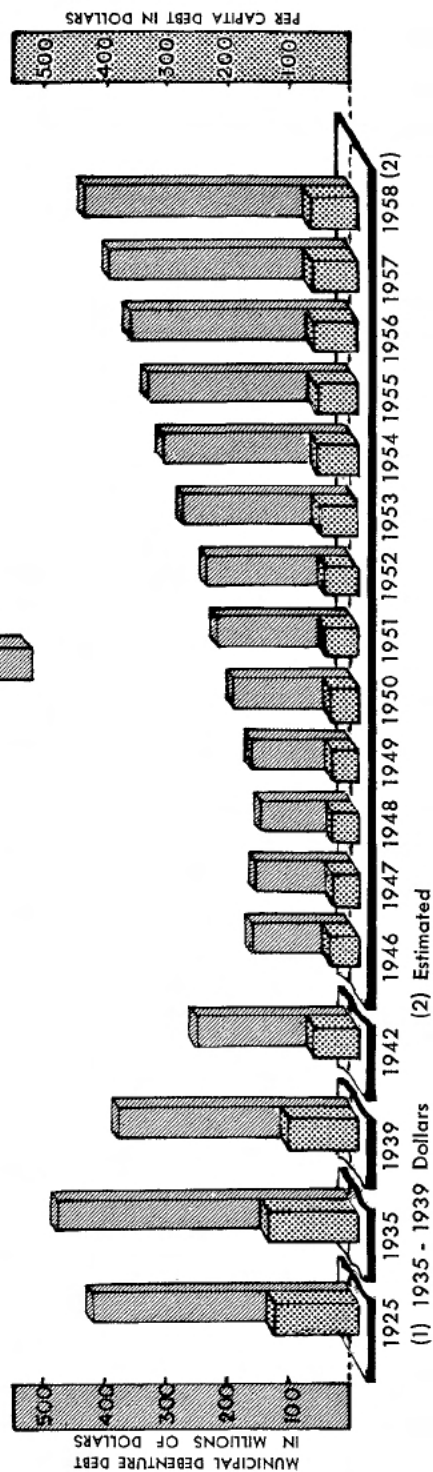
ONTARIO MUNICIPAL DEBENTURE DEBT In Constant Dollars (1)

LEGEND

Per Capita Debt
in dollars



Debenture Debt
in millions of dollars



THE ONTARIO MUNICIPAL IMPROVEMENT CORPORATION

Summary by Municipalities Showing Debentures Purchased and Unmatured Balance from Inception to December 31, 1958

Municipality	Type of Work	Purchased	Unmatured Balance
Acton, Town of	Watermains, Sewers and Schools	\$455,850	\$446,150
Ajax, Town of	Schools	140,000	136,200
Ajax, Town of—Board of Trustees of Roman Catholic Separate Schools	Schools	70,000	68,100
Albion, Township of—Board of Trustees of Roman Catholic Separate School Section No. 8	Schools	40,000	38,900
Ancaster, Township of	Schools	107,000	99,000
Anderdon and Sandwich West, Town- ships of—Board of Trustees of Roman Catholic Union Separate School, United Sections Nos. 2 and 8	Schools	29,000	24,400
Atikokan, Township of	Water, Sewers and Schools	586,400	453,600
Atwood, Township of	Schools	58,400	36,700
Aurora, Town of	Watermains and Sewers	250,860	240,400
Balfour, Township of	Schools	120,000	116,700
Bancroft, Village of	Schools	107,000	101,000
Bath, Village of	Waterworks	35,000	35,000
Beardmore, Improvement District of— Board of Trustees of Roman Catholic Separate School	Schools	60,000	60,000
Bertie, Township of	Water	137,000	100,000
Bicroft, Improvement District of	Schools	60,000	60,000
Black River, Township of	Water	87,378	74,000
Blenheim, Township of—Board of Trus- tees of Roman Catholic Separate School Section No. 21	Schools	47,000	44,200
Blezard, Township of	Schools	80,000	77,800
Blind River, Town of—Board of Trus- tees of Roman Catholic Separate School	Schools	160,000	150,400
Blind River, Town of	Watermains, Sewers and Schools	433,400	422,000
Bolton, Village of	Schools	52,162	50,700
Bonfield, Township of	Schools	40,200	39,100
Bracebridge, Town of	Water and Schools	440,000	406,100
Brampton, Town of—Board of Trustees of Roman Catholic Separate School	Schools	120,000	116,700
Broder, Township of—Board of Trustees of Public School Section No. 2	Schools	28,800	28,800
Broder and Dill, Townships of—Board of Trustees of Public School Union Section No. 1	Schools	40,000	40,000
Bronte, Village of	Schools, Sewers and Water	624,957	572,100
Bruce Mines, Town of	Schools	120,000	116,700
Brudenell and Lyndock and Radcliffe Union, Townships of—Board of Trus- tees of Roman Catholic Separate School Sections Nos. 3 and 3	Schools	20,000	19,500
Brunel, Township of	Schools	33,600	32,700
Burlington, Town of	Schools	96,000	89,000
Burlington, Town of—Board of Trustees of Roman Catholic Separate School	Schools	179,896	179,896
Burlington and Nelson—Board of Man- agement of the Interurban Area of	Water	327,000	221,000
Caledonia, Village of—Board of Trustees of Roman Catholic Separate School	Schools	38,900	38,900
Calvert, Township of	Sewers and Watermains	77,000	74,800
Calvert, Township of—Board of Trus- tees of Roman Catholic Separate School Section No. 4	Schools	160,000	150,300

Municipality	Type of Work	Purchased	Unmatured Balance
Capreol, Town of.....	Sewers and Watermains.....	\$ 54,240	\$ 48,840
Cardiff, Improvement District of.....	Waterworks and Schools.....	617,000	600,100
Cartier, Township of—Board of Trustees of Public School Section No. 1.....	Schools.....	4,150	3,100
Casgrain and Cochrane, Townships of—Board of Trustees of Roman Catholic Separate School Section No. 2.....	Schools.....	38,900	37,800
Cayuga, Village of—Board of Trustees of Roman Catholic Separate School.....	Schools.....	40,000	38,300
Chapleau, Township of.....	Sewers.....	310,000	228,000
Chatham, Township of.....	Watermains.....	64,700	59,700
Chelmsford, Town of.....	Schools.....	4,250	3,850
Chippawa, Village of.....	Sewage and Disposal Plant and Watermains.....	247,533	241,900
Chippawa, Village of—Board of Trustees of Roman Catholic Separate School.....	Schools.....	80,000	77,800
Christie, Township of.....	Schools.....	37,880	37,880
Cobalt, Town of.....	Schools.....	224,000	217,900
Cobden, Village of.....	Water and Sewers.....	77,900	55,700
Cochrane, Town of.....	Sewers.....	109,000	81,000
Colchester North, Township of.....	Schools.....	100,000	97,300
Connree, Township of.....	Schools.....	45,000	45,000
Cornwall, City of.....	Schools and Watermains.....	227,000	186,000
Crowland, Township of—Board of Trustees of Roman Catholic Separate School Section No. 9.....	Schools.....	120,000	116,700
Crystal Beach, Village of.....	Water and Sewers.....	183,594	135,600
Delhi, Village of.....	Water and Sewers.....	50,000	.....
Dover, Township of—Board of Trustees of Roman Catholic Union Separate School Sections Nos. 3, 7, 9, 13, 14 ..	Schools.....	140,000	136,200
Dowling, Township of—Board of Trustees of Roman Catholic Separate School Section No. 3.....	Schools.....	42,000	40,900
Draper, Township of.....	Schools.....	45,000	42,500
Drury, Denison and Graham, United Townships of.....	Schools.....	40,000	40,000
Dryden, Town of.....	Waterworks.....	55,100	36,600
Dungannon, Township of.....	Schools.....	39,200	39,200
Dysart, Guilford, Harburn, Dudley, Harcourt, Bruton, Havelock, Eyre and Clyde, Townships of.....	Schools.....	30,000	28,000
Ellice, Township of—Board of Trustees of Roman Catholic Separate School Section No. 6.....	Schools.....	6,000	4,600
Elliot Lake, Improvement District of.....	Schools, Water and Sewers....	5,398,000	5,250,900
Elliot Lake, Improvement District of—Board of Trustees of Roman Catholic Separate School.....	Schools.....	320,000	320,000
Elmvale, Village of.....	Water.....	4,100	2,200
Etobicoke, Township of.....	Water and Sewers.....	1,416,114	844,000
Etobicoke, Township of—Board of Trustees of Roman Catholic Union Separate School Sections Nos. 11 and 15 ..	Schools.....	160,000	155,600
Faraday, Township of.....	Schools.....	94,024	94,024
Fisher, Unorganized Township of—Board of Trustees of Roman Catholic Separate School Section No. 1.....	Schools.....	15,600	15,100
Fisher and Herrick, Townships of—Board of Trustees of Public Union Section No. 1.....	Schools.....	19,000	19,000
Fonthill, Village of—Board of Trustees of Roman Catholic Separate School.....	Schools.....	80,000	80,000
Fort Frances, Town of.....	Water and Sewers.....	34,464	21,200
Freeman, Township of.....	Schools.....	9,000	8,300

Municipality	Type of Work	Purchased	Unmatured Balance
Frontenac, County of.....	Schools.....	\$775,000	\$754,000
Garson, Township of—Board of Trustees of Roman Catholic Separate School Sections Nos. 2 and 3.....	Schools.....	120,000	116,700
Georgetown, Town of.....	Watermains, Sewers and Schools	793,156	780,730
Georgetown, Town of—Board of Trustees of Roman Catholic Separate Schools.....	Schools.....	170,000	170,000
Geraldton, Town of.....	Water and Schools.....	250,000	153,100
Gladstone, Improvement District of.....	Schools.....	20,000	20,000
Gladstone, Bright, Parkinson, Patton and Eley, Townships of.....	Schools.....	40,000	38,900
Glencoe, Village of—Board of Trustees of Roman Catholic Separate Schools.....	Schools.....	20,000	19,500
Gloucester, Township of.....	Schools.....	172,000	155,800
Grantham, Township of.....	Sewers, Water and Schools.....	569,293	478,500
Grantham, Township of—Board of Trustees of Roman Catholic Separate School Section No. 2.....	Schools.....	120,000	116,700
Grantham, Township of—Board of Trustees of Roman Catholic Separate School Section No. 8.....	Schools.....	40,000	38,900
Grimsby North, Township of.....	Schools.....	38,260	35,300
Gwillimbury West, Township of.....	Sewers.....	128,430	128,430
Hawkesbury, Town of.....	Water and Sewers.....	638,800	59,500
Hearst, Town of.....	Water and Sewers.....	52,000	41,000
Hensall, Village of.....	Schools.....	112,500	105,700
Houghton, Township of—Board of Trustees of Roman Catholic Separate School Section No. 9.....	Schools.....	45,000	42,500
Ignace, Township of.....	Schools.....	92,000	84,900
Ingram, Township of—School Area.....	Schools.....	20,000	18,500
Innisfil, Township of.....	Schools.....	43,438	42,300
Innisfil, Township of—Board of Trustees of Roman Catholic Separate School Section No. 12.....	Schools.....	79,000	74,200
Jaffray and Melick, Townships of.....	Schools.....	23,000	22,000
Joan and Phyllis, Townships of.....	Schools.....	25,000	25,000
Johnson, Township of.....	Schools.....	48,000	46,700
Keewatin, Town of.....	Schools.....	325,000	325,000
Kendrey, Improvement District of.....	Sewers and Watermains.....	73,500	71,500
King, Township of.....	Drainage Works.....	67,651	57,600
Korah, Township of.....	Watermains.....	10,150	10,150
Korah, Township of—Board of Trustees of Roman Catholic Separate School Section No. 3.....	Schools.....	93,100	90,600
Lakefield, Village of.....	Schools and Watermains.....	273,700	262,700
Lakefield, Village of—Board of Trustees of Roman Catholic Separate School.....	Schools.....	40,000	38,900
La Salle, Town of.....	Watermains.....	74,400	72,900
London, Township of.....	Schools and Sewers.....	283,806	233,330
London, Township of—Board of Trustees of Roman Catholic Separate School Section No. 20.....	Schools.....	77,000	75,800
London, Township of—Board of Trustees of Roman Catholic Separate School Section No. 21.....	Schools.....	40,000	38,900
Long Branch, Village of.....	Water.....	106,700	.....
Long and Striker, Townships of—Board of Trustees of Public School Union Sections Nos. 1 and 1.....	Schools.....	59,000	57,400
Lutterworth, Township of.....	Schools.....	40,000	38,900
Lybster and South Marks, Unorganized Township of—School Area.....	Schools.....	20,000	19,500
Machin, Township of.....	Schools.....	12,000	9,900

Municipality	Type of Work	Purchased	Unmatured Balance
Madoc, Village of	Water and Sewers	\$ 15,500	\$ 12,800
Maidstone, Township of—Board of Trustees of Roman Catholic Separate School Section No. 7	Schools	15,000	14,600
Manitouwadge, Improvement District of	Schools and Waterworks	1,686,829	1,686,600
Markham, Township of—Board of Trustees of Roman Catholic Separate School Section No. 1	Schools	80,000	75,200
Marmora, Village of	Schools	90,000	85,000
Matheson, Town of	Water	13,000	3,700
Mattawa, Town of	Water and Sewers	193,500	133,500
Milton, Town of	Sewers and Schools	326,000	317,100
Monteagle and Herschel, Unorganized Townships of	Schools	37,500	34,600
Moore, Township of—Board of Trustees of Roman Catholic Separate School Section No. 5	Schools	15,000	14,100
Morrisburg, Village of	Sewers	8,500	2,900
McKim, Township of	Water, Sewers and Schools	1,086,849	587,032
Neelon and Garson, United Townships of	Water and Schools	1,061,755	918,400
Nelson, Township of	Schools	771,000	750,000
New Liskeard, Town of	Water and Sewers	116,000	9,200
Niagara, Town of—Board of Trustees of Roman Catholic Separate School	Schools	120,000	116,700
Niagara, Township of	Sewers and Drainage	52,312	16,000
Niagara, Township of—Board of Trustees of Roman Catholic Separate School Section No. 5	Schools	40,000	40,000
Niagara Falls, City of	Water	598,000	598,000
Nipigon, Township of	Sewage Plant	85,000	79,400
North Fredericksburg, Township of	Schools	18,500	15,600
North Gwillimbury, Township of	Schools	70,000	63,400
North York, Township of	Incinerator, Water and Sewers	1,747,368	1,095,368
Oakville, Town of	Water	490,000	358,400
Onaping, Improvement District of	Schools	117,000	108,000
Oro, Township of	Schools	40,000	36,900
Parry Sound, Town of	Water and Sewers	17,500	6,200
Pelham, Township of—Board of Trustees of Roman Catholic Separate School Section No. 7	Schools	40,000	40,000
Pembroke, Township of	Schools	37,000	34,700
Petawawa, Township of	Schools	40,000	37,600
Pic, Township of—Board of Trustees of Public School Section No. 1	Schools	70,000	68,100
Pickering, Township of	Schools	60,000	56,700
Pickering, Village of	Schools	110,000	103,400
Port Carling, Town of	Watermains	16,000	16,000
Port Credit, Village of	Water	270,476	197,000
Port Dalhousie, Town of	Watermains	20,000	18,500
Port Dalhousie, Town of—Board of Trustees of Roman Catholic Separate School	Schools	60,000	56,300
Port McNicoll, Village of	Water	16,500	12,300
Powassan, Town of	Water, Sewers and Schools	306,000	284,300
Prescott, Town of	Schools	269,000	249,000
Rayside, Township of	Schools	60,000	58,400
Redditt, Township of—Board of Trustees of Public School Section No. 1	Schools	23,375	23,375
Red Rock, Improvement District of	Water, Sewers and Schools	87,145	58,400
Red Rock, Improvement District of—Board of Trustees of Roman Catholic Separate School	Schools	80,000	80,000
Renfrew, Town of—Board of Trustees of Roman Catholic Separate School	Schools	78,000	75,900

Municipality	Type of Work	Purchased	Unmatured Balance
Richmond Hill, Town of.....	Schools.....	\$ 300,500	\$ 284,200
Richmond Hill, Town of—Board of Trustees of Roman Catholic Separate Schools.....	Schools.....	80,000	77,800
Riverside, Town of.....	Water and Sewers.....	236,530	138,235
Riverside, Town of—Board of Trustees of Roman Catholic Separate School.....	Schools.....	200,000	189,800
Rockland, Town of.....	Water.....	35,000	29,300
Rodney, Village of, and Aldborough, Township of—Board of Trustees of Roman Catholic Union Separate School Section No. 5.....	Schools.....	40,000	38,900
Sandwich East, Township of.....	Storm Sewers, Schools and Watermains.....	784,660	574,671
Sandwich East, Township of—Board of Trustees of Roman Catholic Separate School Section No. 1.....	Schools.....	80,000	75,110
Sandwich East, Township of—Board of Trustees of Roman Catholic Separate School Section No. 3.....	Schools.....	14,000	12,900
Sandwich South, Township of.....	Schools.....	44,000	44,000
Sandwich South, Township of—Board of Trustees of Roman Catholic Separate School Section No. 20.....	Schools.....	75,000	75,000
Sandwich West, Township of.....	Watermains and Schools.....	1,185,513	1,058,439
Sandwich West, Township of—Board of Trustees of Roman Catholic Union Separate School United Sections Nos. 2, 3, 4, 7, 9.....	Schools.....	260,000	245,900
Sault Ste. Marie, City of—Board of Trustees of Roman Catholic Separate School.....	Schools.....	225,000	218,900
Savant Lake—Board of Trustees of Public School Section No. 1.....	Schools.....	12,500	12,500
Scarborough, Township of.....	Water and Sewers.....	4,772,800	.....
Schreiber, Township of.....	Water.....	35,000	28,000
Schreiber, Township of—Board of Trustees of Roman Catholic Separate School Section No. 1.....	Schools.....	23,000	22,400
Shedden, Township of—Board of Trustees of Public School Section No. 1.....	Schools.....	74,000	72,000
Shedden, Township of—Board of Trustees of Roman Catholic Separate School.....	Schools.....	83,000	83,000
Sherwood and Jones, Township of.....	Schools.....	37,407	35,300
Sidney, Township of—Board of Trustees of Roman Catholic Separate School Section No. 1.....	Schools.....	19,600	19,600
Sioux Lookout, Town of.....	Sewers and Watermains.....	228,185	188,400
South River, Village of.....	Water.....	120,000	82,000
Stafford, Township of.....	Schools.....	38,000	38,000
Stamford, Township of.....	Water and Watermains.....	1,231,000	954,000
Stamford, Township of—Board of Trustees of Roman Catholic Union Separate School Sections Nos. 4, 5, 6.....	Schools.....	100,000	100,000
Stamford, Township of—Board of Trustees of Roman Catholic Separate School Section No. 7.....	Schools.....	120,000	116,400
Stouffville, Village of.....	Sewage Disposal.....	500,000	486,400
Strathroy, Town of—Board of Trustees of Roman Catholic Separate School.....	Schools.....	17,000	16,000
Strong, Township of.....	Schools.....	185,000	185,000
Sturgeon Falls, Town of.....	Water, Sewers and Schools.....	287,921	251,100
Sudbury, City of.....	Water and Sewers.....	463,104	269,600
Sunnidale, Township of.....	Schools.....	60,000	58,400
Sutton, Village of.....	Waterworks.....	294,000	286,000

Municipality	Type of Work	Purchased	Unmatured Balance
St. Clair Beach, Village of	Water and Schools	\$ 62,430	\$ 46,000
Tarentorus, Township of	Water and Sewers	228,734	206,400
Tay, Township of	Water	93,000	67,700
Teck, Township of	Water	100,000	61,300
Tecumseh, Town of	Sewers	22,385	7,800
Thessalon, Town of	Water, Sewers and Schools	102,160	94,940
Thorold, Town of—Board of Trustees of Roman Catholic Separate School	Schools	114,000	107,600
Timmins, Town of	Sewers	188,675	116,600
Timmins, Town of—Board of Trustees of Roman Catholic Separate Schools	Schools	326,300	326,300
Tisdale, Township of	Water and Sewers	361,730	339,400
Toronto, Township of	Water, Schools and Sewers	2,016,687	1,730,300
Toronto, Township of—Board of Trustees of Roman Catholic Separate School Section No. 2	Schools	40,000	38,900
Toronto, Township of—Board of Trustees of Roman Catholic Separate School Section No. 4	Schools	97,300	97,300
Toronto, Township of—Board of Trustees of Roman Catholic Separate School Section No. 5	Schools	100,000	94,000
Toronto, Township of—Board of Trustees of Roman Catholic Separate School Section No. 7	Schools	80,000	75,200
Toronto Gore, Township of—Board of Trustees of Roman Catholic Separate School Section No. 6	Schools	40,000	37,800
Trafalgar, Township of	Schools	901,000	862,000
Trafalgar, Township of—Board of Trustees of Roman Catholic Separate School Section No. 13	Schools	142,800	136,300
Trafalgar, Township of—Board of Trustees of Roman Catholic Separate School Section No. 18	Schools	150,000	141,000
Umfreville, Township of—Board of Trustees of Public School Section No. 1	Schools	10,500	3,700
Vermilion Additional, Drayton, Jordan and Vermilion, Townships of—Board of Trustees of Public School Union Sections Nos. 1, 2, 1 and 1	Schools	110,000	107,000
Vespra, Township of	Schools	60,000	54,700
Wallaceburg, Town of—Board of Trustees of Roman Catholic Separate School	Schools	100,000	97,300
Waters, Township of	Schools	45,000	43,800
West Ferris, Township of	Water	60,000	43,000
Westminster, Township of	Schools and Sewers	168,000	138,300
Whitney, Township of	Sewers	41,000	30,600
Wicksteed, Township of	Schools	50,000	47,100
Widdifield, Township of	Water	62,450	44,400
Windsor, City of	Water	2,000,000	1,200,000
Windsor, City of—Board of Trustees of Roman Catholic Separate Schools	Schools	750,000	725,800
Woodbridge, Village of	Schools and Waterworks	177,000	172,200
Wyoming, Village of—Board of Trustees of Roman Catholic Separate School	Schools	40,000	37,800
		<u>\$53,734,916</u>	<u>\$41,174,050</u>

THE ONTARIO JUNIOR FARMER ESTABLISHMENT LOAN CORPORATION

Summary by Counties and Districts of Loans Granted from Inception to January 31, 1959

County or District	No. of Loans	Amount
ALGOMA.....	7	\$ 34,300.00
BRANT.....	51	471,450.00
BRUCE.....	233	1,510,350.00
CARLETON.....	54	392,883.00
COCHRANE.....	12	47,100.00
DUFFERIN.....	75	510,186.00
DUNDAS.....	30	198,200.00
DURHAM.....	37	325,800.00
ELGIN.....	75	621,390.00
ESSEX.....	92	752,050.00
FRONTENAC.....	8	42,000.00
GLENGARRY.....	22	96,850.00
GRENVILLE.....	17	92,000.00
GREY.....	247	1,444,965.00
HALDIMAND.....	75	501,300.00
HALIBURTON.....	..	Nil
HALTON.....	9	71,800.00
HASTINGS.....	28	160,125.00
HURON.....	284	1,946,110.00
KENORA.....	1	2,000.00
KENT.....	58	577,000.00
LAMBTON.....	104	787,650.00
LANARK.....	25	147,825.00
LEEDS.....	24	143,400.00
LENNOX AND ADDINGTON.....	10	76,450.00
LINCOLN.....	27	235,850.00
MANITOULIN.....	7	25,150.00
MIDDLESEX.....	133	1,071,700.00
MUSKOKA.....	1	7,000.00
NIPISSING.....	18	97,500.00
NORFOLK.....	46	383,500.00
NORTHUMBERLAND.....	72	511,600.00
ONTARIO.....	65	493,700.00
OXFORD.....	112	1,089,800.00
PARRY SOUND.....	8	26,600.00
PEEL.....	24	215,150.00
PERTH.....	184	1,338,100.00
PETERBOROUGH.....	27	162,100.00
PRESCOTT.....	74	403,850.00
PRINCE EDWARD.....	33	235,525.00
RAINY RIVER.....	26	101,800.00
RENFREW.....	44	304,540.00
RUSSELL.....	79	419,500.00
SIMCOE.....	136	1,030,350.00
STORMONT.....	30	195,400.00
SUDBURY.....	5	18,700.00
TEMISKAMING.....	42	192,400.00
THUNDER BAY.....	7	52,500.00
VICTORIA.....	42	284,550.00
WATERLOO.....	41	362,700.00
WELLAND.....	20	171,300.00
WELLINGTON.....	223	1,600,300.00
WENTWORTH.....	38	294,860.00
YORK.....	59	461,525.00
	<u>3,201</u>	<u>\$22,740,734.00</u>

SPECIAL GRANTS TO HOSPITALS

This year the Government of Ontario is again providing a special capital grant to hospitals amounting to \$150 for each bed available for service as of December 31, 1958. The cost of this grant is \$5.0 million and brings to \$43 million the total of special capital grants made available to hospitals since the inception of the program in 1952.

The grant may be used in three different ways:

- (a) to provide for the retirement of capital debt,
- (b) to be placed in a special account to assist in a future expansion program, and
- (c) to be set aside in a special account to meet depreciation on items of fixed equipment on which depreciation is not allowed by the Federal Government as a shareable cost under the Hospital Care Insurance Plan.

Interim calculations of the grant are as follows:

Municipality	HOSPITAL	No. of Beds	Amount
Ajax	Ajax and Pickering General Hospital.....	45	\$6,750
Alliston	Stevenson Memorial Hospital.....	34	5,100
Almonte	Rosamond Memorial Hospital.....	15	2,250
Apsley	Red Cross Outpost Hospital.....	5	750
Arnprior	Arnprior and District Memorial Hospital....	38	5,700
Atikokan	Atikokan General Hospital.....	26	3,900
Bancroft	Red Cross Outpost Hospital.....	22	3,300
Barrie	Royal Victoria Hospital of Barrie.....	133	19,950
Beardmore	Red Cross Outpost Hospital.....	7	1,050
Belleville	Belleville General Hospital.....	209	31,350
Blind River	St. Joseph's General Hospital.....	55	8,250
Bowmanville	Bowmanville Hospital.....	53	7,950
Bracebridge	Bracebridge Memorial Hospital.....	35	5,250
Brampton	Peel Memorial Hospital.....	75	11,250
Brantford	Brantford General Hospital.....	412	61,800
Brantford	St. Joseph's Hospital.....	159	23,850
Brockville	Brockville General Hospital.....	161	24,150
Brockville	St. Vincent de Paul Hospital.....	106	15,900
Burk's Falls	Burk's Falls and District Red Cross Hospital	22	3,300
Campbellford	Campbellford Memorial Hospital.....	65	9,750
Carleton Place	Carleton Place and District Memorial Hospital	30	4,500
Chapleau	Lady Minto Hospital.....	51	7,650
Chatham	Public General Hospital.....	173	25,950
Chatham	St. Joseph's Hospital.....	122	18,300
Chesley	The Chesley and District Memorial Hospital	19	2,850
Clinton	Clinton Public Hospital.....	40	6,000
Cobourg	Cobourg General Hospital.....	64	9,600

Municipality	HOSPITAL	No. of Beds	Amount
Cochenour	Margaret Cochenour Memorial Hospital.....	13	\$ 1,950
Cochrane	Lady Minto Hospital.....	70	10,500
Collingwood	General and Marine Hospital.....	86	12,900
Cooksville	South Peel Hospital.....	115	17,250
Cornwall	Cornwall General Hospital.....	194	29,100
Cornwall	Hotel Dieu Hospital.....	250	37,500
Cornwall	Macdonell Memorial Hospital.....	52	7,800
Dryden	Dryden District General Hospital.....	53	7,950
Dunnville	Haldimand War Memorial Hospital.....	41	6,150
Durham	Durham Memorial Hospital.....	16	2,400
Emo	Red Cross Outpost Hospital.....	17	2,550
Englehart	Englehart and District Hospital.....	21	3,150
Espanola	Espanola General Hospital.....	33	4,950
Exeter	South Huron and District Memorial Hospital	36	5,400
Fergus	Groves Memorial Hospital.....	54	8,100
Fort Erie	Douglas Memorial Hospital.....	64	9,600
Fort Frances	LaVerendrye Hospital.....	100	15,000
Fort William	McKellar General Hospital.....	402	60,300
Galt	South Waterloo Memorial Hospital.....	216	32,400
Geraldton	Little Long Lac Hospital.....	23	3,450
Goderich	Alexandra Marine and General Hospital.....	97	14,550
Grimsby	West Lincoln Memorial Hospital.....	38	5,700
Guelph	Guelph General Hospital.....	176	26,400
Guelph	St. Joseph's Hospital.....	168	25,200
Haileybury	Misericordia Hospital.....	122	18,300
Haliburton	Red Cross Outpost Hospital.....	9	1,350
Hamilton	Hamilton General Hospital.....	1,251	187,650
Hamilton	Mount Hamilton Sanatorium (Brow Bldg.)..	96	14,400
Hamilton	St. Joseph's Hospital.....	479	71,850
Hamilton	St. Peter's Infirmary.....	208	31,200
Hanover	Hanover Memorial Hospital.....	48	7,200
Hawkesbury	Notre-Dame Hospital.....	32	4,800
Hawkesbury	St. Cœur-de-Marie Hospital.....	39	5,850
Hawk Junction	Red Cross Outpost Hospital.....	9	1,350
Hearst	Notre-Dame Hospital.....	56	8,400
Hornepayne	Red Cross Outpost Hospital.....	6	900
Huntsville	Huntsville District Memorial Hospital.....	45	6,750
Ingersoll	Alexandra Hospital.....	56	8,400
Iroquois Falls	Anson General Hospital.....	42	6,300
Kenora	Kenora General Hospital.....	59	8,850
Kenora	St. Joseph's Hospital.....	49	7,350
Kincardine	Kincardine General Hospital.....	44	6,600
Kingston	Hotel Dieu Hospital.....	288	43,200
Kingston	Kingston General Hospital.....	471	70,650
Kingston	St. Mary's-of-the-Lake Hospital.....	206	30,900

Municipality	HOSPITAL	No. of Beds	Amount
Kirkland Lake	Kirkland and District Hospital.....	103	\$ 15,450
Kitchener	Freeport Sanatorium (Coutts Pavilion).....	46	6,900
Kitchener	Kitchener-Waterloo Hospital.....	439	65,850
Kitchener	St. Mary's Hospital.....	122	18,300
Leamington	Leamington and District Memorial Hospital	51	7,650
Lindsay	The Ross Memorial Hospital.....	60	9,000
Lion's Head	Red Cross Outpost Hospital.....	5	750
Listowel	Memorial Hospital.....	38	5,700
Little Current	St. Joseph's General Hospital.....	48	7,200
London	Parkwood Hospital for Incurables.....	185	27,750
London	St. Joseph's Hospital.....	437	65,550
London	St. Mary's Hospital.....	215	32,250
London	Victoria Hospital.....	832	124,800
Markdale	Centre Grey General Hospital.....	40	6,000
Matheson	Bingham Memorial Hospital.....	29	4,350
Mattawa	Mattawa General Hospital.....	31	4,650
Meaford	Meaford General Hospital.....	50	7,500
Midland	St. Andrew's Hospital.....	105	15,750
Minden	Red Cross Outpost Hospital.....	8	1,200
Mindemoya	Red Cross Outpost Hospital.....	16	2,400
Mount Forest	Louise Marshall Hospital.....	31	4,650
Nakina	Red Cross Outpost Hospital.....	7	1,050
New Liskeard	New Liskeard and District Hospital.....	40	6,000
Newmarket	The York County Hospital.....	113	16,950
Niagara Falls	The Greater Niagara General Hospital.....	239	35,850
Niagara	Niagara Hospital.....	28	4,200
Nipigon	Nipigon District Memorial Hospital.....	24	3,600
North Bay	Civic Hospital.....	105	15,750
North Bay	St. Joseph's General Hospital.....	186	27,900
Oakville	Oakville-Trafalgar Memorial Hospital.....	162	24,300
Orangeville	Dufferin Area Hospital.....	89	13,350
Orillia	Orillia Soldiers' Memorial Hospital.....	105	15,750
Oshawa	Oshawa General Hospital.....	328	49,200
Ottawa	Ottawa Civic Hospital.....	807	121,050
Ottawa	Ottawa General Hospital.....	622	93,300
Ottawa	The Perley Home for Incurables.....	218	32,700
Ottawa	Hospital St. Louise-Marie-de-Montfort.....	227	34,050
Ottawa	St. Vincent Hospital.....	523	78,450
Ottawa	Salvation Army Grace Hospital.....	76	11,400
Owen Sound	General and Marine Hospital.....	163	24,450
Palmerston	Palmerston General Hospital.....	41	6,150
Paris	The Willett Hospital.....	57	8,550
Parry Sound	The Parry Sound General Hospital.....	85	12,750
Parry Sound	St. Joseph's Hospital.....	59	8,850
Pembroke	General Hospital.....	157	23,550

Municipality	HOSPITAL	No. of Beds	Amount
Pembroke	Pembroke Cottage Hospital.....	105	\$15,750
Penetanguishene	General Hospital.....	63	9,450
Perth	The Great War Memorial Hospital of Perth District.....	49	7,350
Peterborough	St. Joseph's Hospital.....	180	27,000
Peterborough	The Peterborough Civic Hospital.....	226	33,900
Petrolia	Charlotte Eleanor Englehart Hospital.....	41	6,150
Picton	Prince Edward County Hospital.....	27	4,050
Port Arthur	St. Joseph's General Hospital.....	181	27,150
Port Arthur	The General Hospital of Port Arthur.....	260	39,000
Port Colborne	Port Colborne General Hospital.....	100	15,000
Port Hope	The Port Hope General Hospital.....	46	6,900
Port Loring	Red Cross Outpost Hospital.....	5	750
Port Perry	Port Perry Community Hospital.....	27	4,050
Rainy River	Red Cross Outpost Hospital.....	14	2,100
Red Lake	Red Cross Outpost Hospital.....	22	3,300
Renfrew	Victoria Hospital.....	106	15,900
Richard's Landing	Red Cross Outpost Hospital.....	10	1,500
St. Catharines	Hotel Dieu Hospital.....	155	23,250
St. Catharines	The St. Catharines General Hospital.....	373	55,950
St. Mary's	St. Mary's Memorial Hospital.....	36	5,400
St. Thomas	St. Thomas-Elgin General Hospital.....	376	56,400
Sarnia	Sarnia General Hospital.....	247	37,050
Sarnia	St. Joseph's Hospital.....	148	22,200
Sault Ste. Marie	Plummer Memorial Public Hospital.....	138	20,700
Sault Ste. Marie	The General Hospital.....	167	25,050
Scarborough	Scarborough General Hospital.....	184	27,600
Seaforth	Scott Memorial Hospital.....	29	4,350
Shelburne	Shelburne District Hospital.....	16	2,400
Simcoe	Norfolk General Hospital.....	106	15,900
Sioux Lookout	Sioux Lookout General Hospital.....	42	6,300
Smiths Falls	St. Francis General Hospital.....	82	12,300
Smiths Falls	Smiths Falls Public Hospital.....	76	11,400
Smooth Rock Falls	Smooth Rock Falls General Hospital.....	19	2,850
Southampton	Saugeen Memorial Hospital.....	36	5,400
South Porcupine	Porcupine General Hospital.....	22	3,300
Stratford	Stratford General Hospital.....	300	45,000
Strathroy	The General Hospital.....	50	7,500
Sturgeon Falls	St. Jean de Brebeuf Hospital.....	89	13,350
Sudbury	St. Joseph's Hospital.....	173	25,950

Municipality	HOSPITAL	No. of Beds	Amount
Sudbury	Sudbury General Hospital.....	309	\$ 46,350
Sudbury	Sudbury Memorial Hospital.....	248	37,200
Thessalon	Red Cross Outpost Hospital.....	14	2,100
Tillsonburg	Tillsonburg District Memorial Hospital.....	100	15,000
Timmins	St. Mary's Hospital.....	103	15,450
Toronto	Baycrest Hospital.....	87	13,050
Toronto	Hillcrest Convalescent Hospital.....	34	5,100
Toronto	Our Lady of Mercy Hospital.....	300	45,000
Toronto	St. Joseph's Hospital.....	485	72,750
Toronto	St. Michael's Hospital.....	802	120,300
Toronto	Lockwood Clinic.....	39	5,850
Toronto	Lyndhurst Lodge.....	50	7,500
Toronto	The Salvation Army Grace Hospital.....	55	8,250
Toronto	The Home for Incurable Children.....	42	6,300
Toronto	Hospital for Sick Children.....	647	97,050
Toronto	The New Mount Sinai Hospital.....	373	55,950
Toronto	Ontario Cancer Institute.....	87	13,050
Toronto	The Queen Elizabeth Hospital for Incurables	519	77,850
Toronto	Queensway General Hospital.....	131	19,650
Toronto	The Runnymede Hospital.....	114	17,100
Toronto	Toronto East General and Orthopaedic Hospital.....	368	55,200
Toronto	Northwestern General Hospital.....	104	15,600
Toronto	Toronto General Hospital.....	1,706	255,900
Toronto	Toronto Western Hospital.....	697	104,550
Toronto	Women's College Hospital.....	279	41,850
Trenton	Trenton Memorial Hospital.....	68	10,200
Uxbridge	The Cottage Hospital.....	28	4,200
Walkerton	County of Bruce General Hospital.....	34	5,100
Wallaceburg	Sydenham District Hospital.....	75	11,250
Welland	Welland County General Hospital.....	124	18,600
Weston	Humber Memorial Hospital.....	118	17,700
Whitney	Red Cross Outpost Hospital.....	4	600
Warton	Bruce Peninsula and District Memorial Hospital.....	21	3,150
Willowdale	North York Branson Hospital.....	86	12,900
Willowdale	St. John's Convalescent Hospital.....	211	31,650
Willowdale	St. Bernard's Convalescent Hospital.....	60	9,000
Winchester	Winchester and District Memorial Hospital..	34	5,100
Windsor	Riverview Hospital.....	353	52,950
Windsor	Hotel Dieu of St. Joseph's Hospital.....	360	54,000
Windsor	Metropolitan General Hospital.....	316	47,400
Windsor	The Salvation Army Grace Hospital.....	182	27,300
Wingham	Wingham General Hospital.....	91	13,650
Woodstock	Woodstock General Hospital.....	155	23,250

PROVINCIAL SUPPORT OF THE HOSPITALS SYSTEM

In the past twelve years, the Provincial Government's program of assistance to public hospitals has been enlarged rapidly. In 1946-47, regular maintenance grants were initiated to help lower the cost of standard ward care. In 1947-48, capital construction grants were introduced, and then in 1949-50 special maintenance grants were inaugurated. To encourage hospitals to expand and modernize plant and equipment, special rehabilitation grants were paid in 1951-52 and subsequent years. In 1956-57 and 1957-58 the Province provided additional assistance in the form of special capital grants to those hospitals which undertake the training of nurses. In 1958 a further progressive step was taken when capital grants, in almost all categories, were doubled. To carry out this vastly expanded program of aid to public hospitals, Provincial assistance, which in 1947-48 totalled \$3.2 million, was increased threefold to \$9.3 million by 1949-50. Since that time it has more than doubled again, and in 1958-59 will amount to an estimated \$24.6 million—almost eight times the assistance provided in the immediate post-war years. In 1959-60, when a full year's operation of the Hospital Insurance Plan will have been effected, the level of assistance will be further increased to an estimated \$25.5 million.

PROVINCIAL ASSISTANCE TO PUBLIC HOSPITALS, FISCAL YEARS 1947-48 TO 1959-60

Fiscal Year	Maintenance Grants, Provincial Contributions to Hospital Insurance Plan, etc.	Capital and Special Grants	Total
1947-48.....	\$ 2,200,000	\$ 1,037,190	\$ 3,237,190
1948-49.....	6,291,079	2,187,015	8,478,094
1949-50.....	7,077,107	2,252,630	9,329,737
1950-51.....	7,840,518	2,162,925	10,003,443
1951-52.....	8,208,527	9,000,112	17,208,639
1952-53.....	9,267,577	14,382,487	23,650,064
1953-54.....	9,352,448	11,142,061	20,494,509
1954-55.....	9,617,592	13,007,433	22,625,025
1955-56.....	11,182,729	10,722,287	21,905,016
1956-57.....	12,865,969	9,601,698	22,467,667
1957-58.....	13,187,176	7,897,268	21,084,444
1958-59 (est.).....	13,956,000	10,624,000	24,580,000
1959-60 (est.).....	19,575,000	5,950,000	25,525,000

In total, from 1947-48 to 1958-59, the Province has made more than \$205 million in grants available to public hospitals. These grants may be broken down as follows:

	Million \$
Regular Maintenance Grants.....	89.3
Special Maintenance Grants.....	16.4
Capital Grants.....	51.2
Special Rehabilitation Grants.....	42.8
Nurse Training Grants.....	3.6
Other Grants.....	1.7
	<u>205.0</u>

Provincial assistance to T.B. sanatoria has also been substantially increased since the end of World War II, from \$4.1 million in 1947-48 to \$5.9 million in 1958-59. So successful have been the measures adopted to combat tuberculosis

that the death rate from this disease has fallen from about 19 per hundred thousand of the population in 1947 to about 3 per hundred thousand of the population in 1958. As a result, existing facilities are more than adequate to treat the disease in this Province. In fact, a number of beds have been made available for the treatment of other patients.

In the coming fiscal year, the Province will increase its grants for T.B. sanatoria to \$6.1 million. From 1947-48 to 1958-59, the Province has made available more than \$68 million to T.B. hospitals and treatment centres in Ontario.

**PROVINCIAL ASSISTANCE TO T.B. SANATORIA,
FISCAL YEARS 1947-48 TO 1959-60**

Year	Maintenance Grants	Building Grants, etc.	Total
1947-48.....	\$4,135,111	\$.....	\$4,135,111
1948-49.....	4,083,021	.....	4,083,021
1949-50.....	6,086,039	308,429	6,394,468
1950-51.....	5,336,686	43,750	5,380,436
1951-52.....	5,453,522	586,375	6,039,897
1952-53.....	5,663,937	339,001	6,002,938
1953-54.....	6,150,286	388,413	6,538,699
1954-55.....	6,318,256	80,750	6,399,006
1955-56.....	5,895,784	32,500	5,928,284
1956-57.....	5,511,782	.....	5,511,782
1957-58.....	5,788,324	.....	5,788,324
1958-59 (est.).....	5,900,000	10,640	5,910,640
1959-60 (est.).....	6,100,000	66,000	6,166,000

Provincial expenditures on mental hospitals have also been greatly expanded in the past dozen years. In 1958-59 they will total about \$52.2 million or almost five times the \$10.7 million provided in 1947-48. Next year appropriations will be increased by \$5.5 million to a total of \$57.8 million.

In the current fiscal year, the provision of new buildings and other facilities for mental hospitals will require about \$16.7 million, compared with \$1.3 million at the end of World War II. Expenditures for maintenance, some \$35.5 million this year, were at a level of only \$9.4 million in 1947-48.

**PROVINCIAL EXPENDITURES ON MENTAL HOSPITALS,
FISCAL YEARS 1947-48 TO 1959-60**

Fiscal Year	Ordinary Expenditure	Capital Construction, Alterations, Repairs, etc. ¹	Total
1947-48.....	\$ 9,431,293	\$ 1,330,305	\$10,761,598
1948-49.....	11,031,253	1,855,484	12,886,737
1949-50.....	12,524,525	2,480,640	15,005,165
1950-51.....	14,015,492	3,815,038	17,830,530
1951-52.....	16,024,155	4,990,947	21,015,102
1952-53.....	17,261,053	5,297,952	22,559,005
1953-54.....	18,798,706	7,965,972	26,764,678
1954-55.....	20,901,026	9,200,131	30,101,157
1955-56.....	23,406,082	12,225,960	35,632,042
1956-57.....	26,343,446	14,190,404	40,533,850
1957-58.....	30,320,367	16,239,736	46,560,103
1958-59 (est.).....	35,546,000	16,695,000	52,241,000
1959-60 (est.).....	39,796,700	17,990,000	57,786,700

¹Includes Federal grants.

During the past twelve years the Province has paid about \$605 million towards the maintenance and expansion of the public, T.B. and mental hospital system. This massive assistance program has increased the number of beds in operation in these hospitals by 61 per cent—from 35,491 to 57,012. In terms of public hospital beds alone, the increase has been about 88.1 per cent, or twice the rate of population growth during the same period. The great expansion in this category of beds has given Ontario about 5.1 beds per thousand in 1958, as against 3.9 per thousand in 1947, and has made this Province's position in this regard one of the best on the continent.

**BED CAPACITY OF ONTARIO PUBLIC, TUBERCULOSIS
AND MENTAL HOSPITALS, 1946 TO 1959¹**

Year	Public Hospitals	Tuberculosis Hospitals	Mental Hospitals	Total
1946.....	16,378	3,642	15,471	35,491
1947.....	16,492	3,735	16,055	36,282
1948.....	17,458	3,841	16,459	37,758
1949.....	17,968	3,904	16,754	38,626
1950.....	19,057	4,055	17,240	40,352
1951.....	21,023	4,064	17,852	42,939
1952.....	22,181	4,072	18,393	44,646
1953.....	22,980	4,292	19,368	46,640
1954.....	26,258	4,281	20,087	50,626
1955.....	27,014	4,238	20,752	52,004
1956.....	28,937	4,204	21,272	54,413
1957.....	29,296	4,138	21,781	55,215
1958.....	30,806	3,942	22,264	57,012
1959 (est.).....	31,892	3,750	22,600	58,242

¹Increases in the number of beds as shown in the table are net figures taking into account beds which have been withdrawn from service due to obsolescence and other causes. The number of new beds actually constructed has therefore been much higher than the above figures would indicate.

**SURPLUS ON ORDINARY ACCOUNT, ONTARIO,
FISCAL YEARS 1954-55 TO 1958-59**

	1954-55	1955-56	1956-57	1957-58	Estimated 1958-59
	(Thousands of Dollars)				
Net Ordinary Revenue.....	399,393	427,969	479,783	591,849	624,839
Less: Net Ordinary Expenditure—before provision for Sinking Funds and Capital Disbursements financed out of Ordinary Revenue.....	377,714	392,834	437,250	510,150	581,308
Surplus—before provision for Sinking Funds and Capital Payments.....	21,679	35,135	42,533	81,699	43,531
Less: Provision for Sinking Funds.....	21,536	32,630	40,729	17,833	17,941
Capital Disbursements financed out of Ordinary Revenue.....	....	....	....	63,000	25,000
Balance carried to Surplus Account.....	143	2,505	1,804	866	590

**STATEMENT OF CONSOLIDATED REVENUE FUND, ONTARIO,
FISCAL YEARS 1954-55 TO 1958-59**

	1954-55	1955-56	1956-57	1957-58	Estimated 1958-59
	(Thousands of Dollars)				
Receipts:					
On Ordinary Account.....	399,393	427,969	479,783	591,849	624,839
On Capital Account.....	86,638	96,572	133,931	126,117	130,534
Net Proceeds of Loans, etc.....	153,585	268,709	446,671	303,311	301,362
	<u>639,616</u>	<u>793,250</u>	<u>1,060,385</u>	<u>1,021,277</u>	<u>1,056,735</u>
Disbursements:					
On Ordinary Account.....	399,250	425,464	477,979	590,983	624,249
On Capital Account.....	98,348	141,846	242,301	181,547	255,705
Loan Retirements, etc.....	177,534	197,314	321,967	249,648	18,906
	<u>675,132</u>	<u>764,624</u>	<u>1,042,247</u>	<u>1,022,178</u>	<u>898,860</u>
Net Increase or (Decrease) on Year.....	(35,516)	28,626	18,138	(901)	157,875
	<u>639,616</u>	<u>793,250</u>	<u>1,060,385</u>	<u>1,021,277</u>	<u>1,056,735</u>

**SUMMARY OF INCREASES IN NET CAPITAL DEBT, ONTARIO,
FISCAL YEARS 1954-55 TO 1958-59**

	1954-55	1955-56	1956-57	1957-58	Estimated 1958-59
	(Thousands of Dollars)				
Capital Disbursements on Highways, Build- ings, Works, etc.....	80,518	125,336	171,812	200,846	225,834
Less: Expenditure from Highway Construc- tion Account.....	26,938	43,104	58,127	57,500	57,500
Capital Disbursements financed out of Ordinary Revenue.....	....	....	....	63,000	25,000
	<u>53,580</u>	<u>82,232</u>	<u>113,685</u>	<u>80,346</u>	<u>143,334</u>
Less: Capital Receipts relating thereto.....	681	1,986	2,023	1,482	5,099
	<u>52,899</u>	<u>80,246</u>	<u>111,662</u>	<u>78,864</u>	<u>138,235</u>
Add: Mortgage assumed on acquisition of building.....	485	....	....	....	....
	<u>53,384</u>	<u>80,246</u>	<u>111,662</u>	<u>78,864</u>	<u>138,235</u>
Miscellaneous Decrease or (Increase).....	975	530	16,157*	(164)	(10,061)
	<u>52,409</u>	<u>79,716</u>	<u>95,505</u>	<u>79,028</u>	<u>148,296</u>
Less: Surplus (before providing for Sinking Funds).....	21,679	35,135	42,533	18,699	18,531
Increase in Net Capital Debt.....	<u>30,730</u>	<u>44,581</u>	<u>52,972</u>	<u>60,329</u>	<u>129,765</u>
Included in the Net Capital Debt are the following items:					
Highway Construction Account.....	52,731	38,127	37,500	37,500	25,000
Corporations Tax Reserve Account.....	15,562	17,150	....	....	....
	<u>68,293</u>	<u>55,277</u>	<u>37,500</u>	<u>37,500</u>	<u>25,000</u>

*After the transfer of \$17,533,010 Corporations Tax Reserve Account to Surplus Account.

NET ORDINARY REVENUE BY MAJOR SOURCES, ONTARIO,
(Adjusted to Give Effect to Changes in Departmental Functions)
FISCAL YEARS 1954-55 TO 1958-59

	1954-55	1955-56	1956-57	1957-58	Estimated 1958-59
	(Thousands of Dollars)				
Government of Canada:					
Statutory Subsidies.....	3,641	3,641	3,641	3,641	3,641
Interest—Common School Fund.....	71	71	71	71	71
Share of Income Tax collected from privately-owned corporations operating public utilities.....	1,342	1,574	1,428	1,333	1,200
Income Tax Rental Agreement.....	142,747	138,345	160,558	74,379	89,267
	<u>147,801</u>	<u>143,631</u>	<u>165,698</u>	<u>79,424</u>	<u>94,179</u>
Taxation:					
Corporations Tax.....				148,016	155,000
Gasoline Tax.....	92,658	103,815	112,971	138,532	143,000
Motor Vehicle Fuel Tax.....				4,729	5,300
Succession Duty.....	25,819	25,462	29,161	31,980	34,000
Hospitals Tax.....	6,300	4,662	4,615	4,509	4,400
Race Tracks Tax.....	3,945	3,979	4,294	4,643	5,200
Mining and Sundry Taxes.....	4,705	6,802	8,208	9,807	8,212
Security Transfer Tax.....	2,248	4,011	3,503	2,631	2,200
Logging Tax.....	539	837	861	1,663	1,800
Land Transfer Tax.....	2,876	3,436	3,691	3,413	4,000
Other Taxes.....	882	919	1,022	1,504	1,381
	<u>139,972</u>	<u>153,923</u>	<u>168,326</u>	<u>351,427</u>	<u>364,493</u>
Other Revenue:					
Agriculture.....	1,068	1,095	1,216	1,279	1,500
Attorney-General.....	4,112	4,399	4,988	5,328	5,475
Education.....	1,468	1,310	1,392	926	2,096
Health.....	4,070	4,229	4,358	4,638	3,477
Highways.....	826	420	506	535	769
Transport—					
Motor Vehicles—Licences.....	25,940	38,031	44,850	47,591	54,400
—Fees and Fines.....	2,772	3,275	4,251	4,971	
Miscellaneous.....	6	6	65	80	80
Insurance.....	457	494	504	430	467
Labour.....	532	583	685	703	708
Lands and Forests—					
Timber Dues, Bonus, etc.....	11,928	12,707	13,557	14,431	12,400
Fish and Game Licences, etc.....	3,989	4,155	4,205	4,435	4,400
Rentals, Licences, Fees, etc.....	840	777	883	1,000	1,434
Mines.....	957	1,320	1,222	1,257	1,225
Municipal Affairs.....	246	267	298	319	289
Provincial Secretary—					
Registrar General.....	257	277	300	305	302
Other Revenue.....	1,462	1,730	1,786	1,629	1,883
Reform Institutions.....	599	603	659	707	704
Treasury—					
Liquor Control Board—					
Profits.....	46,000	50,700	56,100	66,000	70,000
Transfer Fees.....	768	626	494	673	600
Law Stamps.....	1,072	1,125	1,288	1,358	1,400
Water Rentals.....	1,540	1,531	1,554	1,627	1,960
Other.....	133	93	87	98	107
Various Other Departments.....	578	662	511	678	491
	<u>111,620</u>	<u>130,415</u>	<u>145,759</u>	<u>160,998</u>	<u>166,167</u>
Total Net Ordinary Revenue.....	<u>399,393</u>	<u>427,969</u>	<u>479,783</u>	<u>591,849</u>	<u>624,839</u>

**NET ORDINARY EXPENDITURE BY MAJOR CLASSIFICATIONS, ONTARIO,
(Adjusted to Give Effect to Changes in Departmental Functions)**

FISCAL YEARS 1954-55 TO 1958-59

	1954-55	1955-56	1956-57	1957-58	Estimated 1958-59
(Thousands of Dollars)					
Education, Health and Welfare:					
Legislative Grants for Education.....	66,007	68,400	79,113	97,567	128,500
Education of Non-resident Pupils.....	1,010	1,178	846	967	1,175
Regular Maintenance Grants to Universities	7,271	7,291	8,224	9,566	11,087
Capital and Other Special Grants to					
Universities, etc.....	5,700	7,440	1,900	10,764	10,125
Public Libraries—Legislative Grants.....	800	865	875	990	1,105
Teachers' Superannuation Fund.....	1,739	4,960	5,686	9,509	10,836
Special Contribution.....	1,000	1,000	1,000	1,000	1,000
Grants to Health Units.....	648	700	795	848	900
Grants to Sanatoria.....	6,399	5,928	5,512	5,788	5,900
Grants to Public Hospitals.....	15,472	15,151	13,820	12,849	19,554
Grants to Isolation Hospitals.....	40	36	28	27	25
Special Capital or Rehabilitation Grants to					
Hospitals.....	6,254	5,754	6,865	5,837	5,000
Grants—Nurse Training.....	.....	.....	1,783	1,798	.....
Grants to Ontario Cancer Treatment and					
Research Foundation and Ontario Cancer					
Institute.....	1,499	1,559	965	1,692	1,265
Ontario Hospitals—Administrative and					
Operating Expenses.....	20,901	23,406	26,343	30,320	34,346
Child Welfare—Grants, Services, etc.....	2,035	2,121	2,543	3,781	4,573
Grants for Upkeep of Day Nurseries.....	204	196	197	212	240
Mothers' Allowances.....	6,545	6,761	6,985	8,947	11,030
Old Age Assistance and Blind Persons'					
Allowances.....	5,055	5,120	4,897	5,880	7,046
Disabled Persons' Allowances.....	2,560	1,711	1,850	2,517	3,494
Medical, Dental and Rehabilitation Services	1,702	1,714	1,766	1,845	2,051
Homes for the Aged—					
Grants for Maintenance.....	961	1,029	1,109	3,557	1,165
Grants for New Homes.....	1,471	1,988	3,087	1,979	2,083
Charitable Institutions—					
Grants for Maintenance.....	241	250	260	351	315
Grants for New Buildings.....	267	710	697	444	1,040
Direct Relief.....	3,338	3,669	3,908	4,556	6,890
Other Expenditure.....	15,430	17,397	17,949	20,177	25,541
Total Education, Health and Welfare.....	174,549	186,334	199,003	243,768	296,286
Agriculture, Forestry and Mining:					
Ontario Agricultural College, Guelph.....	3,062	3,161	3,554	4,019	4,455
Ontario Veterinary College, Guelph.....	859	867	976	1,154	1,457
Other Schools and Farms.....	849	908	1,005	1,155	1,313
Extension Branch.....	1,173	1,289	1,678	1,903	2,128
Agricultural and Horticultural Societies					
Branch.....	737	593	853	959	986
Special Grant for the Royal Winter Fair ..	.....	1,000	.....	.....	.....
Field Services (Forestry)—					
Basic Organization—District Offices....	8,956	10,192	11,641	14,493	16,730
Other Field Services.....	2,082	5,199	2,636	2,461	2,611
Mines.....	1,125	1,200	1,236	1,409	1,515
Other Expenditure.....	4,170	4,459	4,454	5,087	5,930
Total Agriculture, Forestry and Mining.....	23,013	28,868	28,033	32,640	37,125

NET ORDINARY EXPENDITURE, ONTARIO,

(Continued)

	1954-55	1955-56	1956-57	1957-58	Estimated 1958-59
	(Thousands of Dollars)				
Highways:					
Highways and Secondary Roads.....	32,552	31,654	35,421	37,381	38,500
Repaving Present Roads.....	....	7,626	4,645	1,810	2,400
Municipal Roads—					
Development Roads.....	365	116	219	299	300
Roads in Unincorporated Townships in					
Northern Ontario.....	566	518	489	600	900
Municipal Subsidies.....	18,397	19,501	19,382	21,295	23,000
Other Expenditure.....	5,304	5,465	2,483	2,945	3,504
Total Highways.....	57,184	64,880	62,639	64,330	68,604
Transport:					
Motor Vehicles.....	1,274	1,361	1,649	2,192	2,962
Other.....	227	284	405	618	830
Total Transport.....	1,501	1,645	2,054	2,810	3,792
Public Works:					
Public Buildings—Maintenance and Repair	3,830	4,158	4,986	5,913	7,743
Dams, Docks, etc., and Drainage Works ..	99	66	110	116	125
Grants in Aid of Drainage Works.....	699	487	489	499	600
Grants—New Gaol Accommodation.....	....	....	....	940	500
Ontario Water Resources Commission.....	194	218	278	518	965
Expenses—Hurricane Hazel.....	1,779	47	....	....	....
Other Expenditure.....	969	1,079	1,142	1,111	1,737
Total Public Works.....	7,570	6,055	7,005	9,097	11,670
Municipal Affairs:					
Subsidies for Police Departments.....	131	137	162	167	190
Subsidies for Fire Departments.....	106	117	128	131	150
Subsidies to Mining Municipalities.....	1,498	1,499	2,000	2,276	2,700
Payments in Lieu of Certain Municipal					
Taxes.....	448	530	628	788	1,000
Unconditional Per Capita Grants.....	15,235	12,396	12,702	20,670	21,000
Grants for Special Work Projects.....	....	....	....	....	6,000
Other Expenditure.....	591	762	792	936	1,131
Total Municipal Affairs.....	18,009	15,441	16,412	24,968	32,171
Planning and Development:					
Grant—Regent Park Housing.....	303	288	48	....	109
Trade and Industry.....	650	655	1,488	811	1,067
Conservation.....	264	403	443	498	709
Civil Defence.....	227	159	249	307	345
Other Expenditure.....	813	805	916	979	1,229
Total Planning and Development.....	2,257	2,310	3,144	2,595	3,459
Labour.....	1,761	1,872	2,024	2,349	2,691
Attorney-General:					
Law Enforcement.....	6,282	7,023	8,117	9,803	11,335
Election Expenses.....	145	2,157	77	61	180
Other Expenditure.....	5,853	6,187	6,760	7,469	7,296
Total Attorney-General.....	12,280	15,367	14,954	17,333	18,811

NET ORDINARY EXPENDITURE, ONTARIO,

(Continued)

	1954-55	1955-56	1956-57	1957-58	Estimated 1958-59
	(Thousands of Dollars)				
Reform Institutions:					
Ontario Reformatories	2,281	2,440	2,850	3,961	4,375
Industrial Farms	2,141	2,263	2,480	2,942	3,170
Ontario Training Schools	995	987	1,107	1,392	2,712
Grants—Training Schools	535	164	181	486	520
Other Expenditure	572	596	591	598	890
Total Reform Institutions	6,524	6,450	7,209	9,379	11,667
Provincial Secretary:					
Registrar-General	479	488	525	588	635
Other Expenditure	1,275	1,507	1,795	1,881	2,058
Total Provincial Secretary	1,754	1,995	2,320	2,469	2,693
Lieutenant-Governor	18	18	19	20	20
Prime Minister	116	122	138	135	195
Treasury:					
Public Service Superannuation Fund	2,217	2,498	3,121	5,296	6,525
Special Contribution to Fund	1,000	1,000	1,000	1,000	1,000
Other Expenditure	2,282	2,297	2,468	2,918	3,307
Total Treasury	5,499	5,795	6,589	9,214	10,832
Provincial Auditor	279	320	333	371	418
Travel and Publicity:					
Theatres Branch	103	98	100	105	114
Other Expenditure	877	893	1,025	1,219	1,432
Total Travel and Publicity	980	991	1,125	1,324	1,546
Insurance	229	241	275	327	374
Economics	131	164	198	233	301
Queen's Printer—Stationery Account	82	2	....	162	....
Total of above Departmental Expenditure	313,736	338,870	353,474	423,524	502,655
Public Debt—Interest, Exchange, etc.	25,478	25,464	26,276	29,126	33,653
Total Ordinary Expenditure before providing for Highway Construction Account, Sinking Funds and Capital Disbursements financed out of Ordinary Revenue	339,214	364,334	379,750	452,650	536,308
Provision for Highway Construction Account	38,500	28,500	57,500	57,500	45,000
Provision for Sinking Funds	21,536	32,630	40,729	17,833	17,941
Capital Disbursements financed out of Ordinary Revenue . . . . .	....	....	....	63,000	25,000
Total Net Ordinary Expenditure	399,250	425,464	477,979	590,983	624,249

**CAPITAL RECEIPTS, ONTARIO,
FISCAL YEARS 1954-55 TO 1958-59**

	1954-55	1955-56	1956-57	1957-58	Estimated 1958-59
	(Thousands of Dollars)				
Disposal of Assets—Sales, etc.:					
Highways and Roads.....	104	1,080	1,249	886	1,395
Land and Buildings.....	22	20	117	72	1,746
General Works and Improvements.....	504	886	651	524	1,902
Other.....	51	....	6	....	56
	681	1,986	2,023	1,482	5,099
Loans and Advances—Repayments:					
The Hydro-Electric Power Commission of Ontario.....	1,856	7,400	1,756	3,673	13,806
The Ontario Municipal Improvement Corporation.....	....	....	....	8,000	5,300
Agricultural Development Board.....	1,000	900	775	650	275
Dominion-Provincial Housing.....	406	488	664	864	880
Extra Water Rentals.....	....	....	....	....	4,900
Other.....	569	600	596	601	742
Special Funds—Deposits:					
Vacation-with-Pay Stamps—Sales.....	9,918	9,495	12,725	13,657	11,600
Public Service Superannuation Fund.....	8,100	8,843	10,400	15,829	19,000
Unsatisfied Judgment Fund.....	1,973	2,085	2,201	2,902	3,600
Other.....	1,084	1,348	2,705	2,162	2,082
Deferred Assets, etc.:					
Highway Construction Account.....	38,500	28,500	57,500	57,500	45,000
Provision for Sinking Funds.....	21,536	32,630	40,729	17,833	17,941
Other.....	1,015	2,297	1,857	964	1,309
Total Capital Receipts.....	<u>86,638</u>	<u>96,572</u>	<u>133,931</u>	<u>126,117</u>	<u>131,534</u>

**CAPITAL DISBURSEMENTS, ONTARIO,
FISCAL YEARS 1954-55 TO 1958-59**

	1954-55	1955-56	1956-57	1957-58	Estimated 1958-59
Highways, Buildings, etc.:					
Highways:					
(Thousands of Dollars)					
Highways and Secondary Roads.....	36,159*	66,040*	102,775*	112,260*	130,000*
Municipal Roads Branch—					
Development Roads.....	1,662	3,840	4,513	5,484	7,000
Roads in Unincorporated Townships in Northern Ontario.....	169	313	292	402	400
Municipal Subsidies.....	14,391	20,177	26,624	30,189	32,000
Contingencies.....	4	10	6	4	35
Mining Roads—Construction.....	600	998	900	1,247	1,000
Lands and Forests:					
Construction of Logging and Forest Access Roads.....	....	95	166	281	1,600
Provincial Parks.....	....	....	....	....	4,000
Salvaging fire-damaged timber.....	179	33	22	....	....
Rural Power Extension Bonus.....	7,297	7,976	6,144	7,359	1,500
Conservation.....	410	481	1,149	1,173	1,500
Designing, development, etc., of Townsites	47	468	2	8	....
Public Works:					
Construction of Public Buildings, etc....	19,276	24,505	28,697	41,789	45,739
Grants and Miscellaneous.....	324	400	522	650	1,060
	80,518	125,336	171,812	200,846	225,834
Loans and Advances:					
The Hydro-Electric Power Commission of Ontario.....	....	....	50,000	....	....
Dominion-Provincial Housing.....	1,589	774	1,574	4,890	5,500
The Ontario-St. Lawrence Development Commission.....	....	....	422	1,689	2,800
Ontario Water Resources Commission....	....	....	....	1,722	9,000
The Ontario Municipal Improvement Corporation.....	....	....	....	11,700	4,852
Capital Projects—Improvement Districts	....	....	....	....	3,777
Other.....	518	1,020	1,497	3,156	2,300
Special Funds—Repayments:					
Vacation-with-Pay Stamps—Redeemed ..	10,747	9,168	10,476	13,517	12,800
Public Service Superannuation Fund.....	2,393	2,791	3,306	3,500	4,100
Unsatisfied Judgment Fund.....	1,808	1,791	1,858	1,775	3,300
Other.....	771	952	1,346	1,668	1,614
Reserves.....	4	14	10	6	....
Other.....	....	....	....	78	4,828
	98,348	141,846	242,301	244,547	280,705
Less: Financed out of Ordinary Revenue.	....	....	....	63,000	25,000
Total Capital Disbursements.....	98,348	141,846	242,301	181,547	255,705

*Including Expenditure from Highway Construction Account.

**SURPLUS OR DEFICIT* ON ORDINARY ACCOUNT
BEFORE AND AFTER PROVISION FOR SINKING FUNDS, ONTARIO,
FISCAL YEARS 1936 TO 1959**

Fiscal Year ending March 31	Net Ordinary Revenue	Net Ordinary Expenditure before pro- vision for Sinking Funds	Surplus or <i>Deficit</i> * before pro- vision for Sinking Funds	Provision for Sinking Funds	Surplus or <i>Deficit</i> * on Ordinary Account
1936.....	\$ 65,726,984	\$ 78,178,770	\$12,451,786*	\$ 890,920	\$13,342,706*
1937.....	80,488,440	70,256,376	10,232,064	918,125	9,313,939
1938.....	86,052,793	80,495,109	5,557,684	947,965	4,609,719
1939.....	86,843,271	85,528,120	1,315,151	992,655	322,496
1940.....	88,172,952	90,368,393	2,195,441*	1,038,655	3,234,096*
1941.....	103,802,020	88,780,934	15,021,086	1,086,655	13,934,431
1942.....	111,496,170	95,208,016	16,288,154	1,129,000	15,159,154
1943.....	108,214,063	91,083,245	17,130,818	1,181,000	15,949,818
1944.....	118,096,684	101,210,715	16,885,969	5,570,000	11,315,969
1945.....	117,124,347	110,956,977	6,167,370	5,292,000	875,370
1946.....	128,368,864	121,450,964	6,917,900	5,352,000	1,565,900
1947.....	142,875,758	135,506,854	7,368,904	5,422,655	1,946,249
1948.....	191,698,952	160,589,199	31,109,753	5,481,000	25,628,753
1949.....	215,469,613	190,706,361	24,763,252	15,550,000	9,213,252
1950.....	228,550,022	199,271,374	29,278,648	20,622,000	8,656,648
1951.....	265,272,106	228,090,424	37,181,682	21,698,000	15,483,682
1952.....	302,320,999	266,983,560	35,337,439	34,276,000	1,061,439
1953.....	349,500,385	317,540,514 ¹	31,959,871	30,859,000	1,100,871
1954.....	372,973,316	342,095,302 ¹	30,878,014	29,945,000	933,014
1955.....	399,393,284	377,713,638 ¹	21,679,646	21,536,000	143,646
1956.....	427,969,363	392,834,481 ¹	35,134,882	32,630,000	2,504,882
1957.....	479,783,191	437,249,640 ¹	42,533,551	40,729,000	1,804,551
1958.....	591,849,092	573,150,062 ¹	18,699,030	17,833,000	866,030
1959 ²	624,839,000	606,308,000 ¹	18,531,000	17,941,000	590,000

¹Including amounts set aside as follows:

	Highway Construction Account	Capital Disbursements Financed out of Ordinary Revenue
1953.....	\$30,000,000	.....
1954.....	40,500,000	.....
1955.....	38,500,000	.....
1956.....	28,500,000	.....
1957.....	57,500,000	.....
1958.....	57,500,000	\$63,000,000
1959.....	45,000,000	25,000,000

²Interim figures.

SURPLUS OR DEFICIT, ONTARIO, FISCAL YEARS 1867 TO 1959

			Ordinary Revenue ¹	Ordinary Expenditure ¹	Surplus	Deficit
July 1, 1867 to December 31	1867	1867	\$ 182,899.63	\$ 56,669.97	\$ 126,229.66	
Fiscal Year ending December 31	1868	1868	2,250,207.74	1,179,269.17	1,070,938.57	
" " " "	1869	1869	2,625,179.29	1,445,751.73	1,179,427.56	
" " " "	1870	1870	2,500,695.70	1,578,976.65	921,719.05	
" " " "	1871	1871	2,333,179.62	1,816,784.11	516,395.51	
" " " "	1872	1872	3,060,747.97	2,217,555.07	843,192.90	
" " " "	1873	1873	2,961,515.31	2,940,803.45	20,711.86	
" " " "	1874	1874	3,446,347.93	3,870,704.14		424,356.21
" " " "	1875	1875	3,156,605.81	3,604,524.42		447,918.61
" " " "	1876	1876	2,589,222.83	3,139,505.66		550,282.83
" " " "	1877	1877	2,502,566.04	3,119,117.73		616,551.69
" " " "	1878	1878	2,285,178.07	2,902,388.37		617,210.30
" " " "	1879	1879	2,287,951.39	2,941,714.27		653,762.88
" " " "	1880	1880	2,584,169.76	2,518,186.80		
" " " "	1881	1881	2,788,746.78	2,579,802.28	65,982.96	
" " " "	1882	1882	2,880,450.40	2,918,826.95	208,944.50	
" " " "	1883	1883	2,439,941.42	2,887,037.73		38,376.55
" " " "	1884	1884	2,820,555.45	3,207,889.67		447,096.31
" " " "	1885	1885	3,005,920.71	3,040,139.07		387,334.22
" " " "	1886	1886	3,148,660.01	3,181,449.69		34,218.36
" " " "	1887	1887	3,527,577.95	3,454,372.43	73,205.52	32,789.68
" " " "	1888	1888	3,603,262.14	3,545,234.85	58,027.29	
" " " "	1889	1889	3,538,405.08	3,653,356.37		114,951.29
" " " "	1890	1890	3,423,154.99	3,896,324.38		473,169.39
" " " "	1891	1891	4,138,589.09	4,158,459.55		19,870.46
" " " "	1892	1892	4,662,921.57	4,068,257.39	594,664.18	
" " " "	1893	1893	4,091,914.01	3,907,145.32	184,768.69	
" " " "	1894	1894	3,453,162.69	3,839,338.75		386,176.06
" " " "	1895	1895	3,585,300.10	3,758,595.44		173,295.34
" " " "	1896	1896	3,490,671.45	3,703,379.73		212,708.28
" " " "	1897	1897	4,139,847.68	3,767,675.70	372,171.98	
" " " "	1898	1898	3,647,353.09	3,803,081.38		155,728.29
" " " "	1899	1899	4,096,494.96	3,710,420.82	386,074.14	
" " " "	1900	1900	4,192,940.18	4,003,729.37	189,210.81	
" " " "	1901	1901	4,466,043.92	4,038,834.49	427,209.43	
" " " "	1902	1902	4,291,082.91	4,345,003.58		53,920.67
" " " "	1903	1903	5,466,653.13	4,888,982.57	577,670.56	
" " " "	1904	1904	6,128,358.57	5,267,453.02	860,905.55	
" " " "	1905	1905	6,016,176.42	5,396,016.74	620,159.68	
" " " "	1906	1906	7,149,478.39	6,720,179.07	429,299.32	
" " " "	1907	1907	8,320,419.19	7,714,245.61	606,173.58	
" " " "	1908	1908	8,602,902.96	8,557,064.60	45,838.36	
Ten Months ending October 31	1909	1909	7,477,920.94	7,545,040.47		67,119.53
Fiscal Year ending October 31	1910	1910	8,891,004.68	8,887,520.09	3,484.59	
" " " "	1911	1911	9,370,833.90	9,619,934.03		249,100.13
" " " "	1912	1912	10,042,000.68	10,287,991.59		245,990.91
" " " "	1913	1913	11,188,302.09	10,868,026.28	320,275.81	
" " " "	1914	1914	11,121,382.07	11,819,310.65		697,928.58
" " " "	1915	1915	12,975,732.19	12,704,362.16	271,370.03	
" " " "	1916	1916	13,841,339.64	12,706,332.90	1,135,006.74	
" " " "	1917	1917	18,269,597.23	16,518,222.64	1,751,374.59	
" " " "	1918	1918	19,270,123.71	17,460,404.05	1,809,719.66	
" " " "	1919	1919	19,904,772.04	21,464,574.88		1,559,802.84
" " " "	1920	1920	25,078,094.62	25,880,842.45		802,747.83
" " " "	1921	1921	29,261,477.39	28,579,687.98	681,789.41	
" " " "	1922	1922	38,507,311.09	37,442,985.53	1,064,325.26	
" " " "	1923	1923	26,166,213.39	41,361,439.92		15,195,226.53
" " " "	1924	1924	30,569,015.92	39,037,780.43		8,468,764.51
" " " "	1925	1925	35,852,404.28	40,959,769.27		5,107,364.99
" " " "	1926	1926	40,984,958.63	41,797,098.94		812,140.31
" " " "	1927	1927	46,607,638.88	46,248,415.49	359,223.39	
" " " "	1928	1928	48,570,217.10	48,341,980.66	228,236.44	
" " " "	1929	1929	54,012,679.53	51,369,785.85	2,642,893.68	
" " " "	1930	1930	57,343,291.21	57,989,352.69		646,061.48
" " " "	1931	1931	54,390,092.37	54,846,994.28		456,901.91
" " " "	1932	1932	54,175,233.01	56,236,031.32		2,060,798.31
" " " "	1933	1933	51,373,051.98	50,896,626.37	476,425.61	
" " " "	1934	1934	50,067,841.37	80,667,091.15		30,599,249.78
Five Months ending March 31	1935	1935	21,048,944.06	31,489,616.34		10,440,672.28
Fiscal Year ending March 31	1936	1936	65,726,984.57	79,069,690.31		13,342,705.74
" " " "	1937	1937	80,488,439.95	71,174,501.41	9,313,938.54	
" " " "	1938	1938	86,052,792.88	81,443,074.35	4,609,718.53	
" " " "	1939	1939	86,843,270.67	86,520,775.25	322,495.42	
" " " "	1940	1940	88,172,951.62	91,407,047.81		3,234,096.19
" " " "	1941	1941	103,802,020.46	89,867,589.32	13,934,431.14	
" " " "	1942	1942	111,496,169.77	96,337,015.77	15,159,154.00	
" " " "	1943	1943	108,214,063.15	92,264,245.06	15,949,818.09	
" " " "	1944	1944	118,096,683.51	106,780,714.54	11,315,968.97	
" " " "	1945	1945	117,124,346.77	116,248,976.56	875,370.21	
" " " "	1946	1946	128,368,864.36	126,802,964.37	1,565,899.99	
" " " "	1947	1947	142,875,758.56	140,929,509.33	1,946,249.23	
" " " "	1948	1948	191,698,952.37	166,070,199.53	25,628,752.84	
" " " "	1949	1949	215,469,613.61	206,256,361.37	9,213,252.24	
" " " "	1950	1950	228,550,022.27	219,893,373.67	8,656,648.60	
" " " "	1951	1951	265,272,106.50	249,788,424.26	15,483,682.24	
" " " "	1952	1952	302,320,998.85	301,259,559.94	1,061,438.91	
" " " "	1953	1953	349,500,385.36	348,399,514.15 ²	1,100,871.21	
" " " "	1954	1954	372,973,315.71	372,040,301.99 ²	933,013.72	
" " " "	1955	1955	399,393,284.17	399,249,638.33 ²	143,645.84	
" " " "	1956	1956	427,969,362.89	425,464,480.99 ²	2,504,881.90	
" " " "	1957	1957	479,783,191.11	477,978,640.19 ²	1,804,550.92	
" " " "	1958	1958	591,849,091.77	590,983,061.80 ²	866,029.97	
" " " "	1959	1959	624,839,000.00	624,249,000.00 ²	590,000.00	

¹Revenue and Expenditure figures for the years 1867 to 1907, inclusive, comprise both ordinary and capital revenue and expenditure. Revenue and Expenditure from 1923 to 1959, inclusive, shown as net surplus after applying certain revenues as a reduction of expenditure.

²Interim figures.

³Includes amounts set aside for Highway Construction Account in each of these years. In addition, in 1957-58 and 1958-59, provision was made for capital disbursements financed out of ordinary revenue.

GROSS AND NET FISCAL YEARS

Fiscal Year	GROSS DEBT		REVENUE-PRODUCING AND REALIZABLE			
	Total	Yearly Increase or Decrease*	Ontario Hydro	O.N.T.C.	Loans, Cash and Accts. Receivable	Total
1914.....	\$ 41,716,000		\$ 10,110,000	\$20,246,000	\$ 5,066,000	\$ 35,422,000
1915.....	50,275,000	\$ 8,559,000	12,316,000	20,483,000	8,007,000	40,806,000
1916.....	59,336,000	9,061,000	21,939,000	21,184,000	7,684,000	50,807,000
1917.....	61,825,000	2,489,000	27,489,000	21,594,000	5,805,000	54,888,000
1918.....	75,309,000	13,484,000	36,244,000	21,823,000	9,477,000	67,544,000
1919.....	97,032,000	21,723,000	47,700,000	22,335,000	13,882,000	83,917,000
1920.....	127,262,000	30,230,000	65,717,000	22,681,000	16,009,000	104,407,000
1921.....	202,446,000	75,184,000	102,946,000	23,599,000	31,292,000	157,837,000
1922.....	233,189,000	30,743,000	116,786,000	25,654,000	30,704,000	173,144,000
1923.....	291,025,000	57,836,000	124,360,000	28,075,000	37,612,000	190,047,000
1924.....	329,508,000	38,483,000	135,045,000	30,208,000	45,262,000	210,515,000
1925.....	332,391,000	2,883,000	141,717,000	30,208,000	27,885,000	199,810,000
1926.....	349,116,000	16,725,000	142,473,000	30,208,000	31,899,000	204,580,000
1927.....	368,920,000	19,804,000	147,120,000	30,208,000	33,813,000	211,141,000
1928.....	394,114,000	25,194,000	152,936,000	30,208,000	37,176,000	220,320,000
1929.....	426,914,000	32,800,000	164,522,000	30,208,000	44,007,000	238,737,000
1930.....	473,372,000	46,458,000	176,799,000	30,208,000	53,587,000	260,594,000
1931.....	520,667,000	47,295,000	188,377,000	30,208,000	58,055,000	276,640,000
1932.....	574,419,000	53,752,000	189,635,000	30,208,000	76,902,000	296,745,000
1933.....	594,128,000	19,709,000	187,965,000	30,208,000	76,514,000	294,687,000
1934.....	655,761,000	61,633,000	187,829,000	37,208,000	72,247,000	297,284,000
1935 ²	674,386,000	18,625,000	187,878,000	37,208,000	70,885,000	295,971,000
1936.....	689,559,000	15,173,000	172,735,000	36,408,000	74,377,000	283,520,000
1937.....	656,460,000	33,099,000*	151,573,000	30,208,000	69,243,000	251,024,000
1938.....	678,075,000	21,615,000	149,621,000	30,208,000	59,952,000	239,781,000
1939.....	712,767,000	34,692,000	147,841,000	30,208,000	56,450,000	229,875,000
1940.....	737,078,000	24,311,000	145,319,000	30,208,000	54,348,000	229,875,000
1941.....	729,648,000	7,430,000*	137,600,000	30,208,000	55,640,000	223,448,000
1942.....	724,771,000	4,877,000*	135,904,000	30,208,000	51,531,000	217,643,000
1943.....	704,864,000	19,907,000*	121,684,000	30,208,000	57,531,000	209,423,000
1944.....	666,528,000	38,336,000*	105,150,000	30,208,000	48,676,000	184,034,000
1945.....	646,484,000	20,044,000*	95,475,000	30,208,000	40,492,000	166,175,000
1946.....	639,315,000	7,169,000*	93,946,000	30,208,000	36,742,000	160,896,000
1947.....	645,221,000	5,906,000	89,513,000	30,208,000	32,414,000	152,134,000
1948.....	628,388,000	16,833,000*	87,850,000	30,208,000	43,577,000	161,635,000
1949.....	628,663,000	275,000	71,868,000	30,208,000	42,912,000	144,988,000
1950.....	694,009,000	65,346,000	70,209,000	30,208,000	84,773,000	185,190,000
1951.....	697,963,000	3,954,000	67,424,000	30,208,000	78,781,000	176,413,000
1952.....	826,228,000	128,265,000	165,692,000	30,208,000	75,693,000	271,593,000
1953.....	896,143,000	69,915,000	203,702,000	30,208,000	58,158,000	292,068,000

GROSS AND NET FISCAL YEARS

Fiscal Year	GROSS CAPITAL DEBT		REVENUE-PRODUCING AND REALIZABLE			
	Total	Yearly Increase or Decrease*	Ontario Hydro	O.N.T.C.	Loans and Cash	Total
1943.....	\$ 695,189,000		\$121,684,000	\$30,208,000	\$43,771,000	\$195,663,000
1944.....	656,806,000	\$ 38,383,000*	105,150,000	30,208,000	35,735,000	171,093,000
1945.....	636,770,000	20,036,000*	95,475,000	30,208,000	28,411,000	154,094,000
1946.....	629,914,000	6,856,000*	93,946,000	30,208,000	25,571,000	149,725,000
1947.....	635,842,000	5,928,000	89,513,000	30,208,000	21,909,000	141,630,000
1948.....	618,754,000	17,088,000*	87,850,000	30,208,000	32,429,000	150,487,000
1949.....	619,414,000	660,000	71,868,000	30,208,000	31,622,000	133,698,000
1950.....	683,978,000	64,564,000	70,209,000	30,208,000	73,541,000	173,958,000
1951.....	687,452,000	3,474,000	67,424,000	30,208,000	67,210,000	164,842,000
1952.....	814,160,000	126,708,000	165,692,000	30,208,000	64,331,000	260,231,000
1953.....	884,231,000	70,071,000	203,702,000	30,208,000	45,489,000	279,399,000
1954.....	1,035,484,000	151,253,000	301,889,000	30,208,000	73,391,000	405,488,000
1955.....	1,066,161,000	30,677,000	300,033,000	30,208,000	75,195,000	405,436,000
1956.....	1,072,409,000	6,248,000	292,633,000	30,208,000	44,262,000	367,103,000
1957.....	1,196,708,000	124,299,000	340,878,000	30,208,000	67,344,000	438,430,000
1958.....	1,285,810,000	89,102,000	337,205,000	30,208,000	99,791,000	467,204,000

¹Population is computed at the fiscal year end on the assumption that a uniformly equal change occurred in each of the twelve months between the annual June estimates of the Dominion Bureau of Statistics.

²Five months ended March 31st.

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

DEBT, ONTARIO, 1914 TO 1953

ASSETS		NET DEBT		Population ¹	Per Capita Net Debt	Fiscal Year
Yearly Increase or Decrease*	Total	Yearly Increase or Decrease*	Total			
.....	\$ 6,294,000	.....		2,713,000	\$ 2.32	1914
\$ 5,384,000	9,469,000	\$ 3,175,000		2,719,000	3.48	1915
10,001,000	8,529,000	940,000*		2,718,000	3.14	1916
4,081,000	6,937,000	1,592,000*		2,732,000	2.54	1917
12,656,000	7,765,000	828,000		2,763,000	2.81	1918
16,373,000	13,115,000	5,350,000		2,820,000	4.65	1919
20,490,000	22,855,000	9,740,000		2,893,000	7.90	1920
53,430,000	44,609,000	21,754,000		2,953,000	15.11	1921
15,307,000	60,045,000	15,436,000		2,994,000	20.06	1922
16,903,000	100,978,000	40,933,000		3,032,000	33.30	1923
20,468,000	118,993,000	18,015,000		3,081,000	38.62	1924
10,705,000*	132,581,000	13,588,000		3,133,000	42.32	1925
4,770,000	144,536,000	11,955,000		3,187,000	45.35	1926
6,561,000	157,779,000	13,243,000		3,244,000	48.64	1927
9,179,000	173,794,000	16,015,000		3,301,000	52.65	1928
18,417,000	188,177,000	14,383,000		3,356,000	56.07	1929
21,857,000	212,778,000	24,601,000		3,405,000	62.49	1930
16,046,000	244,027,000	31,249,000		3,449,000	70.75	1931
20,105,000	277,674,000	33,647,000		3,489,000	79.59	1932
2,058,000*	299,441,000	21,767,000		3,525,000	84.95	1933
2,597,000	358,477,000	59,036,000		3,557,000	100.78	1934
1,313,000*	378,415,000	19,938,000		3,570,000	106.00	1935
12,451,000*	406,039,000	27,624,000		3,601,000	112.76	1936
32,496,000*	405,436,000	603,000*		3,632,000	111.63	1937
11,243,000*	438,294,000	32,858,000		3,666,000	119.56	1938
5,282,000*	478,268,000	39,974,000		3,702,000	129.19	1939
4,624,000*	507,203,000	28,935,000		3,741,000	135.58	1940
6,427,000*	506,200,000	1,003,000*		3,781,000	133.88	1941
5,805,000*	507,128,000	928,000		3,868,000	131.11	1942
8,220,000*	495,441,000	11,687,000*		3,910,000	126.71	1943
25,389,000*	482,494,000	12,947,000*		3,955,000	122.00	1944
17,859,000*	480,309,000	2,185,000*		3,994,000	120.26	1945
5,279,000*	478,419,000	1,890,000*		4,078,000	117.32	1946
8,762,000*	493,087,000	14,668,000		4,162,000	118.47	1947
9,501,000	466,753,000	26,334,000*		4,259,000	109.59	1948
16,647,000*	483,675,000	16,922,000		4,361,000	110.91	1949
40,202,000	508,819,000	25,144,000		4,456,000	114.19	1950
8,777,000*	521,550,000	12,731,000		4,577,000	113.95	1951
95,180,000	554,635,000	33,085,000		4,757,000	116.59	1952
20,475,000	604,075,000	49,440,000		4,916,000	122.88	1953

CAPITAL DEBT, ONTARIO, 1943 TO 1958

ASSETS		NET CAPITAL DEBT		Population ¹	Per Capita Net Capital Debt	Fiscal Year
Yearly Increase or Decrease*	Total	Yearly Increase or Decrease*	Total			
\$ 24,570,000*	\$499,526,000			3,910,000	\$127.76	1943
16,999,000*	485,713,000	\$13,813,000*		3,955,000	122.81	1944
4,369,000*	482,676,000	3,037,000*		3,994,000	120.85	1945
8,095,000*	480,189,000	2,487,000*		4,078,000	117.75	1946
8,857,000	494,212,000	14,023,000		4,162,000	118.74	1947
16,789,000*	468,267,000	25,945,000*		4,259,000	109.95	1948
40,260,000	485,716,000	17,449,000		4,361,000	111.38	1949
9,116,000*	510,020,000	24,304,000		4,456,000	114.46	1950
95,389,000	522,610,000	12,590,000		4,577,000	114.18	1951
19,168,000	553,929,000	31,319,000		4,757,000	116.45	1952
126,089,000	604,832,000	50,903,000		4,916,000	123.03	1953
52,000*	629,996,000	25,164,000		5,086,000	123.87	1954
38,333,000*	660,725,000	30,729,000		5,241,000	126.07	1955
71,327,000	705,306,000	44,581,000		5,382,000	131.05	1956
28,774,000	758,278,000	52,972,000		5,586,000	135.75	1957
	818,606,000	60,328		5,773,000	141.80	1958

APPENDIX II

ECONOMIC STATEMENTS

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POPULATION

Ontario's population has increased by an average of 125,000 per year over the past fifteen years. Hence, we now have approximately 5,900,000 people living in the Province as compared with only 3,915,000 in 1943. This phenomenal increase represents an average rate of growth of 2.7 per cent per year, considerably more than the average of 2.3 per cent per year for Canada as a whole and that of 1.6 per cent per year for the United States of America.

The rate of growth in 1958 and that expected for 1959 are slightly lower than the very rapid growth in 1956 and early 1957, but we are still gaining an additional 11,000 to 12,000 people per month. Both natural increase and immigration contribute to this growth. Because natural increase is still rising very gradually and immigration is expected to continue at about the same level in 1959 as in 1958, we can anticipate a population increase of about 140,000 persons, or 2.4 per cent, during the present year.

There have been some marked changes in the age distribution of the Ontario population during the past few years. The low birth rates of the thirties and early forties are reflected in the relatively small number of young people in the age groups from 15 to 29 at the present time. On the other hand the exceedingly high birth rates since World War II are reflected in the exceptionally large numbers of children 14 years of age or under. Whereas in 1943 only 24.3 per cent of the population were under 15 years of age, in 1958 some 31.0 per cent of the total were under 15. The working age groups in the population now make up a slightly smaller proportion of the total than they did fifteen years ago, 62.4 per cent as compared with 69.2 per cent. Nevertheless, there is now a total of 3.6 million people between the ages of 14 and 64 while in 1943 there were only 2.7 million. The number of persons over 65 years of age has increased by nearly half but still makes up about the same proportion of the total population.

Males continue to outnumber females in Ontario's population although the margin is gradually declining. In 1943 there were 102.5 males per 100 females while now there are 101.6 for every 100 females. In the age group 35 to 39 a surplus of women exists, but this can be attributed to war-time casualties. For all other age groups under 60 there are more men than women in the Province. However, the much higher death rate for men than women in the older age groups shows up in the larger numbers of women living past 60 years of age. Until some cures are found for heart disease, the trend is likely to continue, as life expectancy is still increasing for women over 60 and is fairly stationary for older men.

Families

In the last seventeen years the number of families in Ontario has increased by almost 59 per cent from 904,241 in 1941 to an estimated 1,435,000 in 1958, or by an average of over 31,000 families annually. During the next ten years we can expect some decline in the number of new family formations, as immigration, which always brings large numbers of young families, has fallen off and—even more significant—there are now fewer young people approaching marriageable age than there have been in recent years. Marriages have been fairly stable at between 45,000 and 47,000 per year for the past five years. Most of

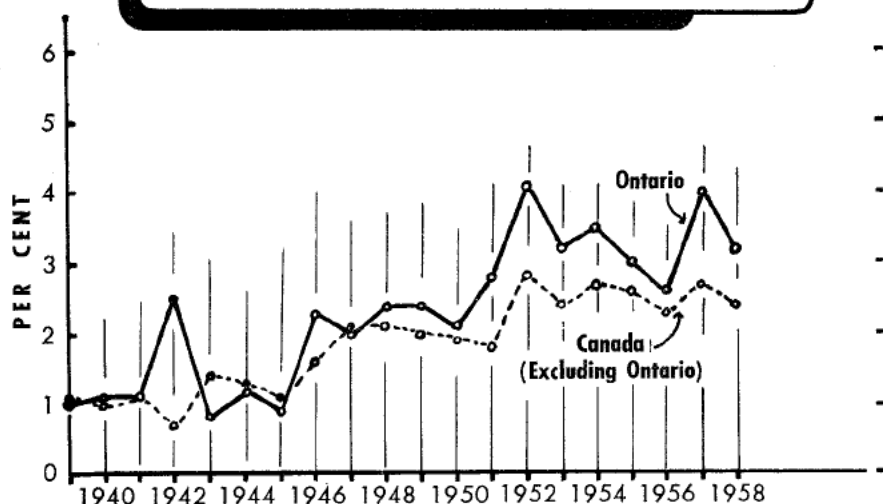
**POPULATION INCREASE IN ONTARIO, CANADA EXCLUDING ONTARIO,
AND ALL OF CANADA, BY CENSUS YEARS, 1871 TO 1951, AND
SELECTED YEARS, 1939 TO 1958**

Year	Ontario			Canada Excluding Ontario			All of Canada		
	Population No. (000's)	Increase No. (000's)	Per Cent	Population No. (000's)	Increase No. (000's)	Per Cent	Population No. (000's)	Increase No. (000's)	Per Cent
By Census Years, 1871 to 1951, Showing Decennial Increase									
1871	1,621	225	16.1	2,068	235	12.8	3,689	460	14.2
1881	1,927	306	18.9	2,398	330	16.0	4,325	636	17.2
1891	2,114	187	9.7	2,719	321	13.4	4,833	508	11.7
1901	2,183	69	3.3	3,188	469	17.2	5,371	538	11.1
1911	2,527	344	15.8	4,680	1,492	46.8	7,207	1,836	34.2
1921	2,934	407	16.1	5,854	1,174	25.1	8,788	1,581	21.9
1931	3,432	498	17.0	6,945	1,091	18.6	10,377	1,589	18.1
1941	3,788	356	10.4	7,719	774	11.1	11,507	1,130	10.9
1951	4,598	810	21.4	9,411	1,692 ¹	21.9	14,009	2,502 ¹	21.7
Selected Years, 1939 to 1958, Showing Annual Increase									
1939	3,708	36	1.0	7,559	79	1.1	11,267	115	1.0
1941	3,788	41	1.1	7,719	85	1.1	11,507	126	1.1
1943	3,915	31	0.8	7,880	110	1.4	11,795	141	1.2
1946	4,093	93	2.3	8,199	127	1.6	12,292	220	1.8
1947	4,176	83	2.0	8,375	176	2.1	12,551	259	2.1
1948	4,275	99	2.4	8,548	173	2.1	12,823	272	2.2
1949	4,378	103	2.4	9,069	521 ¹	6.1	13,447	624 ¹	4.9
1950	4,471	93	2.1	9,241	172	1.9	13,712	265	2.0
1951	4,598	127	2.8	9,411	170	1.8	14,009	297	2.2
1952	4,788	190	4.1	9,671	260	2.8	14,459	450	3.2
1953	4,941	153	3.2	9,904	233	2.4	14,845	386	2.7
1954	5,115	174	3.5	10,172	268	2.7	15,287	442	3.0
1955	5,266	151	3.0	10,432	260	2.6	15,698	411	2.7
1956	5,405	139	2.6	10,676	244	2.3	16,081	383	2.4
1957	5,622	217	4.0	10,967	291	2.7	16,589	508	3.2
1958	5,803	181	3.2	11,245	278	2.5	17,048	459	2.8

¹Newfoundland's entry into Confederation in 1949 accounted for 361,000 of the increase occurring during the decade 1941-1951 and for 345,000 of the increase shown in 1949.

Source: Dominion Bureau of Statistics, *Canada Year Book*, 1956; *Estimated Population of Canada by Provinces*, 1958.

**PERCENTAGE INCREASE IN POPULATION IN ONTARIO
AND CANADA EXCLUDING ONTARIO, 1939 TO 1958**

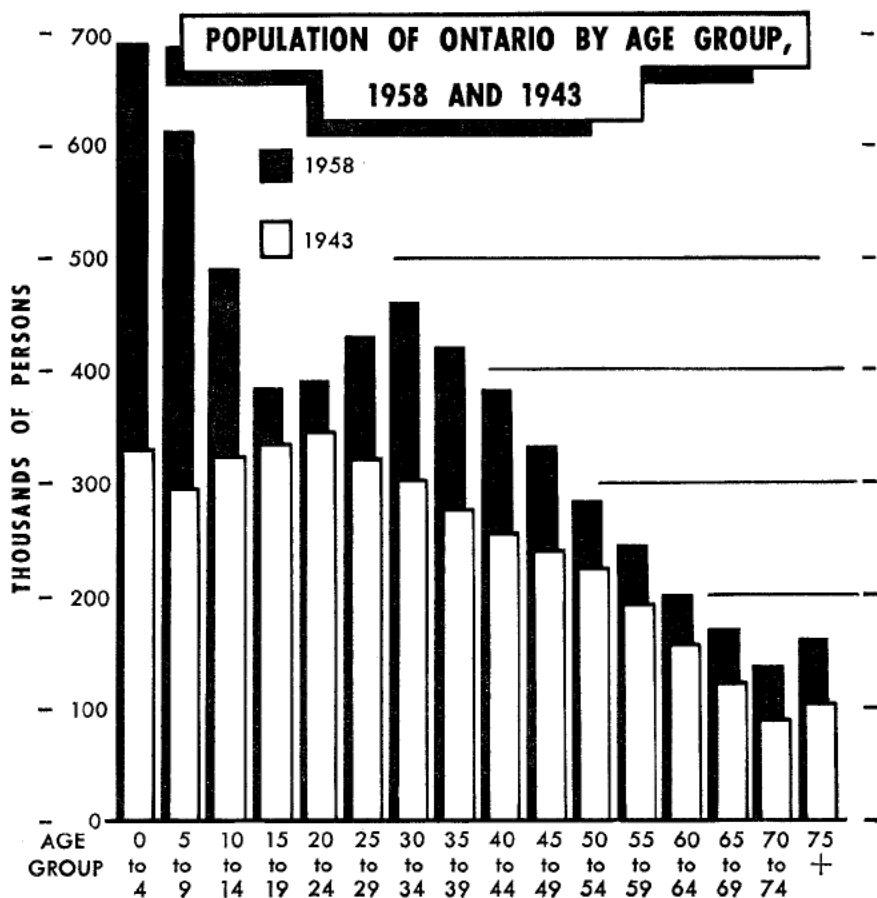


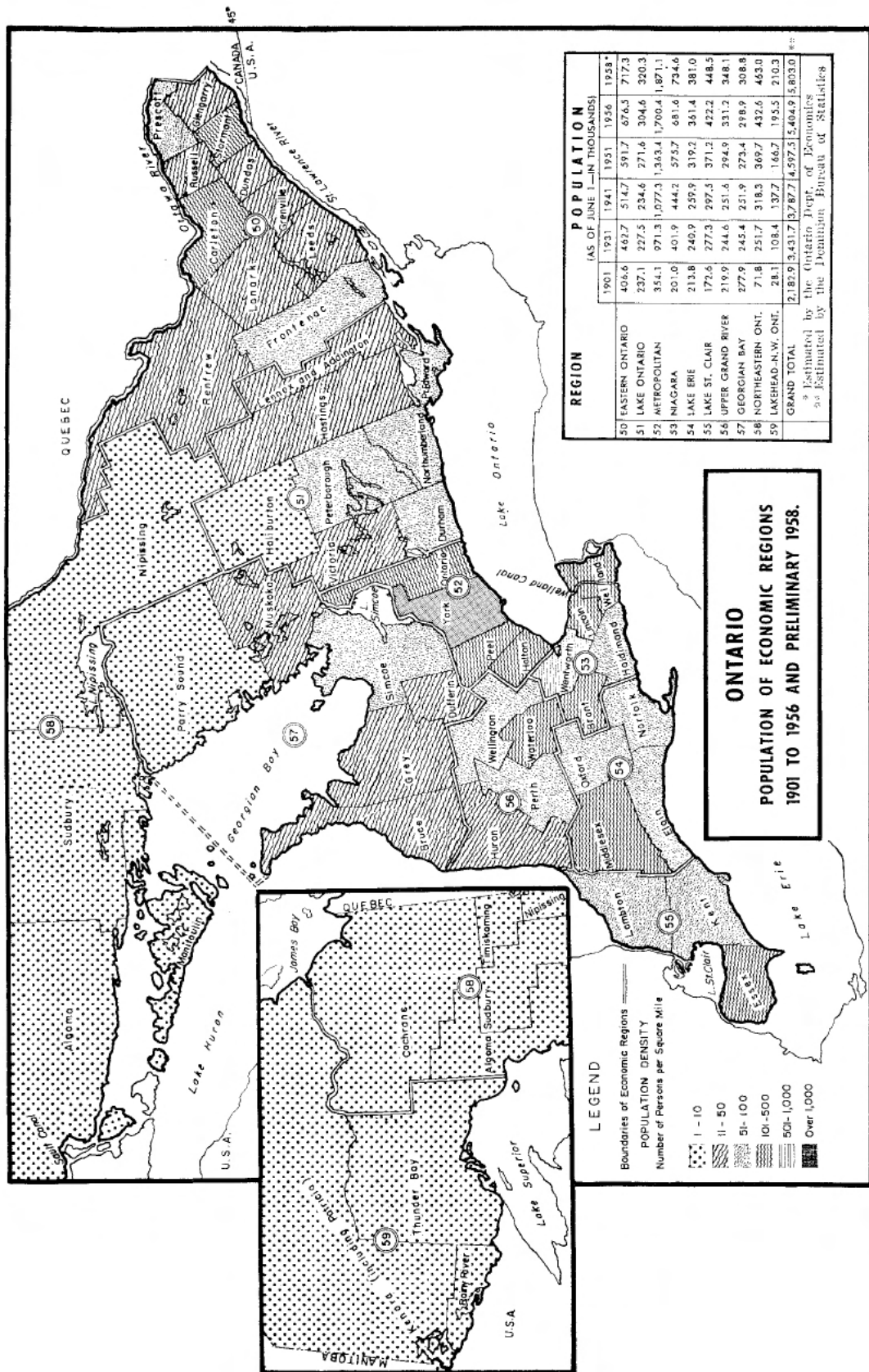
**ONTARIO POPULATION BY AGE GROUP, 1943 AND 1958,
PROJECTED TO 1976**

Age Group	1943 ¹	1958 ¹	1961 ²	1966 ²	1971 ²	1976 ²
	(Thousands of Persons)					
0-4	331.5	693.5	776.0	867.0	1,011.0	1,200.0
5-9	298.9	612.8	647.0	774.0	869.0	1,012.0
10-14	322.7	490.9	582.0	653.0	782.0	877.0
15-19	333.4	386.0	452.0	591.0	666.0	794.0
20-24	344.4	391.8	405.0	482.0	624.0	698.0
25-29	322.1	431.5	425.0	438.0	516.0	658.0
30-34	302.4	459.6	459.0	446.0	460.0	538.0
35-39	276.8	421.6	461.0	468.0	458.0	472.0
40-44	258.2	381.5	407.0	465.0	474.0	464.0
45-49	238.7	334.5	369.0	406.0	465.0	474.0
50-54	220.6	283.9	311.0	359.0	397.0	455.0
55-59	191.6	245.5	264.0	296.0	345.0	382.0
60-64	157.1	201.6	221.0	241.0	276.0	322.0
65+	316.6	468.3	470.0	504.0	555.0	627.0
Total	<u>3,915.0</u>	<u>5,803.0</u>	<u>6,249.0</u>	<u>6,990.0</u>	<u>7,898.0</u>	<u>8,973.0</u>

¹Intercensal estimates, Dominion Bureau of Statistics.

²Projections by the Ontario Department of Economics.





those marriages were contracted by women now between the ages of 25 and 34, who number 430,400. However, marriages in the next few years will be among persons now 15 to 24 years of age and this group totals only 382,600 females.

There has been some shift in the social attitude toward the family during recent years which has succeeded in arresting and even in reversing the trend toward smaller families which Ontario and the rest of Canada had been manifesting. A look at the families with household heads between 35 and 44 years of age will give some indication of this. In 1941 there was an average of 2.2 children per family in this group, in 1951 the average had declined to 2.1 and it again rose to 2.3 in 1956. The tendency toward larger family size is also indicated by the declining proportion of births being registered as the first birth in the family, and the increasing proportion registered as the third, fourth, fifth or sixth birth in the family.

VITAL STATISTICS

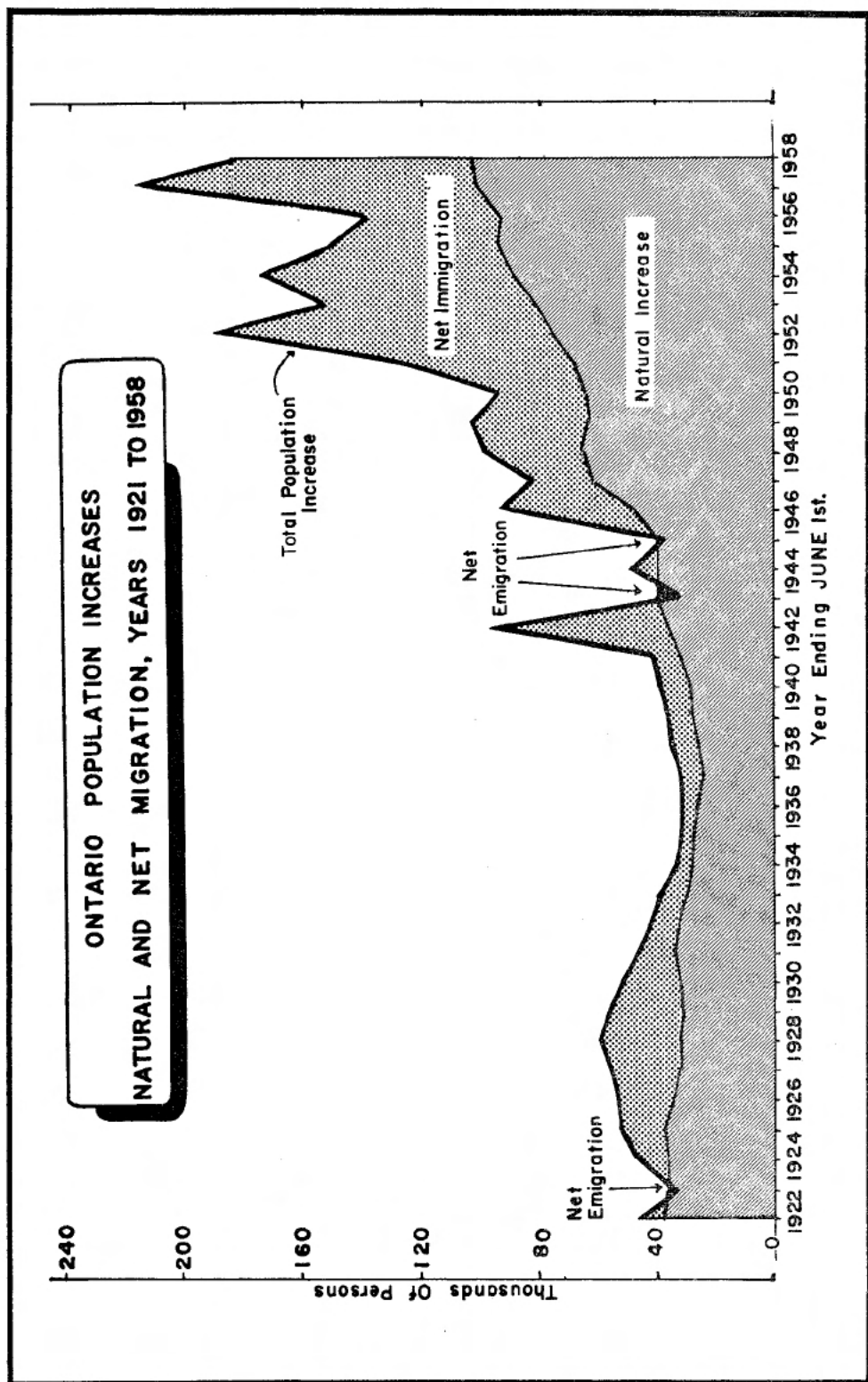
One of the major factors contributing to the rapid population increase of the past fifteen years has been the very high birth rate during that period. Since 1943 over 1,775,000 babies have been born in Ontario. Birth rates rose from 20.7 per thousand population in 1943 to 26.8 per thousand in 1957 and declined again slightly to 26.5 per thousand in 1958. Births per thousand females in the age group 15 to 44 increased from 89.7 in 1943 to 125.8 in 1958.

At the same time that birth rates have been rising the life span has also been increasing. In 1941 the average life expectancy at birth was 62.96 years for males and 66.30 for females; by 1951 it had increased to 66.33 for males and 70.83 for females; and male babies born in 1959 probably have a life expectancy of close to 70 years and females about 75 years. This, along with the great increase in the proportion of the population in the younger age groups, has brought a rapid reduction in death rates which have fallen from 10.5 per thousand population in 1943 to 8.5 per thousand in 1958.

ONTARIO VITAL STATISTICS, 1939 TO 1958

Year	Population at June 1	Births	Birth Rate per 1,000 Population	Deaths	Death Rate per 1,000 Population	Natural Increase	Natural Increase Rate per 1,000 Population
1939	3,708,000	64,123	17.3	37,530	10.1	26,593	7.2
1943	3,915,000	81,173	20.7	41,063	10.5	40,110	10.2
1944	3,963,000	78,090	19.7	39,781	10.0	38,309	9.7
1945	4,000,000	78,974	19.7	39,499	9.9	39,475	9.8
1946	4,093,000	97,446	23.8	39,758	9.7	57,688	14.1
1947	4,176,000	108,853	26.1	41,619	10.0	67,234	16.1
1948	4,275,000	104,195	24.4	42,364	9.9	61,831	14.5
1949	4,378,000	106,601	24.3	43,379	9.9	63,222	14.4
1950	4,471,000	108,708	24.3	43,948	9.8	64,760	14.5
1951	4,597,542	114,827	25.0	43,981	9.6	70,846	15.4
1952	4,788,000	123,891	25.9	44,402	9.3	79,489	16.6
1953	4,941,000	129,771	26.3	45,242	9.2	84,529	17.1
1954	5,115,000	136,261	26.6	44,515	8.7	91,746	17.9
1955	5,266,000	139,554	26.5	45,434	8.6	94,120	17.9
1956	5,404,933	143,516	26.6	47,231	8.7	96,285	17.8
1957	5,622,000	150,920	26.8	49,164	8.7	101,756	18.1
1958	5,803,000	153,801	26.5	49,146	8.5	104,655	18.0

Source: Dominion Bureau of Statistics, *Vital Statistics*, 1957, December, 1958; *Census of Canada*, 1956; *Estimated Population of Canada by Provinces*, 1958,



IMMIGRATION

More than 1,800,000 immigrants have entered Canada since 1943 and almost one million have named Ontario as their destination. The number of immigrant arrivals has varied from year to year depending on economic conditions in Canada and both the economic and political situation abroad. The Suez and Hungarian crises, along with the expanding investment in Canada, brought an unexpectedly large inflow of immigrants in 1956 and 1957—165,000 and 282,000. In 1958 immigration dropped back to a more normal level of about 125,000 to Canada and 64,000 to Ontario.

About 21 per cent of all immigrants to Canada this year were of British origin, 22 per cent were Italian, nearly 21 per cent German, Austrian or Netherlander, and about nine per cent were from the United States of America. More than half of all immigrants were intending to enter the labour market, and about 23 per cent were under 15 years of age.

IMMIGRANTS TO CANADA (BY COUNTRY OF LAST PERMANENT RESIDENCE) AND ONTARIO, AND RATES PER 1,000 POPULATION, 1939 TO 1958

Year	CANADA					ONTARIO		ONTARIO AS % OF CANADA
	U.K. ¹	IMMIGRANTS FROM: U.S.A.	Other Countries	All Countries	Rate per 1,000 Popu- lation	Number	Rate per 1,000 Popu- lation	
1939	3,098	5,654	8,242	16,994	1.5	5,957	1.6	35.1
1940	1,509	7,135	2,680	11,324	1.0	4,447	1.2	39.3
1941	443	6,594	2,292	9,329	0.8	3,365	0.9	36.1
1942	674	5,100	1,802	7,576	0.7	3,315	0.9	43.8
1943	1,133	4,401	2,970	8,504	0.7	3,852	1.0	45.3
1944	4,684	4,510	3,607	12,801	1.1	5,361	1.4	41.9
1945	10,853	6,394	5,475	22,722	1.9	9,342	2.3	41.1
1946	50,950	11,474	9,295	71,719	5.8	29,604	7.2	41.3
1947	35,892	9,444	18,791	64,127	5.1	35,543	8.5	55.4
1948	43,639	7,393	74,382	125,414	9.8	61,621	14.4	49.1
1949	21,664	7,756	65,797	95,217	7.1	48,607	11.1	51.0
1950	13,121	7,821	52,970	73,912	5.4	39,041	8.7	52.8
1951	32,199	7,755	154,437	194,391	13.9	104,842	22.8	53.9
1952	46,007	9,333	109,158	164,498	11.4	86,059	18.0	52.3
1953	48,695	9,407	110,766	168,868	11.4	90,120	18.2	53.4
1954	45,179	10,131	98,917	154,227	10.1	83,029	16.2	53.8
1955	30,420	10,395	69,131	109,946	7.0	57,563	10.9	52.4
1956	52,619	9,777	102,461	164,857	10.3	90,662	16.8	55.0
1957	114,347	11,008	152,970	282,164	17.0	147,097	26.1	52.1
1958	26,003	10,846	88,002	124,851	7.3	63,853	11.0	51.1

¹Includes immigrants from Southern Ireland.

Source: 1939-1953—*Canada Year Books*, 1947 to 1956; 1954-1958—quarterly bulletins, Department of Citizenship and Immigration, Ottawa.

THE ONTARIO LABOUR FORCE

The Ontario labour force continued to increase during 1958, reaching a peak of 2,306,000 in mid-summer. For the year as a whole there was an average of 2,255,000 in the work force, about 20,000 more than in 1957. This addition, while below the average annual addition of 40,000 in the past fifteen years, was still substantial in view of the greatly reduced inflow of immigrants this year. Moreover, when we consider the exceedingly high rate at which young people and people in the older age brackets entered the work force during 1956 and 1957, it is not surprising that the rate of accretion slowed down last year.

The downtrend in employment which started in 1957 continued into the early months of 1958 so that last year the average number of persons with jobs was 2,143,000 or approximately 20,000 fewer than in 1957. Unemployment was above the 1956 and 1957 average through most of 1958, but by the end of the year the gap had narrowed; December unemployment was only 17,000 higher than that of December 1957 and January 1959 unemployment was about the same as in January 1958.

There were some shifts in the age distribution of the labour force in 1958. There were far fewer people in the 14-19 age group last year than in either 1956 or 1957: 179,000 as compared with 188,000 in 1957 and 184,000 in 1956. There was also a decline in the number of persons 65 years of age or over in the labour force. During the labour shortages of 1956 and early 1957, these people had either continued working after reaching 65 or had returned to work; in the past year, many of them withdrew from the labour market. Thus in 1958 there was an average of 92,000 workers 65 years of age or over as compared with 97,000 in 1957. However, in all of the main working age groups from 20 to 64 there were more persons in the active work force in 1958 than in any previous year.

The past decade and a half has seen a significant shift in the industrial distribution of our workers. In 1941 more than 19 per cent of people with jobs in Ontario were working in agriculture and nearly 23 per cent were in the primary industries. Now, just 10.5 per cent of our workers are in the primary industries and less than eight per cent in agriculture. The manufacturing industries, on the other hand, while employing larger numbers of workers, still employ approximately the same proportion as they did in the early forties—about 31 per cent. Construction varies from year to year with the rate of investment but for the past two years it has employed about 7.5 per cent of the work force as compared with just over five per cent in 1941.

The largest increases have occurred in the trade, service, transportation and public utility industries where employment has almost doubled since 1941. These industries now employ more than half of the total work force as compared with about 41 per cent in 1941.

ONTARIO'S LABOUR FORCE AND THE WORKING AGE GROUPS IN THE POPULATION AS A PROPORTION OF THE TOTAL POPULATION

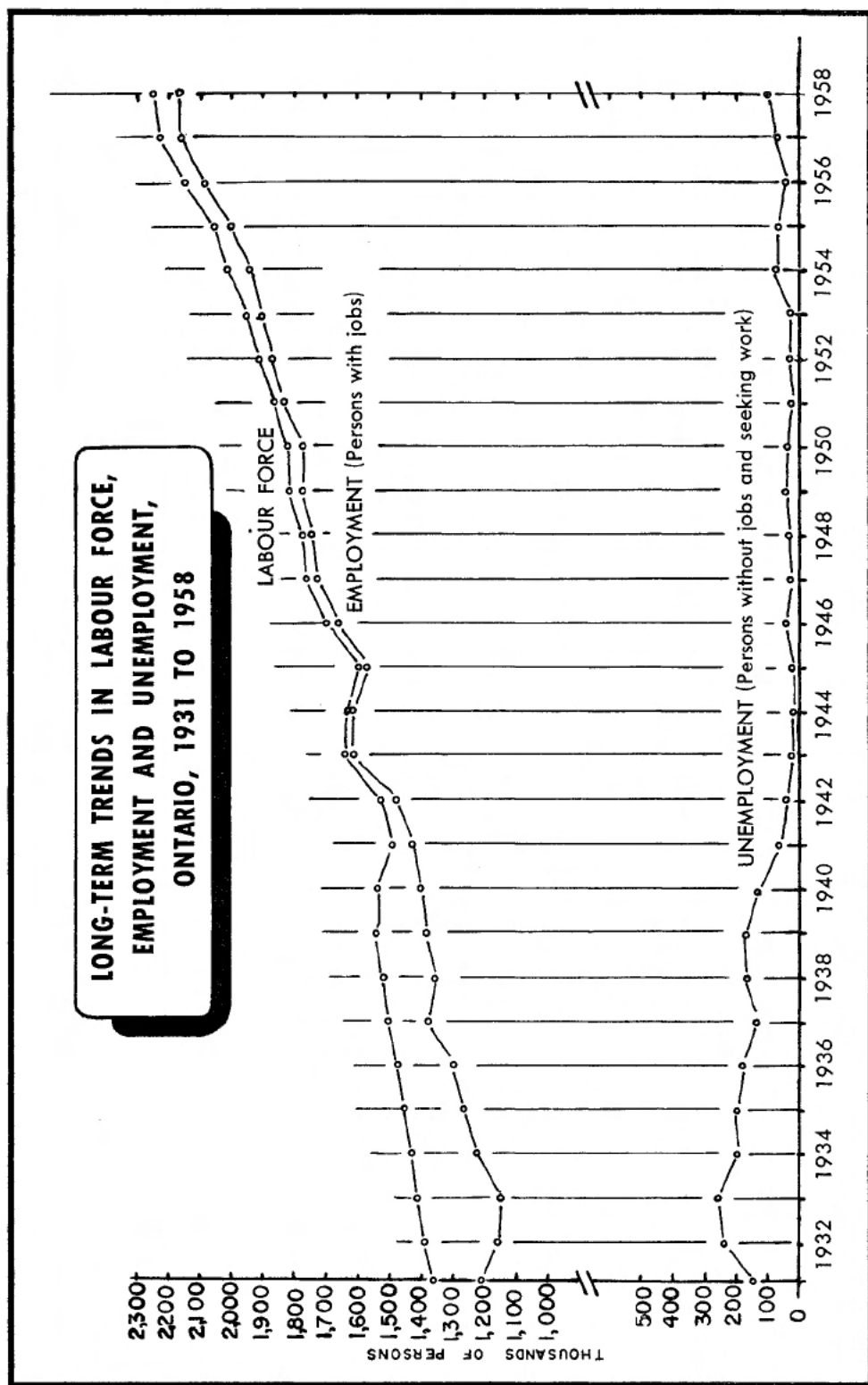
Year	Labour Force ¹			The Labour Force as a % of the Total Population			The Working Age Groups (14-64) in the Population as a Proportion of Total Population		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
	(Thousands)			%	%	%	%	%	%
1901	646	109	754	58.9 ²	10.0 ²	34.6 ²	64.7	65.7	65.2
1911	836	155	991	64.3	12.6	39.2	67.4	66.3	66.9
1921	922	195	1,117	62.2	13.4	38.1	65.7	65.8	65.8
1931	1,111	255	1,366	63.5	15.2	39.8	67.4	66.6	67.0
1941	1,284 ³	323 ³	1,608 ³	66.8 ³	17.3 ³	42.5 ³	69.8	68.9	69.4
1941	1,167 ⁴	323 ⁴	1,490 ⁴	60.7 ⁴	17.3 ⁴	39.3 ⁴			
1946	1,285	417	1,702	62.2	20.6	41.6	68.9	68.5	68.7
1947	1,340	419	1,759	63.6	20.3	42.1	68.3	68.0	68.1
1948	1,364	412	1,776	63.2	19.5	41.5	67.5	67.3	67.4
1949	1,388	427	1,815	62.8	19.7	41.5	67.0	66.8	66.9
1950	1,395	430	1,825	62.1	19.4	40.8	66.6	66.3	66.5
1951	1,426	444	1,870	61.6	19.4	40.7	65.8	65.6	65.7
1952	1,454	454	1,908	60.3	19.1	39.8	65.1	65.0	65.0
1953	1,487	461	1,948	59.7	18.8	39.4	64.7	64.4	64.6
1954	1,526	496	2,022	59.1	19.6	39.5	64.2	63.9	64.0
1955	1,545	514	2,059	58.2	19.7	39.1	63.7	63.3	63.5
1956	1,586	560	2,146	58.3	20.9	39.7	63.3	62.9	63.1
1957	1,641	593	2,234	57.9	21.3	39.7	63.1	62.6	62.9
1958	1,668	588	2,256	57.0	20.4	38.9	62.7	62.2	62.4

¹"Gainfully Occupied" rather than "Labour Force" status was used prior to 1931. For 1931 an estimate was made of those in "Labour Force" definition not included in "Gainfully Occupied". Data for 1911 to 1941 are from the Census; 1946 to 1952 is an annual average of quarterly data, and 1953 to 1958, an annual average of monthly data from the Dominion Bureau of Statistics' *Labour Force Survey*.

²Indians were included in the population, but not in the labour force.

³Labour Force including the Armed Services.

⁴Labour Force excluding those in the Armed Services.



PERSONAL INCOME AND ITS MAJOR COMPONENTS

Personal Income

Ontario's personal income again set a new high mark in 1958 of about \$9.9 billion—a rise of five per cent over the previous year's level and nearly two and two-third times the \$3,738 million in 1946. In large part, this upward movement has been prompted by the rise in social security payments, farm cash income and certain forms of investment income during the first three-quarters of the year. As personal direct tax payments were lower, personal disposable income¹ in the Province for 1958 rose by an estimated six per cent over the 1957 level to establish a record in excess of \$9 billion. Wages, Salaries and Supplementary Labour Income and Interest, Dividends and Net Rental Income—two major components of personal income—both registered record high levels.

Ontario contributed about 41 per cent of Canada's total personal income which climbed to an estimated \$24.3 billion. In 1958, personal income averaged \$1,706 for every man, woman and child in the Province, compared with an average of \$1,425 for Canada as a whole.

PERSONAL INCOME, ONTARIO AND CANADA, SELECTED YEARS 1939 TO 1958

Year	ONTARIO			CANADA			ONTARIO AS % OF CANADA	
	Personal Income	Per Capita	Personal Disposable Income ¹	Personal Income	Per Capita	Personal Disposable Income ¹	Per- sonal Income	Personal Dis- posable Income
	Amount (Million \$)	(\$)	Amount (Million \$)	Amount (Million \$)	(\$)	Amount (Million \$)	%	%
1939	1,751	472	1,703	4,290	381	4,178	40.8	40.8
1946	3,738	913	3,382	9,719	791	8,923	38.5	37.9
1947	4,017	962	3,661	10,375	827	9,584	38.7	38.2
1948	4,570	1,069	4,202	11,901	928	11,079	38.4	37.9
1949	4,904	1,120	4,557	12,638	940	11,849	38.8	38.5
1950	5,285	1,182	4,949	13,428	979	12,688	39.4	39.0
1951	6,093	1,325	5,621	15,824	1,130	14,794	38.5	38.0
1952	6,749	1,410	6,144	17,395	1,203	16,072	38.8	38.2
1953	7,209	1,459	6,550	18,336	1,235	16,904	39.3	38.7
1954	7,397	1,446	6,729	18,421	1,205	16,984	40.2	39.6
1955	7,951	1,510	7,279	19,820	1,263	18,329	40.1	39.7
1956	8,702	1,610	7,918	21,958	1,365	20,238	39.6	39.1
1957	9,424	1,676	8,515	23,142	1,395	21,235	40.7	40.1
1958 ²	9,900	1,706	9,030	24,300	1,425	22,510	40.7	40.1

¹Total personal income less personal direct taxes.

²Estimated by the Ontario Department of Economics.

Source: Dominion Bureau of Statistics, *National Accounts, Income and Expenditure*, 1926-1956, 1955-1957, and 3rd quarter, 1958.

Wages, Salaries and Supplementary Labour Income

The level of wages, salaries and supplementary labour income in Ontario during 1958 rose to an estimated \$6.9 billion—over six times the total in 1939 and more than triple the \$2.2 billion recorded in 1946. It represented over 42 per cent of the \$16.3 billion for all of Canada and on a per capita basis amounted to about \$1,189, nearly one-quarter higher than the average of \$956 for the nation and four times the 1939 level of \$297.

Labour income in Ontario now accounts for approximately 70 per cent of total personal income earned in the Province as against 60 per cent at the commencement of the post-war period. In 1958, the average labour income per worker in Ontario's labour force amounted to \$3,060 compared with \$2,988 in the preceding year and \$1,078 in 1941.

WAGES, SALARIES AND SUPPLEMENTARY LABOUR INCOME, ONTARIO AND CANADA, 1939 TO 1958

Year	ONTARIO			CANADA			ONTARIO
	Amount (Million \$)	Per Capita (\$)	As % of Total Personal Income	Amount (Million \$)	Per Capita (\$)	As % of Total Personal Income	AS % OF CANADA
			%			%	%
1939	1,103	297	63.0	2,601	231	60.6	42.4
1940	1,272	339	62.4	2,959	260	60.2	43.0
1941	1,569	414	62.9	3,608	314	61.7	43.5
1942	1,834	472	61.9	4,282	367	57.9	42.8
1943	2,028	518	61.4	4,812	408	59.8	42.1
1944	2,081	525	59.3	4,998	418	56.4	41.6
1945	2,082	521	56.9	5,037	417	55.2	41.3
1946	2,257	551	60.4	5,487	446	56.5	41.1
1947	2,658	636	66.2	6,399	510	61.7	41.5
1948	3,105	726	67.9	7,414	578	62.3	41.9
1949	3,346	764	68.2	8,000	595	63.3	41.8
1950	3,624	811	68.6	8,629	629	64.3	42.0
1951	4,258	926	69.9	10,103	721	63.8	42.1
1952	4,718	985	69.9	11,208	775	64.4	42.1
1953	5,066	1,025	70.3	12,110	816	66.0	41.8
1954	5,189	1,014	70.2	12,432	813	67.5	41.7
1955	5,526	1,049	69.5	13,215	842	66.7	41.8
1956	6,140	1,136	70.6	14,719	915	67.0	41.7
1957	6,676	1,187	70.8	15,825	954	68.4	42.2
1958 ¹	6,900	1,189	69.7	16,300	956	67.1	42.3

¹Estimated by the Ontario Department of Economics.

CONSUMER SPENDING

In 1958, retail sales in Ontario exceeded all previous annual levels. With an estimated \$5.9 billion—which comprised 38 per cent of all Canadian retailing—Ontario's volume of retail trade for the past year was 4.3 per cent larger than for 1957, and more than three times the level reached at the end of World War II.

Most categories of retail stores showed increases in sales for 1958 compared with the previous year. The largest increase in the volume of sales was in the grocery and combination stores with a rise of \$87 million to \$1,222 million—more than one-fifth of all retail spending. However, the largest percentage increase in sales was experienced by the garage and filling station component which rose 12 per cent to \$425 million. Although the sales of motor vehicle dealers, and of furniture, appliance and radio stores declined, all other groups of stores experienced increases.

RETAIL TRADE IN ONTARIO BY SPECIFIED TYPE OF STORE, 1939 TO 1958

Year	Total	Grocery and Combination	Motor Vehicle	Depart- ment	Garage and Filling Station	Clothing and Shoe	Furniture, Appliance and Radio	All Other
(Millions of Dollars)								
1939 ¹	1,038.7	175.0	115.0	110.0	75.0	85.0	35.0	443.7
1940 ¹	1,191.1	200.0	130.0	125.0	85.0	100.0	40.0	511.1
1941	1,388.0	230.7	151.3	146.0	97.2	114.9	48.9	599.0
1942	1,446.5	262.7	91.9	158.0	55.1	139.2	46.5	693.1
1943	1,488.0	273.5	77.5	152.5	41.9	147.3	40.1	755.2
1944	1,573.7	290.9	87.1	162.9	44.1	159.4	41.2	788.1
1945	1,773.5	316.0	104.5	181.6	51.3	176.9	47.7	895.5
1946	2,264.5	364.4	201.8	217.8	111.4	205.3	82.3	1,081.5
1947	2,721.1	434.8	291.7	250.9	152.3	226.8	110.5	1,254.1
1948	3,067.2	513.2	320.2	285.8	168.9	249.0	122.8	1,407.3
1949	3,293.6	561.5	384.4	302.1	186.4	255.6	135.2	1,468.4
1950	3,715.4	615.5	544.9	305.8	199.9	248.1	151.2	1,650.0
1951	4,129.8	729.6	699.2	308.6	212.6	290.0	164.1	1,725.7
1952	4,383.3	773.5	769.3	334.2	223.4	303.0	201.4	1,778.5
1953	4,615.9	815.9	845.6	342.6	240.1	307.3	222.3	1,842.1
1954	4,634.5	887.7	748.4	353.3	277.5	295.1	218.7	1,853.8
1955	5,115.2	944.2	938.0	383.8	313.5	301.2	228.3	2,006.2
1956	5,498.6	1,025.6	943.9	413.4	357.3	323.0	246.6	2,188.8
1957	5,612.0	1,134.5	868.4	427.3	379.4	323.4	237.4	2,241.6
1958 ²	5,852.3	1,221.7	847.4	447.8	424.7	345.9	217.0	2,347.8

¹Component data are estimated.

²Preliminary.

Source: Dominion Bureau of Statistics, *Retail Trade* (annual), 1952-1956; *Retail Trade* (monthly), December, 1958.

HOUSEHOLD FACILITIES AND EQUIPMENT

The continuing advance in living standards experienced by the people of Ontario is pointed up by the rising proportion of homes equipped with mechanical aids and other conveniences. Almost three-quarters of the Province's homes in 1958 were owner-occupied. All but one per cent were supplied with electricity, while 96 per cent were equipped with refrigeration facilities. Water was piped inside 93 per cent of Ontario's occupied dwellings, and telephones and powered washing machines were reported in 89 per cent, installed bath facilities in 87 per cent, television receivers in 81 per cent and vacuum cleaners in 74 per cent. At least one radio was found in 96 per cent of the homes, while 34 per cent had two or more. Three-quarters of the Province's homes had at least one passenger automobile and 11 per cent, two or more. Ontario now has a higher proportion of homes with telephones, television, refrigeration, vacuum cleaners, powered washing machines or more than one radio or automobile than any other region in Canada.

Since 1941, the number of occupied dwellings supplied with electricity or piped-in water doubled, although the number of homes increased by only 62 per cent. Even more spectacular was the growth in the number with telephones (178 per cent), refrigeration (157 per cent), automobiles (145 per cent) and installed bath facilities (131 per cent). The number of homes with radios almost doubled over the period, while homes with television have more than quadrupled since 1953.

FACILITIES AND EQUIPMENT IN ONTARIO HOMES, SELECTED YEARS 1941 TO 1958

Year	Total Occupied		Owner-Occupied		Supplied with Electricity		Piped-In Water Supply		Installed Bath Facilities	
	No. (000's)		No. (000's)	%	No. (000's)	%	No. (000's)	%	No. (000's)	%
1941	911		515	56.5	738	81.0	630	69.2	553	60.7
1951	1,181		821	69.5	1,111	94.1	971	82.2	860	72.8
1957	1,450		1,057	72.9	1,428	98.5	1,293	89.2	1,191	82.1
1958	1,479		1,095	74.0	1,465	99.1	1,371	92.7	1,280	86.5

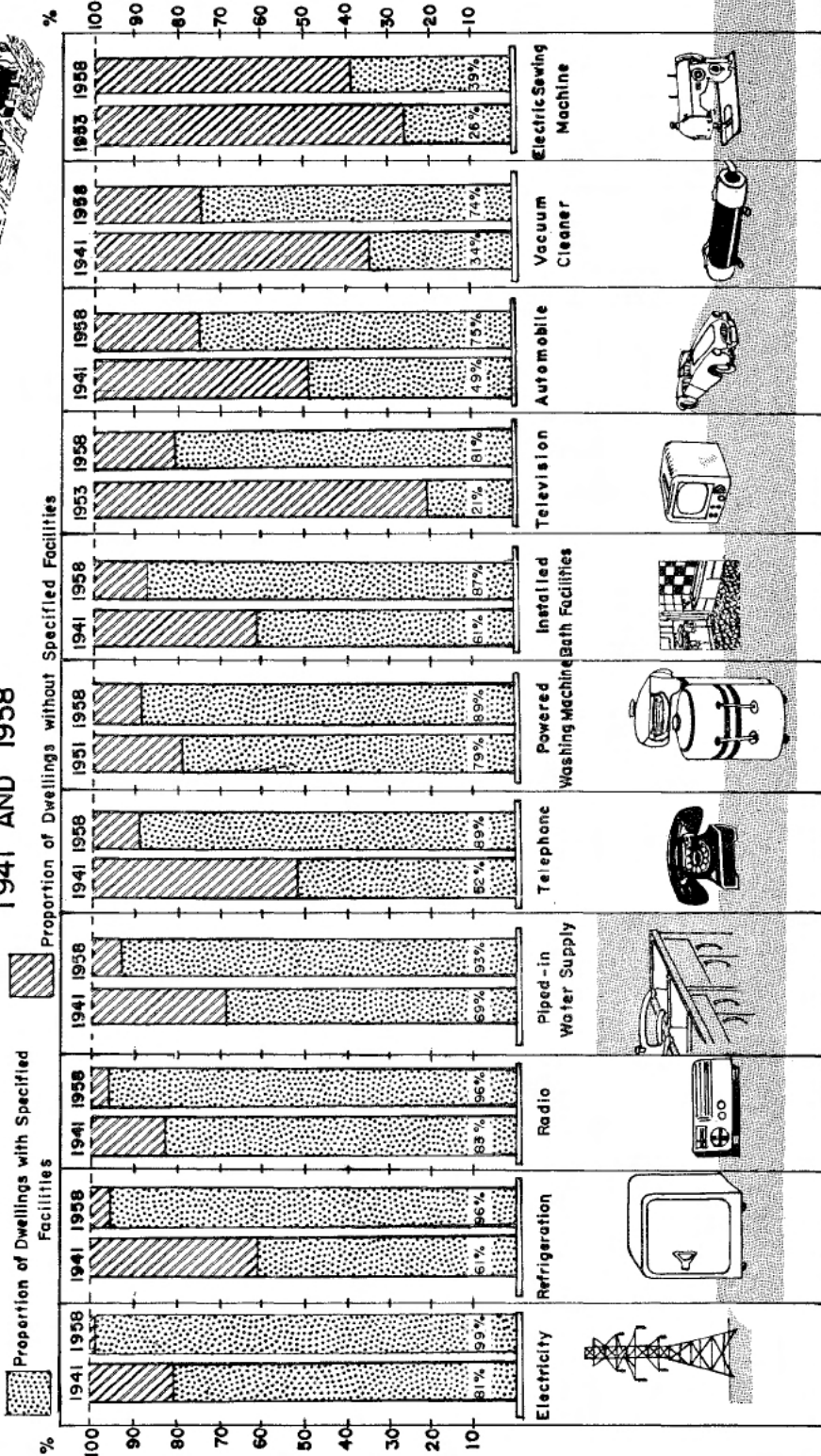
Year	Refrigeration		Telephone		Radio		Television		Automobile	
	No. (000's)	%	No. (000's)	%	No. (000's)	%	No. (000's)	%	No. (000's)	%
1941	555	60.9	476	52.3	759	83.3	..	..	450	49.4
1951	973	82.4	865	73.2	1,098	93.0	272*	21.5	640	54.2
1957	1,377	95.0	1,278	88.1	1,390	95.9	1,102	76.0	1,032	71.2
1958	1,427	96.5	1,321	89.3	1,417	95.8	1,204	81.4	1,103	74.6

*Data first available in 1953.

Source: Dominion Bureau of Statistics, *Census of Canada*, 1941 and 1951; *Household Facilities and Equipment* (annual), 1957 and 1958.

PROPORTION OF OCCUPIED DWELLINGS WITH SPECIFIED FACILITIES IN ONTARIO,

1941 AND 1958



PRICE MOVEMENTS

In 1958, the annual average of the consumer price index recorded a new high level of 125.1 points, 3.2 points or 2.6 per cent above the preceding year. Although this increase continued the index's upward movement of recent years, it was less pronounced than the annual increment registered in 1957. The price index of commodities and services used by farmers manifested similar trends. Thus, there was a small rise of one per cent above the level for 1957. This however, was considerably less than the 3.8 per cent increase of that year over 1956.

The general wholesale price index experienced several fluctuations during 1958, the longest continuous trend being downward between May and August. By December, the index had reached a level one per cent higher than at the commencement of the year; however, the annual average for the index stood only 0.1 per cent above the 1957 level. The index of wholesale prices of farm products showed a rise of 4.2 per cent above that for the foregoing year. On the other hand, the index of residential building materials declined by one per cent, while that of non-residential building materials prices dipped 0.2 per cent below the 1957 annual average.

SPECIFIED PRICE INDEXES IN CANADA, ANNUAL AVERAGES, 1939 TO 1958

(1949 = 100)

Year	Consumer Prices	Commodities and Services Used by Farmers ^{1, 2}	General Wholesale Prices ¹	Wholesale Prices of Farm Products ¹	Residential Building Materials	Non-Residential Building Materials
1939	63.2	51.1	50.0	42.5	44.9	60.3
1943	74.2	71.1	64.5	66.7	61.0	70.2
1946	77.5	75.9	70.0	73.6	67.8	75.0
1949	100.0	100.0	100.0	100.0	100.0	100.0
1950	102.9	102.4	106.5	102.6	106.4	105.0
1951	113.7	113.2	121.1	120.8	125.5	118.6
1952	116.5	119.5	114.0	115.8	124.9	123.2
1953	115.5	116.5	111.3	99.6	123.9	124.4
1954	116.2	115.6	109.4	96.8	121.7	121.8
1955	116.4	116.5	110.4	96.3	124.3	123.4
1956	118.1	119.6	113.8	98.4	128.5	128.0
1957	121.9	124.1	114.7	96.9	128.4	130.0
1958	125.1	125.3	114.8	101.0	127.2	129.7

NOTE: The indexes apply to all Canada, except the Farm Commodities and Services and the Farm Products Indexes, which apply to Eastern Canada.

¹Arithmetically converted from 1935-39 base.

²Composite index inclusive of living component.

Source: Dominion Bureau of Statistics, *Prices and Price Indexes*, 1949-1952 and December, 1958.

RESIDENTIAL CONSTRUCTION

Residential construction provided beneficial support to the Ontario economy in 1958. While a contraction of activity was experienced by several other sectors of the economy, residential construction surged ahead to start and complete more dwelling units than ever before. During the year work was begun on the construction of 63,753 dwelling units, 16,014 more than in 1957 and 10,297 more than in the previous record year of 1955. At the same time 59,551 new dwelling units were completed, once again substantially more than in the previous record year.

Toward the end of 1957, the level of activity in non-residential construction was waning, especially in industry, releasing capacity for the construction of residences. More loanable funds were becoming available for residential construction, interest rates were falling, and the Federal Government deliberately made additional funds available for residential construction, especially for low-cost housing. Concessions were also made to purchasers in the form of an extended amortization period, lower down payments and smaller income requirements.

By the year's end, Ontario had accounted for over 40 per cent of all the dwellings completed in Canada during 1958, 2.0 per cent more than in 1957. The Province also had a carry-over into 1959 of 33,414 uncompleted dwelling units.

DWELLING STARTS, COMPLETIONS, CONVERSIONS AND CARRY-OVER, ONTARIO, 1945 TO 1958

Year	Starts		Completions		Percentage of Canada	Carry- Over
		New Units	Conversions	Total		
1945 (est.)....	N.A.	13,100	2,000	15,100	31.1	N.A.
1946 (est.)....	N.A.	19,600	1,700	21,300	31.6	12,706
1947 (est.)....	N.A.	22,500	2,200	24,700	31.1	17,243
1948.....	29,976	26,391	2,273	28,664	35.3	21,112
1949.....	34,023	31,440	1,264	32,704	36.0	23,585
1950.....	33,430	31,318	1,178	32,496	35.4	24,331
1951.....	27,349	31,732	973	32,705	38.6	19,258
1952.....	30,016	27,461	985	28,446	37.3	20,513
1953.....	38,873	35,173	1,331	36,504	36.3	24,134
1954.....	46,382	41,085	1,524	42,609	40.1	27,941
1955.....	53,456	51,612	1,023	52,635	39.8	29,794
1956.....	48,712	51,201	1,086	52,287	37.5	26,232
1957.....	47,739	45,087	1,262	46,349	38.2	29,782
1958.....	63,753	59,551	1,500 ¹	61,051	40.4	33,414
		487,251	20,229	507,550		

¹Estimated by the Ontario Department of Economics.

Source: Figures for 1945-1947 were estimated, while those for 1948-1958 were obtained from December issues of The Dominion Bureau of Statistics, *New Residential Construction*.

NEW CAPITAL INVESTMENT

How much new capital investment took place in Ontario during 1958 has not yet been finally determined, but estimated figures indicate a slight increase over 1957's record of \$3.2 billion. This year, more substantial increases are expected.

Although the aggregate outlay on new capital in 1958 remained about the same as in 1957, there were considerable changes in the proportions expended in the different sectors of the economy. Increases in some sectors offset declines in others. Residential construction took advantage of the increased availability of loanable funds and started and completed a record number of dwelling units. The value of residential construction contracts rose from \$457.5 million in 1957 to \$675.8 million—an increase of 47.7 per cent. At the same time, new capital expenditures under the institutional services and direct government headings were increased by about \$100 million, or 20 per cent. Similarly, utilities, again the leading sector, expanded investment in new capital by approximately \$80 million. The remaining sectors, reflecting some decline in the rate of growth in North America and changes in demand, all reduced their outlays on new capital in 1958. The sharpest drop, one of 41 per cent, occurred in the primary industries and construction industry. Manufacturing recorded a less serious decline of 12 per cent, equivalent to about \$80 million. New capital investment in trade, finance and commercial services declined only marginally.

Anyone examining the economic development of Ontario and the rest of Canada during the post-war period cannot fail to be impressed by the high proportion of gross product devoted to the formation of new capital. Since 1948, over 20 per cent and during the last few years over 25 per cent of the nation's production has been utilized to extend and deepen the country's capital base. Since 1945, Ontario alone has plowed back over \$25 billion into new capital—37 per cent of the total new investment carried out in Canada. This has been an impressive performance for any economy, and one which was absolutely essential if the expanding domestic and foreign demand for our resources, products and services was to be met, if new products and techniques were to be developed and introduced and if productivity and real incomes were to be raised.

In the maintenance of balanced growth, the composition of investment is no less important than its volume. Since 1948, utilities, manufacturing, and residential housing have each absorbed approximately \$4.8 billion or nearly 21 per cent of new capital investment. Of the remaining sectors, institutional services and direct government accounted for 16.8 per cent and the primary and construction industries, together with trade, finance and commercial services, 21.3 per cent of all outlays on new capital.

NEW CAPITAL INVESTMENT, CANADA AND ONTARIO, 1945 TO 1958

Year	Canada (Million \$)	Ontario (Million \$)	Ontario as % of Canada %	Canada's Gross National Product (Million \$)	Capital Investment in Canada as % of G.N.P. %
1945	1,284			11,835	10.8
1946	1,703	2,048 ¹	37.4	11,850	14.4
1947	2,489			13,165	18.9
1948	3,175	1,183	37.3	15,120	21.0
1949	3,502	1,298	37.1	16,343	21.4
1950	3,815	1,419	37.2	18,006	21.2
1951	4,577	1,740	38.0	21,170	21.6
1952	5,285	1,899	35.9	23,995	22.0
1953	5,841	2,106	36.0	25,020	23.3
1954	5,620	2,089	37.2	24,871	22.6
1955	6,350	2,271	35.8	27,070	23.5
1956	8,024	2,842	35.4	30,182	26.6
1957 ²	8,722	3,220 ²	36.9	31,443	27.7
1958 ¹	8,525	3,239	38.0	32,200 ¹	26.5
Total	68,912	25,354	36.8		

¹Estimated.²Preliminary Actual.

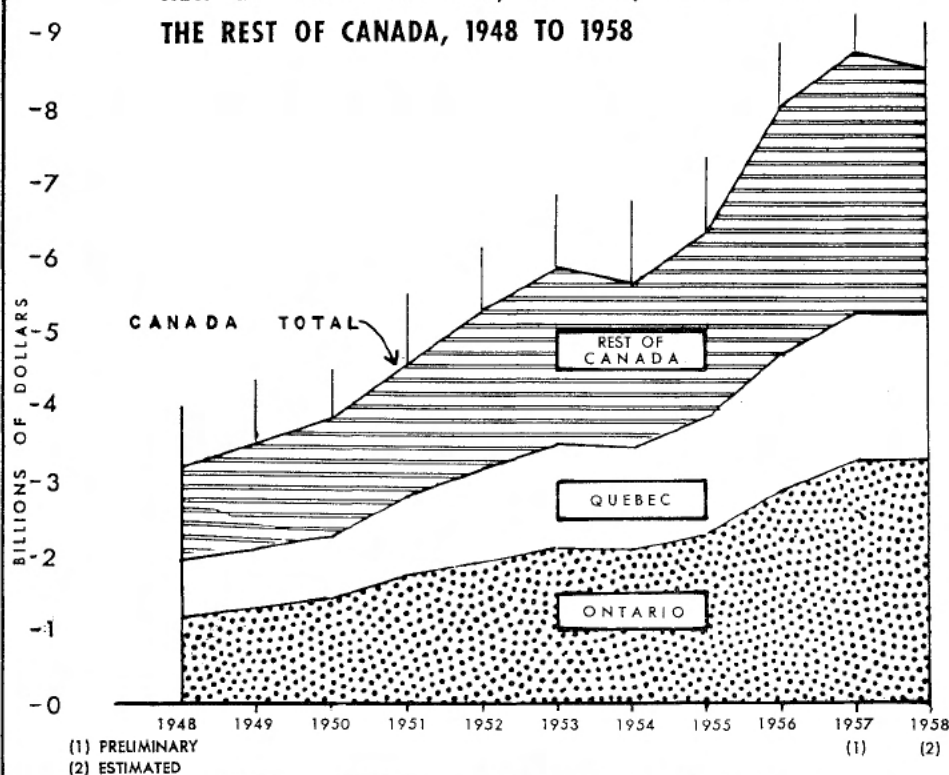
Source: Department of Trade and Commerce, *Private and Public Investment in Canada, 1926-1951*; *Private and Public Investment in Canada, Outlook, 1952-1953*; *Private and Public Investment in Canada, Regional Estimates, annually 1953-1958*. Ontario, 1945-1947, was estimated by the Ontario Department of Economics.

NEW CAPITAL INVESTMENT, BY SECTOR, IN ONTARIO, 1952 TO 1958

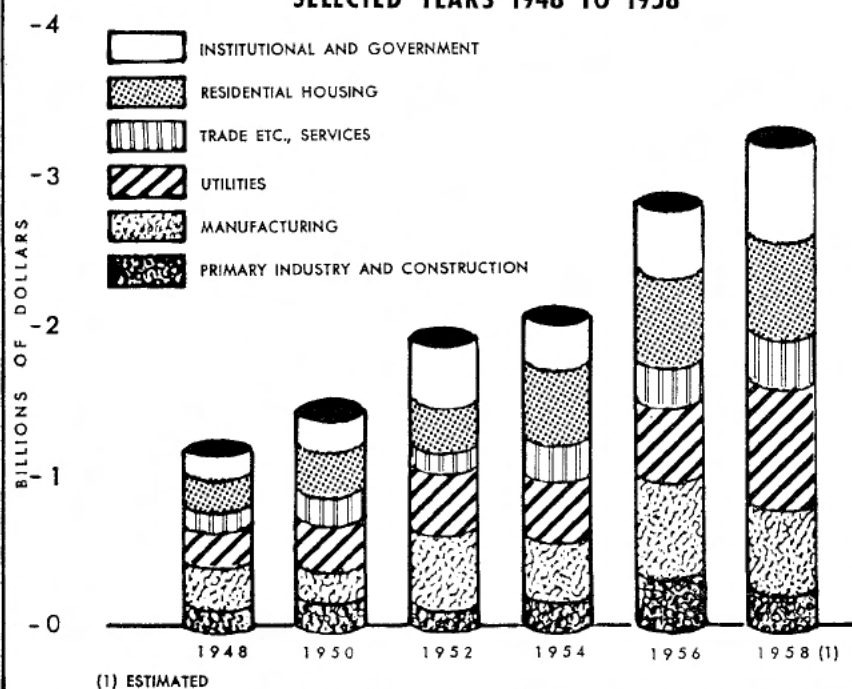
Sector	1952	1953	1954	1955	1956	1957 ¹	1958 ²
	(Million \$)						
Primary Industries and Construction Industry.....	188.8	194.3	203.9	259.0	373.3	398.4	233.7
Manufacturing.....	477.3	499.4	416.3	411.8	630.1	659.3	577.1
Utilities.....	397.1	444.0	392.6	346.6	501.0	745.7	824.3
Trade, Finance and Commercial Services.....	137.0	217.9	255.3	261.4	270.6	322.6	308.9
Residential Housing.....	309.8	399.9	484.9	605.9	601.6	553.3	647.1
Institutional Services and Direct Government.....	389.3	350.1	335.7	386.4	465.5	540.3	647.9
Total.....	<u>1,899.3</u>	<u>2,105.6</u>	<u>2,088.7</u>	<u>2,271.1</u>	<u>2,842.1</u>	<u>3,219.6</u>	<u>3,239.0</u>

¹Preliminary Actual.²Estimated.

NEW CAPITAL INVESTMENT, ONTARIO, QUEBEC AND THE REST OF CANADA, 1948 TO 1958



NEW CAPITAL INVESTMENT IN ONTARIO BY SECTOR, SELECTED YEARS 1948 TO 1958



A REVIEW OF TRENDS IN AGRICULTURE, MINING AND FORESTRY

Agriculture

In 1958, Ontario experienced record and near-record successes in almost all segments of the agricultural industry. Cash income from the sale of farm products reached an estimated \$873 million, the highest in the Province's history and ten per cent above the 1957 level. Last year's gross value of agricultural production, estimated at \$1,194 million, showed a nine per cent increase over the corresponding 1957 figure and was only exceeded in 1951, when it reached \$1,262 million.

An examination of specific areas of production reveals that the most striking increases occurred in field crops. Previous records were broken in the yield per acre for fall wheat, oats, barley and mixed grains. The harvest of principal feed grains alone rose by 36 million bushels in 1958. As a result, shipments of feed grains from Western Canada were sharply reduced despite the fact that the total cattle population (2.9 million head), as well as the number of poultry and swine in the Province, were at an all-time high. In addition, records were set in the harvest of the dry bean, tobacco, sugar beet and soy bean crops. Ontario's estimated gross value of production from field crops reached a near record of \$417 million in 1958 (1951, \$450 million), 14 per cent above the 1957 field crop production value of \$367 million.

Other all-time records were attained in the sectors of dairy production, with a 1958 value estimated at \$190 million, and poultry and eggs, valued at \$163 million. The year also witnessed marked achievements in the production of livestock, with a value of \$340 million (1951 high, \$402 million), and the output of fruit and vegetables, estimated at \$73.7 million, almost equal to the 1952 record of \$74.3 million.

Ontario continued to lead all provinces in value of and income from agricultural production. This success has been accomplished in spite of continuing difficulties occasioned by a steady decline in farm labour force and the upward trend in farm wages. In the five-year period 1954 to 1958, the farm labour force fell off by 29 per cent. The decrease from 1957 to 1958 was six per cent, from 192,000 to 180,000. The average wage of male farm help continued to rise in 1958 and was five per cent above that for 1957 and 10 per cent above the 1956 level. Gross production per agricultural worker, however, increased by 17 per cent from \$5,691 in 1957 to \$6,634 in 1958.

The advanced stage of mechanization on Ontario farms is a key factor in offsetting the effects of a decreasing labour force and increasing wages. The use of machinery in any industry is attended by various hazards. The need for care

in handling farm machinery is emphasized by the fact that loss in production from farm accidents runs into millions of dollars, not to mention the human suffering involved. In the coming year the farm safety program will be intensified in an effort to minimize accidents on Ontario farms.

Contributing to technical progress is the rapid installation of rural electrical services. In 1958, new farm customers were able to take advantage of the Hydro policy of providing free line extensions to soundly established farms for the first two-thirds of a mile instead of one-third of a mile as before. Nearly 1,000 miles were added to rural primary distribution lines, bringing the total to almost 46,300 miles. In 1958, new farm customers totalled 2,189, while some 20,789 new rural customers were provided with service. During the past decade and a half, the Province has expended over \$94 million on this electrification program.

Rural telephone communications too, have experienced many technological advances in recent years. In many cases, modern facilities have become available to rural municipalities when independent systems formerly serving them were absorbed by larger systems. The Ontario Telephone Authority provides technical and administrative advice with respect to problems of service improvement, modernization and expansion of the remaining independent systems. Although the number of these systems has decreased from 454 in 1954 to 333, more people are being served now than five years ago and the standard of service is generally improving.

The Ontario Agricultural College and the Ontario Veterinary College play integral roles in both basic research and education. Research is carried on in respect to livestock, breeding and nutrition, fundamental chemical studies, crop improvement, soil fertility, erosion, plant disease, and insect and weed control. The expansion plans designed to provide the necessary facilities for the accelerated research and teaching program have partly materialized. Some of the buildings have already been completed. Among these are the new Soils Building providing facilities for testing 100,000 soil samples annually, the Seed Research Building and the Physical Education Building capable of accommodating 3,000 persons. Soon to be completed is a new Clinical Studies Building designed to accommodate three times the number of animals presently housed. The construction of a Biology Building is under way and a Science Building is in the planning stage. In the coming year, a capital expenditure of \$3.6 million will be made toward this program.

It is estimated that 50 per cent of all farm cash income, totalling \$873 million in 1958, was realized through the sale of the 31 crops covered by Provincial marketing legislation. However, there are several important factors influencing the demand for and sale of our farm products which do not come within the purview of the marketing boards. In order to increase still further the sale of our agricultural products, it will be necessary to pay more attention to qualitative selection, the growing of the best strains, handling, storing and

processing techniques, transportation and changing consumer preferences. It is proposed to examine all these aspects in the coming year.

In 1959, the brucellosis control program will enter its final phase. The ultimate goal is to make provision, in all producing areas of the Province, for the testing of cattle and vaccination of calves. In the light of recent United States regulations, this program is vital to the future of Ontario's beef and dairy cattle export trade which grossed nearly \$10 million in 1958.

During 1958, the Co-operative Loans Board received many applications for loans to assist the activity of our agricultural co-operative organizations. It is estimated that by March 31, 1959, loans approved in the present fiscal year will have reached a total of \$750,000.

Continued assistance to our junior farmers is provided through the Junior Farmer Establishment Loan Corporation. From its inception in 1952 to the end of January 1959, the Corporation has approved 3,201 loans totalling \$22,740,734. In the year ended January 31, 1959, 572 loans were approved amounting to \$4,572,325.

Under the Community Centres Act, in the year ending January 31, 1959, 139 grants were extended to assist in the financing of various community projects including arenas, halls, athletic fields, rinks and swimming pools. In this period an amount of \$274,533 was expended for these purposes.

VALUE OF FARM PRODUCTION, ONTARIO, 1940 TO 1958

Year	Gross Value of Production	Gross Farm Income	Cash Income from Sale of Farm Products	Net Income of Farm Operators from Farming
(Thousands of Dollars)				
1940	380,342	271,144	215,774	113,837
1941	473,378	316,491	274,503	146,260
1942	573,486	435,186	357,848	228,239
1943	586,467	440,483	389,083	201,393
1944	654,262	494,034	410,710	253,307
1945	703,986	500,239	442,625	250,995
1946	768,069	537,733	461,733	255,706
1947	853,074	603,832	535,194	276,650
1948	1,029,204	732,763	650,290	366,693
1949	1,070,448	731,831	652,269	352,929
1950	1,128,957	754,374	650,083	336,637
1951	1,262,088	896,799	800,666	431,172
1952	1,050,767	928,541	770,675	431,715
1953	1,048,289	873,640	749,106	378,618
1954	1,038,354	815,464	726,397	295,040
1955	1,104,819	869,106	766,237	332,457
1956	1,097,519	899,562	790,496	310,674
1957	1,092,574	906,672	791,477	321,957
1958 (est.)	1,194,098	997,000	873,287	331,500

Source: Gross Value of Production, Ontario Department of Agriculture. Gross Farm Income, Cash Income and Net Farm Income, Dominion Bureau of Statistics' publications. Gross and Net Farm Income for 1958 were estimated by the Ontario Department of Economics.

Mining

The rapid post-war climb in Ontario's total mineral production was continued in 1958. The value of mineral production rose from its 1957 total of \$749 million to an estimated \$799 million in 1958—an all-time record.

The sharp increase in production is mainly attributable to the spectacular gain in uranium output which almost tripled in value from its 1957 level of \$83 million to \$222 million last year. The uranium industry has experienced an extraordinary development. It appeared in our mineral statistics for the first time in 1955 with an output valued at half a million dollars, and now ranks first among our mineral enterprises. All major uranium mining projects commenced in recent years have been completed.

Plants in the Blind River-Elliot Lake area account for over 90 per cent of the Province's production capacity of uranium oxide; the balance is located in the Bancroft area. Ontario's mines supplied 76 per cent of the country's 1958 uranium output. The heavy demand for defence purposes which spurred the rapid growth of the uranium industry in Canada, the United States and other countries has now been matched by output. A market for uranium in the civilian sector of the world economy is in the process of development and Ontario's uranium mining companies are preparing to meet competition in this field by the introduction of cost-saving methods and modern technical devices.

Nickel, for the first time in many years, lost its position as the leader of Ontario's minerals. This was brought about by a decline in defence requirements for the metal during 1957 and 1958 of about 50 per cent from the 1955-56 level. Ontario's major producer was prompted to cut its production twice during the past year. Another factor contributing to the decrease was a three-month strike in Sudbury's largest nickel-copper mines.

Although our nickel mines are not yet operating at full capacity, a gradual increase in production is expected, resulting from a rising demand for stainless steels and a wider application of the metal in numerous tools and implements. The industry is also conducting comprehensive market promotion and research programs to increase consumption of its product for peaceful purposes. Long-term prospects are considered to be good. Ontario's nickel industry supplies about 70 per cent of the free world's output of this metal and there is evidence that it will maintain its world leadership for years to come.

The production of gold in Ontario, with a value of \$90.7 million in 1958, showed an increase of almost five per cent over 1957, when it stood at \$86.5 million. The main problem of the industry is—and has been for a number of

years—that it cannot compensate for rising costs by increasing the price of its product which is still stabilized at U.S. \$35 per ounce. The Federal Emergency Gold Mining Assistance Act has recently been extended to the end of 1960. The amounts payable under the Act to marginal and high-cost gold mines were increased by 25 per cent. The mines have been successful in their efforts to reduce costs and conduct their operations with the utmost efficiency. In general, the premium of the Canadian over the U.S. dollar last year was slightly lower than in 1957, thus improving the price position of the industry. An increase in the stabilized price of gold would open new prospects for our gold mines, but at this moment there are no positive indications that such a move is being considered.

The second half of 1958 saw a strengthening of the world copper market. The price recovered from a low of 24c. per pound in June, 1958 to about 29c. per pound at the end of the year. The Province's copper production did not reach the very high levels of 1956 and 1957, but with a volume of 281 million pounds it equalled output in 1954. Value of production in 1958 declined to \$72 million from \$98 million in 1957.

A sharp decline in defence demand for copper in recent years resulted in the development of a world copper surplus which prompted producers to cut production. These reductions and the strike in the Sudbury area are the main causes for the fall in Ontario's 1958 copper output. Producers in Canada and other countries are actively exploring the possibilities of expanding civilian uses for the metal. The European market with its rising consumption potential is considered to be a promising outlet. With industrialization and rising standards of living in the underdeveloped countries of Asia and Africa, the use of copper in those areas is also likely to increase. It is expected that the balance between supply and demand will be restored this year, to be followed by a gradual increase in world consumption.

In spite of a decline in iron and steel production, an all-pervasive feeling of confidence in the future characterizes the iron ore industry. The value of Ontario's iron ore production in 1958 was \$33.3 million. Expansion in this industry took place mainly after World War II. In 1945, it had a value of production of only \$3.6 million; in little more than a decade, it reached a peak of \$44.2 million in 1956 and it is expected that this record will be surpassed within a few years. A new mine in the Michipicoten area and a new concentrating plant at Steep Rock commenced production in 1958. North of Sudbury, another new producer is ready to enter the market. An additional iron mine, now under development in the Atikokan area, is scheduled to be completed in

1960. Plans for the establishment of a new iron mining industry north of Nakina (Northwestern Ontario) are taking shape. Large low-grade iron ore reserves north of Kingston and in Northwestern Ontario show positive promise and within some years new iron mines may be flourishing in these areas.

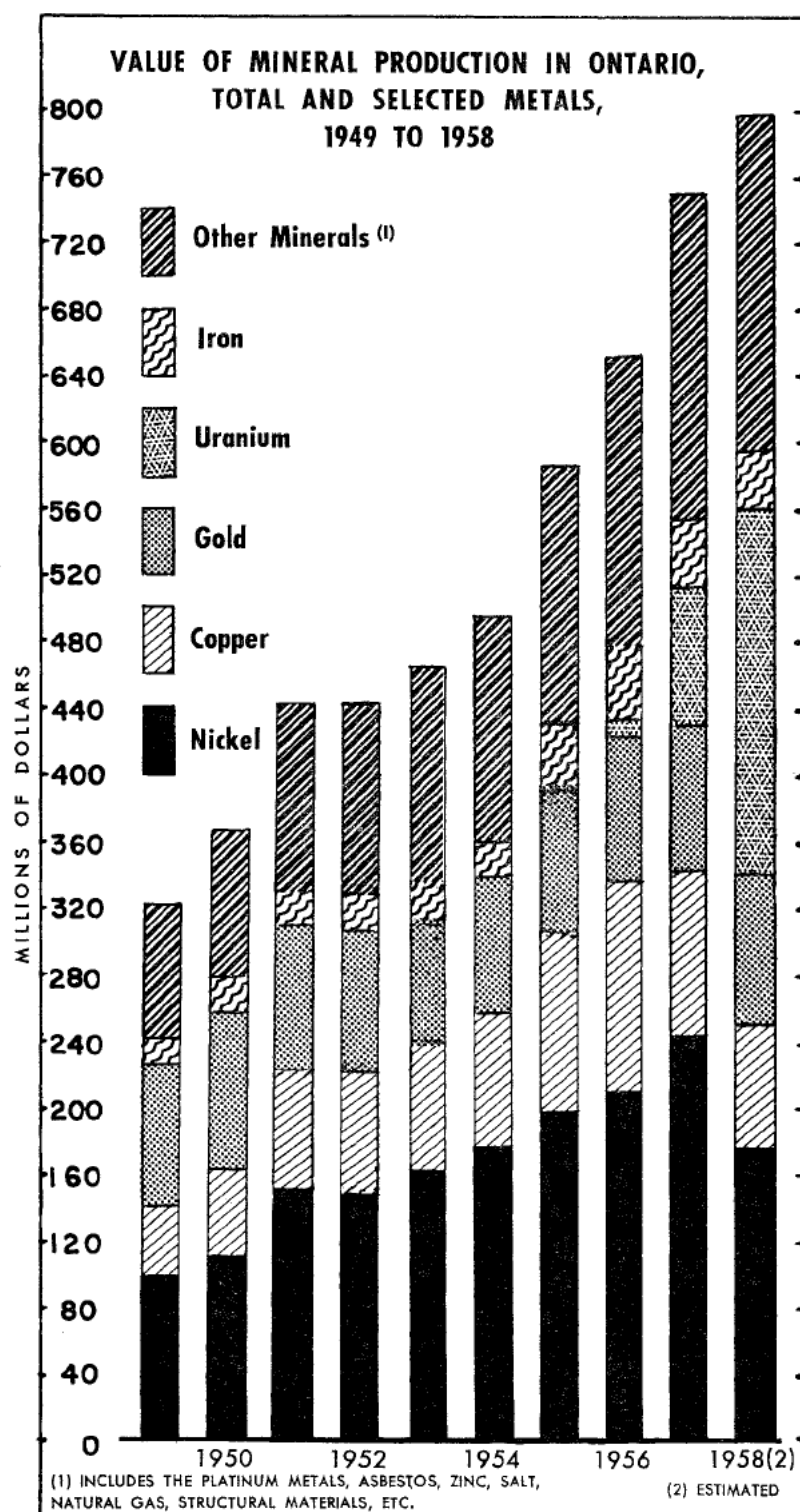
Particularly encouraging for Ontario, with its large deposits of low-grade iron ore, is the development of new processes which may make it possible to produce iron directly from the ore. There is evidence that with these new techniques, iron may be extracted from ore bodies which, in the past, were considered to be economically unattractive.

In line with the increasing activity in Canada's Arctic and sub-Arctic regions are plans for the construction of a harbour at Moosonee. There are indications that the advanced plans for developing the enormous reserves of iron ore and other minerals in the James Bay area (Belcher Islands) will materialize. The Ontario Northland Railway constitutes an ideal route for the transportation of mineral products from mines in this territory to world markets. The establishment of storage, smelting and upgrading facilities in Moosonee would create additional benefits for both the industry and Northern Ontario in general.

Gains were made last year in all four main groups of minerals. The estimated value of output in 1958 and the increase over 1957 for each group were as follows: metallics, \$636.3 million (5.9 per cent); non-metallics, \$20.9 million (3.8 per cent); fuels, \$7.9 million (6 per cent); and structural materials, \$134.0 million (11.5 per cent). Ontario's five major minerals (uranium, nickel, gold, copper and iron ore) accounted for three-quarters of the Province's 1958 total value of mineral production. Next to the metals, the structural materials constitute the most important group of minerals in the Province. Their production has risen sharply since World War II; last year their value of output was between seven and eight times the 1945 total of \$17.4 million.

In 1958, 23,980 claims were staked in the Province. This indicates a decline in prospecting activity from 1957, when 30,947 claims were recorded. A growing interest in gold prospecting was noticeable in some areas. Increased activity took place in four districts—Red Lake, Larder Lake, Montreal River and Fort Frances—with a total of 7,196 claims in 1958 against 4,599 in 1957.

Several important industrial centres owe their growth and prosperity largely to the development of Ontario's mineral resources. Without its mineral industries, Sudbury would probably not rank amongst the Province's six major cities. Gold mining made Kirkland Lake an important centre of economic



activity. More recent examples are Elliot Lake (uranium), with a population of about 25,000, Atikokan (iron ore), with about 7,000, and Manitouwadge (copper), with approximately 2,000 people.

The construction of access roads has greatly stimulated both mineral and general economic development in the Province. Under Ontario's Mining and Access Roads Program, inaugurated in 1951, close to 500 miles of mining and access roads have been built. Total expenditure for this purpose during the eight-year period ending March 31, 1959, will be about \$6 million. Plans now being negotiated between the Provincial and Federal Governments will considerably broaden this program and lead to further expansion of our access road network.

**VALUE OF MINERAL PRODUCTION, TOTAL, GROUPS AND SELECTED METALS,
ONTARIO, 1939 TO 1958**

Year	Total Mineral Production	All Metals	Nickel	Copper	Gold	Uran- ium	Iron	Non- Metallics	Fuels	Structural Materials
(Millions of Dollars)										
1939	232.5	208.2	50.9	32.6	111.5		0.3	3.8	7.7	12.9
1940	261.5	232.8	68.7	34.7	125.6		1.2	4.4	8.1	16.2
1941	267.4	237.0	70.0	33.2	123.0		1.4	4.8	7.5	18.1
1942	259.1	230.5	71.7	30.6	106.4		1.5	5.4	7.1	16.1
1943	232.9	204.8	69.2	32.2	81.5		1.5	6.3	6.8	15.0
1944	210.7	183.9	62.0	33.8	66.7		1.9	6.1	5.0	15.7
1945	216.5	188.3	62.0	29.8	62.6		3.6	5.7	5.1	17.4
1946	191.5	157.1	45.4	22.5	66.6		6.8	5.2	4.9	24.3
1947	249.8	207.6	70.7	46.0	68.1		9.3	6.1	5.7	30.4
1948	294.2	244.5	86.9	53.4	73.3		7.5	6.9	7.6	35.2
1949	323.4	265.8	99.2	44.7	84.8		13.2	7.1	9.7	40.8
1950	366.8	302.6	112.1	54.4	94.4		17.6	10.5	4.1	49.7
1951	444.7	366.8	151.3	70.9	90.8		21.2	13.6	4.1	60.2
1952	444.7	360.9	151.3	71.0	86.1		19.6	13.2	4.0	66.6
1953	465.9	370.6	160.4	77.6	75.1		23.1	13.2	4.9	77.2
1954	496.7	395.2	176.6	81.3	80.5		20.4	13.1	5.4	83.0
1955	584.0	470.9	198.5	107.2	87.1	0.5	34.3	14.4	5.9	92.7
1956	650.8	521.3	208.1	128.6	86.6	9.4	44.2	18.7	6.7	104.1
1957	748.8	601.0	243.5	98.5	86.5	82.9	41.3	20.2	7.5	120.2
1958*	799.2	636.3	179.2	72.0	90.7	222.0	33.3	21.0	7.9	134.0

*Estimated.

Source: Dominion Bureau of Statistics, *General Review of the Mining Industry* (annual), 1939-1956; *Final Statistics of the Mineral Production of Canada, 1957*; *Preliminary Estimate of Canada's Mineral Production, 1958*.

Forestry and Forest-Based Industries

In some sectors of Ontario's forest-based industries last year's output exceeded that of 1957. Production in other branches, particularly the lumber industry, although below that of the previous year, showed an upturn in the second half of 1958. Primary forest production in the Province is estimated to have declined by about 10 per cent to 440 million cubic feet. However, since the rate of activity in woods operations is largely determined by prospects in the pulp, paper and lumber industries, an upward turn in our forest output may well become evident this year.

VOLUME AND VALUE OF PRIMARY FOREST PRODUCTION,* CANADA AND ONTARIO, 1946 TO 1958

Year	Canada		Ontario			
	Volume (M. cu. ft.)	Gross Value (\$000's)	Volume (M. cu. ft.)	(% of Canada)	Gross Value (\$000's)	(% of Canada)
1946	2,821,935	435,706	530,120	18.8	92,720	21.3
1947	3,104,214	559,821	593,475	19.1	122,235	21.8
1948	3,069,265	579,015	565,229	18.4	121,231	20.9
1949	2,685,917	491,987	455,483	17.0	97,092	19.7
1950	3,023,465	613,045	516,316	17.0	111,673	18.2
1951	3,436,463	821,022	600,397	17.5	144,708	17.6
1952	3,205,383	763,189	564,349	17.6	141,114	18.5
1953	3,078,066	704,539	504,179	16.4	122,224	17.3
1954	3,122,313	728,370	497,261	15.9	122,759	16.9
1955	3,280,070	829,573	542,031	16.5	144,477	17.4
1956	3,463,314	939,143	547,354	15.8	153,273	16.3
1957	3,095,530	760,724	489,000 ¹	15.8	126,000 ¹	15.8
1958	2,767,000 ¹	....	440,000 ¹	15.9	....	....

*Data estimated by the Dominion Bureau of Statistics, except as noted.

¹Estimated by the Ontario Department of Economics.

The pulp and paper industry attained favourable production levels in 1958. It is estimated that its total value of output in Ontario last year exceeded that of 1957 and may even have equalled the 1956 all-time record of \$444 million. Although Canada's 1958 newsprint production showed a decrease of 4.7 per cent from the 1957 level, Ontario's output of 1,470,700 tons was only about one per cent below its 1957 record. Estimates for the 1958 production of other kinds of paper indicate all-time records with respect to paper board (523,500 tons), book and writing paper (229,700 tons) and wrapping paper (76,300 tons). Pulp production in the Province last year is estimated to have been about three per cent below that in 1957.

Investment in new machines and plant improvement in Ontario's pulp and paper industry in 1958 is estimated at about \$50 million. The new capacity added during 1957 and 1958, however, was not absorbed by equivalent increases in production. Consequently, most of the mills are not working at full capacity and it is estimated that at the end of 1958 the industry's operating ratio was

about 85 per cent. Expansion projects now under way at some large mills are being completed. Two newsprint machines—one of them considered to be the largest in the world—were installed in plants at the Lakehead. Since projected world demand for newsprint in 1959 is five per cent above the 1958 level of consumption and the outlook for other kinds of paper is also favourable, prospects for further utilization of the industry's present surplus capacity are good.

VOLUME OF PAPER PRODUCTION, BY KINDS, ONTARIO, 1939 TO 1958

Year	Newsprint	Paper Board	Book and Writing Paper	Wrapping Paper	Tissue Paper	Other Paper	Total Paper Production
(Thousands of Tons)							
1939	840.1	191.7	57.9	19.9	7.4	8.9	1,125.9
1945	867.1	232.1	100.5	37.1	15.3	15.7	1,267.8
1946	1,073.1	309.9	118.6	41.3	20.2	16.4	1,579.5
1947	1,147.3	362.6	136.1	45.3	22.3	17.3	1,730.9
1948	1,198.1	396.1	146.6	52.9	25.8	18.0	1,837.5
1949	1,223.6	376.6	127.5	48.0	25.4	16.8	1,817.9
1950	1,240.1	417.4	137.6	62.7	27.5	18.4	1,903.7
1951	1,285.9	442.5	169.0	66.7	36.6	18.5	2,019.2
1952	1,296.8	408.0	153.2	56.5	31.5	17.4	1,963.4
1953	1,297.7	434.7	170.0	61.9	37.2	17.3	2,018.8
1954	1,345.7	420.7	177.0	68.7	39.3	15.6	2,067.0
1955	1,427.0	474.7	193.1	74.4	40.9	15.0	2,225.1
1956	1,471.8	507.6	224.3	74.4	45.5	13.8	2,337.5
1957 (est.)	1,487.4 ¹	488.3 ¹	227.9 ¹	71.3 ¹	..	..	2,337.5 ²
1958 (est.)	1,470.7 ³	523.5 ¹	229.7 ¹	76.3 ¹	..	..	2,362.8 ¹

¹Estimated by the Ontario Department of Economics.

²Estimated by the Dominion Bureau of Statistics.

³Estimated by the Canadian Pulp and Paper Association.

Source: 1939-1956: Dominion Bureau of Statistics, *The Pulp and Paper Industry*, (annuals.)

The volume of sawn lumber produced in the Province in 1958 is estimated at about 618 million feet B.M., eight per cent below output in 1957. The detrimental effect experienced in recent years from an increasing use of timber substitutes has prompted the lumber industry to search for means of adapting wood products to changing construction techniques and habits. These efforts have resulted in the fabrication of numerous new products such as pressure-treated poles, laminated timber and decorative panelling, which promise a rising use of wood for the future.

A start was made last year on a ten-year program to re-inventory the accessible commercial forests. Approximately 12,500 square miles were photographed from the air and sampled by ground parties. For an effective analysis of the data thus obtained, use is made of punch cards. The resulting information will be a valuable aid in forest management and in the fulfilment of the Government's policy of sustained yield.

The stimulation of natural regeneration in the forested areas of the Province continues. Treatment includes soil preparation of the seedbeds, ground and aerial spraying with silvicides to control competing vegetation, and the thinning

and weeding of immature stands. Since satisfactory stocking by natural regeneration is not always possible, planting stock is grown to ensure that productivity will not be too long deferred. In the current fiscal year, Provincial nurseries produced approximately 32.5 million trees. Of this number, about 14.5 million were planted on Crown lands and more than four million in areas protected and managed for counties, townships and Conservation Authorities. A further 14 million were sold to private land owners. Current output originates mainly from five large nurseries. Two additional nurseries with a potential of ten million trees each, located near Dryden and Swastika, are being prepared for production.

Effective fire prevention and protection methods have again been important factors in the suppression of fire damage. In the 1958 fire season, 1,558 forest fires were reported but only 36,652 acres were burned, far below the annual average of 156,557 acres burned in the five-year period 1953 to 1957. Research and experimentation to find the most effective fire-fighting methods are being continued.

The importance of access roads for purposes of forest protection, management and development needs no emphasis. Under a Federal-Provincial unemployment relief program which was in effect from February to June 30, 1958, the construction and improvement of some 415 miles of forest access roads were undertaken. A similar program this year makes provision for the construction of approximately 130 miles of new forest access roads, while about 93 miles of existing roads will be improved. A proposed five-year roads-to-resources program, now under negotiation by the Federal and Provincial Governments, will further stimulate forest access road construction. Preliminary agreement has been reached already with respect to the building of some 150 miles of roads and work on most of these projects is well under way.

Public use of the recreational facilities offered in 1958 by the Ontario Provincial Parks was the greatest on record. Almost $3\frac{1}{4}$ million persons visited the 55 parks that have been developed to a standard permitting entrance and camping charges to be collected. Records show that 74,725 camping permits and 207,751 vehicle permits were issued, which represent increases of 70 per cent and 38 per cent, respectively, over the previous season. Park revenue from these two sources was \$331,885, an increase of 46 per cent over the amount received in 1957.

The interpretive programs organized in the Provincial Parks contribute to their educational value. In 1958, 146,681 persons attended lectures and visited nature museums and trails—22 per cent more than in the previous year.

Park improvements will require an expenditure of about \$3.5 million in the present fiscal year, of which about \$1 million will be provided under a Federal-Provincial unemployment relief program. Some 18 areas have been reserved for future use as recreation grounds while six more are being considered for this purpose.

MANUFACTURING

During 1958, manufacturing retained its position as the largest single industrial unit in the Province's economy. This it did although the selling value of factory shipments—\$10.6 billion—declined by 2.3 per cent from the record established in 1957. Manufacturing production still represents over two-thirds of the Province's entire output and almost one-half of the total production by manufacturers in Canada.

A combination of factors brought about the overall decline in manufacturing production in 1958, the expansion in some sectors being insufficient to offset the decline in others. The reduced level of activity in the United States, which cut the demand of that country for our exports of materials and products, was one of these weakening factors. The decline in export demand for newsprint, copper, nickel, and other non-ferrous metals reduced operations in our pulp and paper mills, non-ferrous metal smelters and refineries. However, exports of aluminum products, agricultural implements, and aircraft and parts rose during the year. The shift in the investment pattern in Canada from 1957 to 1958 also affected Ontario's manufacturing industries. Although total investment in Canada was little changed, investment in machinery and equipment was down about seven per cent. This was largely responsible for the decline in the heavy goods manufacturing industries.

In addition, there was a reduction in the demand for consumer durables during the early part of the year, but by the fourth quarter, automobile, radio, refrigerator and washing machine sales and production were rising and their recovery is expected to continue in 1959. Throughout most of 1958, the production of and demand for food, beverages and other consumer non-durables was maintained at the high levels of 1957 and reached an all-time peak during the fourth quarter of the year. Already the effects of this recovery have been reflected in increased production in the feeder industries, particularly primary iron and steel.

The economic adjustment of the past year resulted in a shift in the positions of the major industrial groups. Iron and steel maintained its lead, with selling value of factory shipments estimated at over \$1.8 billion. Foods and beverages moved into second place when output reached \$1.7 billion, followed closely by transportation equipment at over \$1.5 billion. The six leading industries were still automobiles, non-ferrous metal smelting and refining, primary iron and steel, pulp and paper, petroleum products and slaughtering and meat packing.

The Province contributes almost 50 per cent of the output of Canadian manufacturing and employs one-half of the workers engaged in manufacturing throughout the nation. The degree of industrial development can be further illustrated when one considers that 75 per cent of Ontario's production is concentrated in secondary industries, and that the Province produces all the machine tools manufactured in Canada, 98 per cent of the automobiles and over 90 per cent of the motor vehicle parts and agricultural implements.

PRINCIPAL MANUFACTURING STATISTICS, ONTARIO, SELECTED YEARS 1939 TO 1958

Year	Establishments (No.)	Employees (000's)	Salaries and Wages (Million \$)	Net Value of Products (Million \$)	Gross Value ¹ of Products (Million \$)
1939	9,824	318.9	378.4	791.4	1,745.7
1946	11,424	498.1	845.2	1,659.3	3,754.5
1949	12,951	557.2	1,305.5	2,708.6	6,103.8
1952	13,172	609.7	1,844.2	3,811.1	8,372.2
1953	13,114	634.6	2,018.0	4,130.1	8,876.5
1954	13,178	598.9	1,954.8	3,930.7	8,533.2
1955	13,276	613.9	2,088.9	4,426.7	9,617.6
1956	13,215	641.2	2,310.6	4,868.6	10,655.1
1957-(prel.)	13,200 (est.)	639.8	2,418.3	5,027.6	10,847.1
1958 (est.)	13,200	605.0	2,390.0	4,800.0	10,600.0

¹In 1952 and subsequent years "Value of Factory Shipments" instead of "Gross Value of Products" data are shown.

Source: Dominion Bureau of Statistics, *Manufacturing Industries of Canada* (annual), 1939 to 1957. 1958 estimates were made by the Ontario Department of Economics.

ELECTRICAL ENERGY

A record amount of electrical energy—32 billion kilowatt-hours—was made available to Ontario consumers in 1958. This is about two and one-third times the 1943 level. The net amount of energy generated in Ontario, 29.1 billion kilowatt-hours, was two and two-thirds times the figure reached a decade and a half ago. About 93 per cent is generated by utilities for sale to the public and seven per cent by industries mainly for their own use.

The Hydro-Electric Power Commission of Ontario now operates 65 hydro-electric and two major thermal generating stations. The dependable peak capacity of all Commission-operated stations stood at 5,166,200 kilowatts (6,925,200 horsepower) at the end of 1958, an increase of 917,600 kilowatts (1,230,000 horsepower) over the previous year and of 3,998,400 kilowatts (5,359,800 horsepower) over the fifteen-year period since 1943. The capacity of the Commission's sources of purchased power was 594,900 kilowatts (797,500 horsepower) in 1958. By 1962, it is estimated that total dependable peak capacity will reach 7,459,000 kilowatts (9,998,700 horsepower)—6,852,000 kilowatts (9,185,000 horsepower) from Commission-operated stations and 607,000 kilowatts (813,700 horsepower) from purchases. Ontario Hydro currently supplies close to 90 per cent of all the electrical energy made available for use in the Province.

The program of redevelopment on the Niagara River, begun in 1950, was completed last year when the final two units of the main power station and three units of the associated pumping-generating station were placed in service. Total installed capacity now stands at 1,370,000 kilowatts (1,836,500 horsepower)—1,200,000 kilowatts (1,608,600 horsepower) in 16 units in the main station and 170,000 kilowatts (227,900 horsepower) in six units in the pumping-

generating station. The latter makes possible an increased return from available water supplies. At times of low demand, surplus energy is used to pump water into a storage reservoir. At times of high demand, this water is used to generate power by passing through the pump-turbines operating in reverse as generators and then through units at the main powerhouse.

The Robert H. Saunders-St. Lawrence Generating Station was officially opened in July, 1958. By the end of the year seven units with a total installed capacity of 359,000 kilowatts (481,200 horsepower) were supplying power. The remaining nine units, scheduled for service by November, 1959, will bring the total installed capacity to 820,000 kilowatts (1.1 million horsepower). Costs of the international powerhouse structure and the extensive works associated with it are being shared by the Commission and the Power Authority of the State of New York. The associated works include the Long Sault dam, a control dam at Iroquois, dikes on both sides of the river, the improvement of river channels and extensive relocation and rehabilitation operations made necessary by the creation of the headpond.

In Northwestern Ontario, dependable peak capacity rose by 163,100 kilowatts (218,600 horsepower) during 1958. Most of this increase reflects the completion of two new three-unit generating stations—Whitedog Falls on the Winnipeg River with a dependable peak capacity of 53,700 kilowatts (72,000 horsepower) and Caribou Falls on the English River with a capacity of 67,500 kilowatts (90,500 horsepower). In addition, single units were added at each of three established stations—Manitou Falls on the English River and Alexander and Cameron Falls on the Nipigon River—increasing the dependable peak capacity of each by 11,500, 19,100 and 11,300 kilowatts (15,400, 25,600 and 15,100 horsepower), respectively.

Additional capacity will be made available in Northwestern Ontario in September, 1959 when the Silver Falls Generating Station on the Kaministiquia River comes into operation. This 45,500-kilowatt (61,000-horsepower) single-unit power station will be remotely controlled from the Port Arthur Transformer Station.

By 1962, dependable peak capacity in Northeastern Ontario will have risen by 214,000 kilowatts (286,900 horsepower). Much of this increase will result from the development of the Otter Rapids Generating Station on the Abitibi River. Present plans allow for a dependable peak capacity of 131,000 kilowatts (175,600 horsepower) in up to four units. It is scheduled to come into service during 1961 and 1962. Some 23 miles upstream is the Abitibi Canyon Generating Station. Early in 1959, the output of this station will be increased by the installation of a fifth unit of 45,000-kilowatt (60,300-horsepower) capacity. Red Rock Falls Generating Station on the Mississagi River, scheduled for service in 1961, will have a dependable peak capacity of 38,000 kilowatts (50,900 horsepower) in two units.

The development of power sources other than hydraulic has become increasingly important. During 1958, work progressed at the Richard L. Hearn

Generating Station (steam) in Toronto with the purpose of tripling its capacity to 1,200,000 kilowatts (1,609,000 horsepower). Two of the four 200,000-kilowatt (268,000-horsepower) units being installed are scheduled for service in 1959 and two in the autumn of 1960. Construction of two new thermal-electric stations has also been undertaken—Lakeview Generating Station just west of Metropolitan Toronto and Thunder Bay Generating Station in Fort William. The first two 300,000-kilowatt (402,000-horsepower) units at the Lakeview Station are scheduled for service in 1961 and 1962; one 100,000-kilowatt (134,000-horsepower) unit will be placed in service at the Thunder Bay plant in 1961. The ultimate capacity of these two stations may range from 1.0 million to 1.8 million kilowatts (1,340,000 to 2,413,000 horsepower). By the end of 1962, the Commission expects to have an installed capacity of more than 2,000,000 kilowatts (2,681,000 horsepower) in conventional thermal-electric stations.

The integration of thermal and hydraulic developments envisaged by Ontario Hydro will make an important contribution to the effective operation of hydro-electric power stations, particularly in the northern parts of the Province. As most of the many hydraulic sites still available for development are located on streams of widely variable or undependable flow, thermal units can be used to compensate for the uncertainties of stream-flows. In addition, the Commission has undertaken a test program to study the feasibility of long-distance transmission at extra-high voltage. The results of these tests will have direct bearing on the importance of the more remote, undeveloped sources of power. As it becomes economically feasible to develop these hydraulic sites, they will be co-ordinated into the construction program with thermal-electric resources.

Work has recommenced at the Nuclear Power Demonstration plant near the Des Joachims Generating Station on the upper Ottawa River. Construction had been suspended in April, 1957 to permit the introduction of changes in the design of the reactor. The 20,000-kilowatt (27,000-horsepower) station is scheduled for service in 1961. Developmental work for a large 200,000-kilowatt (268,000-horsepower) nuclear electric station is now being carried out in conjunction with Atomic Energy of Canada Limited through a Nuclear Power Plant Division established at Toronto.

The number of rural customers served by the Commission rose by nearly 21,000 during 1958, to 474,000, three and one-half times the number served fifteen years ago and more than one and one-quarter times the number served in 1953. There was also a net increase in the number of farm service customers in 1958, but as a result of municipal annexations of rural areas and the reclassification of a number of customers, the total number declined by 457 to 140,147. This, however, is an increase of 116 per cent over 1943 and of five per cent over 1953. A net addition of 920 circuit miles of rural distribution line in 1958, brought the total to 46,300 miles. It is expected that during 1959, there will be a net increase of 28,700 rural customers and 1,120 miles of new rural distribution line.

The program of frequency standardization at 60 cycles, begun in the autumn of 1949, is scheduled for completion in the summer of 1959, two years ahead of the original target date. By that time, the frequency-sensitive equipment of more than one million customers will have been changed over.

The tremendous advances made during 1958 are reflected in the outlay of \$206.8 million on capital construction. About two-thirds of this expenditure went towards new generation facilities, about one-tenth to each of transmission, transformation and rural service and the remaining 1.5 per cent to other facilities. A total of more than \$1.8 billion has now been spent on capital construction since the end of World War II. A further investment of some \$196 million for development purposes is anticipated during 1959.

ELECTRICAL ENERGY GENERATED AND MADE AVAILABLE IN ONTARIO, 1949 TO 1958

Year	Energy Generated in Ontario			Energy Made Available ¹ for Disposal in Ontario		
	All	Ontario Hydro		All	Ontario Hydro	
	Producers	Amount	% of Total	Producers	Amount	% of Total
	(Millions of Kilowatt-Hours)			(Millions of Kilowatt-Hours)		
1949	12,905	9,473	73.4	16,808	13,560	80.7
1950	14,141	10,818	76.5	18,320	15,228	83.1
1951	17,581	14,026	79.8	21,144	17,667	83.6
1952	18,913	15,272	80.7	22,329	18,816	84.3
1953	19,872	16,263	81.8	23,396	19,914	85.1
1954	21,139	18,078	85.5	23,879	20,836	87.3
1955	25,600	22,468	87.8	26,274	23,140	88.1
1956	28,783	25,142	87.4	29,255	25,267	86.4
1957	29,422	26,212	89.1	30,548	27,101	88.7
1958	29,140	25,643	88.0	31,916	28,265	88.6

¹Generation plus imports, less exports. Includes transmission losses.

Source: Dominion Bureau of Statistics, *Electric Power Statistics* (monthly); The Hydro-Electric Power Commission of Ontario.

INTEREST RATES AND CAPITAL BORROWING

Canadian monetary and fiscal policies during 1958 were mainly directed at combatting the slowdown in economic conditions which became apparent in the Canadian economy in the first half of the year. They were in direct contrast to those pursued during 1957 when inflationary pressures were the prime cause of concern.

A policy of "easy money" was followed until mid-summer and was a factor in stimulating business activity during 1958. The bank rate continued to decline steadily from its 1958 high of 3.90 per cent on January 16 to an all-time low of 1.12 per cent on July 31. Thereafter, as increasing business activity created a demand for loanable funds which outpaced the supply, monetary conditions began to tighten appreciably. The bank rate increased steadily

throughout the latter half of the year and at the close of 1958 it stood at a level of 3.74 per cent.

The bank rate in the United States of America followed a similar pattern, easing from 3.00 per cent at the commencement of the year to 1.75 per cent during the months of April to August and then rising to 2.00 per cent in September and to 2.50 per cent in October. This rate of 2.50 per cent was maintained until the end of 1958.

In contrast, in the United Kingdom the general easing of monetary conditions continued throughout the entire year. The British bank rate was reduced five times and at the end of the year stood at 4.0 per cent as compared with 7.0 per cent at its commencement.

Reflecting the easing in monetary conditions, market interest rates in Canada commenced their fall early in the year and continued to decline substantially until mid-year. Thereafter, interest rates on all securities rose appreciably and by the end of 1958 some of them had surpassed their previous peak levels recorded in 1957. These interest rate movements are clearly indicated in the following table.

CHANGES IN INTEREST RATES, SELECTED DOMINION AND ONTARIO SECURITIES DURING 1957 AND 1958

	Yields									
	January		April		July		October		December	
	31		30		31		31		31	
	1957	1958	1957	1958	1957	1958	1957	1958	1957	1958
	%	%	%	%	%	%	%	%	%	%
Short Term Securities:										
Dominion 91 Day Treasury Bills.	3.70	3.25	3.75	1.37	3.80	0.87	3.80	2.83	3.62	3.49
Dominion 3% June 1957/60.....	4.79	3.68	4.56	3.15	4.70	1.80	4.48	3.13	3.84	4.25
Ontario 4% December 1959/61...	4.70	4.15	4.66	3.82	4.99	3.45	4.82	4.00	4.20	4.55
Ontario Hydro 3% March 1961/63	4.77	4.15	4.71	3.80	4.98	3.97	4.78	4.30	4.20	4.70
Medium Term Securities:										
Dominion 3% February 1959/62 .	4.73	3.62	4.52	3.31	4.84	2.50	4.51	3.40	3.90	4.20
Dominion 3% September 1961/66.	4.32	3.51	4.28	3.38	4.62	2.88	4.20	3.85	3.73	4.30
Dominion 2¾% June 1967/68....	4.14	3.56	4.29	3.43	4.65	3.47	4.19	4.10	3.59	4.37
Ontario 3% November 1963/65...	4.69	4.00	4.57	3.75	4.96	3.92	4.75	4.31	4.13	4.72
Ontario Hydro 3% June 1971/73.	4.52	4.05	4.30	3.88	4.77	4.08	4.64	4.50	4.10	4.76
Long Term Securities:										
Dominion 3¼% October 1979...	4.10	3.75	3.92	3.80	4.19	3.90	3.99	4.22	3.75	4.38
Dominion 3¾% March 1996/98..	4.01	3.99	3.95	4.02	4.24	4.19	4.09	4.41	3.86	4.67
Ontario 4¼% May 1971/74.....	4.76	4.31	4.68	4.22	4.96	4.52	4.82	4.78	4.28	4.95
Ontario Hydro 4½% October 1974	4.80	4.42	4.78	4.45	4.98	4.63	4.92	4.91	4.40	5.06

Canadian government, provincial, municipal and corporation public bond financing in 1958 totalled \$9,483,933,991 as compared with \$3,638,063,917 raised in 1957—an increase of 160.7 per cent. While certain of these agencies took advantage of the declining rates of interest which prevailed early in the year, to raise funds on the market, the impressive overall increase of 160.7 per

cent has mainly arisen out of the completion of the Canada Conversion Loan. This was the largest single financing operation ever carried out in Canada's history and during the period of the conversion offering, July 14, 1958 to September 15, 1958, some \$5.8 billion of the \$6.4 billion outstanding on the fifth to ninth Victory loans was refunded. However, despite this predominance of Federal Government borrowing, the totals of Provincial and municipal issues were both still larger than those occurring in 1957. The corporate field alone saw a considerable reduction in the volume and value of new bonds floated during 1958.

The breakdown of bond issues in the calendar years 1957 and 1958 was as follows:

New Bond Financing January 1 to December 31	1957		1958	
	Amount \$	% of Total %	Amount \$	% of Total %
Canadian Direct and Guaranteed**	1,618,766,450	44.5	7,620,000,000*	80.3
Provincial Direct and Guaranteed**	647,554,000	17.8	656,271,000	6.9
Ontario Municipal	167,188,008	4.6	183,129,870	1.9
Quebec and Maritime Municipal	156,361,541	4.3	231,540,000	2.5
Western Municipal	37,705,818	1.0	58,388,121	0.6
Corporation	1,010,488,100	27.8	734,605,000	7.8
Total	<u>3,638,063,917</u>	<u>100.0</u>	<u>9,483,933,991</u>	<u>100.0</u>

*Preliminary recorded figures of the Canada Conversion Loan included.

**Over two years in term.

The financial needs and policies of the Federal Government dominated the Canadian banking scene, with the chartered banks continuing to expand their portfolios of government securities over the previous year.

The Province of Ontario went to market, for its own purposes, on three separate occasions during 1958. Initially, in April, it turned to the United States market and raised \$75 million through the issue of \$25 million 3¼% debentures due May 1, 1963 priced at 99.32 to the public and \$50 million 4% debentures due May 1, 1983 at 98.06. In May, it then turned to the Canadian bond market, raising \$75 million through the issue of \$35 million 3¾% debentures due December 15, 1963 at 99.375 to the public to yield 3.87% and \$40 million 4¼% debentures due June 15, 1978 at 98.00 to the public to yield 4.40%. In December it again raised a further \$65 million on the Canadian bond market through the issue of \$15 million 4¾% debentures due January 1, 1965 at 99.25 to the public to yield 4.90% and \$50 million 5% debentures due January 1, 1979 at 98.00 to the public to yield 5.16%.

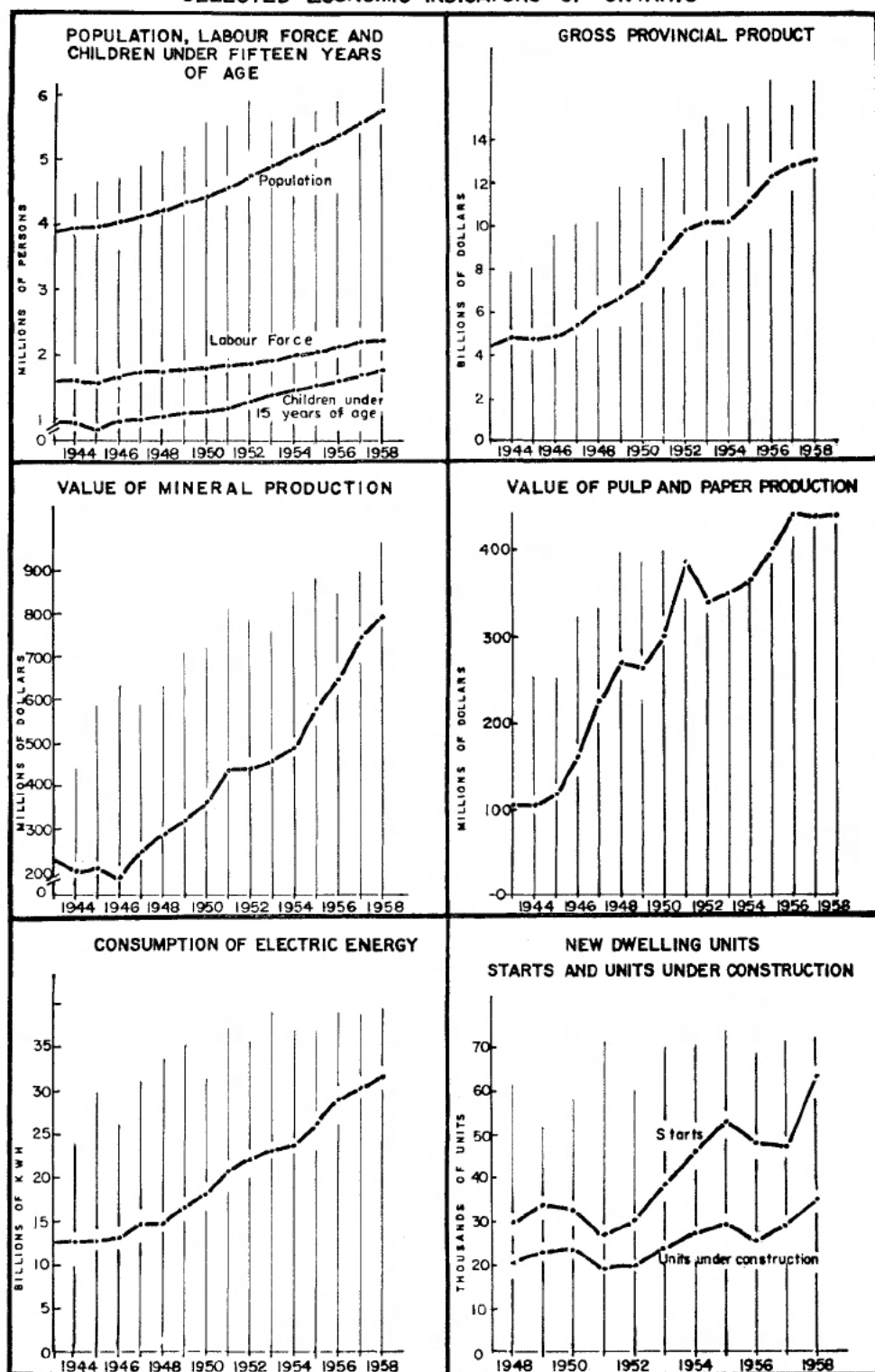
Thus during the calendar year of 1958 the Province of Ontario raised by public issues for its own purposes an amount of \$215 million as compared with \$60 million in 1957.

The Province also guaranteed principal and interest on two issues totalling \$150 million, of the Hydro-Electric Power Commission. The first, issued in February was for \$75 million principal amount in 4% and 4½% bonds due March 1, 1966 and 1978 priced at 98.32 and 100.00 to the public to yield 4.25% and 4.50% respectively. The second issue marketed in September was for \$75 million principal amount in 4%, 4½% and 5% bonds due October 15, 1963, 1970 and 1978 priced at 98.44, 97.75 and 98.50 to the public to yield 4.35%, 4.75% and 5.12% respectively.

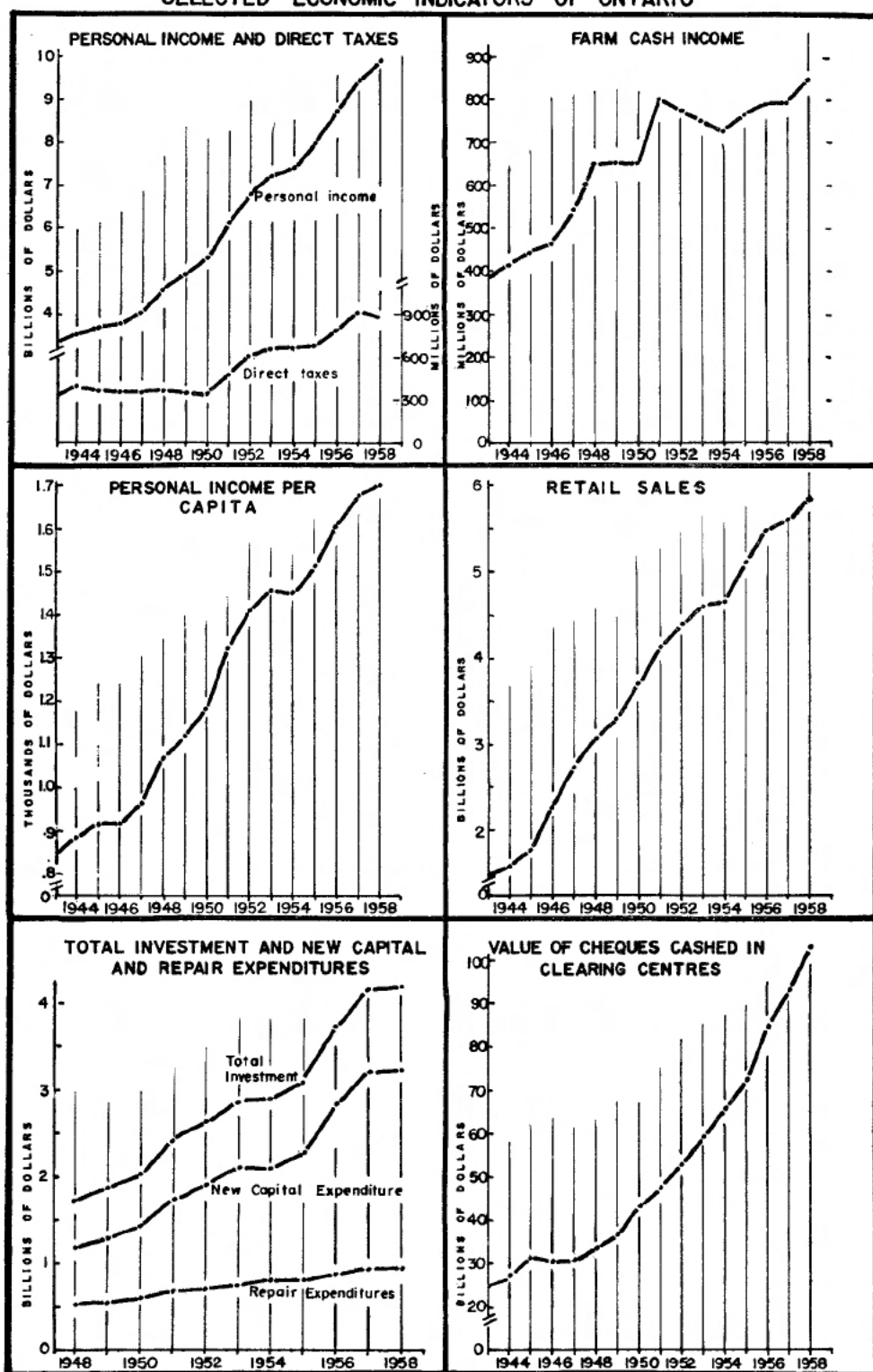
Hence during the calendar year of 1958 the Province of Ontario guaranteed principal and interest to the sum of \$150 million in respect of the Hydro-Electric Power Commission as compared with \$200 million in the same period last year. Subsequently, in January, 1959, the Province raised in the U.S. market a further \$75 million on a 25-year 4¾% debenture issue due February 1, 1984 priced at 98.50 to the public to yield 4.85%. The proceeds of this issue were allocated to the Hydro-Electric Power Commission.

The volume of municipal borrowing during 1958 increased by 30.9% over 1957. The total value of municipal issues amounted to \$473 million as compared with \$361 million in 1957. While issues of Ontario municipalities represented only 38.7% of the total as compared with 46.3% in 1957 the sales by value of Ontario municipalities have risen from \$167 million to \$183 million. The large increase in the number of municipal issues raised during 1958 added to the congestion of the bond market and as a result the cost of public financing has become a major problem to our municipalities.

SELECTED ECONOMIC INDICATORS OF ONTARIO



SELECTED ECONOMIC INDICATORS OF ONTARIO



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