



BUDGET STATEMENT

of

THE HONOURABLE JAMES N. ALLAN

Treasurer of Ontario

1964

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in the

LEGISLATIVE ASSEMBLY OF ONTARIO

Wednesday, February 12, 1964

On Moving the House into Committee of Ways and Means

Also

Financial Statements



TORONTO

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CONTENTS

	PAGE
INTRODUCTION	5
ECONOMIC CONDITIONS	6
SUMMARY OF FINANCIAL OPERATIONS IN 1963-64	9
NET CAPITAL DEBT	11
FORECAST OF EXPENDITURE PROGRAM FOR 1964-65	12
THE SOCIAL SERVICES AND HUMAN BETTERMENT	12
Education	12
Health	15
Welfare	16
HIGHWAYS AND ROADS	17
NATURAL RESOURCES	18
INDUSTRIAL DEVELOPMENT AND TRADE EXPANSION	19
AID TO LOCAL AUTHORITIES	19
FEDERAL-PROVINCIAL RELATIONS	21
THE PROVINCE'S NEED FOR REVENUE	22
TAX CHANGES	24
The Gasoline Tax Act	24
The Motor Vehicle Fuel Tax Act	24
The Succession Duty Act	25
The Corporations Tax Act	25
The Hospitals Tax Act	25
The Retail Sales Tax Act	26
FORECAST OF REVENUE AND FINANCIAL POSITION FOR 1964-65	26
CONCLUSION	26
SUMMARY	28
APPENDIX—GOVERNMENT STATEMENTS	32

BUDGET STATEMENT
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THE HONOURABLE JAMES N. ALLAN
TREASURER OF ONTARIO
IN THE LEGISLATIVE ASSEMBLY

WEDNESDAY, FEBRUARY 12, 1964

MR. SPEAKER:

Before commencing my remarks on the Budget, I should like to express my deep regrets at the passing during the year of one of my distinguished predecessors in the Office of Treasurer of Ontario, Colonel William H. Price. He was a member of this House from 1921 to 1937. He served as Attorney General for eight years, and was Treasurer of Ontario from 1923 to 1926. Colonel Price will be remembered for his ability, his devotion to duty and his consuming interest in the public affairs of this Province.

The Budget which I am placing before the House this afternoon presents a clear picture of the present financial position of the Province and the plans of the Government for the coming fiscal year. It is firmly based on a realistic assessment of our existing circumstances and a full appreciation of the future needs and aspirations of our people. The allocation of public funds as projected in this Budget will enable the Government to play its essential role in the realization of our full potential for the advancement of Ontario and its people.

No one can doubt Ontario's great capacity for future development. It is rich in resources and enjoys many natural advantages and a wide measure of prosperity. In large part, our present prosperity stems from the adoption of far-sighted policies and the prudent allocation of public funds in the past. This Government has provided huge sums for basic services such as education, health, highways and roads and for the protection and development of our vast natural resources. We have thereby given our people and our industries the services they require to benefit fully from the opportunities which abound in this Province. In like manner, the programs and policies we undertake now will have an important effect on our future growth and expansion.

The decisions which are required to establish these programs and policies for the coming fiscal year are extremely difficult ones. Sound reasons are advanced for expanding existing programs or introducing new programs. On the other hand, there are limitations upon what can be undertaken in any one year. We must maintain a moderate level of taxation in order that business and industry can remain healthy and competitive. At the same time, we must keep our net debt at a reasonable level to preserve the financial strength of the Province.

Through the Treasury Board and its staff, we have the facilities for studying and examining our estimates thoroughly to ensure that the best possible use is made of available funds. With the assistance and full co-operation of the departments, we were able this year to reduce original estimates materially. We will continue to make every effort to ensure that the greatest value is obtained from every dollar of Provincial expenditure.

Even with the most diligent control over our expenditures, we must provide substantial additional funds each year to keep pace with the growth occurring within our borders and to meet the new needs of our people in this period of rapidly changing economic and social conditions. The impact of this growth and change on Provincial responsibilities is tremendous, particularly in the fields of education, health, welfare and highways.

I shall detail the nature of the situation we face in these areas of responsibility and indicate the measures we propose to adopt. Since the steps we can take are determined very largely by our present financial position and our expectations concerning the effect of future economic activity upon our revenues, I would like first to review economic conditions.

ECONOMIC CONDITIONS

Reviewing the economic conditions of the past year is a pleasure. The present period of expansion, which started early in 1961, continued throughout 1963, and we are now entering the fourth year of this period of economic resurgence. In other words, we are now experiencing the longest period of expansion since World War II. The year 1963 added at least 6 per cent to the gross provincial product.

The past three years were of special importance to Ontario. While Canadian exports grew rapidly in this period, the most remarkable advances were made in exports of fully manufactured commodities with a resulting favourable impact on Ontario. The automobile and steel industries had exceptionally good production years, reaching new peaks for the second year in a row. The concentration of these industries in Ontario contributed to our prosperity. A high level of construction and investment also aided the economy.

The improvement in Canada's foreign trade in 1963 provided an estimated trade surplus of more than \$400 million, the highest since 1952. The unusually sharp rise in exports of fully manufactured products was of particular significance to us. During the past three years, these exports rose by an average of 24 per cent per year to a total of \$780 million in 1963. An expanding European market with rising prices and a vast range of new needs, combined with price stability here in Canada, a lower Canadian dollar and a well-timed Ontario Trade Crusade, all contributed to this stimulating success in foreign trade. Many of our manufacturers found that they could compete effectively in the United States itself.

Industrial production in Ontario continued its advance in 1963. The increase amounted to about 6 per cent. Manufacturing production, the most important growth component, rose by 6.5 per cent. The motor vehicle and parts industries were the leaders of the rapid growth in production, followed closely by the iron and steel industry. The record production of automobiles in 1962 was surpassed by more than 23 per cent in 1963, when total motor vehicle production amounted to over 630,000 units. Records were also broken in the production of steel ingots and pig iron, which were ahead of record 1962 levels by 14 and 10 per cent.

Ontario's mineral production is estimated to show a moderate reduction from the 1962 level of \$902 million, mainly owing to the further decrease in the output of our uranium mines. On the other hand, the iron ore industry had a good year. The production of nickel is expected to be a little below that of 1962, though improvement took place towards the end of the year and rapid increases are now emerging.

The year 1963 was better than average in agriculture, with farm cash income up 6.5 per cent over the previous year. Although a prolonged dry spell in southwestern Ontario kept production below potential in that area, agricultural output increased in most areas of the Province.

Total new capital investment in the Province for 1963 is estimated at \$3.2 billion. This is the highest level since the record year of 1957, and is considerably better than indicated at the commencement of the year. Machinery and equipment form an important part of the total, and general confidence, combined with greater demand on existing facilities, will likely result in large increases in this category of investment. New capital investment in construction during 1963 rose strongly. Residential construction more than maintained its 1962 strength, and non-residential construction had a good year. Contracts awarded since the late summer indicate significant improvement for the immediate future. A number of new projects should set an excellent pace for 1964.

The generally strong growth of the economy in 1963, with major achievements in manufacturing, exporting and import replacement, was clearly reflected in steadily rising employment throughout the year. The number of jobs rose by 60,000, thereby reducing the rate of unemployment to 3.8 per cent. This is much below the unemployment rate of 5.5 per cent in Canada as a whole and 5.7 per cent in the United States. Much of the improvement in Ontario took place in the last quarter of the year, and the December unemployment rate, seasonally adjusted, reached a low of 3.3 per cent.

The gains in production, employment and average hourly earnings resulted in a healthy rise in personal income during the year. Personal income is estimated at more than \$13 billion, an increase of 7 per cent. The rise in the consumer price index, however, was less than 2 per cent.

Retail sales were well ahead of the previous year, with the sharpest gains recorded towards the end of the year. Car sales were the most prominent factor

in the rise, but in the last quarter significant gains were also made in household furniture and appliances, clothing and footwear.

The improvement in exports, in import replacement, in the automobile, steel and other industries, as well as in construction activity, gave widespread strength to the economy. As a result, we had higher levels of personal income, rising profit margins and a higher standard of living. An additional stimulus can be expected from the record wheat sales which enhanced the incomes of Western farmers and gave them an incentive to spend more readily on a great variety of goods produced in Ontario, including agricultural machinery and supplies.

It would appear, therefore, that the economy is entering 1964 under the stimulus of record levels of activity in most of the important areas of the economy. Consumer income is strong and supports a rising volume of spending, especially on durable goods. Capital spending continues to accelerate, particularly in manufacturing. In general, the year 1964 promises to provide further gains in production and incomes.

Manufacturing is of crucial importance for employment opportunities, but cannot hope to thrive on the strength of our domestic market alone. It is, therefore, very encouraging to see that our manufacturers have already managed to make significant penetration into many very competitive foreign markets. Such footholds should pay important dividends in the years that lie ahead. Our Government accepts its responsibility in this area and intends to continue its Trade Crusade in close co-operation with the Federal Government, in order that we may maintain the momentum in exports of manufactured products.

Provincial governments now have a much greater influence on the economy than in the past. Provincial expenditures have risen from 22.7 per cent of the total expenditure of all governments in 1956 to 28.3 per cent in 1962. Furthermore, emphasis has been shifted increasingly to the dynamic influences of investment in human capital. There has been an enormous rise in expenditures on education, job training and health. Such relatively intangible assets are essential if we are to improve the efficiency of labour and if we are to make the scientific and technological advances necessary to keep us internationally competitive.

The greater involvement of provincial governments in important economic matters and decisions has increased the possibility of duplication and contradiction. This high degree of interdependence in our economy necessitates inter-governmental consultation and co-operation on all important economic decisions. The impact of government activity is now so great that unco-ordinated action by different levels of government could have adverse effects on our economic development. At the important Federal-Provincial Conference in Ottawa last November, these matters were discussed and a solid foundation was laid for future co-operation.

It has been agreed that close co-operation between the Federal Government and the provincial governments is a prerequisite to healthy national economic

development. Usually the provincial governments are in a better position to know and evaluate local needs. Consultation with the provinces, therefore, could be invaluable to the success of economic programs national in scope. Our Government has the desire and the facilities to assist the Canada Economic Council in every way possible in seeking ways of maintaining a high rate of economic growth.

We are fully confident that the current economic expansion can continue. There is great potential for further and accelerated growth through the rest of this decade. It is, therefore, of the greatest importance that the various levels of government harmonize their programs in order that we may capitalize to the fullest extent on the challenging opportunities of the sixties.

SUMMARY OF FINANCIAL OPERATIONS IN 1963-64

I should now like to present an interim statement of the financial operations of the Province in the current fiscal year. This statement is based on eight months' actual and four months' forecast and includes a number of special grants and payments which we propose to meet from the current year's revenue.

Supplementary Estimates totalling \$6,693,000 will be submitted for your approval to permit the following grants and payments to be made:

Education:

Study to determine the feasibility of extending the co-operative program at the University of Waterloo.....	\$ 25,000
New Universities Library Project.....	448,000
Special contribution to the Teachers' Superannuation Fund....	1,000,000

Health:

Ontario Heart Foundation.....	150,000
Special Grants to Public Hospitals under the authority of The Public Hospitals Act and the regulations thereunder.....	3,555,000
Ontario Cancer Treatment and Research Foundation.....	400,000
Illahee Lodge, Cobourg.....	4,800
Ontario Society for Crippled Children—for convalescent camps	48,200
Canadian Mothercraft Centre, Toronto.....	4,000

Lands and Forests:

Grant to reimburse Niagara Parks Commission in part for the cost of development of Stoney Creek Battlefield Park....	58,000
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Treasury:

Special contribution to the Public Service Superannuation Fund.....	1,000,000
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In the current fiscal year, we have been engaged upon a large and comprehensive program. Inclusive of the special grants and payments to which I have referred, net ordinary expenditure, which includes \$41.5 million for sinking fund, totals \$974.5 million before providing \$81.0 million for financing capital payments out of ordinary revenue. Net capital expenditure on physical assets

amounts to \$236.5 million, of which \$200.3 million, or 85 per cent, is for the construction of Provincial highways, municipal roads, and mining and logging roads. The remainder of the capital program consists of \$28.4 million for public works, \$4.6 million for conservation projects, and \$3.2 million for parks and rural power lines.

We are thus estimating our combined net ordinary and capital expenditures in 1963-64 at \$1,211.0 million, an increase of \$104.5 million over the preceding year. The increase is largely concentrated in additional assistance to school boards and universities, payments to municipalities, and increased outlays for highways and other services associated with population and economic growth. Our expenditure for education is up by \$43.9 million, of which \$41.5 million represents additional assistance to school boards and universities. The overall growth in the Department of Highways' expenditure of \$29.2 million is accounted for, in the main, by increases of \$12.3 million in the assistance provided for local roads and \$18.0 million in the capital outlays required for the construction of Provincial highways, secondary and development roads. Other significant increases are: \$7.6 million for mental health purposes, \$6.0 million for public welfare costs, and \$4.1 million in public debt charges.

Bulking large in the Province's net ordinary and capital expenditures in 1963-64 are those of the following departments: Education, \$392.3 million; Highways, \$280.4 million; Health, \$132.7 million; Public Welfare, \$62.7 million; Municipal Affairs, \$45.6 million; Public Works, \$40.8 million; and Lands and Forests, \$35.4 million.

We are estimating our combined net ordinary revenue and net capital receipts at \$1,058.1 million for 1963-64. This is an increase over the preceding fiscal year of \$61.6 million. Higher receipts are indicated in most of the main sources of revenue, the principal increases being: \$21.3 million in corporations tax, \$10.7 million in motor vehicle licenses and permits, \$8.9 million in gasoline tax, \$7.5 million from the Liquor Control Board, and \$7.3 million in retail sales tax.

The tax rental agreement for individual income tax was replaced by a collection agreement commencing with the 1962 taxation year. It was therefore necessary for the Federal Government to forecast each year the income tax to be collected for Ontario and to pay monthly instalments based thereon. Although monthly instalments commenced in April 1962, tax returns for 1962 were not filed until the spring of 1963. It was the end of that year before accurate totals of tax actually collected for the Province were tabulated by the Federal Government, and only then was it apparent that Ontario had been overpaid for 1962 and that collections for 1963 had also been over-estimated.

It is our understanding that these overpayments are to be deducted from instalments to be received before the end of the present fiscal year. Net receipts for 1963-64 from this source are now estimated at \$157.0 million, instead of the Federal estimate of \$171,376,000 which was used in my budget forecast of a year ago.

Apart from the individual income tax collections, the major sources of revenue are: corporations tax, \$207.0 million; retail sales tax, \$183.0 million; gasoline tax, \$182.0 million; Liquor Control Board, \$95.0 million; motor vehicle licenses and permits, \$73.3 million; and succession duties, \$43.5 million.

Our interim surplus on ordinary account is estimated at \$522,000, after providing \$81.0 million for capital payments financed out of ordinary revenue and \$41.5 million for sinking fund. However, when account is taken of net capital expenditure of \$236.5 million and net capital receipts of \$2.1 million, our revenues fall short of meeting overall requirements by \$111.4 million. The result, of course, is an increase in net capital debt—a subject which I shall now discuss.

NET CAPITAL DEBT

For some years, the Province has been carrying out a huge capital program to meet the growing demand for highways and roads, hospitals, schools and other needed facilities. In the post-war period \$2.3 billion has been expended on physical assets. Of this amount, \$1.5 billion or nearly two-thirds has been expended in the past seven years. The high level of these outlays indicates the great importance we attach to the creation of physical assets as a means of strengthening the economic and social foundation of our society.

In financing this huge investment in physical assets, we have followed the policy of meeting a substantial proportion of our capital expenditures out of ordinary revenue. This policy has enabled us to preserve a strong credit position in the money market and at the same time to keep increases in debt well within manageable limits. Thus, while we have undertaken capital expenditures in the past seven years of nearly \$1.5 billion, the net capital debt over this period has risen by \$639.0 million. In other words, we have met from current revenue about 56 per cent of our investment in physical assets.

Net capital debt at March 31, 1964 is estimated at \$1,397.3 million, an increase of \$113.2 million over the 1963 figure. This increase is reasonable when you consider our record net capital expenditure this year of \$236.5 million.

In terms of wealth and financial ability, the level of our net capital debt is not a cause for concern. It now represents about 7.4 per cent of the gross provincial product, compared with 10.4 per cent at the end of World War II. It would require about $1\frac{1}{3}$ years' revenue of the Government to repay the net capital debt today, compared with some $3\frac{1}{2}$ years' revenue in 1946. Thus, according to ability to pay, the burden of our debt is substantially less than it was at the end of World War II.

Through the use of the capital money market, we have been able to carry out our capital construction program and still maintain a moderate system of taxation. We shall continue to make prudent use of our credit to finance part of our capital program. Although the increases in net debt have been reasonable in the past, we must take steps to ensure that further increases are kept within manageable limits.

FORECAST OF EXPENDITURE PROGRAM FOR 1964-65

In placing before the Honourable Members the Government's plans for the coming fiscal year, I shall first present a summary of our overall expenditure program.

Net ordinary expenditure for 1964-65, which includes \$40.0 million for sinking fund, is forecast at \$1,039.7 million before providing \$117.0 million for capital payments to be financed out of ordinary revenue. Net capital expenditure on physical assets will amount to \$264.4 million, of which \$215.1 million is for Provincial highways, municipal roads, and mining and logging roads. The remainder of the capital program consists of \$36.0 million for public works, \$5.4 million for conservation projects, \$5.0 million for parks and other recreational areas, and \$2.9 million for other purposes.

The aggregate of net ordinary expenditure and net capital expenditure on physical assets is forecast at \$1,304.1 million. This represents an increase of \$93.1 million over the current fiscal year. The four Departments of Education, Highways, Health and Public Welfare account for over 70 per cent of the increase.

Net ordinary and capital expenditures of major departments for the coming fiscal year will be: Education, \$412.3 million; Highways, \$299.4 million; Health, \$151.1 million; Public Welfare, \$70.9 million; Public Works, \$48.7 million; Municipal Affairs, \$43.4 million; and Lands and Forests, \$33.9 million.

THE SOCIAL SERVICES AND HUMAN BETTERMENT

I should like now to discuss some of our specific programs, and the ones to which our attention is first drawn are in the field of social services and human betterment. I am sure that the Honourable Members will agree that adequate education, health and welfare programs are vital to a dynamic province like Ontario; that we recognize their importance is shown by the magnitude of our expenditures. In the short period of six years, the combined net expenditures of the Departments of Education, Health and Public Welfare have grown by \$344.0 million, from \$243.7 million in 1957-58 to \$587.7 million in the current fiscal year. In the coming fiscal year, they are forecast at \$634.3 million, an amount approaching that spent for all purposes just six years ago.

Education

The most costly of these social services, and the most important to our future, is education.

Enrolment in the elementary and secondary schools of the Province now approximates 1.6 million, a substantial proportion of our total population. Financial requirements for the construction of buildings to accommodate students in schools at both levels and to provide facilities for vocational educa-

tion in secondary schools have been particularly heavy. During the past year, we opened an average of ten new schools or additions to schools each week. Many of the new high school units were financed under the Federal-Provincial Technical and Vocational Training Agreement, whereby approved costs were paid in total by the Province which in turn was reimbursed to the extent of 75 per cent by the Federal Government. On the whole, new construction of elementary and secondary schools has been catching up with the requirements imposed by increasing enrolments. It is expected that expenditures for school building will decline in 1964 and will continue at a somewhat lower level for the next two or three years.

A revised system of legislative grants to the elementary and secondary schools will be implemented this year. The Ontario Foundation Tax Plan is designed to make possible greater equality of educational opportunity across the Province than has hitherto been achieved, and at the same time to reduce or halt the growth in taxation on home owners and farmers. The Foundation Plan is also designed to correct certain inequities associated with the payment of school taxes by corporations in relation to public and separate schools. In general, the Plan aims to give the greatest help where it is most needed to the end that each boy and girl may have access to a sound basic education without unduly burdening any municipal taxpayer. In practical terms, the new system will mean that in the coming fiscal year the amount available for school grants will be increased by \$52.1 million to \$285.4 million. I am sure the Honourable Members will appreciate the marked benefit that local ratepayers will derive from these increased grants.

With the help of substantial Government assistance, the number and size of the universities of the Province continue to increase. Places were available last September for the 5,000 additional students who are being accommodated in the universities during the current college year. Trent University will open its doors in Peterborough in September, and it is expected that Brock University in the Niagara Peninsula will begin classes in temporary quarters in the autumn of 1964. The University of Toronto is establishing colleges at Scarborough and Erindale, and a new Arts College and Library are being planned for the University of Guelph. Progress is being made in the development of the campus at the Laurentian University, Sudbury.

In the coming fiscal year, the funds to assist universities in meeting rising operating costs and in providing additional accommodation for swelling enrolments will be increased by \$30.5 million to \$101.3 million. Grants for operating costs, extended graduate programs and special purposes will total \$47.7 million, and the balance of \$53.6 million will be made available by way of loans through a new Crown Corporation to be established for the purpose of assisting universities with their capital construction programs. The provision of capital funds through the new Corporation, which is to be known as the Ontario Universities Capital Aid Corporation, will have the advantage of spreading the cost of the heavy requirements of the current expansion program over subsequent years, when the demand for capital funds is not expected to rise so

rapidly. The cost of servicing the loan will be recognized by the Government as part of the operating cost of the universities in subsequent years.

The operating grants to each university and the capital construction funds to be made available in the coming fiscal year are as follows:

OPERATING GRANTS AND CAPITAL CONSTRUCTION FUNDS FOR UNIVERSITIES, FISCAL YEAR 1964-65

	Operating Grants, etc.	Capital Construction Funds	Total
	(Thousands of Dollars)		
University of Toronto.....	18,911	6,000	24,911
For Scarborough College and Erindale College..	500	5,000	5,500
For Ontario College of Education.....	1,900	—	1,900
Queen's University.....	3,450	4,250	7,700
The University of Western Ontario.....	4,000	4,250	8,250
For Ontario College of Education.....	120	—	120
McMaster University.....	3,300	4,900	8,200
University of Ottawa.....	1,275	1,200	2,475
Carleton University.....	1,775	4,250	6,025
University of Windsor.....	1,575	5,200	6,775
The University of Waterloo.....	2,450	5,000	7,450
Lakehead College of Arts, Science and Technology.	315	800	1,115
Ontario College of Art.....	260	—	260
York University.....	1,300	8,000	9,300
Laurentian University of Sudbury.....	690	2,000	2,690
Osgoode Hall Law School.....	150	—	150
Trent University.....	425	500	925
Brock University.....	350	1,250	1,600
University of Guelph.....	200	1,000	1,200
Ontario Graduate Fellowships.....	2,000	—	2,000
Special Fund available to Universities for Temporary Accommodation.....	2,000	—	2,000
Scholarship, Bursary and Loan Assistance Fund...	750	—	750
	<u>47,696</u>	<u>53,600</u>	<u>101,296</u>

Apart from the provision of capital funds to universities through the new Crown Corporation, we are forecasting the net expenditure for the other costs of education in 1964-65 at \$412.3 million. This is an increase of \$53.9 million over the interim estimate of the corresponding costs for the current fiscal year. Our education expenditure for next year is thus expected to approach the total net expenditures of the Province for all purposes a decade ago.

The expanding needs of our educational system and the increasing demands that it will continue to make upon tax revenues at both the municipal and Provincial levels are not going to lessen. Forecasts of enrolment for the next ten years indicate that the combined wisdom and effort of the Provincial Government, school boards, municipal councils and taxpayers will be required in order that our children and youth may have the educational opportunities which we all regard as essential and that the necessary funds may be found to provide them. Certainly judgment and prudence must be exercised at all levels in determining priorities not only in the educational system but in our economy as a whole.

Health

The second of the social services which are so vitally important to the life of this Province, and to which our Government has always given its wholehearted support, is the field of health. To meet the constantly changing needs of more than six and a half million people in a highly developed Province with a diversified economy, health programs cannot remain static. Emphasis that was once placed upon communicable disease, environmental sanitation, and custodial care of the mentally ill must now be directed towards modern treatment of the mentally ill, widespread public health services and hospital care insurance.

To give effect to this new emphasis, the rehabilitation program to help patients in Ontario hospitals return to useful and active lives in their communities will be strengthened, facilities for the care and treatment of mental illness will be expanded, local centres for the early detection and treatment of mental illness will be improved, psychiatric units will be added in general hospitals and public health services will be extended.

I am pleased to announce that the Government has decided to increase the scope of the out-patient benefits provided under the Hospital Insurance Plan. Radiotherapy for the treatment of cancer, which is currently limited to in-patient admissions, will be accepted as an insured service on an out-patient basis.

Physiotherapy, occupational therapy and speech therapy when prescribed by a physician as part of a planned physical rehabilitation program for the patient will also be covered as an out-patient benefit.

Certain follow-up visits to a hospital for removal of plaster casts and re-check x-rays for fracture cases, treated at a hospital within twenty-four hours of an accident, will be accepted as an insured out-patient benefit whether or not the initial visit required admission to hospital.

Costs in connection with the Hospital Insurance Plan continue to rise. Exclusive of the extension of out-patient benefits to which I have referred, the total costs under the Plan are forecast for this year at \$320.6 million, virtually double the 1959 costs of \$161.8 million. There are several factors contributing to this marked increase in costs. The population growth of Ontario, coupled with a more complete coverage, has resulted in an increase in the number of insured persons. At December 31, 1963, an estimated 98.1 per cent of the population was insured. There has also been a general increase in hospital utilization. As new hospital beds and facilities become available, they are immediately put into service. In keeping with all other components of daily living, the per diem costs of hospital care have risen, mainly because hospital salaries have now reached a level that is more in keeping with rates of pay in other fields.

It is anticipated that the annual cost of hospital care insurance will continue to rise, but that the rate of increase should not be as great after 1964.

In 1961, the Government decided to stabilize premiums under the Hospital Care Insurance Plan for three years at the present level of \$2.10 monthly for a single person and \$4.20 monthly for a family unit. In the last three years, we have contributed \$143.6 million to pay the costs of the Plan not met by premium subscription and the Federal contribution. As the costs of hospitalization increase and the benefits are extended, the cost of this subsidy rises. In the coming fiscal year, a Provincial contribution of \$86.0 million would be required to maintain the present premiums.

Since the inception of the Hospital Insurance Plan, established nearly six years ago, the premiums for the benefits thereunder have not changed and consequently have not kept pace with the rise in cost. Indeed, the rise in cost has been met through increased contributions by the Province. In view of the many other demands on Provincial revenues and after most careful consideration of all the factors involved, including the extension of out-patient benefits, it was concluded that the premium income should be restored to the original basis whereby it met approximately one-third of the cost of the program. To accomplish this, it has been decided to increase the monthly rate for a single person to \$3.25 and for a family unit to \$6.50, effective July 1, 1964. Even with this increase in premium, the Province will still be required to provide \$50.0 million towards the cost of the Plan as well as more than \$75.0 million for the operation of Mental Hospitals and for grants to Sanatoria. In other words, the cost of the Ontario hospital insurance program will again be shared approximately one-third by the Province, one-third by the Federal Government and one-third by the insured persons themselves.

Welfare

Our welfare services are vital and necessary in meeting the needs of those who, for various reasons, are unable to provide for themselves. To this end, we are continually expanding and improving our welfare services.

The highlight of the new services rendered by the Department of Public Welfare concerns the inclusion on a means test of widows and single women, between the age of 60 to 65 years, as a special category for Provincial assistance. More than 6,000 women are now receiving these allowances. This has relieved the municipalities of certain administration costs and payments of direct relief.

Increased allowances to recipients of Old Age Assistance, Blind and Disabled Persons' Allowances, and to those under the new program for widows and single women came into effect on December 1, 1963.

In the coming fiscal year, our welfare services will require an expenditure of \$70.9 million, an increase of \$8.3 million over the current fiscal year.

HIGHWAYS AND ROADS

In recognition of the fundamental importance of our highways and roads program in promoting industrial growth and opening up new areas of the Province, we have increased the net ordinary and capital expenditures of the Department of Highways over the last dozen years from \$103.0 million in 1951-52 to an estimated \$280.4 million in the current fiscal year. They will be increased an additional \$19.0 million to \$299.4 million in 1964-65.

Ontario now has a vast network of roads, including many miles of multi-lane toll-free highways and expressways, which have greatly facilitated the movement of people and goods throughout the Province. We have not only provided for the ever-increasing number of motor vehicle registrations—which last year rose by 90,000 from 2,177,000 to 2,267,000—but we have made road travel easier and more efficient than ever before.

During 1963, Provincial highway and road construction continued at peak level. The total mileage of paved highways completed, including reconstruction, was 461 miles. In the same period, 62 structures were completed.

Three new sections of Highway 401 were opened, bringing the total mileage in use to 502 miles. There was accelerated progress on the widening of this highway on the Toronto By-Pass. A number of major developments on other roads took place last year. The Garden City Skyway, taking the Queen Elizabeth Way over the Welland Canal, was completed in the late fall. Reconstruction of the Trans-Canada Highway continued at separated localities. Our programs of Roads to Resources and Forestry Roads maintained their construction pace with 272 miles of Resources Roads and 76 miles of Forestry Roads completed to date.

In the current fiscal year 1963-64, the Province's total expenditures on highways and roads are estimated at \$280.4 million, consisting of \$81.3 million for maintenance and \$199.1 million for construction and other capital projects. Provincial road subsidies to municipalities and payments to unincorporated townships in Northern Ontario, which are included in the foregoing, total \$89.9 million, of which \$33.7 million is for maintenance and \$56.2 million for capital purposes.

For the coming fiscal year, a wide-ranging construction program is planned which provides for further additions and improvements to the Province's system of four-lane divided highways, work on three new roads and a number of existing roads in Northern Ontario, and numerous projects for the improvement of highway alignment and driving surface.

For the coming fiscal year 1964-65, the appropriations for our highway and road program total \$299.4 million, or \$19.0 million more than for the current fiscal year. Of this amount, \$86.3 million will be for maintenance and \$213.1

million for capital purposes. Included in the foregoing are road subsidies to the municipalities and payments to unincorporated townships in Northern Ontario amounting to \$97.3 million, of which \$35.0 million will be for maintenance and \$62.3 million for capital purposes. This will provide for a combined Provincial and municipal program for the coming fiscal year of approximately \$397 million, an increase of \$26 million over the combined total in 1963-64.

NATURAL RESOURCES

To enable the Province to carry out its important responsibilities relating to the conservation and development of our vast natural resources, ordinary and capital appropriations totalling \$72.0 million will be requested for the fiscal year 1964-65. This represents an increase of \$9.7 million over the interim estimate of combined expenditure for the current fiscal year.

In the key field of agriculture, our programs of assistance and research, carried out by the Department of Agriculture, will be continued and expanded. In recognition of the importance of the family farm, and to assist young farmers embarking upon farming as a life career, larger loans will be made available next year under the extended Junior Farmer Establishment Loan program. The agricultural rehabilitation and development program will also be expanded, with expenditure expected to rise to more than twice that of the current year. Total net expenditure of the Department of Agriculture will exceed \$20.9 million in 1964-65, an increase of \$1.9 million over the present year.

Through the Department of Mines, we will continue to promote the exploration for and the development of Ontario's mineral resources. A substantial increase in the number of geological field parties is planned next year. A new program of seismic exploration will be carried out next year, and work will continue on the airborne magnetometer survey.

The consolidation of the Department of Energy Resources, the Conservation Authorities Branch and the Ontario Water Resources Commission into the new Department of Energy and Resources Management will ensure closer co-ordination of these related activities. This will enable us to carry out a vigorous program designed to protect and develop our valuable water, energy and other resources for the benefit of this and future generations. The net ordinary and capital expenditures of this Department are forecast at \$13.7 million for the coming fiscal year.

Through the Department of Lands and Forests, we are engaged in a progressive program, utilizing modern techniques and advanced research, for the management, protection and regeneration of our forest resources. The continued well-being of the forest-based industries, which are dependent upon this rich natural resource, is indeed of crucial importance to the economy of Ontario.

Our extensive parks program, offering a variety of attractive natural and man-made recreational and tourist facilities, will be expanded. Negotiations

will be undertaken for the purchase of lands, valued at \$5.0 million, for parks, forestry purposes, hunting and fishing, public access to water and general recreational purposes. Total combined expenditures of the Department of Lands and Forests will reach an estimated \$33.9 million in 1964-65, an increase of \$4.3 million over the corresponding expenditures for the current year.

INDUSTRIAL DEVELOPMENT AND TRADE EXPANSION

There are other areas of government activity vitally concerned with the stimulation of economic growth. Through the Department of Economics and Development, we have been conducting an energetic and many-pronged program aimed at industrial development and trade expansion.

Increased employment, an accelerated rate of economic growth, and an improvement in the balance of payments position all testify to its success. While devaluation of the Canadian dollar provided a sharp stimulus on the balance of payments side, there is ample evidence that our trade expansion program has been a highly significant factor in the overall improvement in the economy.

We are confident that economic growth and employment opportunities will be stimulated during the next year by our participation in Trade Shows and Sales Missions, as well as by expanded efforts by our Trade Offices abroad and Manufacturing Opportunity Shows at home.

The Ontario Development Agency, through guarantee of loans and provision of managerial advice to Ontario-based industry, will also help to provide new job opportunities and increase manufacturing production during the next year.

At the community level, a number of special activities are also planned. Local economic studies and forums concerned with the problems of regional industrial development will be further developed and expanded. In addition, the Ontario Economic Council will continue to study major problems affecting the Ontario economy as a whole.

AID TO LOCAL AUTHORITIES

A striking feature of the Provincial Budget and a major contributing factor to its growth is the huge and increasing amount of financial assistance which is given annually by the Province to municipalities, school boards and other local authorities. In the five fiscal years since I delivered my first Budget in 1959, the Province has turned over to local authorities the sum of \$2 billion. This is double the amount provided in the preceding five fiscal years. It demonstrates clearly the growing magnitude of the financial aid that we are providing to assist local authorities in carrying out their important responsibilities.

We are fully aware that local authorities, like the Province, are confronted with greatly increased costs as a result of growth and development.

These increased costs are the necessary outcome of more people, more children, more industry and more municipal services of all kinds to support a higher level of economic activity. To help local authorities meet these challenges and still maintain local tax rates at manageable levels, we have provided in the current fiscal year an estimated \$495.1 million in Provincial funds for the support of local services. In other words, we are turning over to local authorities nearly 47 per cent of the Province's net ordinary revenue.

The coming fiscal year will represent an important milestone in the history of Provincial aid to local authorities. Our assistance will rise to \$546.4 million and thus for the first time will exceed, and I might add substantially, the half a billion dollar level. Obviously, this vast sum will place a heavy strain on the Province's revenue. It will exceed by nearly \$100 million the total amount we expect to derive from the three major direct tax fields that we share with the Federal Government, namely, personal income tax, corporations tax and succession duty.

Over half of our assistance in the coming fiscal year will be grants to school boards. These grants will rise to \$285.4 million, an increase over the current year of \$52.1 million. This is the largest increase in our history, the increase alone exceeding the total grants provided just a dozen years ago. The Ontario Foundation Tax Plan will thus be of great benefit to school boards, particularly those with limited financial resources. This forward-looking Plan represents a solid step on the part of the Government to further the equality of educational opportunity and to relieve the burden of local taxation on farm, home and other property owners.

Increased financial assistance will be provided by the Province for the construction and maintenance of local streets and roads. Road subsidies to municipalities and payments to unincorporated townships in Northern Ontario will rise from \$89.9 million in the current year to \$97.3 million in the coming fiscal year. Indicative of the extent of the municipal road programs that have been made possible with our assistance is the fact that in 1963-64, for the first time, combined Provincial and municipal spending on municipal roads actually exceeds the expenditure on our vast King's Highways system.

The Province supports financially a wide range of local services in the health and welfare fields. Municipalities have not only been relieved under the Hospital Insurance Plan of their former payments for hospital deficits but are compensated in a general way for their hospital indigency costs. For the numerous welfare programs in which the Province shares, including general welfare assistance, child welfare and homes for the aged, we are providing \$31.8 million in the coming fiscal year, an increase of \$3.6 million over the current fiscal year.

There are also a number of other grants and payments, among which are the unconditional grants to municipalities and the payments under the municipal winter works incentive program.

FEDERAL-PROVINCIAL RELATIONS

I come now to the important area of Federal-Provincial relations. As the Honourable Members are aware, the discussions at the Conference last November embraced a broad range of subjects. These included such questions as fiscal arrangements, shared-cost programs, the public assistance programs, pensions, unemployment, economic and industrial development and the need for continuing Federal-Provincial liaison arrangements. Some of these matters were held over for further study and discussion, being referred to appropriate committees in preparation for the next plenary session to take place in early 1964.

We were greatly encouraged by the spirit of amity and concord that prevailed at the November Conference. There was general agreement on the need for close and continuing consultation and co-operation between the Federal and provincial governments. In a federal system, there are many activities of common or overlapping interest which require co-ordinated and concerted action. Through frequent discussion and consultation, greater success can be achieved in integrating these activities. For our part, we are eager to co-operate, as we have in the past, in promoting the strength of our federal partnership and evolving plans for the economic and social betterment of our nation and Province.

The tax-sharing arrangements between the Federal and provincial governments occupied the main attention of the Conference. The arrangements then in effect had been evolved after long months of careful study and discussion, and had been in operation for less than two years of their five-year term. Accordingly, we contended that the underlying principles should be continued in force for the remainder of the period for which the arrangements had been negotiated. However, the Federal Government decided that the arrangements would be changed for the coming fiscal year and that consideration would be given to further adjustments at the meetings to be held in the early months of this year.

Under the new arrangements, all provinces except Ontario, Alberta and British Columbia will receive equalization payments. Equalization will be based, not on the national average, but on the average yield of the standard taxes in the two provinces having the highest per capita yield, namely, Ontario and British Columbia. The three-year average of provincial revenue from natural resources will be retained as a factor in the new formula, but the method of treatment will be altered. Instead of one-half of such revenue being included with the standard taxes and equalized up to the national average, the equalization payable under the new arrangements to any province having natural resource revenue above the national average will be reduced by one-half of the amount that such per capita revenue exceeds the national average. The revision in the equalization formula will benefit the seven provinces which are eligible for this form of special assistance.

Although Ontario has never received nor has it ever expected to receive an equalization payment, this Province has long supported the principle of fiscal

need assistance to provinces which do not have adequate resources to discharge their constitutional responsibilities. I am sure it is clear to all that if we are to progress and develop as a nation special assistance must be provided to some provinces to ensure a measure of equality of opportunity and standard of services amongst our people as a whole. However, it should be emphasized, and I cannot stress this too strongly, that the level of assistance should not be such as to impair or weaken the ability of the revenue-producing areas of the country to grow and expand. Since Ontario is the producer of more than 45 per cent of the national revenue, it is essential that there be maintained in this Province a strong, healthy climate in which business and industry can expand and prosper, thereby enabling us to attain a greater measure of well-being for all. The development of Ontario's revenue-producing capacities serves the interests of the nation as well as those of the Province. In order to preserve this position we will oppose any extension of equalization beyond that provided in the revised formula.

The Honourable Members are well aware of the Province's need for an increasing share of the major fields of direct taxation. When fully implemented, the present tax-sharing arrangements will provide the Province with only one-fifth of the personal and corporation income tax fields. In view of our expanding responsibilities for such basic needs as education, highways, health and welfare, we cannot regard our share of these tax fields as a just or adequate recognition of the growing revenue requirements of the Province.

At the recent Conference, the Federal Government gave partial recognition to the needs of all provinces for additional revenues. Effective April 1, 1964, the rate of abatement of Federal estate tax will be increased from 50 per cent to 75 per cent. While this adjustment in our fiscal relations is welcome, it is quite inadequate in relation to our needs.

As this Budget testifies, the Province and its municipalities are being confronted with inescapable demands for an expansion and extension of services. Our communities and industries must be provided with essential services if we are to continue to grow and prosper. The revenue required to meet the costs of growth and development should come largely from the progressive tax fields which are heavily occupied by the Federal Government. Our present share of the major tax fields does not reflect the special problems that exist in a growing urban and highly industrialized province such as Ontario. At the forthcoming Conference, we shall press for a more equitable and realistic share of the major fields of direct taxation.

THE PROVINCE'S NEED FOR REVENUE

The comprehensive expenditure program that I have outlined for the coming fiscal year clearly demonstrates the Province's need for increased revenue. The increased appropriations required for the fiscal year 1964-65 are indicative of the continuing upward trend we can expect in Provincial expenditures. Ontario is a growing Province, undergoing rapid economic expansion, population change,

urbanization and technical advance. The Government must meet heavy demands to expand its services and adopt new programs to meet the needs of our people and industry in these challenging times. We must continue to provide for the added services required to promote our greater economic and social well-being in the future.

Recognizing that the additional funds necessary to meet increased expenditures must come largely from the growth in our revenue each year as industrial activity increases and incomes rise, we have thoroughly examined the ability of our present revenue system to meet our minimum requirements in future years. The conclusion is inescapable. Even on the most optimistic estimate of our future economic growth, the present tax structure cannot produce the revenues required to meet our essential commitments and maintain the financial strength of the Province in years to come.

Consideration of the proposed program for the coming fiscal year clearly discloses that increased revenues are urgently needed. Consideration must also be given to the revenues necessary to maintain a strong financial position in the light of unavoidable growth in Provincial expenditures in future years. Most of the increased expenditures required for the coming and future fiscal years are for education, health and highways.

A large part of our revenue problem stems from the fact that the major direct tax fields which grow most rapidly with economic expansion are heavily occupied by the Federal Government, a point upon which I have already commented. This problem is made more difficult by the fact that the full effect of increased Provincial expenditures is not immediately reflected in increased revenues. The expenditures which we are making to nourish Ontario's future economic growth will be returned manyfold in terms of more jobs and increased Provincial revenue; this takes time.

The Honourable Members are aware that this Government has taken steps to have a comprehensive and far-ranging inquiry made into the taxation and revenue systems of the Province and its municipalities. The Ontario Committee on Taxation, appointed more than a year ago, has for some months now been receiving the views of interested and informed individuals and organizations. In addition, the Committee will have available the results of research into each tax and revenue source, into the financial obligations of the Province and the municipalities, and into inter-governmental financial relations generally. In these circumstances, it will be clearly understood that we do not wish to disturb the existing tax structure more than is absolutely necessary to carry out our responsibilities. It would be inappropriate, indeed, to make major adjustments in our taxation system at this time.

I would, however, point out that taxation in Ontario is by all standards moderate. Ontario's rates of tax in almost all major revenue fields are comparable or lower than those imposed in other provincial jurisdictions. In fact, in some major revenue fields, they are substantially lower than those levied in a number of other provinces. An examination of the net general revenues of the provinces

of Canada, as compiled on a comparable basis by the Dominion Bureau of Statistics, reveals the moderate nature of our revenue structure. While the total revenue of Ontario is greater than that of any other province, it is lower on a per capita basis than the combined average per capita of all provincial governments.

In considering our course of action, we are deeply conscious of the necessity of keeping the increase in taxation at the barest minimum consistent with sound finance. The essential additional expenditures, which increased revenues will permit us to make, will enable our people and industry to take fuller advantage of new economic opportunities. At the same time, we are determined that the increase in taxation will not counteract these advantages by adversely affecting production, employment and future economic development. Thus, the tax changes proposed will make no greater demand upon Ontario's economy and people than is necessary to maintain the financial strength of the Province in the face of rising Provincial expenditures.

TAX CHANGES

There will be no new taxes and the few increases that are proposed in existing taxes are being kept to a minimum. One of the smaller taxes will be reduced. Several changes will be introduced in various taxing statutes in order to improve administration as well as to promote closer co-operation with other provinces and the Federal Government.

The Gasoline Tax Act

Effective at 12:01 a.m. tomorrow, February 13, the gasoline tax will become 15 cents per gallon, an increase of two cents per gallon. A Bill to authorize this increase will be introduced at once.

Refunds will be made to purchasers of gasoline used for purposes other than to propel a motor vehicle on the highways, at the rate of 13 cents of the 15 cents per gallon paid. Farmers and commercial fishermen will continue to receive full refund. The tax on aviation fuel remains at two cents per gallon.

Unlike the modern express highways in some other jurisdictions, which are toll roads, Ontario has been able to keep its modern highway system toll-free, except for certain bridges. The gasoline tax is being increased for the first time since 1957.

No province to the east of Ontario has a gasoline tax less than 15 cents per gallon.

The Motor Vehicle Fuel Tax Act

The tax on diesel fuel used in motor vehicles will be increased to 20½ cents per gallon, an increase of two cents per gallon, effective tomorrow. An appropriate Bill is being introduced.

The Succession Duty Act

At the Federal-Provincial Conference in Ottawa last November, the Federal Government increased the tax rental for the succession duty field from 50 per cent to 75 per cent of the Federal estate tax, effective from April 1, 1964. The seven provinces which have tax rental agreements will receive, by direct payment, their share of this increased rental. For Ontario and the other two provinces, which collect their own succession duties, the Federal Government will increase the abatement of estate tax from 50 per cent to 75 per cent. In order to take advantage of this increased abatement it will be necessary to amend The Succession Duty Act. I will, therefore, be introducing an amendment to this Act which will provide for an appropriate increase in duty approximately equal to the amount of the increased abatement by the Federal Government.

The Act was amended last year to exempt from duty the equity of a deceased person domiciled outside of Ontario in a pension plan administered in Ontario. I propose to introduce a similar amendment to extend this principle to certain other types of employee plans.

The Corporations Tax Act

Changes will be proposed in a Bill to amend The Corporations Tax Act which will generally reflect the changes made in the Federal Income Tax Act, with respect to the taxable income of corporations.

I propose that manufacturing and processing companies which comply with the Federal Act as to their "degree of Canadian ownership" be allowed accelerated rates of depreciation.

After careful consideration, however, I do not propose to incorporate into our legislation the tax concessions made recently by the Federal Government to businesses in eight specified "designated areas" in Ontario.

The Hospitals Tax Act

A review of The Hospitals Tax Act brought to my attention that the growth in population in the Province was causing a number of municipalities to exceed 10,000, sometimes by a small margin. It is desirable to treat all municipalities alike.

The exemption on admissions paid to places of amusement of 75 cents or less in municipalities under 10,000 population will be extended to all municipalities in the Province. In addition, the schedule of rates of tax applied to admissions between 75 cents and 90 cents will be reduced in each case by one cent. A Bill will be submitted to the Legislature covering these amendments. The reduction in revenue is relatively small.

The Retail Sales Tax Act

The three per cent rate for retail sales tax will continue unchanged. As a step towards encouraging the use of public transportation facilities, I am proposing that a rebate of sales tax be allowed for buses used for public transit, within the limits of a municipality, purchased after February 29, 1964. Studies are currently underway to improve and simplify administrative practices affecting municipalities and local boards.

FORECAST OF REVENUE AND FINANCIAL POSITION FOR 1964-65

I should now like to summarize our revenue forecast and financial position for the coming fiscal year.

The aggregate of net ordinary revenue and of net capital receipts from the sale of physical assets is forecast at \$1,159.2 million. This is an increase over the current fiscal year of \$101.1 million. Of this increase, \$30.0 million will be derived from the tax changes I have announced, \$12.0 million will result from price adjustments by the Liquor Control Board of Ontario, and the balance, or approximately 60 per cent of the increase, will be due to expanding revenues from existing tax sources.

Major sources of revenue for 1964-65 are forecast as follows: gasoline tax, \$218.0 million; corporations tax, \$207.0 million; individual income tax collection agreement, \$192.0 million; retail sales tax, \$190.0 million; and Liquor Control Board, \$110.0 million.

The surplus on ordinary account is estimated at \$855,000, after providing \$40.0 million for sinking fund and \$117.0 million for capital payments to be financed out of ordinary revenue. When account is taken of net capital expenditure of \$264.4 million and net capital receipts of \$1.6 million, the overall shortfall in revenue is forecast at \$104.9 million.

We will thus be required to rely on our borrowing power to an extent comparable to that in the current fiscal year in order to carry out the comprehensive program we have planned for the coming fiscal year.

CONCLUSION

This budget clearly indicates the positive action we are taking to meet the needs of a growing economy. It demonstrates our willingness to accept added responsibilities where these are necessary and vital to our continuing progress. We are not content to stand still, but are determined to move forward sensibly and constructively in meeting the demands of these challenging times.

Foremost in our plans for the coming fiscal year are the measures we are taking to assist in the provision of educational opportunities for our children and youth. Swelling enrolments, with close to one-quarter of the population now

enrolled in elementary and secondary schools, attest to the magnitude of the task. The Ontario Foundation Tax Plan will lessen the impact of the mounting burden of education costs on local ratepayers and at the same time will assist school boards in equalizing educational opportunities throughout the Province. The availability of capital funds to universities will assist these institutions in meeting the growing need for graduates of universities in many walks of life.

Of major significance in this Budget are the substantially increased provisions for further additions to our already extensive network of highways and roads. It is a source of great satisfaction to us that we have one of the finest systems of highways in the world. Not only have we kept pace with the growth in traffic, but we have facilitated the movement of people and goods and the decentralization of industry with resultant benefits to all. We have accomplished this without the imposition of highway tolls.

We are also deeply conscious of our responsibilities in the fields of health and welfare. These services will be improved and expanded, thereby strengthening individual and family security and the physical and mental well-being of our people. It is our continuing aim to ensure that these programs are meeting the needs and requirements of our people.

The funds provided for the services I have mentioned, together with the expenditures to be made in such areas as the conservation and development of natural resources and the promotion of trade and industrial activity, will provide a strong stimulus to economic and social progress. We are undertaking a positive program for the expansion of industry, the creation of jobs and the realization of higher living standards. Also, the huge amounts to be transferred to local authorities will help them to play a vital role, along with the Province, in laying a firm foundation for social advancement and economic progress.

Let me assure the Honourable Members that the cost of providing these services is of vital concern to the Government. Constant effort is being made to effect changes in the methods of operation of departments and agencies of the Government to promote efficiency, economy and improved service in the despatch of public business. The analysis of programs and staffing requirements of departments, which the introduction of program budgeting has made possible, is being conducted throughout the year by Treasury Board and its officers. Where duplication and overlapping of functions are identified, they are eliminated. Through the Organization and Methods Branch, administrative management studies as well as surveys of systems and procedures are continuing. The recruitment, examination, position evaluation and staff development programs of the Civil Service Commission likewise contribute to economy of operation through effective use of personnel.

The leadership we are providing cannot, of course, ensure the achievement of all our goals. However, with the co-operation of business, labour and government at all levels, we can be confident of overcoming obstacles and making the most of our opportunities.

SUMMARY

1. In the past six years, the combined net expenditures of the Departments of Education, Health and Public Welfare have grown by \$344.0 million, from \$243.7 million in 1957-58 to \$587.7 million in 1963-64. In the coming fiscal year, they are forecast at \$634.3 million, an amount approaching that spent for all purposes six years ago. (p. 12)
2. A revised system of legislative grants to the elementary and secondary schools, known as the Ontario Foundation Tax Plan, will be implemented this year. Under the Plan, \$285.4 million will be available for school grants in 1964-65—an increase of \$52.1 million over the grants provided in the current fiscal year. (p. 13)
3. In the coming fiscal year, the Provincial funds available to universities will be increased by \$30.5 million to \$101.3 million, including \$47.7 million in grants for operating costs, extended graduate programs and special purposes, and \$53.6 million through the Ontario Universities Capital Aid Corporation in the form of loans for capital construction programs. (p. 13)
4. Net expenditure for education, excluding the capital funds to be provided to universities through the new Crown Corporation, is forecast at \$412.3 million, an increase of \$53.9 million over the interim estimate of the corresponding costs for the current fiscal year. Next year's education expenditure will approach the total net expenditures of the Province for all purposes a decade ago. (p. 14)
5. The scope of the out-patient benefits provided under the Hospital Insurance Plan will be increased to include: radiotherapy for the treatment of cancer; physiotherapy, occupational therapy and speech therapy when prescribed by a physician as part of a planned physical rehabilitation program for the patient; and certain follow-up visits to a hospital for removal of plaster casts and re-check x-rays for fracture cases treated at a hospital within twenty-four hours of an accident, whether or not the initial visit required admission to hospital. (p. 15)
6. Exclusive of the extension of out-patient benefits, the total costs under the Hospital Insurance Plan are forecast for this year at \$320.6 million, virtually double the 1959 costs of \$161.8 million. It has been decided that the premium income should be restored to the original basis whereby it met approximately one-third of the cost of the hospital program, the Provincial and Federal Governments each also meeting one-third. Thus, the monthly premium will be increased to \$3.25 for a single person and \$6.50 for a family unit, effective July 1, 1964. Even with this increase in premium, the Province will be required to contribute \$50.0 million to the Plan and \$75.0 million for the operation of Mental Hospitals and grants to Sanatoria. (pp. 15, 16)
7. In the coming fiscal year, expenditure for public welfare will amount to \$70.9 million, an increase of \$8.3 million over the current fiscal year. (p. 16)

8. In 1964-65, the appropriations for the Province's highway and road program total \$299.4 million, or \$19.0 million more than the interim estimate for the current fiscal year. Of this amount, \$86.3 million will be for maintenance and \$213.1 million for capital purposes. (pp. 17, 18)
9. The combined net expenditures of the Departments of Agriculture, Mines, Lands and Forests and the new Department of Energy and Resources Management for the protection and development of natural resources will require \$72.0 million next year, an increase of \$9.7 million over the current fiscal year. (p. 18)
10. In the last five fiscal years, the Province has turned over to local authorities the sum of \$2 billion, double the amount provided in the preceding five fiscal years. In 1964-65, Provincial assistance will rise to \$546.4 million, thus exceeding for the first time the half a billion dollar level. It will exceed by nearly \$100 million the total amount we expect to derive from the three major direct tax fields that we share with the Federal Government, namely, personal income tax, corporations tax and succession duty. (pp. 19, 20)
11. In 1963-64, net ordinary expenditure, including \$6.7 million for supplementary estimates and \$41.5 million for sinking fund, is estimated at \$974.5 million before providing \$81.0 million for capital payments financed out of ordinary revenue. Net capital expenditure on physical assets amounts to \$236.5 million, of which \$200.3 million, or 85 per cent, is for the construction of Provincial highways, municipal roads, and mining and logging roads. Thus, combined net ordinary and capital expenditures amount to \$1,211.0 million, an increase of \$104.5 million over the preceding year. (pp. 9, 10)
12. Net ordinary revenue and net capital receipts for 1963-64 are estimated at \$1,058.1 million, an increase of \$61.6 million over the preceding year. (p. 10)
13. The interim surplus on ordinary account is estimated at \$522,000, after providing \$81.0 million for capital payments financed out of ordinary revenue and \$41.5 million for sinking fund. When account is taken of net capital expenditure of \$236.5 million and net capital receipts of \$2.1 million, revenues fall short of meeting overall requirements by \$111.4 million. (p. 11)
14. Net ordinary expenditure for 1964-65, including \$40.0 million for sinking fund, is forecast at \$1,039.7 million before providing \$117.0 million for capital payments to be financed out of ordinary revenue. Net capital expenditure on physical assets will amount to \$264.4 million, resulting in combined net ordinary and net capital expenditures of \$1,304.1 million. (p. 12)
15. For 1964-65, the aggregate of net ordinary revenue and of net capital receipts from the sale of physical assets is forecast at \$1,159.2 million, an increase of \$101.1 million over the current fiscal year. Of this increase, \$30.0 million will be derived from the tax changes, \$12.0 million from price adjustments by the Liquor Control Board of Ontario, and the balance, or approximately 60 per cent, will be due to expanding revenues from existing tax sources. (p. 26)

16. In the coming fiscal year, the surplus on ordinary account is estimated at \$855,000, after providing \$40.0 million for sinking fund and \$117.0 million for capital payments to be financed out of ordinary revenue. When account is taken of net capital expenditure of \$264.4 million and net capital receipts of \$1.6 million, the overall shortfall in revenue is forecast at \$104.9 million. (p. 26)
17. Tax changes will be introduced as follows:
- (a) *The Gasoline Tax Act*
Effective at 12:01 a.m., February 13, 1964, the gasoline tax will become 15 cents per gallon, an increase of two cents per gallon. Refunds will be made to purchasers of gasoline used for purposes other than to propel a motor vehicle on the highways, at the rate of 13 cents of the 15 cents per gallon paid. Farmers and commercial fishermen will continue to receive full refund. The tax on aviation fuel remains at two cents per gallon. (p. 24)
 - (b) *The Motor Vehicle Fuel Tax Act*
The tax on diesel fuel used in motor vehicles will be increased to 20½ cents per gallon, an increase of two cents per gallon, effective at 12:01 a.m., February 13, 1964. (p. 24)
 - (c) *The Succession Duty Act*
An amendment to The Succession Duty Act will be introduced which will provide for an increase in duty approximately equal to the amount of the increased abatement by the Federal Government of estate tax from 50 per cent to 75 per cent. (p. 25)
 - (d) *The Corporations Tax Act*
An amendment will be introduced to The Corporations Tax Act which will generally reflect the changes made in the Federal Income Tax Act, with respect to the taxable income of corporations. (p. 25)
 - (e) *The Retail Sales Tax Act*
The Retail Sales Tax Act will be amended to allow a rebate of sales tax for buses used for public transit, within the limits of a municipality, purchased after February 29, 1964. (p. 26)

GOVERNMENT STATEMENTS

APPENDIX

GOVERNMENT STATEMENTS

CONTENTS

	PAGE
Interim Statement of Ordinary Revenue, Fiscal Year 1963-64 . . .	34
Interim Statement of Ordinary Expenditure, Fiscal Year 1963-64 . . .	35
Interim Statement of Capital Receipts, Fiscal Year 1963-64 . . .	36
Interim Statement of Capital Disbursements, Fiscal Year 1963-64 . . .	36
Estimated Increase in the Gross Capital Debt for the Fiscal Year ending March 31, 1964	37
Estimated Increase in the Net Capital Debt for the Fiscal Year ending March 31, 1964	38
Estimated Increase in the Funded Debt for the Fiscal Year ending March 31, 1964	39
Estimated Increase in Contingent Liabilities (Before Deducting Guar- anteed Bonds Held in Sinking Funds) for the Fiscal Year ending March 31, 1964	39
Budget Forecast of Ordinary Revenue, Fiscal Year 1964-65 . . .	40
Budget Forecast of Ordinary Expenditure, Fiscal Year 1964-65 . . .	41
Budget Forecast of Capital Receipts, Fiscal Year 1964-65 . . .	42
Budget Forecast of Capital Disbursements, Fiscal Year 1964-65 . . .	43
Chart Showing Net Ordinary and Net Capital Revenue, Fiscal Year 1964-65	44
Sources of Net Ordinary and Net Capital Revenue, Fiscal Year 1964-65 .	44
Chart Showing Net Ordinary and Net Capital Expenditure, Fiscal Year 1964-65	45

	PAGE
Net Ordinary and Net Capital Expenditure by Departments, Fiscal Year 1964-65	45
Ontario's Investment in Physical Assets and Human Betterment, Fiscal Years 1943-44 to 1963-64	46
Chart Showing Cumulative Investment in Physical Assets, March 31, 1953 to March 31, 1964	47
Assistance to Municipalities by the Province of Ontario, Fiscal Years ending March 31, 1955 to 1965	48
Chart Showing Assistance to Municipalities by the Province, Fiscal Years ending March 31, 1946 to March 31, 1965	49
Statement of Surplus on Ordinary Account, Fiscal Years 1959-60 to 1963-64	50
Summary of Increases in Net Capital Debt, Fiscal Years 1959-60 to 1963-64	51
Net Ordinary Revenue by Major Sources, Fiscal Years 1959-60 to 1963-64	52
Net Ordinary Expenditure by Major Classifications, Fiscal Years 1959-60 to 1963-64	53
Capital Receipts, Fiscal Years 1959-60 to 1963-64	56
Capital Disbursements, Fiscal Years 1959-60 to 1963-64	57
Surplus or Deficit on Ordinary Account Before and After Provision for Sinking Fund, Fiscal Years 1936 to 1964	58
Surplus or Deficit, Fiscal Years 1890 to 1964	59
Gross and Net Debt, Fiscal Years 1914 to 1953	60
Gross and Net Capital Debt, Fiscal Years 1943 to 1963	60

INTERIM STATEMENT OF ORDINARY REVENUE
FISCAL YEAR APRIL 1, 1963 TO MARCH 31, 1964

8 MONTHS' ACTUAL PLUS 4 MONTHS' FORECAST

DEPARTMENT	Gross Ordinary Revenue	Application of Revenue to Expenditure	Net Ordinary Revenue
AGRICULTURE.....	\$ 2,162,000	\$	\$ 2,162,000
ATTORNEY GENERAL.....	11,409,000	1,003,000	10,406,000
ECONOMICS AND DEVELOPMENT.....	33,000	.....	33,000
EDUCATION.....	11,769,000	7,290,000	4,479,000
ENERGY RESOURCES.....	242,000	10,000	232,000
HEALTH.....	8,970,000	4,500,000	4,470,000
HIGHWAYS.....	1,852,000	.....	1,852,000
INSURANCE.....	657,000	.....	657,000
LABOUR.....	1,211,000	.....	1,211,000
LANDS AND FORESTS.....	22,250,000	.....	22,250,000
MINES.....	11,397,000	23,000	11,374,000
MUNICIPAL AFFAIRS.....	7,211,000	6,892,000	319,000
PROVINCIAL SECRETARY AND CITIZEN- SHIP.....	2,480,000	.....	2,480,000
PUBLIC WELFARE.....	35,000	.....	35,000
PUBLIC WORKS.....	1,276,000	3,000	1,273,000
REFORM INSTITUTIONS.....	3,826,000	3,036,000	790,000
TRANSPORT.....	80,960,000	625,000	80,335,000
TRAVEL AND PUBLICITY.....	1,034,000	.....	1,034,000
TREASURY:			
Main Office—Subsidy.....	4,624,000	.....	4,624,000
Interest.....	72,000	.....	72,000
Miscellaneous.....	15,000	.....	15,000
Ontario Racing Commission.....	150,000	.....	150,000
Liquor Control Board.....	95,000,000	.....	95,000,000
Province of Ontario Savings Office.....	887,000	887,000	.....
Provincial share of Income Tax collected from privately-owned corporations operating public utilities.....	900,000	.....	900,000
Water Rentals.....	5,200,000	.....	5,200,000
Comptroller of Revenue:			
Income Tax Collection Agreement.....	157,000,000	.....	157,000,000
Corporations Tax.....	207,000,000	.....	207,000,000
Retail Sales Tax.....	183,000,000	.....	183,000,000
Gasoline Tax.....	182,000,000	.....	182,000,000
Succession Duty.....	43,500,000	.....	43,500,000
Motor Vehicle Fuel Tax.....	9,300,000	.....	9,300,000
Hospitals Tax.....	4,800,000	.....	4,800,000
Race Tracks Tax.....	7,900,000	.....	7,900,000
Security Transfer Tax.....	3,000,000	.....	3,000,000
Land Transfer Tax.....	4,400,000	.....	4,400,000
Logging Tax.....	2,800,000	.....	2,800,000
Total for Treasury.....	\$ 911,548,000	\$ 887,000	\$ 910,661,000
PUBLIC DEBT—Interest, etc.....	\$1,080,322,000 26,104,000	\$24,269,000 26,104,000	\$1,056,053,000
	<u>\$1,106,426,000</u>	<u>\$50,373,000</u>	<u>\$1,056,053,000</u>

**INTERIM STATEMENT OF ORDINARY EXPENDITURE
FISCAL YEAR APRIL 1, 1963 TO MARCH 31, 1964**

8 MONTHS' ACTUAL PLUS 4 MONTHS' FORECAST

DEPARTMENT	Gross Ordinary Expenditure	Application of Revenue to Expenditure	Net Ordinary Expenditure
AGRICULTURE.....	\$ 19,030,000	\$.....	\$ 19,030,000
ATTORNEY GENERAL.....	32,925,000	1,003,000	31,922,000
CIVIL SERVICE.....	865,000	.....	865,000
ECONOMICS AND DEVELOPMENT.....	5,613,000	.....	5,613,000
EDUCATION.....	399,573,000	7,290,000	392,283,000
ENERGY RESOURCES.....	687,000	10,000	677,000
HEALTH.....	137,240,000	4,500,000	132,740,000
HIGHWAYS.....	81,317,000	.....	81,317,000
INSURANCE.....	473,000	.....	473,000
LABOUR.....	4,569,000	.....	4,569,000
LANDS AND FORESTS.....	28,536,000	.....	28,536,000
LIEUTENANT GOVERNOR.....	27,000	.....	27,000
MINES.....	2,283,000	23,000	2,260,000
MUNICIPAL AFFAIRS.....	52,502,000	6,892,000	45,610,000
PRIME MINISTER.....	202,000	.....	202,000
PROVINCIAL AUDITOR.....	518,000	.....	518,000
PROVINCIAL SECRETARY AND CITIZEN- SHIP.....	4,086,000	.....	4,086,000
PUBLIC WELFARE.....	62,668,000	.....	62,668,000
PUBLIC WORKS.....	12,333,000	3,000	12,330,000
REFORM INSTITUTIONS.....	19,439,000	3,036,000	16,403,000
TRANSPORT.....	7,102,000	625,000	6,477,000
TRAVEL AND PUBLICITY.....	4,356,000	.....	4,356,000
TREASURY.....	19,485,000	887,000	18,598,000
	<u>\$ 895,829,000</u>	<u>\$24,269,000</u>	<u>\$ 871,560,000</u>
PUBLIC DEBT—Interest, etc.....	87,575,000	26,104,000	61,471,000
	<u>\$ 983,404,000</u>	<u>\$50,373,000</u>	<u>\$ 933,031,000</u>
PUBLIC DEBT—Provision for Sinking Fund..	41,500,000	.....	41,500,000
	<u>\$1,024,904,000</u>	<u>\$50,373,000</u>	<u>\$ 974,531,000</u>
Capital Disbursements financed out of Ordinary Revenue.....	81,000,000	.....	81,000,000
	<u>\$1,105,904,000</u>	<u>\$50,373,000</u>	<u>\$1,055,531,000</u>

SUMMARY

Ordinary Revenue and Ordinary Expenditure, Fiscal Year April 1, 1963 to March 31, 1964

8 MONTHS' ACTUAL PLUS 4 MONTHS' FORECAST

NET ORDINARY REVENUE.....	\$1,056,053,000
Less: Net Ordinary Expenditure....	\$933,031,000
Provision for Sinking Fund....	41,500,000
Capital Disbursements financed out of Ordinary Revenue..	81,000,000
	<u>1,055,531,000</u>
INTERIM SURPLUS	<u>\$ 522,000</u>

**INTERIM STATEMENT OF CAPITAL RECEIPTS
FISCAL YEAR APRIL 1, 1963 TO MARCH 31, 1964**

8 MONTHS' ACTUAL PLUS 4 MONTHS' FORECAST

DEPARTMENT	Gross Capital Receipts	Application of Receipts to Disbursements	Net Capital Receipts
ECONOMICS AND DEVELOPMENT.....	\$ 1,700,000	\$.....	\$ 1,700,000
EDUCATION.....	800,000	.....	800,000
HIGHWAYS.....	1,112,000	.....	1,112,000
LABOUR.....	9,000,000	.....	9,000,000
LANDS AND FORESTS.....	800,000	.....	800,000
MINES.....	110,000	.....	110,000
PUBLIC WELFARE.....	16,874,000	16,874,000	.....
PUBLIC WORKS.....	79,000	.....	79,000
TRANSPORT.....	6,850,000	.....	6,850,000
TREASURY.....	86,946,000	.....	86,946,000
	<u>\$124,271,000</u>	<u>\$16,874,000</u>	<u>\$107,397,000</u>

SUMMARY

Sale of Land, Buildings, etc.....	\$ 2,086,000
Repayment of Loans and Advances.....	9,133,000
Special Funds.....	52,872,000
Deferred Assets, etc.....	43,306,000
	<u>\$107,397,000</u>

**INTERIM STATEMENT OF CAPITAL DISBURSEMENTS
FISCAL YEAR APRIL 1, 1963 TO MARCH 31, 1964**

8 MONTHS' ACTUAL PLUS 4 MONTHS' FORECAST

DEPARTMENT	Gross Capital Disbursements	Application of Receipts to Disbursements	Net Capital Disbursements
AGRICULTURE.....	\$ 800,000	\$.....	\$ 800,000
ECONOMICS AND DEVELOPMENT.....	2,250,000	.....	2,250,000
EDUCATION.....	3,000,000	.....	3,000,000
ENERGY RESOURCES.....	1,160,000	.....	1,160,000
HIGHWAYS.....	199,047,000	.....	199,047,000
LABOUR.....	9,500,000	.....	9,500,000
LANDS AND FORESTS.....	6,850,000	.....	6,850,000
MINES.....	1,000,000	.....	1,000,000
MUNICIPAL AFFAIRS.....	27,761,000	.....	27,761,000
PUBLIC WELFARE.....	16,874,000	16,874,000	.....
PUBLIC WORKS.....	28,475,000	.....	28,475,000
TRANSPORT.....	3,825,000	.....	3,825,000
TREASURY.....	47,273,000	.....	47,273,000
	<u>\$347,815,000</u>	<u>\$ 16,874,000</u>	<u>\$330,941,000</u>
Less: Financed out of Ordinary Revenue.....	81,000,000	.....	81,000,000
	<u>\$266,815,000</u>	<u>\$ 16,874,000</u>	<u>\$249,941,000</u>

SUMMARY

Highways, Buildings, etc.....	\$236,533,000	
Less: Financed out of Ordinary Revenue.....	81,000,000	
	<u>\$155,533,000</u>	
Loans and Advances.....		37,560,000
Special Funds.....		55,839,000
Miscellaneous.....		1,009,000
		<u>\$249,941,000</u>

**ESTIMATED INCREASE IN THE GROSS CAPITAL DEBT
FOR THE FISCAL YEAR ENDING MARCH 31, 1964**

Estimated Gross Capital Debt as at March 31, 1964.....	\$2,054,142,493.23
Gross Capital Debt as at March 31, 1963.....	1,979,374,559.87

ESTIMATED INCREASE IN GROSS CAPITAL DEBT.....	<u>\$ 74,767,933.36</u>
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GROSS CAPITAL DEBT INCREASED BY:

Capital Disbursements on Highways, Buildings, Public Works, etc.....	\$236,533,000.00
Less: Capital Receipts.....	\$ 2,086,000.00
Capital Disbursements financed out of Ordinary Revenue.....	81,000,000.00
	<u>83,086,000.00</u>
	\$153,447,000.00

Increase in Cash on Hand and in Bank.....	56,381,716.36
Increase in Investments of The Ontario Junior Farmer Establishment Loan Corporation.....	1,578,000.00
Increase in Advances under The Housing Development Act (net).....	550,000.00
Increase in Advances to Ontario Water Resources Commission.....	17,000,000.00
Increase in Advance re Student Aid Loans (net).....	2,200,000.00
Purchase of Debentures of The Municipality of Metropolitan Toronto.....	10,000,000.00
Increase in Co-operative Loans (net).....	507,000.00
Increase in Tile Drainage Loans (net).....	550,000.00
Discount on Debentures issued during year.....	2,906,500.00
Repayment to Government of Canada under Tax Rental Agreement, 1952-56.....	1,009,000.00

\$ 246,129,216.36

GROSS CAPITAL DEBT DECREASED BY:

Sinking Fund Provision charged to Ordinary Expenditure.	\$ 41,500,000.00
Estimated Surplus on Ordinary Account.....	522,000.00
	<u>\$ 42,022,000.00</u>
Discount and Exchange on Debentures, written off.....	1,797,000.00
Net Repayments of Loans Receivable— The Hydro-Electric Power Commission of Ontario	
—on secured advances.....	\$ 2,504,000.00
—on unsecured advances....	1,528,000.00
Miscellaneous (net).....	290,500.00
	<u>4,322,500.00</u>
Decrease in Investments of The Ontario Municipal Improvement Corporation.....	2,423,000.00
Decrease in Investments of Housing Corporation Limited.	486,000.00
Decrease in Advances to Improvement District of Elliot Lake (net).....	307,500.00
Increase in Reserves (net).....	374,000.00
Decrease in Temporary Investments.....	119,629,283.00

171,361,283.00

ESTIMATED INCREASE IN GROSS CAPITAL DEBT.....	<u>\$ 74,767,933.36</u>
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**ESTIMATED INCREASE IN THE NET CAPITAL DEBT
FOR THE FISCAL YEAR ENDING MARCH 31, 1964**

Estimated as at March 31, 1964:

Estimated Gross Capital Debt.....	\$2,054,142,493.23	
Less: Estimated Revenue-Producing and Realizable Assets.....	656,872,370.96	
Estimated Net Capital Debt.....		\$1,397,270,122.27

As at March 31, 1963:

Gross Capital Debt.....	\$1,979,374,559.87	
Less: Revenue-Producing and Realizable Assets.....	695,270,437.60	
Net Capital Debt.....		1,284,104,122.27

ESTIMATED INCREASE IN NET CAPITAL DEBT \$ 113,166,000.00

NET CAPITAL DEBT INCREASED BY:

Capital Disbursements on Highways, Buildings, Public Works, etc.....	\$ 236,533,000.00	
Less: Capital Receipts.....	\$ 2,086,000.00	
Capital Disbursements financed out of Ordinary Revenue....	81,000,000.00	
	<u>83,086,000.00</u>	
		\$ 153,447,000.00
Discount on Debentures issued during year.....		2,906,500.00
Repayment to Government of Canada under Tax Rental Agreement, 1952-56.....		1,009,000.00
		<u>\$ 157,362,500.00</u>

NET CAPITAL DEBT DECREASED BY:

Sinking Fund Provision charged to Ordinary Expenditure \$	41,500,000.00	
Surplus on Ordinary Account.....	522,000.00	
	<u>\$ 42,022,000.00</u>	
Discount and Exchange on Debentures, written off....	1,797,000.00	
Increase in Reserves (net).....	374,000.00	
Miscellaneous Decrease.....	3,500.00	
		<u>44,196,500.00</u>

ESTIMATED INCREASE IN NET CAPITAL DEBT..... \$ 113,166,000.00

**ESTIMATED INCREASE IN THE FUNDED DEBT
FOR THE FISCAL YEAR ENDING MARCH 31, 1964**

Estimated as at March 31, 1964 (after deducting Sinking Fund).....	\$1,722,378,641.14
As at March 31, 1963 (after deducting Sinking Fund).....	1,630,021,353.17

ESTIMATED INCREASE IN FUNDED DEBT.....	\$ 92,357,287.97
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FUNDED DEBT INCREASED BY:

Debentures Issued:

Series "TI"—5% due November 1, 2002(1).....	\$ 33,000,000.00	
Series "DJ"—4% due May 1, 1966/69.....	20,000,000.00	
Series "DK"—5% due September 15, 1967.....	15,000,000.00	
Series "DL"—5½% due September 15, 1983.....	35,000,000.00	
Series "DM"—5¼% due December 1, 1983.....	50,000,000.00	
Series "MER-1"—5% due December 31, 1973(2)...	4,400,000.00	
	\$ 157,400,000.00	

FUNDED DEBT DECREASED BY:

Redemption of Debentures:

On Maturity.....	\$ 86,890,000.00	
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Deduct: Debentures retired from Sinking Fund.....	\$63,347,287.97	
Less: Provision for Sinking Fund.....	41,500,000.00	
	21,847,287.97	

65,042,712.03

ESTIMATED INCREASE IN FUNDED DEBT.....	\$ 92,357,287.97
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(1) Issued under The Teachers' Superannuation Act.

(2) Issued under The Ontario Municipal Employees Retirement System Act.

**ESTIMATED INCREASE IN CONTINGENT LIABILITIES
(Before Deducting Guaranteed Bonds Held in Sinking Funds)
FOR THE FISCAL YEAR ENDING MARCH 31, 1964**

Estimated as at March 31, 1964.....	\$1,737,214,250.00
As at March 31, 1963.....	1,643,305,127.00

ESTIMATED INCREASE IN CONTINGENT LIABILITIES.....	\$ 93,909,123.00
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CONTINGENT LIABILITIES INCREASED BY:

New guarantees or increases in existing guarantees during the fiscal year ending March 31, 1964—

The Hydro-Electric Power Commission of Ontario..	\$135,190,400.00	
Ontario Northland Transportation Commission....	3,050,000.00	
Economic Development Loans.....	1,786,000.00	
	\$ 140,026,400.00	

CONTINGENT LIABILITIES DECREASED BY:

Principal maturities redeemed, or to be redeemed, including redemptions prior to maturity and reduction of bank loans, during the fiscal year ending March 31, 1964—

The Hydro-Electric Power Commission of Ontario..	\$ 42,947,100.00	
Ontario Northland Transportation Commission....	785,000.00	
Ontario Flue-Cured Tobacco Growers' Marketing Board.....	2,342,177.00	
Co-operative Associations.....	13,000.00	
Ontario Stock Yards Board.....	30,000.00	
	\$ 46,117,277.00	

ESTIMATED INCREASE IN CONTINGENT LIABILITIES.....	\$ 93,909,123.00
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BUDGET FORECAST OF ORDINARY REVENUE
FISCAL YEAR APRIL 1, 1964 TO MARCH 31, 1965

DEPARTMENT	Gross Ordinary Revenue	Application of Revenue to Expenditure	Net Ordinary Revenue
AGRICULTURE.....	\$ 2,203,000	\$.....	\$ 2,203,000
ATTORNEY GENERAL.....	12,326,000	1,085,000	11,241,000
ECONOMICS AND DEVELOPMENT.....	2,000	.....	2,000
EDUCATION.....	10,960,000	7,067,000	3,893,000
ENERGY AND RESOURCES MANAGE- MENT.....	255,000	.....	255,000
HEALTH.....	6,618,000	5,000,000	1,618,000
HIGHWAYS.....	2,575,000	.....	2,575,000
INSURANCE.....	786,000	.....	786,000
LABOUR.....	1,387,000	.....	1,387,000
LANDS AND FORESTS.....	23,285,000	.....	23,285,000
MINES.....	10,224,000	24,000	10,200,000
MUNICIPAL AFFAIRS.....	6,851,000	6,500,000	351,000
PROVINCIAL SECRETARY AND CITIZEN- SHIP.....	2,540,000	.....	2,540,000
PUBLIC WELFARE.....	25,000	.....	25,000
PUBLIC WORKS.....	1,351,000	3,000	1,348,000
REFORM INSTITUTIONS.....	3,966,000	3,134,000	832,000
TOURISM AND INFORMATION.....	1,146,000	.....	1,146,000
TRANSPORT.....	80,580,000	630,000	79,950,000
TREASURY:			
Main Office—Subsidy.....	4,624,000	.....	4,624,000
Interest.....	72,000	.....	72,000
Ontario Racing Commission.....	150,000	.....	150,000
Liquor Control Board.....	110,000,000	.....	110,000,000
Province of Ontario Savings Office.....	930,000	930,000	.....
Provincial share of Income Tax collected from privately-owned corporations operating public utilities.....	900,000	.....	900,000
Water Rentals.....	5,200,000	.....	5,200,000
Comptroller of Revenue:			
Income Tax Collection Agreement.....	192,000,000	.....	192,000,000
Corporations Tax.....	207,000,000	.....	207,000,000
Retail Sales Tax.....	190,000,000	.....	190,000,000
Gasoline Tax.....	218,000,000	.....	218,000,000
Succession Duty.....	51,000,000	.....	51,000,000
Motor Vehicle Fuel Tax.....	11,300,000	.....	11,300,000
Hospitals Tax.....	4,300,000	.....	4,300,000
Race Tracks Tax.....	9,000,000	.....	9,000,000
Security Transfer Tax.....	3,000,000	.....	3,000,000
Land Transfer Tax.....	4,400,000	.....	4,400,000
Logging Tax.....	3,000,000	.....	3,000,000
Total for Treasury.....	\$1,014,876,000	\$ 930,000	\$1,013,946,000
	\$1,181,956,000	\$24,373,000	\$1,157,583,000
PUBLIC DEBT—Interest, etc.....	25,962,000	25,962,000	.....
	<u>\$1,207,918,000</u>	<u>\$50,335,000</u>	<u>\$1,157,583,000</u>

**BUDGET FORECAST OF ORDINARY EXPENDITURE
FISCAL YEAR APRIL 1, 1964 TO MARCH 31, 1965**

DEPARTMENT	Gross Ordinary Expenditure	Application of Revenue to Expenditure	Net Ordinary Expenditure
AGRICULTURE.....	\$ 20,905,000	\$.....	\$ 20,905,000
ATTORNEY GENERAL.....	32,675,000	1,085,000	31,590,000
CIVIL SERVICE.....	1,058,000	.....	1,058,000
ECONOMICS AND DEVELOPMENT.....	6,068,000	.....	6,068,000
EDUCATION.....	419,332,000	7,067,000	412,265,000
ENERGY AND RESOURCES MANAGE- MENT.....	5,622,000	.....	5,622,000
HEALTH.....	156,065,000	5,000,000	151,065,000
HIGHWAYS.....	86,339,000	.....	86,339,000
INSURANCE.....	493,000	.....	493,000
LABOUR.....	5,163,000	.....	5,163,000
LANDS AND FORESTS.....	27,858,000	.....	27,858,000
LIEUTENANT GOVERNOR.....	27,000	.....	27,000
MINES.....	2,484,000	24,000	2,460,000
MUNICIPAL AFFAIRS.....	49,713,000	6,500,000	43,213,000
PRIME MINISTER.....	211,000	.....	211,000
PROVINCIAL AUDITOR.....	557,000	.....	557,000
PROVINCIAL SECRETARY AND CITIZEN- SHIP.....	4,260,000	.....	4,260,000
PUBLIC WELFARE.....	70,941,000	.....	70,941,000
PUBLIC WORKS.....	12,700,000	3,000	12,697,000
REFORM INSTITUTIONS.....	20,643,000	3,134,000	17,509,000
TOURISM AND INFORMATION.....	4,585,000	.....	4,585,000
TRANSPORT.....	7,571,000	630,000	6,941,000
TREASURY.....	20,097,000	930,000	19,167,000
	<u>\$ 955,367,000</u>	<u>\$24,373,000</u>	<u>\$ 930,994,000</u>
PUBLIC DEBT—Interest, etc.....	94,696,000	25,962,000	68,734,000
	<u>\$1,050,063,000</u>	<u>\$50,335,000</u>	<u>\$ 999,728,000</u>
PUBLIC DEBT—Provision for Sinking Fund.....	40,000,000	.....	40,000,000
	<u>\$1,090,063,000</u>	<u>\$50,335,000</u>	<u>\$1,039,728,000</u>
Capital Disbursements to be financed out of Ordinary Revenue.....	117,000,000	.....	117,000,000
	<u>\$1,207,063,000</u>	<u>\$50,335,000</u>	<u>\$1,156,728,000</u>

SUMMARY

Ordinary Revenue and Ordinary Expenditure, Fiscal Year April 1, 1964 to March 31, 1965

NET ORDINARY REVENUE.....	\$1,157,583,000
Less: Net Ordinary Expenditure...	\$999,728,000
Provision for Sinking Fund..	40,000,000
Capital Disbursements to be financed out of Ordinary Revenue.....	117,000,000
	<u>1,156,728,000</u>
FORECAST SURPLUS.....	<u>\$ 855,000</u>

BUDGET FORECAST OF CAPITAL RECEIPTS
FISCAL YEAR APRIL 1, 1964 TO MARCH 31, 1965

DEPARTMENT	Gross Capital Receipts	Application of Receipts to Disbursements	Net Capital Receipts
ECONOMICS AND DEVELOPMENT.....	\$ 1,750,000	\$.....	\$ 1,750,000
EDUCATION.....	1,000,000	.....	1,000,000
ENERGY AND RESOURCES MANAGE- MENT.....	1,000	.....	1,000
HIGHWAYS.....	640,000	.....	640,000
LABOUR.....	9,500,000	.....	9,500,000
LANDS AND FORESTS.....	980,000	.....	980,000
MINES.....	5,000	.....	5,000
PUBLIC WELFARE.....	19,799,000	19,799,000	.....
TRANSPORT.....	3,975,000	.....	3,975,000
TREASURY.....	85,207,000	.....	85,207,000
	<u>\$122,857,000</u>	<u>\$19,799,000</u>	<u>\$103,058,000</u>

SUMMARY

Sale of Land, Buildings, etc.....	\$ 1,625,000
Repayment of Loans and Advances.....	6,728,000
Special Funds.....	52,855,000
Deferred Assets, etc.....	41,850,000
	<u>\$103,058,000</u>

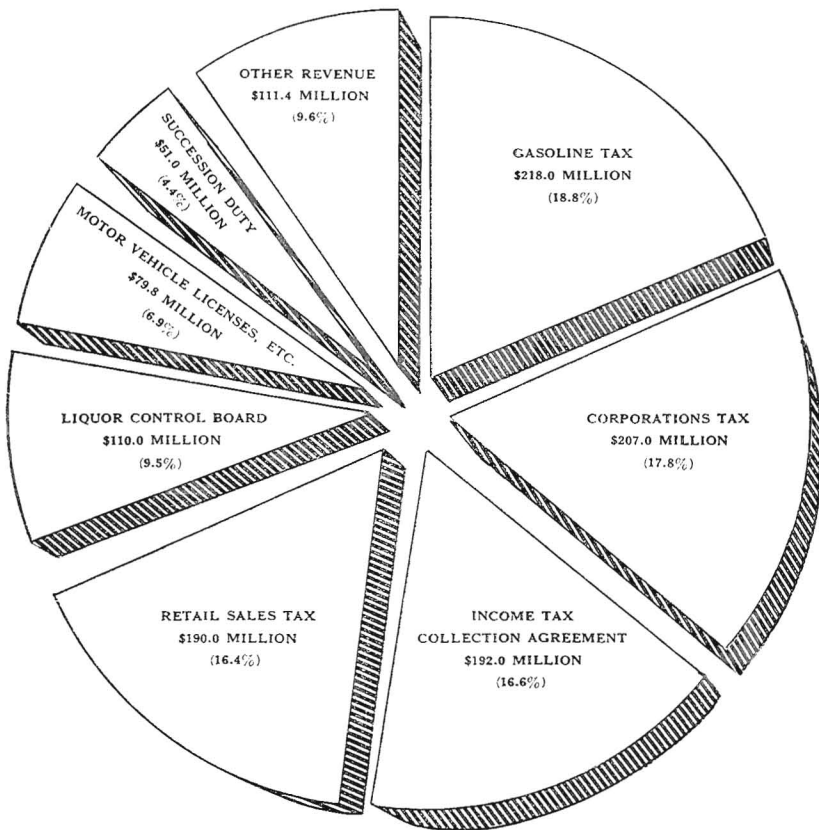
BUDGET FORECAST OF CAPITAL DISBURSEMENTS
FISCAL YEAR APRIL 1, 1964 TO MARCH 31, 1965

DEPARTMENT	Gross Capital Disbursements	Application of Receipts to Disbursements	Net Capital Disbursements
AGRICULTURE.....	\$ 750,000	\$	\$ 750,000
ECONOMICS AND DEVELOPMENT.....	6,099,000	.....	6,099,000
EDUCATION.....	3,000,000	.....	3,000,000
ENERGY AND RESOURCES MANAGE- MENT.....	28,110,000	.....	28,110,000
HIGHWAYS.....	213,067,000	.....	213,067,000
LABOUR.....	9,500,000	.....	9,500,000
LANDS AND FORESTS.....	6,000,000	.....	6,000,000
MINES.....	1,000,000	.....	1,000,000
MUNICIPAL AFFAIRS.....	21,366,000	.....	21,366,000
PUBLIC WELFARE.....	19,799,000	19,799,000	.....
PUBLIC WORKS.....	35,975,000	.....	35,975,000
TRANSPORT.....	4,630,000	.....	4,630,000
TREASURY.....	19,531,000	.....	19,531,000
	<u>\$368,827,000</u>	<u>\$19,799,000</u>	<u>\$349,028,000</u>
Less: To be financed out of Ordinary Revenue..	117,000,000	.....	117,000,000
	<u><u>\$251,827,000</u></u>	<u><u>\$19,799,000</u></u>	<u><u>\$232,028,000</u></u>

SUMMARY

Highways, Buildings, etc.....	\$264,410,000	
Less: To be financed out of Ordinary Revenue.....	<u>117,000,000</u>	\$147,410,000
Loans and Advances.....		57,707,000
Special Funds.....		<u>26,911,000</u>
		<u><u>\$232,028,000</u></u>

NET ORDINARY AND NET CAPITAL REVENUE
FISCAL YEAR 1964-65*

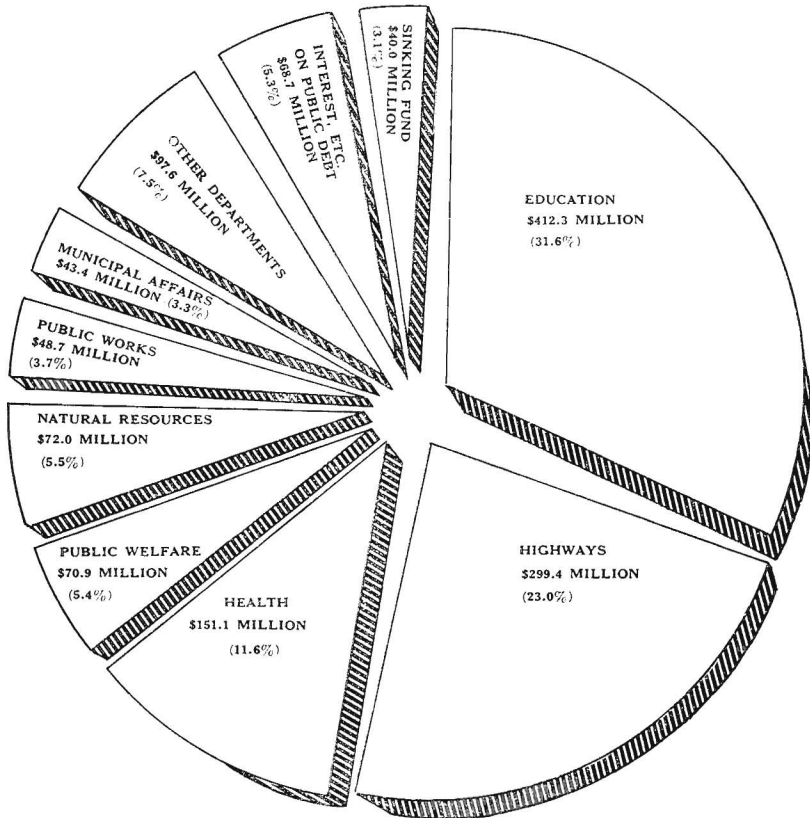


SOURCES OF NET ORDINARY AND NET CAPITAL REVENUE
FISCAL YEAR 1964-65*

Source	Amount (Millions of Dollars)	Percentage of Total Net Ordinary and Net Capital Revenue %
GASOLINE TAX	218.0	18.8
CORPORATIONS TAX	207.0	17.8
INCOME TAX COLLECTION AGREEMENT	192.0	16.6
RETAIL SALES TAX	190.0	16.4
LIQUOR CONTROL BOARD	110.0	9.5
MOTOR VEHICLE LICENSES, ETC.	79.8	6.9
SUCCESSION DUTY	51.0	4.4
OTHER REVENUE**	11.4	0.96
TOTAL	1,159.2	100.0

* Forecast
** Includes \$1.6 million in capital receipts from sale of land, buildings, etc.

NET ORDINARY AND NET CAPITAL EXPENDITURE FISCAL YEAR 1964-65*



NET ORDINARY AND NET CAPITAL EXPENDITURE BY DEPARTMENTS, FISCAL YEAR 1964-65*

Department	Net Ordinary Expenditure	Capital Expenditure on Physical Assets (Millions of Dollars)	Combined Net Ordinary and Capital Expenditure	Percentage of Total Combined Net Ordinary and Capital Expenditure %
EDUCATION	412.3	—	412.3	31.6
HIGHWAYS	86.3	213.1	299.4	23.0
HEALTH	151.1	—	151.1	11.6
PUBLIC WELFARE	70.9	—	70.9	5.4
NATURAL RESOURCES**	56.9	15.1	72.0	5.5
PUBLIC WORKS	12.7	36.0	48.7	3.7
MUNICIPAL AFFAIRS	43.2	.2	43.4	3.3
OTHER DEPARTMENTS	97.6	—	97.6	7.5
INTEREST, ETC. ON PUBLIC DEBT	68.7	—	68.7	5.3
PROVISION FOR SINKING FUND	40.0	—	40.0	3.1
TOTAL	1,039.7	264.4	1,304.1	100.0

* Forecast

** Includes the Departments of Agriculture, Energy and Resources Management, Lands and Forests, and Mines

**ONTARIO'S INVESTMENT IN PHYSICAL ASSETS AND HUMAN BETTERMENT
FISCAL YEARS 1943-44 TO 1963-64**

PHYSICAL ASSETS

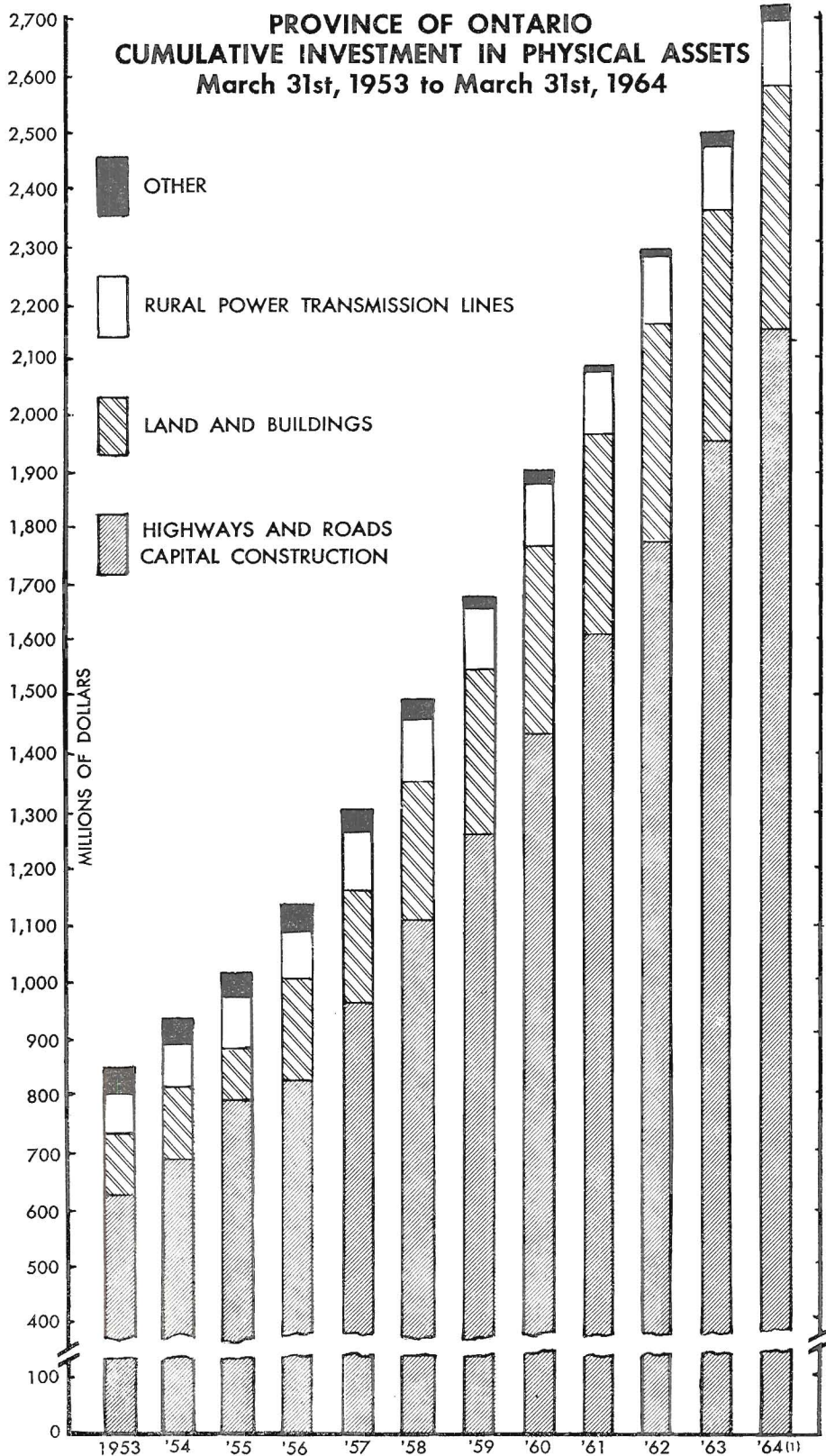
	Estimated 1963-64	Estimated Twenty-one-year Total 1943-44 to 1963-64
Highways and Roads.....	\$198,985,000	\$1,789,460,597*
Land and Buildings.....	28,411,000	368,503,763
Rural Power Transmission Lines.....	1,160,000	98,513,984
General Works and Improvements, etc.....	5,891,000	27,833,803
	<u>\$234,447,000</u>	<u>\$2,284,312,147*</u>

*Including expenditure from Highway Construction Account.

HUMAN BETTERMENT

	Estimated 1963-64	Estimated Twenty-one-year Total 1943-44 to 1963-64
Education.....	\$392,283,000	\$2,573,658,684
Health.....	132,740,000	1,216,919,675
Public Welfare.....	62,668,000	627,860,951
	<u>\$587,691,000</u>	<u>\$4,418,439,310</u>

PROVINCE OF ONTARIO **CUMULATIVE INVESTMENT IN PHYSICAL ASSETS** **March 31st, 1953 to March 31st, 1964**



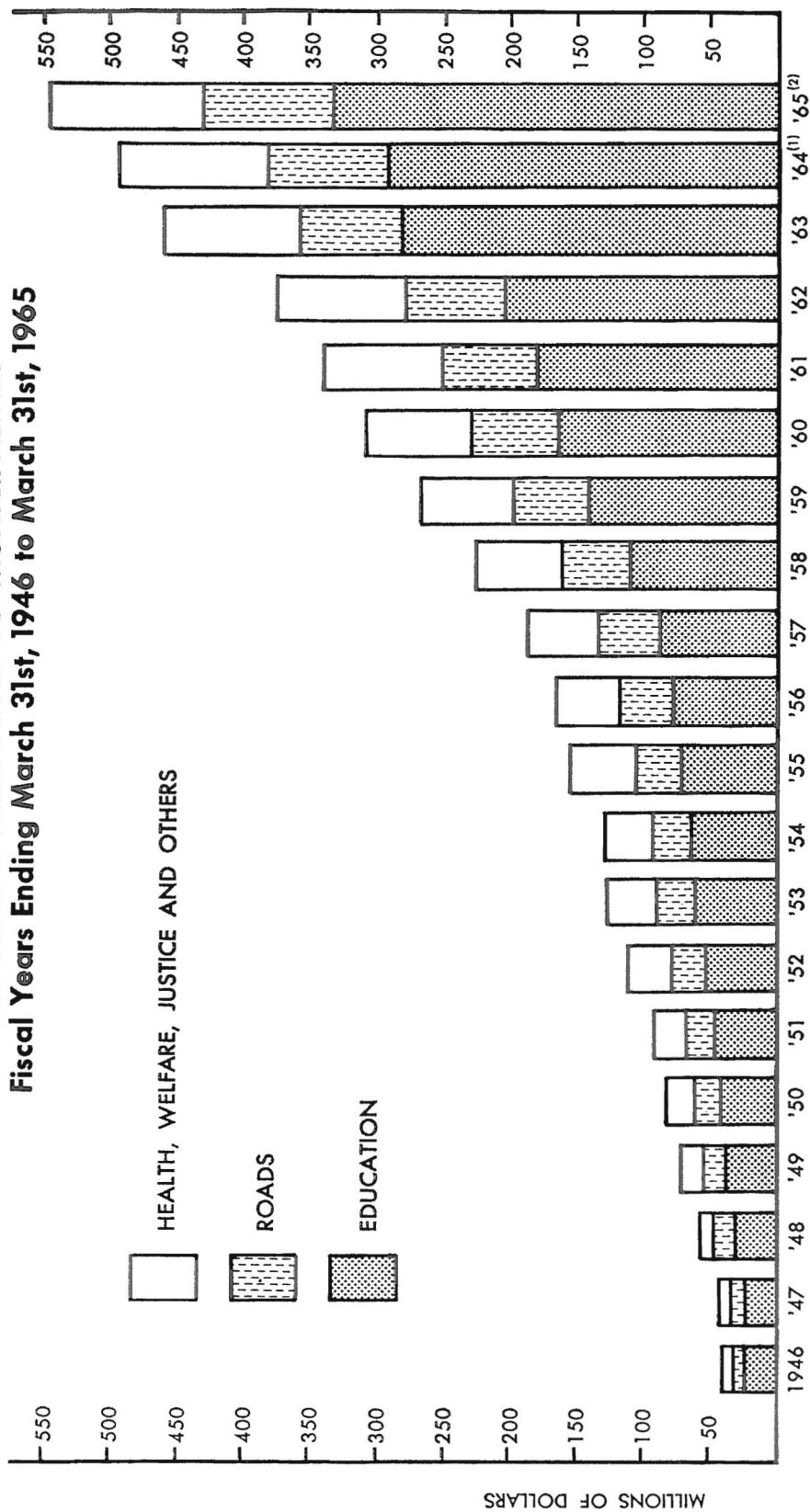
(1) Estimated

ASSISTANCE TO MUNICIPALITIES BY THE PROVINCE OF ONTARIO, FISCAL YEARS ENDING MARCH 31, 1955 TO 1965

	1955	1956	1957	1958	1959	1960	1961	1962	1963	1964 ¹	1965 ²
					(Thousands of Dollars)						
Education:											
General Legislative Grants, etc...	68,104	70,757	81,201	99,932	131,066	150,255	164,060	184,087	224,105	243,332	292,365
Provincial Share of Cost of New Vocational Units for School Boards.....	..	..	..	..	..	..	..	3,676	37,283	29,000	20,000
Provincial Contributions to the Teachers' Superannuation Fund	2,739	5,960	6,686	10,509	11,836	13,501	15,636	17,466	19,074	20,840	21,473
Total—Education.....	70,843	76,717	87,887	110,441	142,902	163,756	179,696	205,229	280,462	293,172	333,838
Hospitals:											
Maintenance, Construction and Contributions to Hospital Care Insurance Plan, etc.....	15,754	15,696	16,100	15,127	21,072	27,332	29,808	32,444 ³	32,396 ³	32,325 ³	33,551 ³
Special Grants for Rehabilitation and Other Capital Purposes...	6,243	5,754	6,865	5,837	4,547	5,000	2,449	3,008	3,400	3,555	..
Total—Hospitals.....	21,997	21,450	22,965	20,964	25,619	32,332	32,257	35,452	35,796	35,880	33,554
Health Units, School Medical Inspection and School Dental Services...	700	775	856	896	960	1,042	1,164	1,276	1,479	1,783	2,162
Roads.....	33,526	40,519	46,794	52,490	55,123	63,435	71,677	72,832	77,362	89,957	97,335
Police Act.....	131	137	162	167	181	198	239	253	270	287	275
Fire Departments Act.....	106	117	128	131	148	157	169	177	188	197	200
Unconditional Grants.....	15,235	12,396	12,702	20,670	20,962	23,996	24,979	25,509	25,761	26,810	27,000
Grants for Urban Redevelopment Projects.....	303	288	48	..	109	208	776	560	1,207	630	500
Grants for Municipal Winter Works Program.....	..	..	..	..	889	929	1,173	2,579	2,665	3,368	3,000
Day Nurseries.....	204	196	197	212	250	241	231	241	265	264	290
Child Welfare.....	1,615	1,730	2,127	3,321	4,563	4,928	4,621	4,973	5,431	5,512	5,852
Homes for the Aged.....	2,357	2,978	4,373	5,346	2,828	4,662	5,508	5,442	4,552	5,461	5,790
Erection of Housing Units for Elderly Persons.....	76	39	18	190	101	29	404	168	133	328	725
General Welfare Assistance.....	3,338	3,667	3,900	4,556	6,380	5,516	8,451	10,907	12,383	16,384	18,836
Community Centres.....	300	150	265	352	340	335	325	375	467	315	367
Conservation, Drainage Aid and Flood Control.....	1,142	1,125	1,759	1,794	1,747	2,729	2,018	2,565	4,151	5,945	6,755
Mining Municipalities.....	1,498	1,499	2,000	2,276	2,628	3,246	5,171	5,225	5,591	5,900	6,351
Payments in Lieu of Certain Municipal Taxes.....	448	530	628	788	922	1,035	1,232	1,354	1,787	2,060	2,100
Miscellaneous.....	212	350	377	1,170	688	787	830	815	681	818	1,487
Total Assistance to Municipalities ..	154,031	164,663	187,186	225,764	267,340	309,561	340,921	375,932	460,631	495,071	546,417

¹Estimated.²Forecast.³Does not include additional appropriations of \$32.0 million in 1961-62, \$39.5 million in 1962-63, \$18.1 million in 1963-64 and \$32.0 million in 1964-65 for the Ontario Hospital Services Commission.

PROVINCIAL ASSISTANCE TO MUNICIPALITIES **Fiscal Years Ending March 31st, 1946 to March 31st, 1965**



(1) Preliminary

(2) Estimated

**SURPLUS ON ORDINARY ACCOUNT
FISCAL YEARS 1959-60 TO 1963-64**

	1959-60	1960-61	1961-62	1962-63	Estimated 1963-64
	(Thousands of Dollars)				
Net Ordinary Revenue.....	702,470	739,391	825,352	993,612	1,056,053
Less: Net Ordinary Expenditure—before provision for Sinking Fund and Capital Disbursements financed out of Ordinary Revenue.....	604,552	636,178	739,048	864,033	933,031
Surplus—before provision for Sinking Fund and Capital Disbursements.....	97,918	103,213	86,304	129,579	123,022
Less: Provision for Sinking Fund.....	31,054	33,822	35,802	39,000	41,500
Capital Disbursements financed out of Ordinary Revenue.....	66,000	69,000	50,000	90,000	81,000
Balance carried to Surplus Account.....	864	391	502	579	522

**SUMMARY OF INCREASES IN NET CAPITAL DEBT
FISCAL YEARS 1959-60 TO 1963-64**

	1959-60	1960-61	1961-62	1962-63	Estimated 1963-64
	(Thousands of Dollars)				
Capital Disbursements on Highways, Buildings, Public Works, etc.....	221,736	201,578	202,629	203,509	236,533
Less: Expenditure from Highway Construction Account.....	40,000	.....	.....	.....	.....
Capital Disbursements financed out of Ordinary Revenue.....	66,000	69,000	50,000	90,000	81,000
	<u>115,736</u>	<u>132,578</u>	<u>152,629</u>	<u>113,509</u>	<u>155,533</u>
Less: Capital Receipts relating thereto.....	2,415	2,284	2,072	2,913	2,086
	<u>113,321</u>	<u>130,294</u>	<u>150,557</u>	<u>110,596</u>	<u>153,447</u>
Miscellaneous Increase.....	11,620	2,981	2,194	4,023	1,741
	<u>124,941</u>	<u>133,275</u>	<u>152,751</u>	<u>114,619</u>	<u>155,188</u>
Less: Surplus (before providing for Sinking Fund).....	31,918	34,213	36,304	39,579	42,022
Increase in Net Capital Debt.....	<u>93,023</u>	<u>99,062</u>	<u>116,447</u>	<u>75,040</u>	<u>113,166</u>

NET ORDINARY REVENUE BY MAJOR SOURCES
(Adjusted to Give Effect to Changes in Departmental Functions)
FISCAL YEARS 1959-60 TO 1963-64

	1959-60	1960-61	1961-62	1962-63	Estimated 1963-64
	(Thousands of Dollars)				
Government of Canada:					
Statutory Subsidies.....	3,641	3,641	4,624	4,624	4,624
Interest—Common School Fund.....	71	71	71	74	72
Income Tax Agreement.....	109,605	113,792	120,652	151,844	157,000
	<u>113,317</u>	<u>117,504</u>	<u>125,347</u>	<u>156,542</u>	<u>161,696</u>
Taxation:					
Corporations Tax.....	175,850	185,667	165,854	185,718	207,000
Gasoline Tax.....	152,159	157,656	165,193	173,135	182,000
Motor Vehicle Fuel Tax.....	6,331	6,848	7,603	8,204	9,300
Retail Sales Tax.....			78,747	175,715	183,000
Succession Duty.....	33,736	37,603	40,397	44,149	43,500
Hospitals Tax.....	4,512	4,218	4,380	4,225	4,800
Race Tracks Tax.....	5,348	5,733	6,157	6,937	7,900
Mines Profits Tax.....	12,909	17,097	15,445	15,222	10,100
Security Transfer Tax.....	2,530	2,194	3,535	2,926	3,000
Logging Tax.....	1,624	1,822	2,095	2,393	2,800
Land Transfer Tax.....	4,131	3,571	3,710	3,844	4,400
Other Taxes.....	3,608	3,316	3,389	4,290	4,180
	<u>402,738</u>	<u>425,725</u>	<u>496,505</u>	<u>626,758</u>	<u>661,980</u>
Other Revenue:					
Agriculture.....	1,541	1,862	1,615	1,804	2,162
Attorney General.....	5,774	6,125	8,006	9,425	9,741
Education.....	2,084	3,106	2,725	4,647	4,479
Health.....	1,483	1,437	1,498	2,023	4,470
Highways.....	775	789	834	789	837
Transport—					
Motor Vehicles—Permits and Licenses.	60,096	61,839	63,878	62,559	73,250
Fees and Fines.....	5,841	5,803	6,338	6,984	6,950
Miscellaneous.....	96	90	89	91	135
Insurance.....	522	670	740	703	647
Labour.....	966	1,093	1,128	1,200	1,199
Lands and Forests—					
Timber Dues, Bonus, etc.....	11,565	13,092	13,403	12,616	13,200
Rentals, Fish and Game Licenses, Sales, etc.....	5,929	6,558	6,786	7,564	7,685
Mines.....	1,074	1,027	1,025	1,071	1,061
Municipal Affairs.....	349	331	311	334	319
Provincial Secretary and Citizenship—					
Registrar-General.....	320	333	338	349	350
Other.....	1,993	2,159	2,081	2,114	2,130
Reform Institutions.....	676	707	750	729	790
Treasury—					
Liquor Control Board.....	76,929	80,600	82,500	87,500	95,000
Law Stamps.....	1,549	1,839	1,221		
Water Power Rentals.....	5,437	5,647	5,697	5,268	5,200
Other.....	129	196	166	193	165
Various Other Departments.....	1,287	859	2,371	2,349	2,607
	<u>186,415</u>	<u>196,162</u>	<u>203,500</u>	<u>210,312</u>	<u>232,377</u>
Total Net Ordinary Revenue.....	<u>702,470</u>	<u>739,391</u>	<u>825,352</u>	<u>993,612</u>	<u>1,056,053</u>

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

FISCAL YEARS 1959-60 TO 1963-64

	1959-60	1960-61	1961-62	1962-63	Estimated 1963-64
	(Thousands of Dollars)				
Education, Health and Welfare:					
Legislative Grants for Education.....	147,000	160,213	174,145	200,362	203,000
Residential and Farm School Tax Assistance.....			6,037	16,658	30,300
Education for Non-resident Pupils.....	1,350	1,560	1,367	4,316	6,900
Regular Maintenance Grants to Universities	12,772	16,162	19,295	23,020	28,381
Capital and Other Special Grants to Universities, etc.....	11,800	13,775	17,745	22,625	42,448
Public Libraries—Legislative Grants.....	1,404	1,749	1,968	2,168	2,475
Teachers' Superannuation Fund.....	12,501	14,636	16,466	18,074	19,840
Special Contribution.....	1,000	1,000	1,000	1,000	1,000
Grants to Health Units.....	980	1,100	1,200	1,423	1,708
Grants to Sanatoria.....	6,500	5,545	4,865	4,900	4,800
Grants to Public Hospitals ¹	26,954	29,615	64,319	71,799	50,297
Special Capital or Rehabilitation Grants to Hospitals.....	5,000	2,449	3,008	3,400	3,555
Grants to Ontario Cancer Treatment and Research Foundation and Ontario Cancer Institute.....	1,064	1,321	1,154	1,151	1,600
Ontario Hospitals—Administrative and Operating Expenses.....	36,665	42,051	48,225	53,255	60,846
Grants, Services, etc., under The Child Welfare Act.....	4,939	4,631	4,989	5,452	5,534
Grants for Upkeep of Day Nurseries.....	241	231	241	265	264
Mothers' Allowances.....	12,138	12,878	13,650	12,870	11,117
Old Age Assistance and Blind Persons' Allowances.....	6,864	6,895	7,191	8,793	9,528
Disabled Persons' Allowances.....	3,838	4,140	4,475	5,503	6,158
Medical, Dental and Rehabilitation Services	2,293	2,450	2,390	2,303	2,166
Homes for the Aged—					
Grants for Maintenance.....	1,883	1,218	1,911	1,822	2,054
Grants for New Homes.....	2,808	4,694	3,699	2,863	3,735
Charitable Institutions—					
Grants for Maintenance.....	584	547	576	554	748
Grants for New Buildings.....	833	1,623	1,082	580	928
General Welfare Assistance.....	5,515	8,451	10,907	12,383	16,384
Other Expenditure.....	25,184	27,556	34,581	71,807	71,925
Total Education, Health and Welfare.....	332,110	366,490	446,486	549,346	587,691
Agriculture, Forestry and Mining:					
Federated Colleges, Guelph.....	6,874	7,208	7,454	7,785	8,441
Other Schools and Farms.....	1,175	1,349	1,446	1,542	1,652
Extension Branch.....	2,263	2,368	2,445	2,524	2,733
Agricultural and Horticultural Societies Branch.....	831	799	937	984	905
Basic Organization—District Offices (Forestry).....	15,880	16,779	17,468	17,815	18,486
Mines.....	1,501	1,583	1,778	1,982	2,260
Other Expenditure.....	11,691	10,903	13,137	12,067	15,349
Total Agriculture, Forestry and Mining....	40,215	40,989	44,665	44,699	49,826

¹Includes contributions to the Hospital Services Commission.

NET ORDINARY EXPENDITURE
(Continued)

	1959-60	1960-61	1961-62	1962-63	Estimated 1963-64
	(Thousands of Dollars)				
Highways:					
Highways and Secondary Roads.....	43,117	40,176	43,016	43,724	42,392
Repaving Present Roads.....	1,594	1,081	379	1,418	1,000
Development Roads.....	206	140	163	110	125
Roads in Unincorporated Townships in Northern Ontario.....	643	733	711	674	725
Municipal Subsidies.....	24,496	26,011	25,793	29,100	33,000
Other Expenditure.....	3,138	3,423	3,603	3,758	4,075
Total Highways.....	73,194	71,564	73,665	78,784	81,317
Transport:					
Motor Vehicles Administration.....	3,153	3,496	4,145	4,506	5,266
Other Expenditure.....	902	1,009	1,044	1,083	1,211
Total Transport.....	4,055	4,505	5,189	5,589	6,477
Public Works:					
Government Buildings—Maintenance, Repairs, etc.....	7,439	8,229	8,848	9,601	10,852
Maintenance—Locks, Bridges, etc.....	94	109	112	94	100
Grants in Aid of Drainage Work.....	775	600	650	750	104
Grants—New Jail Accommodation.....	.....	232	115	.....	14
Other Expenditure.....	1,470	1,633	1,496	1,403	1,260
Total Public Works.....	9,778	10,803	11,221	11,848	12,330
Municipal Affairs:					
Subsidies—for Police Departments.....	198	239	253	270	287
Subsidies—for Fire Departments.....	157	169	177	188	197
Payments to Mining Municipalities.....	3,246	5,171	5,225	5,591	5,900
Payments in Lieu of Certain Municipal Taxes.....	1,035	1,232	1,354	1,787	2,060
Unconditional Grants.....	23,996	24,979	25,509	25,761	26,810
Ontario Water Resources Commission....	1,260	1,505	2,049	2,270	2,718
Winter Works Projects.....	929	1,173	2,579	2,665	3,368
Other Expenditure.....	1,802	2,388	2,384	3,239	4,270
Total Municipal Affairs.....	32,623	36,856	39,530	41,771	45,610
Economics and Development:					
Ontario Research Foundation.....	696	697	723	1,054	1,193
Other Expenditure.....	1,307	1,446	1,658	2,546	4,420
Total Economics and Development.....	2,003	2,143	2,381	3,600	5,613
Labour.....	2,798	3,043	3,252	3,796	4,569
Attorney General:					
Ontario Provincial Police.....	12,171	12,702	13,228	15,252	17,315
Election Expenses.....	2,750	32	166	77	4,000
Other Expenditure.....	7,649	8,497	9,089	9,725	10,607
Total Attorney General.....	22,570	21,231	22,483	25,054	31,922

NET ORDINARY EXPENDITURE
(Continued)

	1959-60	1960-61	1961-62	1962-63	Estimated 1963-64
	(Thousands of Dollars)				
Reform Institutions:					
Institutions.....	10,441	11,077	11,984	12,479	13,820
Grants—Training Schools.....	741	748	1,090	1,000	893
Other Expenditure.....	709	799	1,046	1,090	1,690
Total Reform Institutions.....	11,891	12,624	14,120	14,569	16,403
Provincial Secretary and Citizenship:					
Registrar-General.....	647	671	711	714	780
Other Expenditure.....	2,994	2,694	2,994	3,184	3,306
Total Provincial Secretary and Citizenship..	3,641	3,365	3,705	3,898	4,086
Lieutenant Governor.....	40	27	20	37	27
Prime Minister.....	160	179	164	210	202
Treasury:					
Public Service Superannuation Fund.....	7,289	7,865	8,612	9,653	10,409
Special Contribution to Fund.....	1,000	1,000	1,000	1,000	1,000
Other Expenditure.....	3,021	3,345	5,833	6,278	7,189
Total Treasury.....	11,310	12,210	15,445	16,931	18,598
Provincial Auditor.....	402	436	462	464	518
Travel and Publicity:					
Ontario-St. Lawrence Development Com- mission.....	2,414	1,851	1,776	1,948	1,974
Other Expenditure.....	2,027	1,882	2,107	2,129	2,382
Total Travel and Publicity.....	4,441	3,733	3,883	4,077	4,356
Insurance.....	384	423	434	452	473
Energy Resources.....	498	641	665	650	677
Civil Service.....	283	507	964	845	865
Queen's Printer.....	.....	.....	.....	6	.....
Total of above Departmental Expenditure..	552,396	591,769	688,734	806,626	871,560
Public Debt—Interest, etc.....	37,156	44,411	50,314	57,407	61,471
Total Ordinary Expenditure before Special Provisions.....	589,552	636,178	739,048	864,033	933,031
Provision for Highway Construction Account	15,000	.....	.....	.....	.....
Provision for Sinking Fund.....	31,054	33,822	35,802	39,000	41,500
Capital Disbursements financed out of Ordinary Revenue.....	66,000	69,000	50,000	90,000	81,000
Total Net Ordinary Expenditure.....	701,606	739,000	824,850	993,033	1,055,531

CAPITAL RECEIPTS
FISCAL YEARS 1959-60 TO 1963-64

	1959-60	1960-61	1961-62	1962-63	Estimated 1963-64
	(Thousands of Dollars)				
Disposal of Assets—Sales, etc.:					
Highways and Roads.....	200	235	614	1,494	1,312
Land and Buildings.....	2,062	1,833	771	726	64
General Works and Improvements.....	135	161	685	693	710
Other.....	18	55	2	.....	.....
	<u>2,415</u>	<u>2,284</u>	<u>2,072</u>	<u>2,913</u>	<u>2,086</u>
Loans and Advances—Repayments:					
Hydro-Electric Power Commission of Ontario.....	19,065	19,844	3,321	4,870	4,032
Ontario Municipal Improvement Corporation.....	2,616	3,789	.....	275	.....
Ontario Junior Farmer Establishment Loan Corporation.....	.....	2,875	2,025	1,850	200
Dominion-Provincial Housing.....	1,579	1,593	1,506	1,735	1,700
Other.....	1,658	3,531	2,640	3,024	3,201
Special Funds—Deposits:					
Vacation-with-Pay Stamps—Sales.....	10,734	10,248	9,051	8,978	9,000
Public Service Superannuation Fund.....	21,728	23,817	26,513	29,919	33,575
Motor Vehicle Accident Claims Act.....	4,370	4,427	4,347	4,695	6,850
Other.....	5,021	2,892	14,277	21,059	3,447
Deferred Assets, etc.:					
Highway Construction Account.....	15,000	.....	.....	.....	.....
Provision for Sinking Fund.....	31,054	33,822	35,802	39,000	41,500
Other.....	1,764	1,771	1,766	1,929	1,806
Total Capital Receipts.....	<u>117,004</u>	<u>110,893</u>	<u>103,320</u>	<u>120,247</u>	<u>107,397</u>

CAPITAL DISBURSEMENTS
FISCAL YEARS 1959-60 TO 1963-64

	1959-60	1960-61	1961-62	1962-63	Estimated 1963-64
	(Thousands of Dollars)				
Highways, Buildings, etc.:					
Highways:					
Highways and Secondary Roads.....	129,350*	113,503	115,621	117,174	132,815
Development Roads.....	7,675	7,995	7,624	7,607	10,000
Roads in Unincorporated Townships in Northern Ontario.....	421	491	567	454	725
Municipal Subsidies.....	37,866	44,433	45,749	47,130	55,500
Contingencies.....	9	7	12	3	7
Mining Roads—Construction.....	1,499	1,600	1,762	897	1,000
Lands and Forests:					
Construction of Logging Roads, etc.....	916	48	.....	94	250
Provincial Parks, etc.....	.....	.....	.....	.....	2,000
Conservation.....	1,646	922	1,414	2,841	4,600
Miscellaneous.....	75	.....	.....	.....	.....
Rural Power Transmission Lines.....	1,324	511	544	921	1,160
Designing, etc., of Townsites.....	.....	.....	6	11	1
Public Works:					
Construction of Public Buildings.....	40,035	31,216	28,400	25,533	27,500
Grants and Miscellaneous.....	920	852	930	844	975
	221,736	201,578	202,629	203,509	236,533
Loans and Advances:					
The Municipality of Metropolitan Toronto.....	.....	.....	.....	10,000	10,000
Dominion-Provincial Housing.....	2,466	2,189	1,814	1,843	2,250
Ontario Water Resources Commission.....	12,669	14,008	11,418	12,410	17,000
Ontario Municipal Improvement Corporation.....	8,095	3,950	400	1,024	1,650
Ontario Junior Farmer Establishment Loan Corporation.....	2,900	4,050	.....	.....	800
Sault Ste. Marie Bridge Act, 1960.....	.....	8,993	300	.....	.....
Other.....	3,867	5,592	4,344	4,859	5,860
Special Funds—Repayments:					
Vacation-with-Pay Stamps—Redeemed...	10,522	11,032	9,924	8,760	9,500
Public Service Superannuation Fund.....	5,155	6,013	6,751	8,106	9,639
Motor Vehicle Accident Claims Act.....	2,497	2,514	3,138	4,434	3,825
Other.....	1,924	3,147	2,178	3,082	32,875
Reserves.....	20	35	29	9	.....
Surplus Account:					
Repayment to Government of Canada under Tax Rental Agreement, 1952-56.....	11,968	3,063	1,737	5,499	1,009
	283,819	266,164	244,662	263,535	330,941
Less: Financed out of Ordinary Revenue..	66,000	69,000	50,000	90,000	81,000
Total Capital Disbursements.....	217,819	197,164	194,662	173,535	249,941

*Including Expenditures from Highway Construction Account.

**SURPLUS OR DEFICIT* ON ORDINARY ACCOUNT
BEFORE AND AFTER PROVISION FOR SINKING FUND
FISCAL YEARS 1936 TO 1964**

Fiscal Year ending March 31	Net Ordinary Revenue	Net Ordinary Expenditure before pro- vision for Sinking Fund	Surplus or Deficit* before pro- vision for Sinking Fund	Provision for Sinking Fund	Surplus or Deficit* 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.....	642,374,233	624,129,163 ¹	18,245,070	17,941,000	304,070
1960.....	702,469,593	670,551,902 ¹	31,917,691	31,054,000	863,691
1961.....	739,391,411	705,178,383 ¹	34,213,028	33,822,000	391,028
1962.....	825,352,009	789,047,622 ¹	36,304,387	35,802,000	502,387
1963.....	993,611,901	954,033,254 ¹	39,578,647	39,000,000	578,647
1964 ²	1,056,053,000	1,014,031,000 ¹	42,022,000	41,500,000	522,000

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	54,000,000
1960.....	15,000,000	66,000,000
1961.....	.....	69,000,000
1962.....	.....	50,000,000
1963.....	.....	90,000,000
1964 ².....	.....	81,000,000

²Interim figures.

SURPLUS OR DEFICIT, FISCAL YEARS 1890 TO 1964

				Ordinary	Ordinary		
				Revenue ¹	Expenditure ¹	Surplus	Deficit
Fiscal Year ending	December 31	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	1,064,325.56	
"	"	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	642,374,233.00	642,070,163.00 ²	304,070.00	
"	"	1960	1960	702,469,592.84	701,605,901.92 ²	863,690.92	
"	"	1961	1961	739,391,410.52	739,000,383.36 ²	391,027.16	
"	"	1962	1962	825,352,009.26	824,849,621.93 ²	502,387.33	
"	"	1963	1963	993,611,900.97	993,033,254.01 ²	578,646.96	
"	"	1964 ²	1964 ²	1,056,053,000.00	1,055,531,000.00 ²	522,000.00	

¹Revenue and Expenditure figures for the years 1890 to 1907 inclusive comprise both ordinary and capital revenue and expenditure. Revenue and Expenditure from 1923 to 1964 inclusive, shown as net after applying certain revenues as a reduction of expenditure.

²Interim figures.

³Includes amounts set aside for Highway Construction Account in the years 1953 to 1960 inclusive and provision for capital disbursements financed out of ordinary revenue in 1958 and subsequent years.

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	23,194,000	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	234,499,000
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	89,512,000	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
1959.....	1,579,113,000	293,303,000	398,398,000	30,208,000	249,975,000	678,581,000
1960.....	1,642,672,000	63,559,000	379,334,000	30,208,000	239,575,000	649,117,000
1961.....	1,695,504,000	52,832,000	359,490,000	30,208,000	213,189,000	602,887,000
1962.....	1,884,973,000	189,469,000	356,168,000	30,208,000	289,533,000	675,909,000
1963.....	1,979,375,000	94,402,000	351,298,000	30,208,000	313,764,000	695,270,000

¹Estimated population as at March 31.²Five months ended March 31.

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

BUDGET STATEMENT

61

DEBT
1914 TO 1953

ASSETS

NET DEBT

Yearly Increase or Decrease*	Total	Yearly Increase or Decrease*	Population ¹	Per Capita Net Debt	Fiscal Year
\$	\$ 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 ²
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
1943 TO 1963

ASSETS

NET CAPITAL DEBT

Yearly Increase or Decrease*	Total	Yearly Increase or Decrease*	Population	Per Capita Net Capital Debt	Fiscal Year
\$	\$ 499,526,000	\$	3,910,000	\$127.76	1943
24,570,000*	485,713,000	13,813,000*	3,955,000	122.81	1944
16,999,000*	482,676,000	3,037,000*	3,994,000	120.85	1945
4,369,000*	480,189,000	2,487,000*	4,078,000	117.75	1946
8,095,000*	494,212,000	14,023,000	4,162,000	118.74	1947
8,857,000	468,267,000	25,945,000*	4,259,000	109.95	1948
16,789,000*	485,716,000	17,449,000	4,361,000	111.38	1949
40,260,000	510,020,000	24,304,000	4,456,000	114.46	1950
9,116,000*	522,610,000	12,590,000	4,577,000	114.18	1951
95,389,000	553,929,000	31,319,000	4,757,000	116.45	1952
19,168,000	604,832,000	50,903,000	4,916,000	123.03	1953
126,089,000	629,996,000	25,164,000	5,086,000	123.87	1954
52,000*	660,725,000	30,729,000	5,241,000	126.07	1955
38,333,000*	705,306,000	44,581,000	5,382,000	131.05	1956
71,327,000	758,278,000	5 972,000	5,598,000	135.46	1957
28,774,000	818,606,000	60,328,000	5,790,000	141.38	1958
211,377,000	900,532,000	81,926,000	5,944,000	151.50	1959
29,464,000*	993,555,000	93,023,000	6,087,000	163.23	1960
46,230,000*	1,092,617,000	99,062,000	6,214,000	175.83	1961
73,022,000	1,209,064,000	116,447,000	6,321,000	191.28	1962
19,361,000	1,284,104,000	75,040,000	6,431,000	199.67	1963

