



ONTARIO



The Honourable Charles MacNaughton

PROVINCE OF OPPORTUNITY

BUDGET STATEMENT

of

The Honourable Charles MacNaughton

Treasurer of Ontario

in the

LEGISLATIVE ASSEMBLY OF ONTARIO

Tuesday, February 14, 1967

On Moving the House into Committee of Ways and Means

Also

Budget Papers



ONTARIO

TORONTO

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BUDGET STATEMENT
of
THE HONOURABLE CHARLES MACNAUGHTON
TREASURER OF ONTARIO
IN THE LEGISLATIVE ASSEMBLY OF ONTARIO

TUESDAY, FEBRUARY 14, 1967

MR. SPEAKER:

I consider it a great privilege to bring down the Budget of Ontario for 1967—a budget which, I believe, is itself a measure of the economic and social progress of this province in our centennial year. I am conscious of an added degree of responsibility, indeed of honour, as I take over the task from so able and distinguished a predecessor as the Honourable member from Haldimand-Norfolk. In fact, now that I have prepared my first budget, I find that I am in a position to appreciate even more the great contribution he made to this province in his eight years as Treasurer.

Before launching into my statement, let me comment briefly upon the organization of this budget document and the direction in which our economic and financial planning is moving. You will be happy to hear that my formal statement will be much shorter than traditional practice would dictate. This greater brevity has been achieved by a curtailment of the detailed facts and figures of departmental programs presented in the Budget Statement in previous years. However, all essential facts and figures will still be made available to the members of this House. In the first place, the detailed description of all the programs which make up this budget will be presented during the departmental estimates. Secondly, the supporting analysis and background to the form and direction of the budget will be even more extensive but, this year, it will be contained in Budget Papers which I intend to table at the conclusion of my speech.

This combination of Budget Statement and Budget Papers represents the first step in a new format which we plan to develop in a more comprehensive manner next year. The new format and the preparation upon which it is based reflect the substantially changed position of the provincial government in the economic and financial life of this country. The budget itself is a delicate instrument of economic and fiscal policy which has a profound influence on the character, direction, and extent of economic growth and on the financial markets of the country. At the same time, we tread the slender tightrope between the reasonable expectations of our people for government services and a constant awareness of the burdens on the taxpayer. As a reflection of our determination to proceed purposefully towards overall short-term and long-term goals of an economic and financial nature, the Government has established the necessary machinery to co-ordinate all matters relating to fiscal, budgetary, economic, and inter-governmental policy.

Such a procedure requires extensive insight into the characteristics and circumstances of the whole provincial economy, as well as an awareness of the limitations within which we must work in a federal system of government. We have made a beginning on a task that is both compelling and demanding. Success in such a venture requires a deep probing of current economic conditions along with an appraisal of the prospects for the coming years. Analysis of this nature provides us with guidance on the means of reaching our economic goals through the two avenues available to us: first, the pattern of our expenditure program designed to remove economic bottlenecks and to contribute to productivity throughout the private sector of the economy; second, the effect of our fiscal policy in terms of the total budgetary impact upon the economy. In both cases, our over-riding purpose is the achievement of a high degree of economic development and, at the same time, the most rapid rate of economic growth.

However, it is clear that the fiscal policy role of the province is limited by the federal-provincial framework. With ever-increasing proportions of governmental expenditure taking place in the provinces and municipalities, we believe that joint federal-provincial action is required to achieve truly effective fiscal policy, and to ensure stable economic growth and full employment without inflation. Perhaps the greatest task confronting economic and fiscal policy-makers in Canada today is to summon up the will to co-ordinate fiscal policy measures and then to devise the way to implement such co-ordination.

The material presented in the Budget Papers this year provides a detailed portrayal of three sets of information:

- a panoramic view of the economic background and economic conditions upon which our budgetary policy has been based;
- a description of the main areas of emphasis in this year's budget through documentation of the expenditure themes which I will outline later in this speech;
- a presentation of the financial statements of the provincial government and of this budget.

SUMMARY OF FINANCIAL OPERATIONS FOR 1966-67

I would like first to review briefly the outcome of our budgeting for 1966-67. On the basis of eight months' actual and four months' forecast, our position appears as follows. Net ordinary expenditures, excluding provision of \$42 million for sinking funds, will amount to \$1,496 million. This amount includes supplementary estimates totalling \$9.9 million which the House will be asked to approve. Details of this amount are shown in the Budget Papers and in the printed Estimates which will be placed before you.

Net capital disbursements on physical assets are estimated to total \$336 million. This means combined net expenditures will amount to \$1,832 million for 1966-67. Because of the remarkably high level of economic activity, our

revenues will be considerably above last year's expectations. Net ordinary revenue plus net capital receipts are estimated at \$1,781 million. Thus, we will end the current year in a considerably stronger position than was forecast a year ago. Our net capital debt at March 31, 1967, is estimated at \$1,429 million, only \$49 million higher than at March 31, 1966. This represents a real achievement, particularly when one considers the huge capital programs that we have carried out during the past year.

We have attained this position by a combination of good financial planning and favourable economic conditions. However, the point remains, as demonstrated by the projections of the Tax Structure Committee, that our requirements will grow heavily over the next five years. This is the position in which all of the provinces find themselves, and it is a position which will require major federal assistance. For our part, it provides further justification of the need for clearly defined expenditure priorities and the introduction of programs on a carefully planned basis. Timing is as significant as the basic decision to initiate new programs. Adequate consideration of the effect on social and economic development is no less important.

ECONOMIC CONDITIONS

The scope and emphasis of the budget for 1967-68 must be viewed against our assessment of the prospects and requirements for the provincial economy this year. Therefore, let me begin with a brief report on the performance of the economy in 1966 and the prospects for 1967.

The past year was a very good one for the Ontario economy. Our Gross Provincial Product increased by more than 9 per cent, to a total of \$22.8 billion. The number of our people employed rose by 102,000 while unemployment was held down to a rate of 2.5 per cent of the labour force. Total salaries and wages climbed by 12 per cent to \$11.6 billion. The trend was strongly up throughout the provincial economy as a whole.

While the economy performed well in the aggregate in 1966, the pace of activity was uneven. Beginning in the late spring and continuing through the rest of the year, the boom began to slow down. As is normal when the crest of the business cycle is reached, this slower pace of economic advancement was accompanied by higher prices and a substantial decline in the rate of increase of productivity.

The effects of the slowing down in 1966 will carry over into 1967, with the result that the economy is unlikely to match last year's record performance. Nevertheless, the prospects for this centennial year are good. With an early and strong revival in residential construction and a continuing increase in business investment, we can reasonably anticipate that our Gross Provincial Product will rise by at least 7 per cent this year. This 7 per cent rate of growth, which is the overall basis for our revenue and expenditure projections, is made up of a 4 per cent growth rate in real terms with a prospective 3 per cent increase in prices; this is close to the long-term average growth rate of the province.

However, I believe that even a 7 per cent growth rate is less than the full capacity of this province for expansion in 1967. In fact, our potential output should be considerably above the rate of increase in either the United States or the European industrial nations. In great measure, our ability to attract large numbers of highly skilled immigrants will determine the extent to which a substantial increase in the labour force becomes possible and, in turn, the extent to which we experience an even higher rate of economic growth. The challenge to policy-making this year is to assist in the creation of conditions that will enable us to fulfil this greater potential as far as possible. We are, therefore, proceeding with a number of policies which are designed:

- to relieve serious bottlenecks such as the shortage of housing;
- to improve further the quality of our labour force so that productivity can be increased;
- to encourage and assist industries to export and to engage in essential research;
- to build up yet further our stock of social capital, and
- to bring into the mainstream of our economic life those individuals and families who have been left behind by the rapid changes in our society.

The expenditure programs in the budget this year have been designed to meet many of these requirements and at the same time to provide an expansionary stimulus to the overall level of economic activity. In addition, to the extent that our provincial budget will, through borrowing, return a larger flow of funds to the economy than is withdrawn, we shall add a positive thrust to the prolongation of the economic boom which has prevailed since early in 1961. These provincial actions, by themselves, cannot ensure that our full potential is reached. We believe that the federal government should also design its fiscal and monetary policies with a view to stimulating economic expansion. Since co-ordination of the whole range of economic policies between the two levels of government is a prerequisite to success, the existing federal-provincial arrangements require continuing scrutiny.

FEDERAL-PROVINCIAL RELATIONS

After long and careful preparation, Ontario sat down with the federal government and the other provinces last year to renegotiate the federal-provincial financial arrangements. The position which we put forward in these negotiations was based on the work of the Tax Structure Committee which demonstrated that the expenditure responsibilities of the provinces would far outpace their revenue resources over the next five years. The financial position of the federal government, on the other hand, was shown to be far more favourable. Thus, we argued for a substantial transfer of taxing resources to the provinces to bring their revenue-raising capacity more in line with readily discernible long-term needs.

Ultimately, a new arrangement was decided upon, to go into effect on April 1, 1967, but to be reviewed within two years. Under the new arrangement, Ontario gains 4 additional points of personal income tax plus 1 additional point of corporation income tax. For its part, the federal government will withdraw from a direct role in university financing and will phase out its capital assistance under the Technical and Vocational Training Agreement. Instead, the federal government has offered to share 50 per cent of our operating costs for post-secondary education. The additional fiscal transfer of 4 + 1, however, is included in the federal government's 50 per cent share and will make up the great bulk of what we can expect to receive. The new arrangements also resulted in an equalization formula which provides substantial increases in payments to the provinces east of Ontario.

These results fall far short of our expectations and our needs. The new arrangement merely provides a minor improvement in the basic fiscal imbalance between our two levels of government. It does little to match revenue sources to expenditure responsibilities over the longer term. As a result, we shall be obliged to undertake the same exercise again within the next two years.

In approaching the problem of federal-provincial co-ordination, we believe that there are three possible ways in which the federal government and the provinces can share control over fiscal policy. The first is for the provincial and municipal governments to develop a stable set of growth policies on a long-term planning basis. The federal government would then assume the responsibility for making the required tactical adjustments, within its own growth strategy, through the use of the economic levers of commercial, fiscal, monetary, and exchange rate policies. This option depends on a more appropriate method of sharing revenues so that the provincial and municipal governments can effectively plan their expenditures on a longer term basis.

The second option is to continue, as in the past, to see provincial-municipal programs adjusted in accordance with the cyclical variations in their revenue capacity. The effect is to encourage a reduction of expenditures at the very time expansion is required, thus aggravating the business cycle and frustrating the policies recommended by the Economic Council of Canada.

The third option is for provincial-municipal governments as well as the federal government to adopt contra-cyclical budgeting programs of their own, through stabilizing their growth programs and accepting the large deficits that will result from cyclical variations in their revenues. This option would imply that the provincial and municipal governments should play the major role in fiscal policy because of their greater expenditures. Such a suggestion immediately introduces the problem of Bank of Canada support for provincial debt operations similar to that given to the federal government. It would also raise the problem of differential fiscal policies in the various regions of Canada.

In our view, the preferable option is the first wherein the federal government is primarily responsible for short-term contra-cyclical policy. The provinces,

on the other hand, should gear their budgets around a longer-term growth policy taking care not to aggravate business cycles by intensifying the trend of private investment. The choice of this option means that the Ontario Government will continue to press for a redistribution of revenue sources after the reports of the Royal Commission on Taxation and our Ontario Committee on Taxation have been studied.

In the meantime, whatever additional revenues we need must be generated by our provincial economy. For this reason, the emphasis which we have placed in the budget on devices to remove economic bottlenecks, to increase productivity, and to stimulate economic growth is clearly warranted.

GOVERNMENT EXPENDITURES

The expenditure program which I am presenting to you today reflects expanded activity on six broad fronts. It provides for new and expanded programs to meet more fully the needs and aspirations of our people. It calls for greatly increased investments to strengthen the underlying sources of our capacity to grow. It seeks to do all that is necessary to achieve the full potential of our human and physical resources.

Human Development

Ontario's one overriding goal is the creation of the opportunity for every individual to develop to his fullest potential, thereby enriching his own life and benefiting the province at large. Education is our principal instrument for working towards this goal of maximum human development. For many years now we have sought to provide the best possible education and training facilities for all the youth and for adults in every part of the province. We have broadened our overall program into new areas, developed new techniques and created new institutions. We have striven to make education a creative adventure for its participants at the same time as training them to work effectively in the modern world.

The cost of this commitment to human development is heavy. In the current year, \$785 million of our provincial revenues have gone for education and training programs. The returns, however, are many times greater. Our efforts in education have raised the knowledge and skills of our people and contributed greatly to Ontario's rapid economic growth. Indeed, the high standard of living and generally good life enjoyed by Ontario people today is due in large measure to our past investment in education.

The budget provides for still further provincial resources to be devoted to human development. In 1967-68 Ontario proposes to spend \$878 million on education and training programs and to provide \$185 million on capital aid to universities for a total of \$1,063 million—an increase of 35 per cent over 1966-67.

In addition, our Ontario Education Capital Aid Corporation will lend \$150 million to municipalities and school boards for construction of elementary and secondary schools.

Large-scale capital investment in new buildings and facilities is an important feature of our education program for the coming year. University expansion alone will require \$165 million in 1967-68 if we are to ensure that a place is available for every student capable of higher education. Continued expansion of technical and vocational schools will require \$50 million, and \$20 million has been allocated for construction of Colleges of Applied Arts and Technology. As well, substantial capital outlays are planned for Ryerson, the Hamilton Technical Centre, and other provincial institutions. In total, these capital expenditures on education and training facilities will amount to some \$260 million, \$85 million more than was invested by the province in 1966-67. In addition to these expenditures, a substantial proportion of the legislative grants to school boards covers debt charges relating to past construction.

In the forthcoming fiscal year, we propose to increase our legislative grants to school boards by \$60 million. This will bring the province's total financial assistance to local school boards to \$444 million in 1967-68, an increase of 90 per cent since the Ontario Foundation Tax Plan was started four years ago. The gradual assumption by the province of a larger proportion of education costs has been broadly beneficial. It has increased the financial resources of local boards, thereby helping to improve and expand education opportunities.

In the year ahead our universities will need massive financial support. Again this fall they are preparing for an enrolment increase of over 10,000 students, which will bring Ontario's total university population to 74,000. I believe this government can be justifiably proud of the part it has played in making this possible.

On the recommendation of the Committee on University Affairs, we are doubling our university operating grants to \$161 million in 1967-68. These grants will be distributed among the universities according to a formula developed jointly by the Committee on University Affairs, the Committee of University Presidents, and the Department of University Affairs. After analyzing needs and studying costs incurred in previous years, the Committee on University Affairs has recommended that a basic income unit of \$1,320 be provided under the formula for 1967-68. Translated into terms of actual enrolment, this means that our universities will receive an average of \$2,181 per full-time student to meet operating costs during the next academic session. New and emerging universities will also receive special operating assistance in recognition of their high initial costs.

The education and training budget for 1967-68 embodies many other important changes. We have increased the appropriation for the Ontario Institute for Studies in Education by 60 per cent to a total of \$8 million so that it can undertake a greatly expanded program of research and post-graduate education. Funds for student awards have also been virtually doubled—from \$10 million

in 1966-67 to \$19 million for the coming year. We have also planned for significant expansion of our educational television effort and our language training program for immigrants. As well, we intend to broaden the apprenticeship training program into a variety of new trades and to continue our efforts in the short-term training area.

To me, the large increases in education and training expenditure we have provided in 1967-68 make good sense. Use of resources to round out and broaden our already comprehensive education program is one of the most productive investments Ontario can make. It leads to expanded opportunities, more complete use of the diverse skills and intellectual resources of our people, and a higher level of educational achievement in this province.

Individual and Family Well-being

The Ontario Government is vitally interested in improving the well-being of every person and every family in this province. To this end, we are undertaking a substantial extension and strengthening of our health, housing and welfare programs in 1967-68.

In the coming year we propose to spend \$430 million on these basic public services and to provide additional assistance of \$59 million through loans and advances for a total of \$489 million—an increase of 35 per cent over 1966-67. As well, we shall have at our disposal in 1967-68 a substantial increase in federal contributions for these purposes. In addition to capital financing for our housing activities through Central Mortgage and Housing Corporation, we shall receive an estimated \$128 million through the Canada Assistance Plan, the Health Resources Fund, and other agreements. This additional federal money plus our own larger commitment will make possible significant improvements and an extensive broadening of our health, housing and welfare activities.

In the coming year, the Ontario Housing Corporation will greatly expand its program. It plans to accelerate its build-up of a stock of public housing units in order to reduce the backlog of public housing needs that presently exists. As well, this pioneering public agency will be developing residential accommodation for students attending our universities and other post-secondary institutions. As announced in the Speech from the Throne, the Ontario Housing Corporation is also embarking on a major new HOME program. The HOME program is designed to alleviate the present severe shortage of accommodation in many parts of the province and to bring home ownership within the reach of a substantially larger segment of our people.

To carry out this ambitious and comprehensive housing program, we have increased the Ontario Housing Corporation budget by nearly 63 per cent—from \$16 million in 1966-67 to \$26 million in 1967-68. These amounts include the provision for the Ontario Student Housing Corporation. This level of spending will result in Central Mortgage and Housing Corporation providing more than \$170 million in capital financing. Thus, the overall extent of our housing program for the coming year will be in the order of \$200 million.

We are undertaking in the year ahead an unprecedented expansion and improvement in our health services and facilities. Accordingly, there is included in this budget some \$311 million for health expenditures, an increase of 32 per cent over the current year's outlay. Mental health services receive particular emphasis in next year's program. An increase of \$16 million is being provided in our mental health budget, bringing the total outlay on mental health to over \$100 million. As announced in the Speech from the Throne, a new Mental Health Act will be introduced in the House for your consideration. We intend to establish eight regional diagnostic and treatment centres to care for and treat children with mental and emotional disorders. The proposed reception and diagnostic centre for children admitted to training schools from juvenile and family courts is another innovation.

The Ontario Medical Services Insurance Plan accounts for a considerable part of our health expenditure. This Plan has already had an impressive beginning and, for all practical purposes, it will be capable of achieving universality. As recommended in the Hall Report, we have taken steps to enlarge our health facilities, particularly the facilities for teaching and training doctors, dentists, nurses, and other essential health personnel. In the coming year, \$30 million will be invested in university and hospital facilities for health sciences education and research. Of this amount, an estimated \$7.5 million will be recovered from the federal government in the coming year through the Health Resources Fund. We have also doubled to \$1 million the amount of bursary funds available to medical and dental students and other health personnel.

Support of our hospital insurance plan and of new hospital construction will also demand substantially higher expenditure in 1967-68. We are planning to add 2,400 new beds to our hospital supply in 1967, including 1,400 in suburban Toronto where the demand has continued to grow rapidly. To offset the rapidly rising cost of operating our Ontario Hospital Insurance Plan, we are providing for an increase of \$40 million this coming year in our subsidization of the Plan. Our total contribution for this purpose, therefore, will be \$90 million in 1967-68.

These and other measures involving substantially increased expenditure will ensure that Ontario remains a leader in the provision of health care for its citizens.

We have a new philosophy and a new approach to welfare in Ontario, as is evident by the proposed name for the Department—the Department of Social and Family Services. Our approach recognizes the importance of the family as the key institution in the operation of welfare services. The program also emphasizes the positive role of assessment, counselling and rehabilitation. A needs criterion will replace the various means tests for determining levels of assistance, and benefits will be substantially increased. To put this new and broader program of social and family services into effect, the Department anticipates recruiting 300 additional social workers and welfare personnel.

A broadened welfare program of this nature necessarily means higher expenditure. In 1967-68 we estimate our total spending on social and family services will amount to \$208 million, of which \$100 million will be recovered from the federal government through the Canada Assistance Plan and other agreements. This expenditure may be expected to yield substantial benefits in the years to come. Our families will have greater security against hardship, greater assistance to overcome problems and greater opportunity to achieve a better life.

Aid to the Farming Community

I now turn to another very important area of our provincial economy. I refer to our measures to assist farmers. It seems to me that it is difficult to over-emphasize the important role played by the farming community in this province. Year in and year out, the farming sector has recorded the largest productivity gains in the entire economy. This rapidly rising agricultural productivity contributes materially to Ontario's overall economic growth.

In this budget, we have provided substantially higher aid to the farming community. In the first place, we have increased the net appropriation for the Department of Agriculture and Food by 24 per cent, bringing it to \$40 million for next year. As previously announced, we also intend to establish a bursary scheme in veterinary medicine. Every veterinary student will receive a \$500 bursary each semester or \$1,000 each year, which will be forgiven if he remains in farm practice for an equivalent number of years after graduation. As well, our newly created Crop Insurance Commission will be in full operation in 1967. It intends to build up a complete umbrella of policies covering a broad range of major crops, including forages. Rates will be subsidized by Ontario and the federal government so that our farmers can protect their insurable crops at very reasonable costs.

A highlight of our plans for next year is the extension of our capital grants program to cover wells, drainage, and certain types of buildings. Over the next 12 years we will make available \$129 million for these grants to farmers. From the province's point of view, these grants are really long-run investments. This stimulus to the continued and increasing use of modern technology will result in higher farm productivity in the years ahead.

Protection of the Individual and the Investment Climate

In the past year or two, a special set of problems relating to individual protection and investor confidence has emerged. The government has taken a number of actions to meet these problems.

In the coming fiscal year, the new Securities Act will be in force. The Ontario Securities Commission will be provided with additional resources to strengthen its supervision and inspection activities. To safeguard our people's savings, this House has approved legislation to complement the new federal deposit insurance program. Responsibility for such essential measures has been placed in the new

Department of Financial and Commercial Affairs. For the Department's administrative purposes a budget of \$2.6 million will be required. I am certain that these actions will engender a high degree of public confidence in our financial institutions. Our sound fiscal and development policies will continue to ensure that investment is attracted to this province.

We have taken other major initiatives in the general area of protection. In co-operation with the legal profession, we have established a comprehensive Legal Aid Plan which gives every person in Ontario, regardless of his means, access to legal counsel. Funds are being provided for this purpose next year. As well, we are setting up a Consumer Protection Bureau to look after the interests of consumers. A new Labour Standards Code, supported by more enforcement and inspection personnel, will provide better protection to our workers on their jobs. These plans are vital to the interests of every citizen of our province. In the coming year, we propose to spend a total of \$59 million on protection of the individual and investment climate.

Development and Conservation Programs

Past budgets of the government indicate the importance that we have always attached to the task of developing the rich physical resources of this province. Hand in hand with development, of course, we have pursued vigorous and far-seeing conservation measures. This budget continues in these traditions.

We plan to spend \$485 million in the coming year to carry forward our development and conservation programs and to provide additional assistance through loans and advances of \$73 million for a total of \$558 million. This consists of the ordinary and capital outlays for the Departments of Highways, Mines, Lands and Forests, Energy and Resources Management and for the Ontario Water Resources Commission.

Good roads and modern highways are absolutely essential in today's world of fast-moving trade and commerce. Without them our resources would be immobilized and our productivity greatly diminished. To maintain and improve the fine roads system in this province, we are providing \$406 million for next year — \$282 million of which represents capital spending.

Among our numerous other development and conservation programs, several stand out in terms of increased emphasis next year. The capital budget of the Ontario Water Resources Commission will be more than doubled to \$65 million to enable it to accelerate its programs in abating pollution, obtaining adequate supplies of water, and providing for sewage disposal systems. In this session, we also intend to take determined steps to combat air pollution. A new Air Pollution Control Act is being drafted to replace municipal regulation in this vital field. In 1967, development will be started on still more provincial parks and recreational facilities. The benefits from these kinds of policies will accrue to the people of Ontario not just next year but for many years in the future.

Aid to Local Authorities

Finally, I come to our programs and expenditures to assist municipalities. This is a matter of extreme importance to our government. We know that municipalities and school boards are hard pressed to finance their urgent responsibilities and vital needs. The impact of rapid economic growth is always felt first at the local level—in the demand for new schools, new roads and streets, new water and sewage facilities, and for a host of other needs. Consequently, the municipalities are looking to us for assistance.

We already provide such assistance through 13 different departments of government. In the current year, our total financial aid to municipalities is estimated to reach \$796 million—an increase of 27 per cent over 1965-66. This means that fully 44 per cent of our revenues are being turned over to municipalities to help finance local services. This budget calls for another very large increase. We expect to provide \$880 million to our local authorities in 1967-68 and \$298 million in additional assistance through loans and advances for a total of \$1,178 million.

As I have already mentioned, education grants alone will be increased by \$60 million next year, to a total of \$444 million. This will assist the municipalities and their ratepayers in offsetting the impact of rising education costs. Road subsidies, coupled with direct assistance, will increase to \$165 million to keep pace with rising needs in the field of transportation. We are also stepping up the unconditional grant to municipalities by \$1.50 per capita, involving additional expenditures in excess of \$10 million. As well, municipalities will be helped by substantially higher subsidies for welfare purposes, and by the greatly expanded activities of the Ontario Water Resources Commission. A good number of other forms of aid to municipalities will also show increases in 1967-68. In the accompanying Budget Papers, the facts and figures on all these forms of aid are set out in greater detail.

Our Ontario Education Capital Aid Corporation is proving to be of great value to municipalities and school boards. The Corporation lends capital funds to the municipalities at 5.5 per cent. This is based on the rate at which it presently borrows from the Canada Pension Plan. This arrangement is convenient and it saves the municipalities substantial amounts in interest and underwriting costs. The savings to municipal taxpayers in interest charges alone on the \$170 million borrowed this year from the Ontario Education Capital Aid Corporation will amount to \$1.7 million in the first year and more than \$24 million over the life-time of the debentures. This saving is based on an estimated average cost of 6.5 per cent on municipal borrowing in 1966. In the tight conditions in the capital market last year, this new source of funds enabled many municipalities to obtain financing which otherwise might not have been available. During the coming year, we anticipate that this Corporation will purchase \$150 million in municipal debentures.

We have always recognized the need of the municipalities; the evidence set out in this Budget Statement is a clear demonstration that we are striving to

meet that need. We are presently awaiting the report of the Ontario Committee on Taxation in order to assess the future roles of the two levels of government. We are hopeful that this document will assist us to focus not only on financial need but also on matters of equity.

Summary of Expenditures for 1967-68

Having outlined these six broad themes of our program for the coming year, I shall now summarize the overall extent of our expenditures. I am forecasting total budgetary expenditures for 1967-68 at \$2,193 million. This excludes provision for sinking funds of \$43 million but includes \$358 million of net capital disbursements on physical assets. The budget, therefore, is \$361 million larger than the estimated expenditures for the current year.

This expenditure program is necessary to meet the social and economic objectives of this bustling province. We have consciously striven to direct our expenditures in a manner that will give the greatest effect to the productivity and growth of the economy. Given the approval of the members of this House, this program will serve Ontario well.

TAX CHANGES AND REVENUES

I am pleased to announce that there will be no new taxes and no increases in taxes for the coming year.

A year ago it appeared that we would have to raise our personal income tax this year by four points. However, the present delicate poise of the economy suggests an expansionary fiscal policy rather than one of contraction. Moreover, the burden of taxation on our people is already heavy. Governments cannot continue to take more without dulling incentive and undermining our ability to compete. Yet, they must continue to provide the essential public services and facilities on which our growth and advancement depend. This means that all governments must strive for the utmost efficiency and economy within their own operations. I can assure you that this is a continuing objective of the government.

Since there will be no tax increases in 1967-68, any revenue increases that we can anticipate, over and above the 4 + 1 fiscal transfer from the federal government, will depend on the growth in the economy itself. As I have already said, the outlook, for 1967 is good. Moreover, the programs which I have outlined are designed to maintain a stable rate of growth and will make a positive contribution to this condition. Hence, I feel justified in basing my forecast on a continued high plane of economic activity.

I expect our total revenues to rise by 14 per cent in 1967-68 to reach \$2,031 million. Revenues from personal income tax should rise by \$142 million, as a result both of continued economic growth and the increase in our share of this tax field from 24 to 28 per cent. I expect the retail sales tax to yield \$25 million

more, corporation taxes \$21 million more, and the gasoline tax an additional \$15 million. Revenue from all other sources will add another \$47 million, bringing our total revenue increase expected for next year to \$250 million.

FORECAST OF FINANCIAL POSITION FOR 1967-68

I am now in a position to lay before you our overall budget position for next year.

Net ordinary expenditure (excluding provision for sinking fund) plus net capital disbursements on physical assets are expected to amount to \$2,193 million. Against this we expect to take in \$2,031 million in net ordinary revenues and net capital receipts. This means our expenditures will exceed our revenues by \$162 million. Though larger than in some past years, I do not regard this as unreasonable in view of the immense program we are undertaking and the investments we are making in the future. Today, we have a number of requirements, particularly for social capital, pressing upon us as a result of a young and rapidly growing population. It seems both reasonable and equitable that part of the costs of this investment should be shared by our citizens of the future.

I would emphasize that we are going ahead with our expenditure plans despite the fact that we shall not receive any substantial net revenue gain from the federal government. Nor have we raised our own taxes. Yet, I am convinced that the increase in net debt, entailed in this budget, is not unmanageable. As I have suggested, that there is an increase at all is due to our very large investment in social capital—capital on which the future prosperity and progress of this province depends. Moreover, the burden of our debt is not increasing, just the reverse in fact. Our total net debt this year represents only 6.3 per cent of our Gross Provincial Product as against 6.7 per cent in 1958-59. In terms of revenue, the position is even more favourable. Today only ten months' revenue would be required to retire our debt. When my predecessor became Treasurer it would have taken 17 months.

CONCLUSION

Mr. Speaker, I have presented to this House the largest budget in the history of Ontario. It provides for unparalleled expenditures to meet the needs and aspirations of our people. It lays aside vast funds for investment in physical assets and for development of the human and natural resources of this province. It meets as far as possible the pressing needs of our municipalities. It does all these desirable things, moreover, without raising taxes, yet at the same time maintaining our sound financial position.

The budget carries on the sound financial management and sensible economic planning characteristic of this government. I was fortunate in this regard in taking over a Treasury which enjoyed a high credit standing and widespread public confidence in its securities.

The total impact of the budget on the economy will be expansionary. In the light of the economic conditions we face, this is an appropriate policy for next year. The measures I have proposed will reinforce our economy and ensure a high level of growth in 1967 and beyond.

Finally let me highlight the major features of the 1967 budget for the people of Ontario.

- Expenditures will rise by \$361 million to a total of \$2,193 million to produce an expansionary impact on the provincial economy.
- Spending on education and training programs will rise by 35 per cent to reach almost \$1.1 billion.
- Health expenditures will increase by 32 per cent to a total of \$311 million.
- Our total spending on social and family services will rise to \$208 million, of which \$100 million is recoverable from the federal government.
- The Ontario Housing Corporation budget will be expanded by nearly 63 per cent.
- Financial aid to local authorities will be raised substantially to reach a level of almost \$1.2 billion.
- The first step of a 12-year \$129 million program of capital grants to farmers will be undertaken through a \$10 million outlay in 1967-68.
- There will be expanded programs and higher expenditure for development and conservation activities and for protection to individuals.
- A total of \$358 million in capital funds will be invested in roads, schools, hospitals and other physical assets essential to Ontario's future progress and prosperity.
- There will be no new taxes and no tax increases.

SUMMARY

1. For 1966-67, the province's total net expenditures are estimated at \$1,832 million and revenues at \$1,781 million. (pp. 6, 7, 66, 69, 70)
2. The province's net capital debt at March 31, 1967 is projected to be \$1,429 million, only \$49 million higher than at March 31, 1966. Today, only ten months' revenue would be required to retire this debt, compared to 17 months eight years ago. (pp. 7, 18, 67, 76, 82)
3. Ontario's Gross Provincial Product increased by 9 per cent in 1966 to \$22.8 billion. Employment in the province rose by 102,000 and unemployment was held down to a rate of 2.5 per cent of the labour force. (pp. 7, 24)
4. Gross Provincial Product is expected to rise by 7 per cent in 1967—4 per cent in real terms and 3 per cent in prices. (pp. 7, 26)

5. Ontario recognizes that the federal government should have the main responsibility for short-run fiscal policy and recommends that Ottawa should adopt expansionary measures this year. (pp. 8, 9, 10)
6. Ontario's budget is designed to promote long-run growth, to remove economic bottlenecks such as the shortage of housing, to improve productivity, and to bring into the mainstream of economic life those individuals and families who have been left behind by rapid changes in society. (pp. 8, 10)
7. The Ontario Government feels that the Tax Structure Committee discussions did little to assist Ontario's financial position. Ontario will continue to press for a redistribution of revenue sources after the reports of the Royal Commission on Taxation and our Ontario Committee on Taxation have been studied. (pp. 9, 10)
8. Spending on education and training programs will rise by 35 per cent to reach almost \$1.1 billion. (pp. 10, 11, 12, 56, 57)
9. Health expenditures will increase by 32 per cent to a total of \$311 million. (pp. 13, 58, 59)
10. Total spending on social and family services will jump to \$208 million, of which \$100 million is recoverable from the federal government. (pp. 13, 14, 58)
11. The Ontario Housing Corporation budget will be expanded by nearly 63 per cent. (pp. 12, 58, 59)
12. The first step of a 12-year \$129 million program of capital grants to farmers will be undertaken through a \$10 million outlay in 1967-68. (pp. 14, 59)
13. Funds are provided for new programs to protect the individual and the investment climate. (pp. 14, 15, 60)
14. Total outlays of \$558 million are provided for development and conservation programs. (pp. 15, 61, 62)
15. Financial aid to local authorities will be raised substantially to reach a level of almost \$1.2 billion. (pp. 16, 63, 64, 65)
16. A total of \$358 million in capital funds will be invested in roads, schools, hospitals and other physical assets essential to Ontario's future progress and prosperity. (pp. 17, 67, 81)
17. Total budgetary expenditures for 1967-68 are forecast at \$2,193 million, an increase of \$361 million over the current year. (pp. 17, 67, 69)
18. Total revenues are expected to rise by 14 per cent in 1967-68 to \$2,031 million, an increase of \$250 million. (pp. 17, 18, 68, 70)
19. In 1967-68, expenditures are expected to exceed revenues by \$162 million. (pp. 18, 68)
20. There will be no new taxes and no tax increases. (p. 17)

BUDGET PAPERS

presented by

The Honourable Charles MacNaughton

Treasurer of Ontario

for the information of the Legislative Assembly

in connection with the Budget for the

fiscal year 1967-68

BUDGET PAPERS

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PART A

ECONOMIC CONDITIONS

Economic conditions and prospects are an important consideration in preparing the Ontario Budget. This review sets out the essential economic context within which our budgetary policy has been framed.

Performance of the Ontario Economy in 1966

Overall, the Ontario economy performed very well in 1966. The expansion which began in 1961 was continued, propelling the economy to record levels of output and employment. As a result, Ontario was well ahead of its long-term growth targets at the end of 1966. Employment, exports and overall growth rates were all ahead of the 1970 goals accepted by the Ontario Government. However, price increases were in excess of desirable limits and productivity failed to increase at an adequate rate.

Gross Provincial Product rose by 9 per cent to reach \$22.8 billion. Real output of goods and services rose by 5 per cent while price increases accounted for the remaining 4 per cent. Nineteen hundred and sixty-six was a banner year in terms of jobs. The number of people employed rose by 102,000, or 4 per cent, to reach 2,650,000, while unemployment was held to a rate of 2.5 per cent of the labour force. At the same time, Ontario absorbed some 108,000 immigrants, 55 per cent of all the immigrants coming into Canada. Incomes went up substantially in 1966. Total salaries and wages increased by almost 12 per cent to \$11.6 billion, and total cash receipts by Ontario farmers increased by 15 per cent to \$1.3 billion. Per capita personal income rose from \$2,296 to \$2,465, reflecting the increased standard of living achieved by Ontario people.

Almost every sector of the economy contributed to this high-capacity performance. As the accompanying tables show, there were strong rises in manufacturing shipments, retail sales, farm cash receipts, business investment, housing completions and merchandise exports.

Manufacturing shipments increased from \$17.8 billion in 1965 to some \$19.2 billion in 1966, or by 8 per cent. Industries such as chemicals, transportation equipment, paper products, non-metallic mineral products, and machinery and electrical equipment recorded the largest increases. The 8 per cent growth in 1966, along with similarly large increases in the three previous years, has brought Ontario's share of total Canadian manufacturing shipments to 52.3 per cent. In 1962, Ontario accounted for less than 50 per cent of Canadian manufacturing shipments.

Merchandise exports were buoyant in 1966. Total Canadian merchandise exports rose by 17 per cent to a value of \$10.3 billion in 1966 as against a 14 per cent rise in imports. As a result, the 1965 merchandise trade surplus of \$133 million widened to \$403 million in 1966. Exports of motor vehicles and parts, which largely originate in Ontario, contributed substantially to this strong performance. In the first nine months of 1966, exports of motor vehicles and parts

amounted to \$585 million—an increase of \$370 million, or 173 per cent, over the comparable level for 1965. This increase, which was mainly the result of the Canada-United States agreement for the automotive industry, can be contrasted with an increase in the first nine months of \$286 million in imports of motor vehicles and parts. As a result, our trade balance in this area was improved by \$84 million.

Retail sales in Ontario rose to \$8.5 billion in 1966, more than 6 per cent above the \$8 billion mark set in 1965. The largest percentage gains were rung up by variety stores, furniture, appliance and radio dealers, and hardware, lumber and building material outlets.

As the following tables show, the 1966 performance of the construction sector was somewhat less vigorous. Although total dwelling unit completions rose by 21 per cent to 68,407, the number of new housing units started and under construction dropped considerably, particularly in the last half of the year. Contracts awarded for non-residential construction, on the other hand, increased strongly and more than offset the decline in housing contracts.

While the Ontario economy did remarkably well in 1966 as a whole, the tempo of activity was uneven. After opening 1966 at an extremely high rate of growth, the economy experienced weak second and third quarters, but revived during the autumn. Steel production and automobile sales softened as the year progressed and residential construction tapered off sharply. By the year end, the boom showed definite signs of slowing down.

The weakening in construction and manufacturing resulted in a decline in the rate of productivity improvement in Canada. By the third quarter of the year, output per man-year in the non-agricultural sector of the economy actually declined, while the productivity increase for the year was less than one per cent. This rate falls below the target set by the Economic Council of Canada of 2.3 per cent per year for the non-agricultural economy. Without a renewal of demand for the output from our high productivity industries, the overall rate of productivity increase and the competitiveness of the economy is bound to be adversely affected.

The prospects for 1967

The Ontario economy entered 1967 with reduced momentum. The slowdown in residential construction has carried over from 1966 as has the slackening in steel and automobile production. A decline in inventory growth has predictably accompanied these adjustments. As well, there are indications of a levelling-off of business investment. Declining levels of activity in these important sectors work through the entire economy. Consequently, Ontario is unlikely to be able to match last year's very high rate of economic growth.

The prospects for 1967, nevertheless, are good. In the first place, our economy is well balanced and is still operating at near-capacity level. And there are strong underlying forces at work to keep our economy moving ahead. Rapid

growth in the labour force, for example, will be a prime source of potential strength. In 1967, we estimate that Ontario's labour force will expand by 3.5 per cent as compared to 3.9 per cent for 1966. Recent moves to ease the tight money and credit conditions prevailing last year should give renewed impetus to house building. Other circumstances in our favour include an increased availability of resources in some sectors and the fact that many of our large-scale labour management negotiations are behind us. All in all, Ontario's economy should continue moving ahead in 1967 though at a slower and more sustainable rate than in the last three years.

We forecast that Ontario's Gross Provincial Product will rise by 7 per cent in 1967. Real output of goods and services is expected to rise by 4 per cent with price increases making up the remaining 3 per cent. Higher employment will account for three-quarters of the 4 per cent growth in real output, and increased productivity for the rest. Retail sales are forecast to rise by 4.8 per cent to reach \$8,890 million.

Ontario Economy	Percentage Increase 1967 over 1966
Gross Provincial Product in current dollars.....	7.0
Implicit price index.....	3.0
G.P.P. (constant dollars).....	4.0
G.P.P. per person employed (productivity).....	1.0
Employment.....	3.0
Labour force.....	3.5
Retail sales.....	4.8

The 1967 outlook for Ontario is somewhat more buoyant than for Canada as a whole. Current and anticipated behaviour in several sectors of the economy lead to this assessment. First, the prospects for revival of residential construction are considerably better in Ontario than elsewhere. Second, contracts awarded in the latter half of 1966 indicate that the volume of business investment should show a modest increase in Ontario as compared to a decline in the rest of Canada as a whole. And third, it is highly unlikely that the prairies will experience another increase in the harvest comparable to that of 1966, which was the main reason for rapid growth in the rest of the country last year. As well, the 1967 influx of immigrants will continue to gravitate to Ontario more than to other provinces.

Policies Required for 1967

The reduced prospects for economic activity this year have several important implications for policy. In the first place, it means that the Ontario and the Canadian economies are likely to fall short of their potential rates of growth. Failure to realize our potential is harmful, not just because current resources are wasted, but also because we fail to build into the economy the essential base for future growth. The first requirement of policy, therefore, is to set as its target achieving the maximum potential of which the economy is capable.

In general terms, expansionary policies are required for 1967. For the province this means increasing its expenditures and investments without a commensurate increase in withdrawal of resources out of the private economy. Such provincial action alone, however, is necessarily limited in its scope and impact. The task of short-run stabilization falls mainly to the federal government. The situation requires appropriate monetary and fiscal actions by the federal government to maintain the overall level of demand. Expansionary policies will help maintain the boom and allow the provincial and the national economies to come closer to potential in the future.

Government fiscal and economic policy should not be restricted to controlling aggregate levels of demand and supply. Complementary policies are needed which enable the economy to operate more efficiently with higher rates of productivity increase. Our analysis suggests one such policy area requiring provincial action is the reduction of bottlenecks that are emerging in the economy. For 1967 the most pressing bottleneck is the housing supply in urban areas. Unless housing shortages in the major industrial centres of Ontario are eased, shelter prices will continue their upward trend, immigration will be curtailed, and people who should be moving to the higher productivity sectors of our economy will be prevented from doing so.

The economy still suffers from some production bottlenecks due to shortages of skilled labour. The reduction of these manpower bottlenecks requires continued recruitment of skilled immigrants and expansion of training and re-training programs, both within industry and in our educational institutions. Expanded programs are also required in 1967 to remove bottlenecks in the area of physical capital. The province and the municipalities will have to invest more resources in transportation facilities in our booming metropolitan centres and in water and sewage facilities in several areas of southwestern Ontario.

The economy also requires continuing efforts by the province to promote the shifting of resources into higher productivity industries. In addition to policies for manpower training and labour mobility, this includes programs to encourage industries to export and to undertake industrial research. It is now universally agreed that those industries based on continuing scientific and technological development will lead the way in the competitive atmosphere of the future.

In the longer run, Ontario requires a mix of economic and social expenditure programs geared to the promotion of growth potential and to increasing the competitiveness of the economy. As was pointed out by the Economic Council of Canada, education is the key to these goals. Education programs should be continually expanded, broadened and improved in order to raise the level of knowledge and skill, hence the productivity, of the labour force. As well, one of the major policy requirements in a modern society is a concerted effort to bring into the mainstream of our economic life those people who have been left behind by a rapidly changing society.

I LABOUR FORCE, EMPLOYMENT AND UNEMPLOYMENT, ONTARIO, 1962-1966

In 1966, Ontario's labour force increased by 105,000 as compared with an increase of 58,000 in 1965. The increased rise in 1966 resulted from the expanded inflow of immigrants from foreign countries.

Ontario's share of Canada's labour force remained constant at 36.6 per cent and Ontario's average annual unemployment rate remained constant at 2.5 per cent.

Tables

1. Labour Force, Employed and Unemployed
2. Year over Year Percentage Change in Labour Force, Employed and Unemployed
3. Labour Force, Employed, Unemployed, Quarterly Averages (Adjusted for Seasonal Variations at Annual Rates)
4. Percentage Changes in Labour Force, Employed and Unemployed, Quarterly Averages (Adjusted for Seasonal Variations at Annual Rates)

LABOUR FORCE, EMPLOYED AND UNEMPLOYED—ONTARIO

Thousands					% of Canada		
Average Annual					Average Annual		
	Labour Force	Employed	Unemployed	Unempl. Rate %	Labour Force	Employed	Unemployed
1962...	2,422	2,317	105	4.3	36.6	37.2	26.9
1963...	2,476	2,382	94	3.8	36.7	37.4	25.1
1964...	2,556	2,473	83	3.2	36.9	37.4	25.6
1965...	2,614	2,548	66	2.5	36.6	37.1	23.7
1966...	2,719	2,650	69	2.5	36.6	37.1	25.8

YEAR OVER YEAR PERCENTAGE CHANGE IN LABOUR FORCE, EMPLOYED AND UNEMPLOYED—ONTARIO

	% Change 1963/1962	% Change 1964/1963	% Change 1965/1964	% Change 1966/1965
Average Annual Labour Force.....	2.2	3.2	2.3	4.0
Average Annual Employed.....	2.8	3.8	3.0	4.0
Average Annual Unemployed.....	-10.5	-11.7	-20.5	4.5

Source: D.B.S. Labour Force, 71-001

LABOUR FORCE, EMPLOYED, UNEMPLOYED—ONTARIO
QUARTERLY AVERAGES

(ADJUSTED FOR SEASONAL VARIATIONS AT ANNUAL RATES)

	Labour Force	Thousands		Unempl. Rate %	Labour Force	% of Canada	
		Employed	Unemployed			Employed	Unemployed
1965							
1Q....	2,599	2,532	67	2.6	36.7	37.3	23.5
2Q....	2,609	2,535	74	2.8	36.6	37.1	24.6
3Q....	2,626	2,557	69	2.6	36.7	37.2	24.7
4Q....	2,622	2,567	55	2.1	36.4	36.9	22.4
1966							
1Q....	2,677	2,615	62	2.3	36.5	36.9	24.2
2Q....	2,709	2,645	64	2.4	36.7	37.1	24.8
3Q....	2,748	2,663	85	3.1	36.8	37.2	28.2
4Q....	2,746	2,678	68	2.5	36.7	37.1	25.4

**PERCENTAGE CHANGES IN LABOUR FORCE,
EMPLOYED AND UNEMPLOYED—ONTARIO**

QUARTERLY AVERAGES

(ADJUSTED FOR SEASONAL VARIATIONS AT ANNUAL RATES)

	Labour Force	Employed	Unemployed
1965			
2Q/1Q.....	0.4	0.1	10.4
3Q/2Q.....	0.7	0.9	-6.8
4Q/3Q.....	-0.2	0.4	-20.3
1966			
1Q66/4Q65.....	2.1	1.9	12.7
2Q/1Q.....	1.2	1.1	3.2
3Q/2Q.....	1.4	0.7	32.8
4Q/3Q.....	-0.1	0.6	-20.0
1966/1965			
1Q.....	3.0	3.3	-7.5
2Q.....	3.8	4.3	-13.5
3Q.....	4.6	4.1	23.2
4Q.....	4.7	4.3	23.6

Source: D.B.S. Labour Force, 71-001

II RETAIL SALES BY TYPE OF OUTLET, AND FOR SELECTED PRODUCTS, ONTARIO, 1962-1966

Total retail sales in Ontario increased by 6.4 per cent in the first eleven months of 1966 as compared with a gain of 8.2 per cent for the year 1965. For the first ten months of 1966 as compared with the same period for 1965, sales in Ontario of television receiving sets decreased by 1 per cent and of radio sets by 0.6 per cent, while sales of record players increased by 34.8 per cent. In each case, Ontario increased her share of the Canadian market.

Tables

1. Retail Sales by Type of Outlet—Ontario
2. Domestic Sales of Television Receiving Sets, Canada
3. Domestic Sales of Television Receiving Sets, Ontario
4. Domestic Sales of Record Players, Canada
5. Domestic Sales of Record Players, Ontario
6. Domestic Sales of Radio Sets, Canada
7. Domestic Sales of Radio Sets, Ontario

RETAIL SALES BY TYPE OF OUTLET—ONTARIO

(MILLIONS OF DOLLARS)

	1962	1963	1964	1965	1965 Jan.-Nov.	1966 Jan.-Nov.	Ontario as % of Canada 1966	% Change 1963/1962	% Change 1964/1963	% Change 1965/1964	% Change 1966/1965 ¹
Grocery and Combination.....	1,399	1,491.0	1,562.5	1,659.2	1,493.9	1,597.1	37.9	6.6	4.8	6.2	6.9
Other Foods and Beverages.....	538	570.8	618.1	688.3	601.2	648.2	41.0	6.1	8.3	11.4	7.8
General.....	121	124.7	126.8	127.8	116.1	126.1	16.9	3.1	1.7	0.8	8.6
Department.....	522	561.7	624.7	661.7	566.3	599.2	34.1	7.6	11.2	5.9	5.8
Variety.....	163	178.6	203.8	227.7	186.6	211.3	43.4	9.6	14.1	11.7	13.2
Motor Vehicle.....	1,014	1,086.8	1,150.9	1,334.9	1,218.6	1,232.6	35.6	7.2	5.9	16.0	1.1
Garage and Filling Station.....	481	525.9	554.1	591.1	537.2	581.5	40.1	9.3	5.4	6.7	8.2
Men's Clothing.....	103	113.2	120.0	129.8	109.5	113.9	37.8	9.9	6.0	8.2	4.0
Family Clothing.....	67	69.3	72.1	76.7	64.4	67.3	24.6	3.4	4.0	6.4	4.5
Women's Clothing.....	120	131.0	136.6	148.8	126.8	137.5	43.1	9.2	4.3	8.9	8.4
Shoe.....	76	75.1	76.7	82.6	71.7	75.8	41.6	-1.2	2.1	7.7	5.7
Hardware.....	105	103.1	108.7	117.6	102.9	113.0	30.3	-1.8	5.4	8.2	9.8
Lumber & Building Material.....	147	160.4	181.8	185.5	169.3	185.1	36.4	9.1	13.3	2.0	9.3
Furniture, Appliance & Radio.....	205	220.4	228.6	246.0	220.8	245.0	38.1	7.5	3.7	7.6	11.0
Restaurant.....	232	252.4	260.5	270.9	247.8	264.4	39.0	8.8	3.2	39.0	6.7
Fuel.....	173	200.0	189.4	194.3	168.4	177.3	55.3	15.6	-5.3	2.6	5.3
Drug.....	177	183.5	189.7	201.9	178.1	193.1	38.8	3.7	3.4	6.4	8.4
Jewellery.....	62	66.4	70.7	79.6	59.3	62.5	46.6	7.1	6.5	12.6	5.4
Miscellaneous.....	846	901.6	930.9	993.2	885.0	952.4	36.9	6.7	3.2	6.7	7.6
Total, All Trades.....	6,550	7,015.8	7,406.8	8,017.7	7,123.9	7,583.3	37.0	7.1	5.6	8.2	6.4

¹January to November

Sources: D.B.S. Retail Trade 63-005

D.B.S. Estimated Monthly Retail Sales

DOMESTIC SALES OF TELEVISION RECEIVING SETS—CANADA

Year	Annual		Quarter	Quarterly		% Change
	No. of Units	% Change		No. of Units 1965	No. of Units 1966	
1962.....	420,168	...	1Q	116,265	107,568	-7.5
1963.....	451,290	7.4	2Q	103,494	99,303	-4.0
1964.....	524,602	16.2	3Q	153,622	141,125	-8.1
1965.....	555,589	5.9	4Q	182,208	.....	....
1965 10 mos.....	437,598	...				
1966 10 mos.....	469,360	-6.5				

DOMESTIC SALES OF TELEVISION RECEIVING SETS—ONTARIO

Year	Annual		
	No. of Units	% Change	% of Canada
1962.....	148,088	...	35.2
1963.....	163,430	10.4	36.2
1964.....	201,544	23.3	38.4
1965.....	209,385	3.9	37.7
1965 10 mos.....	163,417	...	37.3
1966 10 mos.....	161,806	-1.0	39.5

DOMESTIC SALES OF RECORD PLAYERS—CANADA

Year	Annual		Quarter	Quarterly Amount		% Change
	No. of Units	% Change		1965	1966	
1962.....	205,306	...	1Q	33,335	34,579	3.7
1963.....	186,175	-9.3	2Q	30,373	37,543	23.6
1964.....	218,984	17.6	3Q	57,577	70,472	22.4
1965.....	250,132	14.2	4Q	128,847		
1965 10 mos.....	159,066	...				
1966 10 mos.....	181,048	13.8				

Source: D.B.S. 43-004

DOMESTIC SALES OF RECORD PLAYERS—ONTARIO

Year	Annual		
	No. of Units	% Change	% of Canada
1962.....	68,878	...	33.5
1963.....	64,600	-6.2	34.7
1964.....	75,890	17.5	34.7
1965.....	88,017	16.0	35.2
1965 10 mos.....	53,611	...	33.7
1966 10 mos.....	72,263	34.8	39.9

DOMESTIC SALES OF RADIO SETS—CANADA

Year	Annual		Quarter	Quarterly		% Change
	No. of Units	% Change		No. of Units 1965	No. of Units 1966	
1962	680,606	...	1Q	235,625	223,047	—5.3
1963	788,862	15.9	2Q	209,794	189,731	—9.6
1964	862,593	9.3	3Q	205,146	190,616	—7.1
1965	989,133	14.7	4Q	173,777	.....	....
1965 10 mos.	760,236	...				
1966 10 mos.	712,128	—6.3				

DOMESTIC SALES OF RADIO SETS—ONTARIO

Year	Annual		% Change	% of Canada
	No. of Units	% Change		
1962	429,387	...		63.1
1963	516,890	20.4		65.5
1964	579,698	12.2		67.2
1965	692,169	19.4		70.0
1965 10 mos.	534,730	...		70.3
1966 10 mos.	531,547	—0.6		74.6

Source: D.B.S. 43-004

III MERCHANDISE TRADE, BY COMMODITY GROUP, CANADA, 1962-1966

Canada's merchandise trade surplus amounted to \$816 million in 1964 and \$133 million in 1965. For the first three quarters of the year, the surplus was \$44 million in 1965 and \$337 million in 1966. Thus, the deteriorating trend in 1965 was reversed in 1966.

The improvement in the first three quarters of 1966 was about the equivalent of the increase in wheat exports, as an improvement of \$257 million in the surplus for crude and fabricated inedible materials was offset by a deterioration of \$258 million in the deficit for secondary manufactured goods (end products—inedible).

Within the category of secondary manufactured goods (end products—inedible), there was an improvement of \$87 million in the deficit for motor vehicles and parts, but for the other end products (mainly machinery and equipment) the deficit deteriorated by \$343 million, during the first three quarters of 1966.

The most striking change in merchandise trade has been occurring in exports of motor vehicles and parts. There have been percentage increases of 52 per cent in 1963, of 103 per cent in 1964, of 99 per cent in 1965, and of 173 per cent in the first nine months of 1966.

For 1966 as a whole, total merchandise exports rose by 17 per cent and imports by 14 per cent, with the trade surplus increasing from \$133 million to \$403 million.

Tables

1. Merchandise Trade Balance by Commodity Group—Canada
2. Year Over Year Percentage Change in Merchandise Exports—Canada
3. Total Merchandise Exports (incl. re-exports)—Canada
4. Total Merchandise Imports—Canada
5. Balance on Total Merchandise Trade—Canada
6. Exports—Live Animals—Canada
7. Imports—Live Animals—Canada
8. Balance on Trade of Live Animals—Canada
9. Exports—Food, Feed, Beverages and Tobacco—Canada
10. Imports—Food, Feed, Beverages and Tobacco—Canada
11. Balance on Trade of Food, Feed, Beverages and Tobacco—Canada
12. Exports—Crude Materials—Inedible—Canada
13. Imports—Crude Materials—Inedible—Canada
14. Balance on Trade in Crude Materials—Inedible—Canada

15. Exports—Fabricated Materials—Inedible—Canada
16. Imports—Fabricated Materials—Inedible—Canada
17. Balance on Trade in Fabricated Materials—Inedible—Canada
18. Exports—End Products—Inedible—Canada
19. Imports—End Products—Inedible—Canada
20. Balance on Trade in End Products—Inedible—Canada
21. Exports—Motor Vehicles and Parts—Canada
22. Imports—Motor Vehicles and Parts—Canada
23. Balance on Trade in Motor Vehicles and Parts—Canada
24. Exports—Transportation and Communications Equipment—Canada

MERCHANDISE TRADE BALANCE, BY COMMODITY GROUP—CANADA

(MILLIONS OF DOLLARS)

	1964	1965	1-3Q65	1-3Q66
Total Merchandise Trade.....	815.8	133.3	44.3	336.8
Live Animals.....	18.0	68.5	36.1	44.7
Food, Feed, Beverages and Tobacco.....	1,028.4	871.0	508.1	821.6
Crude Materials—Inedible.....	655.2	756.9	561.5	678.5
Fabricated Materials—Inedible.....	1,689.6	1,614.3	1,227.8	1,367.3
End Products—Inedible.....	-2,592.0	-3,178.5	-2,281.7	-2,539.7
Motor Vehicles and Parts.....	-640.8	-770.8	-536.8	-452.2
Other End Products—Inedible.....	-1,951.2	-2,407.7	-1,744.9	-2,087.5
Animals, Food, Feed, Beverages and Tobacco.....	1,046.4	939.5	544.2	866.3
Crude and Fabricated Materials— Inedible.....	2,344.8	2,371.2	1,789.3	2,045.8
Sub-Total.....	3,391.2	3,310.7	2,333.5	2,912.1

YEAR OVER YEAR PERCENTAGE CHANGE IN MERCHANDISE EXPORTS—CANADA

	% Change 1963/1962	% Change 1964/1963	% Change 1965/1964	% Change 1-3Q66/ 1-3Q65
Total Merchandise Trade.....	9.9	18.8	5.6	20.1
Live Animals.....	-38.6	-17.1	127.6	22.8
Food, Feed, Beverages and Tobacco.....	21.1	27.2	-9.8	33.2
Crude Materials—Inedible.....	4.7	13.4	9.1	11.6
Fabricated Materials—Inedible.....	6.9	12.7	6.4	9.7
End Products—Inedible.....	18.9	42.4	17.1	50.7
Motor Vehicles and Parts.....	52.1	102.7	99.4	172.7

Sources: D.B.S. Canadian Statistical Review, 11-003
D.B.S. Canadian Statistical Review Weekly Supplement, 11-004
D.B.S. Summary of Exports, 65-002
D.B.S. Imports by Commodities, 65-005

EXPORTS, IMPORTS AND TRADE BALANCE FOR TOTAL MERCHANDISE—CANADA

Total Merchandise Exports (incl. re-exports)

(MILLIONS OF DOLLARS)

Annual			Quarterly			
Year	Totals	% Change	Quarter	Totals		% Change
				1965	1966	
1962.....	6,357.3	...	1Q	1,850.5	2,223.9	20.2
1963.....	6,989.7	9.9	2Q	2,168.2	2,563.0	18.2
1964.....	8,303.5	18.8	3Q	2,213.3	2,695.2	21.8
1965.....	8,766.7	5.6	4Q	2,534.8	2,785.7(est.)	9.9
1966.....	10,267.8	17.1				
1-3Q65.....	6,232.0	...				
1-3Q66.....	7,482.1	20.1				

Total Merchandise Imports

(MILLIONS OF DOLLARS)

Annual			Quarterly			
Year	Totals	% Change	Quarter	Totals		% Change
				1965	1966	
1962.....	6,294.4	...	1Q	1,840.4	2,205.4	19.8
1963.....	6,578.4	4.5	2Q	2,229.8	2,590.7	16.2
1964.....	7,487.7	13.8	3Q	2,117.5	2,349.2	10.9
1965.....	8,633.4	15.3	4Q	2,445.8	2,719.7(est.)	11.2
1966.....	9,865.0	14.3				
1-3Q65.....	6,187.7	...				
1-3Q66.....	7,145.3	15.5				

Balance on Total Merchandise Trade

(MILLIONS OF DOLLARS)

Annual		Quarterly		
Year	Totals	Quarter	Totals	
			1965	1966
1962.....	62.9	1Q	10.1	18.5
1963.....	411.3	2Q	-61.6	-27.7
1964.....	815.8	3Q	95.8	346.0
1965.....	133.3	4Q	89.0	66.0(est.)
1966.....	402.8			
1-3Q65.....	44.3			
1-3Q66.....	336.8			

Sources: D.B.S. Canadian Statistical Review, 11-003
 Canadian Statistical Review Weekly Supplement, 11-004
 Summary of Exports, 65-002
 Imports by Commodities, 65-005

EXPORTS, IMPORTS AND TRADE BALANCE FOR LIVE ANIMALS—CANADA

Exports—Live Animals

(MILLIONS OF DOLLARS)

Annual			Quarterly			
Year	Totals	% Change	Quarter	Totals		% Change
				1965	1966	
1962.....	68.4	...	1Q	6.0	17.3	188.3
1963.....	42.0	-38.6	2Q	12.7	16.6	30.7
1964.....	34.8	-17.1	3Q	24.7	19.4	-21.5
1965.....	79.2	127.6	4Q	35.8	...	...
1-3Q65.....	43.4	...				
1-3Q66.....	53.3	22.8				

Imports—Live Animals

(MILLIONS OF DOLLARS)

Annual			Quarterly			
Year	Totals	% Change	Quarter	Totals		% Change
				1965	1966	
1962.....	n/a	....	1Q	1.6	2.0	25.0
1963.....	n/a	....	2Q	3.9	4.5	15.4
1964.....	16.8	....	3Q	1.8	2.1	16.7
1965.....	10.7	-57.0	4Q	3.4	...	...
1-3Q65.....	7.3	....			
1-3Q66.....	8.6	17.8				

Balance on Trade of Live Animals

(MILLIONS OF DOLLARS)

Annual		Quarterly		
Year	Totals	Quarter	Totals	
			1965	1966
1962.....	n/a	1Q	4.4	15.3
1963.....	n/a	2Q	8.8	12.1
1964.....	18.0	3Q	22.9	17.3
1965.....	68.5	4Q	32.4	....
1-3Q65.....	36.1			
1-3Q66.....	44.7			

Sources: D.B.S. Canadian Statistical Review, 11-003
D.B.S. Canadian Statistical Review Weekly Supplement, 11-004
D.B.S. Summary of Exports, 65-002
D.B.S. Imports of Commodities, 65-005

EXPORTS, IMPORTS AND TRADE BALANCE FOR FOOD, FEED, BEVERAGES AND TOBACCO—CANADA

Exports—Food, Feed, Beverages and Tobacco

(MILLIONS OF DOLLARS)

Year	Annual		Quarter	Quarterly		
	Totals	% Change		Totals		% Change
				1965	1966	
1962.....	1,172.4	...	1Q	305.7	353.9	15.8
1963.....	1,419.6	21.1	2Q	341.4	449.4	31.6
1964.....	1,806.0	27.2	3Q	387.7	574.7	48.2
1965.....	1,629.8	-9.8	4Q	595.0	....	....
1-3Q65.....	1,034.8	...				
1-3Q66.....	1,378.0	33.2				

Imports—Food, Feed, Beverages and Tobacco

(MILLIONS OF DOLLARS)

Year	Annual		Quarter	Quarterly		
	Totals	% Change		Totals		% Change
				1965	1966	
1962.....	n/a	....	1Q	133.3	153.7	15.3
1963.....	n/a	....	2Q	199.2	209.8	5.3
1964.....	777.6	....	3Q	194.2	192.9	-0.7
1965.....	758.8	-2.4	4Q	232.1	....	....
1-3Q65.....	526.7	....			
1-3Q66.....	556.4	5.6				

Balance on Trade of Food, Feed, Beverages and Tobacco

(MILLIONS OF DOLLARS)

Year	Annual		Quarter	Quarterly	
	Totals			Totals	
				1965	1966
1962.....	n/a		1Q	172.4	200.2
1963.....	n/a		2Q	142.2	239.6
1964.....	1,028.4		3Q	193.5	381.8
1965.....	871.0		4Q	362.9	....
1-3Q65...	508.1				
1-3Q66...	821.6				

Sources: D.B.S. Canadian Statistical Review, 11-003
D.B.S. Canadian Statistical Review Weekly Supplement, 11-004
D.B.S. Summary of Exports, 65-002
D.B.S. Imports by Commodities, 65-005

EXPORTS, IMPORTS AND TRADE BALANCE FOR CRUDE MATERIALS—INEDIBLE—CANADA

Exports—Crude Materials—Inedible

(MILLIONS OF DOLLARS)

Annual			Quarterly			
Year	Totals	% Change	Quarter	Totals 1965	1966	% Change
1962.....	1,362.0	....	1Q	357.5	403.8	13.0
1963.....	1,425.6	4.7	2Q	433.3	484.0	11.7
1964.....	1,616.4	13.4	3Q	491.7	543.0	10.4
1965.....	1,763.2	9.1	4Q	480.7	....	....
1-3Q65.....	1,282.5	....			
1-3Q66.....	1,430.8	11.6				

Imports—Crude Materials—Inedible

(MILLIONS OF DOLLARS)

Annual			Quarterly			
Year	Totals	% Change	Quarter	Totals 1965	1966	% Change
1962.....	n/a	...	1Q	196.7	206.4	4.9
1963.....	n/a	...	2Q	257.7	268.2	4.1
1964.....	961.2	...	3Q	266.6	277.7	4.2
1965.....	1,006.3	4.7	4Q	285.3	....	....
1-3Q65.....	721.0	...				
1-3Q66.....	752.3	4.3				

Balance on Trade in Crude Materials—Inedible

(MILLIONS OF DOLLARS)

Annual		Quarterly		
Year	Totals	Quarter	Totals 1965	1966
1962.....	n/a	1Q	160.8	197.4
1963.....	n/a	2Q	175.6	215.8
1964.....	655.2	3Q	225.1	265.3
1965.....	756.9	4Q	195.4	....
1-3Q65.....	561.5			
1-3Q66.....	678.5			

Sources: D.B.S. Canadian Statistical Review, 11-003
D.B.S. Canadian Statistical Review Weekly Supplement, 11-004
D.B.S. Summary of Exports, 65-002
D.B.S. Imports by Commodities, 65-005

EXPORTS, IMPORTS AND TRADE BALANCE FOR FABRICATED MATERIALS—INEDIBLE—CANADA

Exports—Fabricated Materials—Inedible

(MILLIONS OF DOLLARS)

Year	Annual		Quarter	Quarterly		
	Totals	% Change		Totals		% Change
				1965	1966	
1962.....	2,907.6	....	1Q	826.4	924.8	11.9
1963.....	3,106.8	6.9	2Q	969.1	1,070.1	10.4
1964.....	3,502.8	12.7	3Q	954.5	1,022.6	7.1
1965.....	3,728.7	6.4	4Q	978.7	....	....
1-3Q65.....	2,750.0	....			
1-3Q66.....	3,017.5	9.7				

Imports—Fabricated Materials—Inedible

(MILLIONS OF DOLLARS)

Year	Annual		Quarter	Quarterly		
	Totals	% Change		Totals		% Change
				1965	1966	
1962.....	n/a	....	1Q	431.8	495.4	14.7
1963.....	n/a	....	2Q	556.5	594.1	6.8
1964.....	1,813.2	....	3Q	533.9	560.7	5.0
1965.....	2,114.4	16.6	4Q	592.2	....	....
1-3Q65.....	1,522.2	....			
1-3Q66.....	1,650.2	8.4				

Balance on Trade in Fabricated Materials—Inedible

(MILLIONS OF DOLLARS)

Year	Annual		Quarter	Quarterly	
	Totals			Totals	
				1965	1966
1962.....	n/a		1Q	394.6	429.4
1963.....	n/a		2Q	412.6	476.0
1964.....	1,689.6		3Q	420.6	461.9
1965.....	1,614.3		4Q	386.5	....
1-3Q65...	1,227.8				
1-3Q66...	1,367.3				

Sources: D.B.S. Canadian Statistical Review, 11-003
D.B.S. Canadian Statistical Review Weekly Supplement, 11-004
D.B.S. Summary of Exports, 65-002
D.B.S. Imports by Commodities, 65-005

**EXPORTS, IMPORTS AND TRADE BALANCE
FOR END PRODUCTS—INEDIBLE—CANADA
(Secondary Manufactured Goods)**

Exports—End Products—Inedible

(MILLIONS OF DOLLARS)

Annual			Quarterly			
Year	Totals	% Change	Quarter	Totals		% Change
				1965	1966	
1962.....	655.2	....	1Q	291.7	460.7	57.9
1963.....	778.8	18.9	2Q	345.4	471.7	36.6
1964.....	1,108.8	42.4	3Q	292.3	468.5	60.3
1965.....	1,298.2	17.1	4Q	368.8	....	....
1-3Q65.....	929.4	....			
1-3Q66.....	1,400.9	50.7				

Imports—End Products—Inedible

(MILLIONS OF DOLLARS)

Annual			Quarterly			
Year	Totals	% Change	Quarter	Totals		% Change
				1965	1966	
1962.....	n/a	....	1Q	1,012.5	1,272.3	25.7
1963.....	n/a	....	2Q	1,142.7	1,429.9	25.1
1964.....	3,700.8	....	3Q	1,055.9	1,238.4	17.3
1965.....	4,476.7	21.0	4Q	1,265.6	.....	....
1-3Q65.....	3,211.1	....			
1-3Q66.....	3,940.6	22.7				

Balance on Trade in End Products—Inedible

(MILLIONS OF DOLLARS)

Annual		Quarterly		
Year	Totals	Quarter	Totals	
			1965	1966
1962.....	n/a	1Q	-720.8	-811.6
1963.....	n/a	2Q	-797.3	-958.2
1964.....	-2,592.0	3Q	-763.6	-769.9
1965.....	-3,178.5	4Q	-896.8	.....
1-3Q65.....	-2,281.7			
1-3Q66.....	-2,539.7			

Sources: D.B.S. Canadian Statistical Review, 11-003
D.B.S. Canadian Statistical Review Weekly Supplement, 11-004
D.B.S. Summary of Exports, 65-002
D.B.S. Imports by Commodities, 65-005

**EXPORTS, IMPORTS AND BALANCE
FOR MOTOR VEHICLES AND PARTS—CANADA**
(Sub-group within End Products—Inedible)

Exports—Motor Vehicles and Parts

(MILLIONS OF DOLLARS)

Annual			Quarterly			
Year	Totals	% Change	Quarter	Totals		% Change
				1965	1966	
1962.....	57.6	....	1Q	70.2	208.8	197.4
1963.....	87.6	52.1	2Q	81.0	187.7	131.7
1964.....	177.6	102.7	3Q	63.4	188.7	197.6
1965.....	354.1	99.4	4Q	139.5	....	....
1-3Q65.....	214.6	....			
1-3Q66.....	585.2	172.7				

Imports—Motor Vehicles and Parts

(MILLIONS OF DOLLARS)

Annual			Quarterly			
Year	Totals	% Change	Quarter	Totals		% Change
				1965	1966	
1962.....	n/a	....	1Q	261.8	379.0	44.8
1963.....	n/a	....	2Q	278.1	372.7	34.0
1964.....	818.4	....	3Q	211.5	285.7	35.1
1965.....	1,124.9	37.5	4Q	373.5	....	....
1-3Q65.....	751.4	....			
1-3Q66.....	1,037.4	38.1				

Balance on Trade in Motor Vehicles and Parts

(MILLIONS OF DOLLARS)

Annual			Quarterly		
Year	Totals		Quarter	Totals	
				1965	1966
1962.....	n/a		1Q	-191.6	-170.2
1963.....	n/a		2Q	-197.1	-185.0
1964.....	-640.8		3Q	-148.1	-97.0
1965.....	-770.8		4Q	-234.0	.....
1-3Q65.....	-536.8				
1-3Q66.....	-452.2				

Exports—Transportation and Communication Equipment
(A Component of End Products—Inedible)

(MILLIONS OF DOLLARS)

Annual			Quarterly			
Year	Totals	% Change	Quarter	Totals		% Change
				1965	1966	
1962.....	n/a	....	1Q	149.2	282.9	89.6
1963.....	n/a	....	2Q	169.7	273.6	61.2
1964.....	540.0	....	3Q	140.5	277.7	97.7
1965.....	667.6	23.6	4Q	208.2	....	....
1-3Q65.....	459.4	....			
1-3Q66.....	734.2	59.8				

Sources: D.B.S. Canadian Statistical Review, 11-003
D.B.S. Canadian Statistical Review Weekly Supplement, 11-004
D.B.S. Summary of Exports, 65-002
D.B.S. Imports by Commodities, 65-005

IV BUILDING PERMITS, RESIDENTIAL CONSTRUCTION AND BUSINESS INVESTMENT, 1962-1966

For the ten months January-October 1966, building permits issued in Ontario increased by 12.6 per cent as compared with a rise of 15.8 per cent for the year 1965. During the first ten months of 1966, Ontario issued 48.3 per cent of the building permits issued in Canada, as compared with 42.7 per cent for the corresponding period in 1965. In 1966, dwelling units completed in Ontario increased by 20.9 per cent, while dwelling units started declined by 21.6 per cent and dwelling units under construction decreased by 32.1 per cent.

For the nine months January-September 1966, new non-residential construction (seasonally adjusted at annual rates in constant 1957 dollars) increased by 13.2 per cent as compared with an increase of 11.0 per cent in 1965. On the same basis, new machinery and equipment increased by 17.2 per cent for the first nine months of 1966 as compared with an increase of 13.7 per cent in 1965. And non-farm business inventories decreased by 18.2 per cent for the first nine months of 1966 as compared with an increase of 79.9 per cent for the year 1965.

Tables

1. Building Permits Issued—Ontario
2. Dwelling Units Started—Ontario
3. Dwelling Units Completed—Ontario
4. Dwelling Units Under Construction—Ontario
5. New Non-Residential Construction—Canada
(Seasonally Adjusted at Annual Rates)
6. New Non-Residential Construction—Canada
(Seasonally Adjusted at Annual Rates in Constant 1957 Dollars)
7. New Machinery and Equipment—Canada
(Seasonally Adjusted at Annual Rates)
8. New Machinery and Equipment—Canada
(Seasonally Adjusted at Annual Rates in Constant 1957 Dollars)
9. Non-Farm Business Inventories—Canada
(Seasonally Adjusted at Annual Rates)
10. Non-Farm Business Inventories—Canada
(Seasonally Adjusted at Annual Rates in Constant 1957 Dollars)

BUILDING PERMITS ISSUED—ONTARIO

(MILLIONS OF DOLLARS)

Annual			Quarterly			
Year	Amount	% Change	Quarter	Amount		% Change
				1965	1966	
1962.....	1,065.0	....	1Q	263.8	325.1	23.2
1963.....	1,207.3	13.4	2Q	487.6	544.6	11.7
1964.....	1,434.1	18.8	3Q	439.9	515.9	17.3
1965.....	1,661.2	15.8	4Q	469.9	....	....
1965 10 mos.....	1,357.3	....			
1966 10 mos.....	1,528.3	12.6				
			% of Canada			
				1965	1966	
1962.....	42.8		1Q	45.4	49.7	
1963.....	42.3		2Q	42.2	49.2	
1964.....	43.9		3Q	41.8	48.1	
1965.....	43.6		4Q	46.0	....
1965 10 mos.....	42.7					
1966 10 mos.....	48.3					

DWELLING UNITS STARTED—ONTARIO

All Areas				Urban Areas		
Year	Number	% Change	% of Canada	Number	% Change	% of Canada
1958.....	63,753	....	38.7			
1959.....	54,158	-15.1	38.3			
1960.....	42,282	-21.9	38.8			
1961.....	48,144	13.9	38.3			
1962.....	44,306	-8.0	34.0	37,093	....	35.6
1963.....	55,957	26.3	37.6	48,661	31.2	40.2
1964.....	65,617	17.3	39.6	57,446	18.1	42.2
1965.....	66,767	1.8	40.0	59,829	4.1	43.1
1966.....	52,355	-21.6	38.9	45,359	-24.2	41.8
1965						
1Q.....	7,231	....	32.2	6,646	....	34.2
2Q.....	19,579	....	42.5	17,655	....	45.8
3Q.....	22,750	....	45.9	20,346	....	50.2
4Q.....	17,207	....	35.5	15,182	....	37.7
1966						
1Q.....	7,490	3.6	32.5	6,912	4.0	34.8
2Q.....	15,947	-18.6	45.9	13,792	-21.9	50.6
3Q.....	14,857	-34.7	40.0	12,442	-38.8	43.5
4Q.....	14,061	-18.3	35.6	12,213	-19.6	37.3

Sources: D.B.S. Building Permits, 64-001
D.B.S. Canadian Statistical Review, 11-003
D.B.S. New Residential Construction, 64-002

DWELLING UNITS COMPLETED—ONTARIO

Year	All Areas			Urban Areas		
	Number	% Change	% of Canada	Number	% Change	% of Canada
1958.....	59,551	....	40.6			
1959.....	54,281	-8.8	37.3			
1960.....	46,982	-13.4	38.0			
1961.....	43,754	-6.9	37.8			
1962.....	47,287	8.1	37.3	39,186	....	39.0
1963.....	43,400	-8.2	33.9	36,230	-7.5	35.7
1964.....	57,739	33.0	38.2	50,630	39.7	40.9
1965.....	56,568	-2.0	37.0	49,287	-2.7	39.3
1966.....	68,407	20.9	42.2	61,196	24.2	45.3
1965						
1Q.....	15,036	....	34.4	12,770	....	35.8
2Q.....	13,687	....	37.1	12,159	....	39.2
3Q.....	12,719	....	36.6	11,229	....	39.3
4Q.....	15,126	....	40.1	13,129	....	43.5
1966						
1Q.....	13,303	-11.5	37.0	12,184	-4.6	40.3
2Q.....	16,221	18.5	34.1	14,251	17.2	35.3
3Q.....	21,507	69.1	54.3	19,665	75.1	58.4
4Q.....	17,376	14.9	44.5	15,096	15.0	49.0

DWELLING UNITS UNDER CONSTRUCTION—ONTARIO

Year	All Areas			Urban Areas		
	Number	% Change	% of Canada	Number	% Change	% of Canada
1958.....	33,414	....	37.9			
1959.....	32,827	-1.8	40.1			
1960.....	28,335	-13.7	43.1			
1961.....	31,936	12.7	43.4			
1962.....	28,932	-9.4	38.0	25,209	....	41.6
1963.....	41,401	43.1	42.9	37,617	49.2	47.5
1964.....	48,835	18.0	45.3	44,082	17.2	49.0
1965.....	58,172	19.1	48.5	54,043	22.6	53.1
1966.....	39,478	-32.1	44.5	35,701	-33.9	49.8
1965						
1Q.....	40,863	....	47.5	38,065	....	51.8
2Q.....	46,480	....	49.1	43,271	....	53.8
3Q.....	56,379	....	51.7	52,312	....	56.8
4Q.....	58,172	....	48.5	54,043	....	53.1
1966						
1Q.....	51,481	26.0	48.6	47,916	25.9	53.1
2Q.....	51,083	9.9	55.2	47,420	9.6	61.7
3Q.....	42,907	-23.9	48.6	38,690	-26.0	55.3
4Q.....	39,478	-32.1	44.5	35,701	-33.9	49.8

Source: D.B.S. New Residential Construction, 64-002

NEW NON-RESIDENTIAL CONSTRUCTION—CANADA

(SEASONALLY ADJUSTED AT ANNUAL RATES)

(MILLIONS OF DOLLARS)

Annual			Quarterly			
Year	Totals	% Change	Quarter	Totals		% Change
				1965	1966	
1962.....	2,638	.....	1Q	3,796	4,512	18.9
1963.....	2,835	7.5	2Q	3,720	4,812	29.4
1964.....	3,358	18.4	3Q	4,036	4,584	13.6
1965.....	3,955	17.8	4Q	4,268	.....	.....
1-3Q65.....	3,851	.....			
1-3Q66.....	4,636	20.4				

NEW NON-RESIDENTIAL CONSTRUCTION—CANADA

(SEASONALLY ADJUSTED AT ANNUAL RATES IN CONSTANT 1957 DOLLARS)

(MILLIONS OF DOLLARS)

Annual			Quarterly			
Year	Totals	% Change	Quarter	Totals		% Change
				1965	1966	
1962.....	2,399	.....	1Q	3,080	3,480	13.0
1963.....	2,494	4.0	2Q	2,960	3,644	23.1
1964.....	2,830	13.5	3Q	3,196	3,448	7.9
1965.....	3,139	11.0	4Q	3,320	.....	.....
1-3Q65.....	3,112	.....			
1-3Q66.....	3,524	13.2				

NEW MACHINERY AND EQUIPMENT—CANADA

(SEASONALLY ADJUSTED AT ANNUAL RATES)

(MILLIONS OF DOLLARS)

Annual			Quarterly			
Year	Totals	% Change	Quarter	Totals		% Change
				1965	1966	
1962.....	2,745	.....	1Q	3,920	4,928	25.7
1963.....	3,049	11.1	2Q	4,092	4,980	21.7
1964.....	3,724	22.1	3Q	4,504	4,976	10.5
1965.....	4,345	16.7	4Q	4,864	.....	.....
1-3Q65.....	4,172	.....			
1-3Q66.....	4,961	18.9				

Source: D.B.S. National Accounts, 13-001

NEW MACHINERY AND EQUIPMENT—CANADA

(SEASONALLY ADJUSTED AT ANNUAL RATES IN CONSTANT 1957 DOLLARS)

(MILLIONS OF DOLLARS)							
Annual				Quarterly			
Year	Totals	% Change		Quarter	Totals		% Change
					1965	1966	
1962.....	2,460	.....		1Q	3,212	4,008	24.8
1963.....	2,663	8.2		2Q	3,364	4,044	20.2
1964.....	3,135	17.7		3Q	3,704	4,004	8.0
1965.....	3,564	13.7		4Q	3,976	.....	.....
1-3Q65.....	3,427	.....				
1-3Q66.....	4,015	17.2					

NON-FARM BUSINESS INVENTORIES—CANADA

(SEASONALLY ADJUSTED AT ANNUAL RATES)

(MILLIONS OF DOLLARS)							
Annual				Quarterly			
Year	Totals	% Change		Quarter	Totals		% Change
					1965	1966	
1962.....	310	.....		1Q	1,108	660	-40.4
1963.....	244	-21.3		2Q	980	1,292	31.8
1964.....	516	111.5		3Q	836	560	-33.0
1965.....	905	75.4		4Q	696	.....	.....
1-3Q65.....	975	.....				
1-3Q66.....	837	-14.2					

NON-FARM BUSINESS INVENTORIES—CANADA

(SEASONALLY ADJUSTED AT ANNUAL RATES IN CONSTANT 1957 DOLLARS)

(MILLIONS OF DOLLARS)							
Annual				Quarterly			
Year	Totals	% Change		Quarter	Totals		% Change
					1965	1966	
1962.....	293	.....		1Q	1,080	636	-39.2
1963.....	239	-18.4		2Q	944	1,188	25.9
1964.....	486	103.3		3Q	804	488	-39.3
1965.....	874	79.9		4Q	668	.....	.....
1-3Q65.....	943	.....				
1-3Q66.....	771	-18.2					

Source: D.B.S. National Accounts, 13-001

V FARM INCOME, ONTARIO AND CANADA, 1962-1966

Accrued net income of farm operators from farm production in Canada (seasonally adjusted at annual rates) increased by 12.4 per cent in 1965 as compared with a decrease of 14.9 per cent in 1964. In the first three quarters of 1966, the increase was 42.8 per cent. When these figures are modified to exclude accrued net earnings adjustment arising out of the operations of the Canadian Wheat Board, the corresponding results show an increase of 24.8 per cent in 1965 as compared with a decrease of 14.5 per cent in 1964. In the first three quarters of 1966, the increase was 28.0 per cent.

Total farm cash receipts in Ontario increased by 14.9 per cent in 1966 as compared with 7.6 per cent in 1965.

Tables

1. Accrued Net Income of Farm Operators from Farm Production—Canada (Seasonally Adjusted at Annual Rates)
2. Net Income Received by Farm Operators from Farm Operations—Canada (Seasonally Adjusted at Annual Rates)
3. Farm Cash Receipts—Farming Operations—Ontario
4. Total Farm Cash Receipts—Ontario
5. Cash Receipts—Total Crops—Ontario
6. Cash Receipts—Live Stock and Products—Ontario

ACCRUED NET INCOME OF FARM OPERATORS FROM FARM PRODUCTION—CANADA

(SEASONALLY ADJUSTED AT ANNUAL RATES)

(MILLIONS OF DOLLARS)

Annual				Quarterly			
Year	Totals	% Change		Quarter	Totals		
					1965	1966	% Change
1962.....	1,496	.....		1Q	1,564	2,236	43.0
1963.....	1,721	15.0		2Q	1,496	2,288	52.9
1964.....	1,464	-14.9		3Q	1,780	2,412	35.5
1965.....	1,645	12.4		4Q	1,740	.....	.....
1965 9 mos.....	1,613	.....				
1966 9 mos.....	2,312	43.3					

NET INCOME RECEIVED BY FARM OPERATORS FROM FARM OPERATIONS*—CANADA

(SEASONALLY ADJUSTED AT ANNUAL RATES)

(MILLIONS OF DOLLARS)

Annual			Quarterly			
Year	Totals	% Change	Quarter	Totals		
				1965	1966	% Change
1962.....	1,490	.....	1Q	2,080	2,372	14.0
1963.....	1,582	6.2	2Q	1,244	1,960	57.6
1964.....	1,353	-14.5	3Q	1,720	2,204	28.1
1965.....	1,689	24.8	4Q	1,712	.....	.....
1965 9 mos.....	1,681	.....			
1966 9 mos.....	2,179	29.6				

*Differs from "Accrued Net Income of Farm Operators from Farm Production" by excluding accrued net earnings adjustment arising out of the operations of the Canadian Wheat Board.

Source: D.B.S. National Accounts, 13-001, 13-201

FARM CASH RECEIPTS—FARMING OPERATIONS—ONTARIO

(EXCLUDING SUPPLEMENTARY PAYMENTS*)

(THOUSANDS OF DOLLARS)

Annual			Quarterly			
Year	Totals	% Change	Quarter	Totals		
				1965	1966	% Change
1962.....	924,199	.....	1Q	249,055	302,038	21.3
1963.....	997,793	8.0	2Q	224,112	251,922	12.4
1964.....	1,020,370	2.3	3Q	297,701	310,780	4.4
1965.....	1,091,712	7.0	4Q	320,844	388,260(est.)	21.0 (est.)
1966 (est.).....	1,253,000	14.8				

	% of Canada		% of Canada	
			1965	1966
1962.....	29.8	1Q	25.5	28.9
1963.....	31.2	2Q	28.9	28.8
1964.....	29.3	3Q	32.1	28.6
1965.....	28.9	4Q	28.6	n/a
1966.....	n/a			

TOTAL FARM CASH RECEIPTS—ONTARIO

(INCLUDING SUPPLEMENTARY PAYMENTS*)

(THOUSANDS OF DOLLARS)

Year	Totals	% Change	% of Canada
1962.....	924,199	.....	29.1
1963.....	997,793	8.0	31.0
1964.....	1,020,370	2.3	29.2
1965.....	1,097,756	7.6	28.9
1966.....	1,261,000	14.9	n/a

*Supplementary Payments by the Federal Government to eligible milk and cream producers in Ontario.

Source: D.B.S. Farm Cash Receipts, 20-001

CASH RECEIPTS—TOTAL CROPS—ONTARIO

(THOUSANDS OF DOLLARS)

Annual			Quarterly			
Year	Totals	% Change	Quarter	Totals		% Change
				1965	1966	
1962.....	n/a	.....	1Q	76,690	97,678	27.4
1963.....	290,876	.....	2Q	25,947	28,626	10.3
1964.....	304,957	4.8	3Q	87,441	97,489	11.5
1965.....	294,255	-3.5	4Q	104,177	n/a	n/a
1-3Q 65.....	190,078	.....			
1-3Q 66.....	223,793	17.7				
			% of Canada			
					1965	1966
1962.....	n/a		1Q	14.3	19.5	
1963.....	21.7		2Q	10.9	10.0	
1964.....	19.1		3Q	24.5	19.8	
1965.....	18.0		4Q	20.8	n/a	

CASH RECEIPTS—LIVE STOCK AND PRODUCTS—ONTARIO

(THOUSANDS OF DOLLARS)

Annual			Quarterly			
Year	Totals	% Change	Quarter	Totals		% Change
				1965	1966	
1962.....	n/a	.....	1Q	171,132	208,247	21.7
1963.....	700,229	.....	2Q	195,605	214,553	9.7
1964.....	708,695	1.2	3Q	209,993	213,322	1.6
1965.....	789,031	11.3	4Q	212,301	.....	.....
1-3Q 65.....	576,730	.....			
1-3Q 66.....	636,122	10.3				
			% of Canada			
					1965	1966
1962.....	n/a		1Q	39.6	38.6	
1963.....	38.5		2Q	39.3	37.7	
1964.....	38.2		3Q	37.0	36.0	
1965.....	37.6		4Q	35.2	n/a	

Source: D.B.S. Farm Cash Receipts, 20-001

VI RAILWAY CARLOADINGS, MANUFACTURING SHIPMENTS, STEEL PRODUCTION, AND MOTOR VEHICLE STATISTICS, 1962-1966

In 1966, railway carloading in Canada rose by 1.3 per cent over 1965, with particularly strong rises in the first half almost cancelled out by the declines in the second half.

Ontario's manufacturing shipments are estimated to have increased in 1966 to \$19.2 billion, or by 8 per cent, with large increases in the first half and smaller rises in the second half of the year. Ontario's proportion of Canada's manufacturing shipments continued to rise, reaching 52.3 per cent in 1966 compared with 49.9 per cent in 1962.

Canada's production of steel ingots, largely located in Ontario, declined by 0.4 per cent in 1966, compared with a rise of 10 per cent in 1965. Substantial rises in the first half of 1966 were cancelled out by declines in the second half.

Canada's pig-iron production, also largely located in Ontario, rose by 2.1 per cent in 1966, compared with increases of 10.5 per cent in 1964 and 8.0 per cent in 1965. The large increases in the first half of 1966 outweighed the declines in the second half.

Motor vehicle production, the vast bulk of which occurs in Ontario, increased 5.3 per cent in 1966, compared with 27.5 per cent in 1965. A large rise in the first quarter was followed by slight rises in the second and third quarters and a decline in the fourth quarter.

In 1965, motor vehicle production increased by 27.5 per cent, employment by 15.1 per cent, and output per employee by 11.1 per cent. For the first nine months of 1966, motor vehicle production rose by 9.4 per cent, employment by 6.4 per cent, and output per employee by 3.1 per cent.

In 1966, shipments of made-in-Canada vehicles increased by 5.5 per cent and motor vehicle production in Canada increased by 5.3 per cent. The corresponding figures for 1965 are 27.4 per cent and 27.5 per cent, respectively.

For the first eleven months of 1966, total new vehicle sales in Canada increased by 3.6 per cent and the total number of new motor vehicles sold increased by 0.1 per cent. The corresponding figures for 1965 are 17.2 per cent and 14.5 per cent, respectively.

Tables

1. Railway Car Loadings—Canada
2. Manufacturing Shipments—Ontario
3. Production of Steel Ingots—Canada
4. Production of Pig-Iron—Canada
5. Motor Vehicle Manufacturers' Association Employment
(Member Firms)—Canada
6. Motor Vehicle Production per Employee—Canada
7. Shipments of Made-In-Canada Vehicles
8. Motor Vehicle Production—Canada
9. Total New Motor Vehicle Sales—Canada
10. Total Number of New Motor Vehicles Sold—Canada

RAILWAY CAR LOADINGS—CANADA

Year	Annual		Quarter	Quarterly		% Change
	Total Revenue Cars Loaded	% Change		Total Revenue Cars Loaded	% Change	
				1965	1966	
1962.....	3,541,543	....	1Q	878,566	948,147	7.9
1963.....	3,632,580	2.6	2Q	985,621	1,075,133	9.1
1964.....	3,929,121	8.2	3Q	1,056,038	987,731	-6.5
1965.....	3,980,793	1.3	4Q	1,060,568	1,021,972	-3.6
1966.....	4,032,983	1.3				

Source: D.B.S. Weekly Issues 52-001

MANUFACTURING SHIPMENTS—ONTARIO

(THOUSANDS OF DOLLARS)

Year	Annual		Quarter	Quarterly		% Change
	Totals	% Increase		Totals	% Change	
				1965	1966	
1962.....	13,342,592	....	1Q	4,098,271	4,686,975	14.4
1963.....	14,545,462	9.0	2Q	4,642,437	5,009,907	7.9
1964.....	16,139,685	11.0	3Q	4,205,626	4,458,365	6.0
1965.....	17,768,960	10.1	4Q	4,822,626	5,044,753	4.6
1966 (est.)	19,200,000	8.0				

	% of Canada			% of Canada	
				1965	1966
1962.....	49.9		1Q	52.4	53.3
1963.....	50.6		2Q	53.3	53.0
1964.....	51.1		3Q	49.8	49.7
1965.....	52.1		4Q	53.0	53.0
1966 (est.)	52.3				

Source: D.B.S. Inventories, Shipments and Orders in Manufacturing Industries, 31-001

PRODUCTION OF STEEL INGOTS—CANADA

(NET TONS OF 2,000 LBS.)

Year	Annual		Quarter	Quarterly		% Change
	Tons	% Change		Tons	% Change	
				1965	1966	
1962.....	7,051,000	....	1Q	2,368,270	2,531,907	6.9
1963.....	8,065,000	14.4	2Q	2,495,652	2,593,120	3.9
1964.....	8,968,984	11.2	3Q	2,509,180	2,414,823	-3.8
1965.....	9,865,598	10.0	4Q	2,492,496	2,282,534	-8.4
1966.....	9,822,384	-0.4				

PRODUCTION OF PIG-IRON—CANADA

(NET TONS OF 2,000 LBS.)

Year	Annual		Quarter	Quarterly		% Change
	Tons	% Change		Tons	% Change	
				1965	1966	
1962.....	5,289,000	....	1Q	1,658,034	1,889,682	14.0
1963.....	5,919,000	11.9	2Q	1,766,456	1,819,572	3.0
1964.....	6,540,679	10.5	3Q	1,845,346	1,761,944	-4.5
1965.....	7,064,880	8.0	4Q	1,795,044	1,740,486	-3.0
1966.....	7,211,684	2.1				

Source: D.B.S. 41-002

MOTOR VEHICLE MANUFACTURERS' ASSOCIATION
EMPLOYMENT (MEMBER FIRMS)—CANADA

Year	Annual		Quarter	Quarterly		% Change
	Average	% Change		Average	% Change	
				1965	1966	
1962.....	33,748	....	1Q	45,706	52,678	15.3
1963.....	37,560	11.3	2Q	49,995	51,266	2.5
1964.....	41,310	10.0	3Q	43,402	44,109	1.6
1965.....	47,553	15.1	4Q	51,108	n/a	....
1-3Q65.....	46,368	....			
1-3Q66.....	49,351	6.4				

Note: Above information applies only to those firms that are members of the Motor Vehicle Manufacturers' Association

Sources: D.B.S. Preliminary Report on the Production of Motor Vehicles, 42-001

Motor Vehicle Manufacturers' Association, *Facts and Figures of the Automotive Industry*

MOTOR VEHICLE PRODUCTION PER EMPLOYEE*—CANADA

Year	Annual		Quarter	Quarterly		% Change
	Annual Average Units per Employee	% Change		Quarterly Average Units per Employee	% Change	
				1965	1966	
1962.....	15.1	....	1Q	4.9	5.1	5.0
1963.....	16.9	11.9	2Q	5.2	5.2	0.5
1964.....	16.2	-4.1	3Q	2.7	2.7	-0.2
1965.....	18.0	11.1	4Q	5.0	n/a	....

*Employees of Motor Vehicle Manufacturers' Association Member Firms

Sources: D.B.S. Preliminary Report on the Production of Motor Vehicles, 42-001

Motor Vehicle Manufacturers' Association, *Facts and Figures of the Automotive Industry*

SHIPMENTS OF MADE-IN-CANADA VEHICLES

(UNADJUSTED FOR SEASONAL VARIATION)

Annual			Quarterly			
Year	No. of Units	% Change	Quarter	No. of Units	% Change	
				1965	1966	
1962.....	512,047	....	1Q	214,599	261,710	22.0
1963.....	630,411	23.1	2Q	257,622	254,279	−1.3
1964.....	669,496	6.2	3Q	126,655	135,344	6.9
1965.....	852,779	27.4	4Q	253,903	248,178	−2.3
1966.....	899,511	5.5				

Source: D.B.S. Motor Vehicle Shipments, 42-002

MOTOR VEHICLE PRODUCTION—CANADA

(UNADJUSTED FOR SEASONAL VARIATION)

Annual			Quarterly			
Year	No. of Units	% Change	Quarter	No. of Units	% Change	
				1965	1966	
1962.....	508,780	....	1Q	221,766	268,438	21.0
1963.....	633,351	24.5	2Q	260,126	268,119	3.1
1964.....	671,018	5.9	3Q	117,433	119,160	1.5
1965.....	855,476	27.5	4Q	256,151	245,513	-4.2
1966.....	901,230	5.3				
1-3Q65.....	599,325	....			
1-3Q66.....	655,717	9.4				

Source: D.B.S. Preliminary Report on Production of Motor Vehicles, 42-001

TOTAL NEW MOTOR VEHICLE SALES—CANADA

(THOUSANDS OF DOLLARS)

(THOUSANDS OF DOLLARS)						
Annual			Quarterly			
Year	Totals	% Change	Quarter	Totals		% Change
				1965	1966	
1962.....	1,782,916	....	1Q	601,304	726,002	20.7
1963.....	2,062,039	15.7	2Q	867,036	794,034	—8.4
1964.....	2,337,802	13.4	3Q	543,837	590,335	8.5
1965.....	2,739,329	17.2	4Q	727,152	.....	....
1965 11 mos...	2,495,391	....			
1966 11 mos...	2,585,515	3.6				

TOTAL NUMBER OF NEW MOTOR VEHICLES SOLD—CANADA

Annual			Quarterly			
Year	Units ('000's)	% Change	Quarter	Units ('000's)	% Change	
				1965	1966	
1962.....	585,210	....	1Q	183,066	213,933	16.9
1963.....	654,989	11.9	2Q	264,894	233,576	−11.8
1964.....	725,879	10.8	3Q	166,615	174,969	5.0
1965.....	830,995	14.5	4Q	216,420	.....	....
1965 11 mos...	759,523	....			
1966 11 mos...	760,224	0.1				

Source: D.B.S. Preliminary Report on Production of Motor Vehicles, 42-001

PART B

GOVERNMENT EXPENDITURES

Introduction

The grouping of the estimated expenditure for the fiscal year 1967-68 developed in this budget reflects the economic policy which the Government of Ontario must pursue to fulfil its role appropriate to the economic situation and to meet its responsibilities within the existing federal-provincial framework.

The structure highlights the inter-action and the complementary nature of various programs in several departments and agencies. It does not purport to be a complete and comprehensive summary of all items of proposed expenditure nor is it intended to provide a detailed description of the programs themselves. These aspects are more appropriately covered in the context of the Committee of Supply.

In the pages which follow, the main expenditure components have been summarized under the six groupings or program areas which are covered in the Budget Statement. Where appropriate, they are shown in the context of the financial contribution made by the Government of Canada and other revenues applied against the gross expenditure now submitted to the Legislature of Ontario for approval.

HUMAN DEVELOPMENT

"In 1967-68 Ontario proposes to spend \$878 million on education and training programs and to provide \$185 million on capital aid to universities for a total of \$1,063 million—an increase of 35 per cent over 1966-67"

	1966-67 INTERIM FORECAST (MILLIONS OF DOLLARS)			1967-68 ESTIMATES (MILLIONS OF DOLLARS)		
	Gross	Revenue Applied	Ontario Net	Gross	Revenue Applied	Ontario Net
Department of Education						
Legislative Grants for schools.....	383.7	0.1	383.6	443.7	....	443.7
Federal-Provincial Agreements:						
Various Programs.....	36.7	31.6	5.1	21.9	20.1	1.8
Construction of Vocational Units.....	60.0	....	60.0	50.0	....	50.0
Ryerson Polytechnical Institute.....	10.2	0.9	9.3	17.7	....	17.7
Ontario Institute for Studies in Education.....	5.1	....	5.1	8.3	....	8.3
Educational Television.....	1.1	....	1.1	3.1	....	3.1
Other Services.....	120.0	6.9	113.1	130.3	2.0	128.3
	616.8	39.5	577.3	675.0	22.1	652.9
Department of Provincial Secretary and Citizenship						
Training of Immigrants.....	0.4	....	0.4	0.4	....	0.4
Department of University Affairs						
Operating Grants.....	80.6		80.6	161.0	....	161.0
Student Awards.....	10.3		10.3	18.9	....	18.9
University Facilities re Health Sciences.....	....		....	15.0	7.5	7.5
Other Grants and Services.....	11.5		11.5	19.1	....	19.1
	102.4	....	102.4	214.0	7.5	206.5

HUMAN DEVELOPMENT
(Continued)

	1966-67 INTERIM FORECAST (MILLIONS OF DOLLARS)			1967-68 ESTIMATES (MILLIONS OF DOLLARS)		
	Gross	Revenue Applied	Ontario Net	Gross	Revenue Applied	Ontario Net
Department of Labour						
Manpower Training.....	3.5	.....	3.5	9.0	4.0	5.0
Department of Public Works						
Construction of buildings, etc.....	7.0	.....	7.0	13.0	.....	13.0
Sub-total.....	730.1	39.5	690.6	911.4	33.6	877.8
Treasury Department						
Ontario Universities Capital Aid Corporation.....	94.5	.....	94.5	185.0	.....	185.0
TOTAL.....	824.6	39.5	785.1	1,096.4	33.6	1,062.8

INDIVIDUAL AND FAMILY WELL-BEING

“In the coming year we propose to spend \$430 million on these basic public services and to provide additional assistance of \$59 million through loans and advances for a total of \$489 million—an increase of 35 per cent over 1966-67”

	1966-67 INTERIM FORECAST (MILLIONS OF DOLLARS)			1967-68 ESTIMATES (MILLIONS OF DOLLARS)		
	Gross	Revenue Applied	Ontario Net	Gross	Revenue Applied	Ontario Net
Department of Health						
Public Health.....	21.0	....	21.0	35.0	5.0	30.0
Mental Health.....	91.0	4.9	86.1	106.5	4.8	101.7
Medical Services Insurance.....	33.9	....	33.9	50.5	5.0	45.5
Other Services.....	10.0	....	10.0	15.4	0.5	14.9
Ontario Hospital Services Commission						
Hospital Care Insurance Plan.....	50.0	....	50.0	90.0	....	90.0
Grants.....	34.0	....	34.0	37.4	10.0	27.4
Other Services.....	1.5	....	1.5	1.9	....	1.9
	241.4	4.9	236.5	336.7	25.3	311.4
Department of Public Welfare						
Grants.....	52.9	0.8	52.1	91.8	44.4	47.4
Allowances.....	45.0	9.6	35.4	107.2	53.9	53.3
Other Services.....	5.5	....	5.5	8.5	2.1	6.4
	103.4	10.4	93.0	207.5	100.4	107.1
Department of Economics and Development						
Ontario Housing Corporation.....	2.4	....	2.4	3.1	....	3.1
Ontario Student Housing Corporation.....	....	....	....	0.9	....	0.9
	2.4	....	2.4	4.0	....	4.0
Department of University Affairs						
Facilities re Health Sciences Projects.....	....	....	....	15.0	7.5	7.5
Sub-total.....	347.2	15.3	331.9	563.2	133.2	430.0

INDIVIDUAL AND FAMILY WELL-BEING (Continued)

	1966-67 INTERIM FORECAST (MILLIONS OF DOLLARS)		1967-68 ESTIMATES (MILLIONS OF DOLLARS)	
	Gross	Revenue Applied	Gross	Revenue Applied
Loans and Advances				
Department of Economics and Development				
Ontario Housing Corporation.....	13.3	13.3	22.0	22.0
Department of Health.....	18.4	18.4	22.1	22.1
Treasury Department				
Universities Capital Aid Corporation				
Facilities re Health Sciences Projects.....	.....	.....	15.0	15.0
	31.7	.....	59.1	.....
TOTAL.....	378.9	15.3	622.3	133.2
				489.1

AID TO THE FARMING COMMUNITY

"In the first place we have increased the net appropriation for the Department of Agriculture and Food by 24 per cent, bringing it to \$40 million for next year"

	1966-67 INTERIM FORECAST (MILLIONS OF DOLLARS)		1967-68 ESTIMATES (MILLIONS OF DOLLARS)	
	Gross	Revenue Applied	Gross	Revenue Applied
Department of Agriculture and Food				
Grants for Farm Development.....	.....	.....	10.0	.....
A.R.D.A. Projects.....	3.3	1.7	5.4	2.7
Agricultural Research Institute of Ontario.....	7.0	.....	8.4	.....
Other Services.....	24.0	0.3	19.3	0.4
	34.3	2.0	43.1	3.1
TOTAL.....				40.0

PROTECTION OF THE INDIVIDUAL AND THE INVESTMENT CLIMATE

"In the coming year we propose to spend a total of \$59 million on protection of the individual and investment climate"

	1966-67 INTERIM FORECAST (MILLIONS OF DOLLARS)			1967-68 ESTIMATES (MILLIONS OF DOLLARS)		
	Gross	Revenue Applied	Ontario Net	Gross	Revenue Applied	Ontario Net
Department of Attorney General						
Ontario Provincial Police.....	29.2	.....	29.2	32.7	.....	32.7
Legal Aid.....	.....	.....	.....	2.0	.....	2.0
Other Services.....	18.9	1.9	17.0	20.9	2.6	18.3
	48.1	1.9	46.2	55.6	2.6	53.0
Department of Financial and Commercial Affairs						
Various Services.....	1.6	.....	1.6	2.6	.....	2.6
Department of Labour						
Labour Standards.....	0.8	.....	0.8	0.9	.....	0.9
Safety and Technical Services.....	2.3	.....	2.3	2.7	.....	2.7
Human Rights Commission.....	0.1	.....	0.1	0.2	.....	0.2
	3.2	.....	3.2	3.8	.....	3.8
TOTAL.....	52.9	1.9	51.0	62.0	2.6	59.4

DEVELOPMENT AND CONSERVATION PROGRAMS

"We plan to spend \$485 million in the coming year to carry forward our development and conservation programs and to provide additional assistance through loans and advances of \$73 million for a total of \$558 million"

	1966-67 INTERIM FORECAST (MILLIONS OF DOLLARS)			1967-68 ESTIMATES (MILLIONS OF DOLLARS)		
	Gross	Revenue Applied	Ontario Net	Gross	Revenue Applied	Ontario Net
Department of Highways						
Ordinary Expenditure:						
Municipal Subsidies.....	41.7		41.7	45.3		45.3
Maintenance of Highways.....	57.8		57.8	60.2		60.2
Other.....	15.9		15.9	18.6		18.6
Capital Disbursements:						
Municipal Subsidies.....	95.0		95.0	98.7		98.7
Construction of Highways.....	131.3		131.3	142.5		142.5
Property Purchases.....	14.5		14.5	15.0		15.0
Other.....	33.6		33.6	25.4		25.4
	389.8	.....	389.8	405.7	.....	405.7
Department of Mines						
Ordinary Expenditure:						
Operations and Services.....	3.1		3.1	3.4		3.4
Capital Disbursements:						
Construction of Mining and Access Roads.....	0.3		0.3	1.0		1.0
	3.4	.....	3.4	4.4	.....	4.4

DEVELOPMENT AND CONSERVATION PROGRAMS (Continued)

	1966-67 INTERIM FORECAST (MILLIONS OF DOLLARS)			1967-68 ESTIMATES (MILLIONS OF DOLLARS)		
	Gross	Revenue Applied	Ontario Net	Gross	Revenue Applied	Ontario Net
Department of Lands and Forests						
Ordinary Expenditure:						
Operations and Services.....	38.1	1.3	36.8	41.7	0.1	41.6
Capital Disbursements:						
Acquisition of Park Lands, etc.....	4.5	....	4.5	5.0	....	5.0
Construction of Access and Logging Roads.....	1.3	0.5	0.8	1.5	....	1.5
	43.9	1.8	42.1	48.2	0.1	48.1
Department of Energy and Resources Management						
Ordinary Expenditure:						
Ontario Water Resources Commission.....	6.1	....	6.1	7.7	....	7.7
Other Services.....	4.5	....	4.5	3.7	....	3.7
Capital Disbursements:						
Conservation Authorities.....	5.0	....	5.0	9.0	....	9.0
Water Management.....	3.2	....	3.2	5.6	....	5.6
Rural Power Transmission Lines.....	1.0	....	1.0	0.7	....	0.7
	19.8	....	19.8	26.7	....	26.7
Sub-total.....	456.9	1.8	455.1	485.0	0.1	484.9
Loans and Advances:						
Department of Energy and Resources Management						
Ontario Water Resources Commission Projects.....	24.0	....	24.0	65.0	....	65.0
Nuclear Powered Generating Station.....	5.6	....	5.6	7.5	....	7.5
Other.....	0.8	....	0.8	0.2	....	0.2
	30.4	....	30.4	72.7	....	72.7
TOTAL.....	487.3	1.8	485.5	557.7	0.1	557.6

AID TO LOCAL AUTHORITIES

"We expect to provide \$880 million to our local authorities in 1967-68, and \$298 million in additional assistance through loans and advances, for a total of \$1,178 million"

	1966-67 INTERIM FORECAST (MILLIONS OF DOLLARS)				1967-68 ESTIMATES (MILLIONS OF DOLLARS)			
	Gross	Revenue Applied	Ontario Net		Gross	Revenue Applied	Ontario Net	
Department of Agriculture and Food								
Total Assistance.....	0.6	....	0.6		0.6	....	0.6	0.6
Department of Attorney General								
Total Assistance.....	1.1	0.6	0.5		1.0	0.6	0.4	0.4
Department of Economics and Development								
Total Assistance.....	0.1	....	0.1		0.2	....	0.2	0.2
Department of Education								
General Legislative Grants.....	383.7	0.1	383.6		443.7	....	443.7	443.7
Construction and Equipment of Vocational Units.....	60.0	....	60.0		50.0	....	50.0	50.0
Teachers' Superannuation.....	42.8	....	42.8		43.5	....	43.5	43.5
Other Assistance.....	10.2	....	10.2		11.7	....	11.7	11.7
	496.7	0.1	496.6		548.9	....	548.9	548.9
Department of Energy and Resources Management								
Conservation Authorities.....	5.9		5.9		9.3		9.3	9.3
Water Management Program.....	2.1		2.1		3.3		3.3	3.3
Other Assistance.....	0.2		0.2		0.2		0.2	0.2
	8.2	....	8.2		12.8	....	12.8	12.8
Department of Health								
Grants to Local Health Agencies.....	2.2		2.2		5.0		5.0	5.0
Grants to Public Hospitals or Boards.....	34.0		34.0		37.4	10.0	27.4	27.4
Other Assistance.....	0.4		0.4		1.9	....	1.9	1.9
	36.6	....	36.6		44.3	10.0	34.3	34.3

AID TO LOCAL AUTHORITIES (Continued)

	1966-67 INTERIM FORECAST (MILLIONS OF DOLLARS)			1967-68 ESTIMATES (MILLIONS OF DOLLARS)		
	Gross	Revenue Applied	Ontario Net	Gross	Revenue Applied	Ontario Net
Department of Highways						
Municipal Subsidies.....	117.9	.....	117.9	124.0	.....	124.0
Developing Roads.....	18.8	.....	18.8	20.0	.....	20.0
Connecting Links.....	8.7	.....	8.7	8.9	.....	8.9
Special Agreements (Ring roads, etc.).....	10.3	.....	10.3	9.5	.....	9.5
Other Assistance.....	2.0	.....	2.0	2.6	.....	2.6
	157.7	.....	157.7	165.0	.....	165.0
Department of Lands and Forests						
Total Assistance.....	0.2	.....	0.2	0.3	.....	0.3
Department of Municipal Affairs						
Municipal Unconditional Grants.....	28.1	.....	28.1	40.0	.....	40.0
Assessment Act.....	6.9	.....	6.9	9.4	.....	9.4
Planning Act.....	2.4	.....	2.4	4.0	.....	4.0
Winter Works Incentive Program.....	10.7	6.8	3.9	11.1	7.5	3.6
Centennial Grants Program.....	3.5	2.0	1.5	6.5	3.0	3.5
Other Assistance.....	4.3	.....	4.3	5.3	.....	5.3
	55.9	8.8	47.1	76.3	10.5	65.8
Department of Public Welfare						
Child Welfare.....	17.3	.....	17.3	23.6	11.6	12.0
Homes for the Aged and Rest Homes.....	9.2	.....	9.2	17.4	7.1	10.3
General Welfare Assistance.....	11.8	.....	11.8	35.0	21.9	13.1
Charitable Institutions.....	4.9	.....	4.9	8.5	1.0	7.5
Other Assistance.....	2.7	.....	2.7	6.6	2.2	4.4
	45.9	.....	45.9	91.1	43.8	47.3
Department of Public Works						
Total Assistance.....	.....	.....	.....	0.1	.....	0.1

AID TO LOCAL AUTHORITIES (Continued)

	1966-67 INTERIM FORECAST (MILLIONS OF DOLLARS)			1967-68 ESTIMATES (MILLIONS OF DOLLARS)		
	Gross	Revenue Applied	Ontario Net	Gross	Revenue Applied	Ontario Net
Department of Reform Institutions						
Regional Detention Centres.....	0.1	....	0.1	2.0	....	2.0
Private Training Schools.....	1.7	....	1.7	1.9	....	1.9
Other Assistance.....	0.5	....	0.5	0.5	....	0.5
Department of Tourism and Information						
Total Assistance.....	2.3	....	2.3	4.4	....	4.4
Sub-total.....	805.3	9.5	795.8	945.1	64.9	880.2
Loans and Advances:						
Department of Energy and Resources Management						
Ontario Water Resources Commission Projects.....	24.0	....	24.0	65.0	....	65.0
Other.....	0.8	....	0.8	0.2	....	0.2
Department of Health						
Hospital Construction, etc.....	24.8	....	24.8	65.2	....	65.2
Department of Municipal Affairs						
Municipal Works Assistance Act.....	18.4	....	18.4	22.1	....	22.1
Other.....	40.0	....	40.0	50.0	....	50.0
Treasury Department						
Ontario Municipal Improvement Corporation.....	0.6	....	0.6	7.8	....	7.8
Ontario Education Capital Aid Corporation.....	170.0	....	170.0	150.0	....	150.0
Drainage.....	1.9	....	1.9	2.2	....	2.2
Sub-total.....	172.5	....	172.5	160.0	....	160.0
TOTAL.....	1,061.7	9.5	1,052.2	1,243.0	64.9	1,178.1

PART C

GOVERNMENT FINANCIAL STATEMENTS

Part C of the Budget Papers presents in summary form interim financial statements for the fiscal year 1966-67 and forecast statements for the fiscal year 1967-68. Also included are more detailed comparative financial statements for the five fiscal years 1962-63 to 1966-67.

Interim Statements For Fiscal Year 1966-67

The interim statements for the fiscal year 1966-67 are based on eight months' actual and four months' forecast. The net ordinary expenditure includes Supplementary Estimates totalling \$9.9 million. These payments are as follows:

Department of Energy and Resources Management:

Provision for payment to the Ontario Northland Transportation Commission to compensate for losses on operations for the year ended December 31, 1965.....	\$1,194,400
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Department of Health:

Special Grants to Public Hospitals under the authority of The Public Hospitals Act and the regulations thereunder.....	4,275,000
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Special Grants:

Hospital for Sick Children.....	3,500,000
Sunnybrook Hospital.....	936,000

Expenditures

Net ordinary expenditure before providing \$42.0 million for sinking fund and \$241.0 million for capital disbursements financed out of ordinary revenue is estimated at \$1,495.5 million. Net capital disbursements on highways, buildings and other physical assets are expected to total \$336.3 million. Thus, the combined net expenditures for ordinary purposes and investment in physical assets are estimated at \$1,831.8 million.

Bulking large in the province's net ordinary and capital expenditures are those of the following departments: Education, \$577.3 million; Highways, \$389.8 million; Health, \$236.4 million; University Affairs, \$102.5 million; and Public Welfare, \$93.0 million. These five departments account for over three-quarters of the total expenditures.

Revenues

The net revenues for the fiscal year 1966-67 are estimated at \$1,780.8 million, consisting of \$1,779.3 million in net ordinary revenue and \$1.5 million in net capital receipts from the sale of physical assets. Due to high levels of employment and income, there has been a marked increase in tax yields, especially in the personal income tax field. After allowing for the adjustment in the province's share, the yield of the personal income tax at constant rates of tax has increased by an estimated 20 per cent. Receipts from major sources of revenue are as follows: personal income tax collection agreement, \$392.0 million; retail sales tax, \$387.0 million; corporations tax, \$267.0 million; gasoline tax, \$264.0 million; and Liquor Control Board, \$132.0 million.

Budgetary Position

Thus, in 1966-67, the combined net expenditures on ordinary and capital accounts are estimated before provision for sinking fund to exceed net revenues by \$51.0 million, or \$33.9 million less than the budget forecast of a year ago.

Other Transactions

These transactions on capital account increase or decrease the province's assets or liabilities accounts but are not included in the determination of the annual budgetary position. Net capital disbursements for these purposes are estimated at \$485.8 million, of which \$431.5 million is for loans and advances, largely to government agencies and local authorities. Offsetting these disbursements are net capital receipts, exclusive of provision for sinking fund, amounting to \$110.6 million, of which \$78.7 million represents deposits in special funds and \$30.0 million is for repayment of loans and advances.

Capital Debt

As of March 31, 1967, the gross capital debt of the province is estimated at \$2,963.1 million. Upon deducting revenue-producing and realizable assets of \$1,533.7 million, the net capital debt at March 31, 1967 is estimated at \$1,429.4 million. This is an increase of \$48.9 million over the net capital debt at March 31, 1966.

Forecast Statements For Fiscal Year 1967-68

Expenditures

Net ordinary expenditure before providing \$43.0 million for sinking fund and \$151.0 million for capital disbursements to be financed out of ordinary revenue is forecast at \$1,834.9 million. Net capital disbursements on physical assets are estimated at \$358.4 million. Combined net expenditures are thus expected to total \$2,193.3 million for the fiscal year 1967-68. The combined net expenditures of the five major spending departments are: Education, \$652.8 million; Highways, \$405.8 million; Health, \$311.4 million; University Affairs, \$206.6 million; and Public Welfare, \$107.1 million.

The forecast budgetary expenditures of \$2,193.3 million for the fiscal year 1967-68 represent an increase of \$361.4 million or 19.7 per cent over the amount estimated to be spent in the current fiscal year. A part of this increase is attributable to the increased responsibilities the province is assuming under the new arrangement in respect of post-secondary education.

The net expenditures of the Department of University Affairs are expected to increase by \$104.1 million or 101.6 per cent in the coming fiscal year. Net expenditures of the Department of Education are forecast to increase by \$75.6 million or 13.1 per cent and those of the Department of Health by \$74.9 million or 31.7 per cent in the fiscal year 1967-68. Together the Departments of University Affairs, Education and Health account for 70.4 per cent of the increase in budgetary spending next fiscal year. Other major increases include \$19.4 million for Municipal Affairs, \$16.0 million for Highways and \$14.1 million for Public Welfare.

Revenues

The total of net ordinary revenue and net capital receipts from the sale of physical assets is forecast for the coming fiscal year at \$2,030.7 million. This estimate includes a transfer from the federal government to the province of four additional percentage points of personal income tax and one additional percentage point of corporation income tax. These transfers are being made to compensate the province in part for its increased responsibilities in the financing of post-secondary education. They will increase the province's share of the personal income tax field from 24 per cent to 28 per cent of the basic tax assessed and of the corporation income tax field from 11 per cent to 12 per cent of taxable corporation income. These adjustments will have no effect on the total tax payable by individuals or corporations. The provincial share will be increased by the same amount that the federal share is reduced.

The forecast of combined net revenues of \$2,030.7 million exceeds the estimated total for the current fiscal year by \$249.9 million or 14.0 per cent. The additional revenue arising from the new arrangement for post-secondary education is forecast at \$106 million, consisting of \$98 million in personal and corporate income taxes and \$8 million from the federal government by way of a program equalization payment.

Yields from major sources of revenue are forecast as follows: personal income tax collection agreement, \$533.7 million; retail sales tax, \$412.0 million; corporations tax, \$287.5 million; gasoline tax, \$279.0 million; and Liquor Control Board, \$142.0 million. These five sources of revenue are expected to account for approximately four-fifths of the total revenues.

Budgetary Position

Overall, the combined expenditures for ordinary purposes and for investment in physical assets are forecast to exceed revenues by \$162.6 million. This reliance on borrowing power will be equivalent to about one month's revenue and will represent about 45 per cent of the capital disbursements on new physical assets.

Other Transactions

Net capital disbursements for transactions other than budgetary purposes are forecast at \$593.0 million, of which \$540.2 million is for loans and advances. Net capital receipts for other transactions, exclusive of provision for sinking fund, are forecast at \$111.1 million, of which \$37.0 million is for repayment of loans and advances, and \$72.3 million represents deposits in special funds.

**COMBINED NET ORDINARY EXPENDITURE
AND NET CAPITAL DISBURSEMENTS ON PHYSICAL ASSETS¹**

(THOUSANDS OF DOLLARS)

	Estimated 1966-67	Budget Forecast 1967-68		Increase Over 1966-67
		Amount	% of Total	
AGRICULTURE AND FOOD.....	32,351	40,070	1.8	7,719
ATTORNEY GENERAL.....	46,243	52,996	2.4	6,753
CIVIL SERVICE.....	1,412	1,780	.1	368
ECONOMICS AND DEVELOPMENT.....	16,506 ²	12,796	.6	(3,710)
EDUCATION.....	577,262	652,840	29.8	75,578
ENERGY AND RESOURCES				
MANAGEMENT.....	19,908	26,762	1.2	6,854
FINANCIAL AND COMMERCIAL AFFAIRS	1,646	2,563	.1	917
HEALTH.....	236,437	311,353	14.2	74,916
HIGHWAYS.....	389,785	405,761	18.5	15,976
LABOUR.....	9,281	12,186	.6	2,905
LANDS AND FORESTS.....	42,165	48,100	2.2	5,935
LIEUTENANT GOVERNOR.....	33	37	....	4
MINES.....	3,327	4,346	.2	1,019
MUNICIPAL AFFAIRS.....	51,442	70,871	3.2	19,429
PRIME MINISTER.....	259	291	....	32
PROVINCIAL AUDITOR.....	640	703	....	63
PROVINCIAL SECRETARY AND				
CITIZENSHIP.....	6,108	6,187	.3	79
PUBLIC WELFARE.....	92,979	107,121	4.9	14,142
PUBLIC WORKS.....	63,241	71,051	3.2	7,810
REFORM INSTITUTIONS.....	22,783	27,028	1.2	4,245
TOURISM AND INFORMATION.....	9,373	10,527	.5	1,154
TRANSPORT.....	9,430	10,361	.5	931
TREASURY.....	34,459	37,208	1.7	2,749
UNIVERSITY AFFAIRS.....	102,463	206,562	9.4	104,099
PUBLIC DEBT—Interest, etc.....	62,319	73,787	3.4	11,468
	<u>1,831,852</u>	<u>2,193,287</u>	<u>100.0</u>	<u>361,435</u>

¹Excludes Provision for Sinking Fund.

²Includes \$7,052,000 for costs of participation in the Canadian Universal and International Exhibition of 1967.

**COMBINED NET ORDINARY REVENUE AND
NET CAPITAL RECEIPTS FROM PHYSICAL ASSETS**

(THOUSANDS OF DOLLARS)

	Estimated 1966-67	Budget Forecast 1967-68 Amount % of Total	Increase Over 1966-67
TREASURY			
Income Tax Collection Agreement.....	392,011	533,702 26.3	141,691
Retail Sales Tax.....	387,000	412,000 20.3	25,000
Corporations Tax.....	267,000	287,500 14.2	20,500
Gasoline Tax.....	264,000	279,000 13.8	15,000
Liquor Control Board.....	132,000	142,000 7.0	10,000
Succession Duty.....	57,000	57,000 2.8	.....
Motor Vehicle Fuel Tax.....	18,000	19,800 1.0	1,800
Share of Federal Estate Tax.....	19,743	18,842 .9	(901)
Tobacco Tax.....	18,000	18,500 .9	500
Race Tracks Tax.....	13,500	14,500 .7	1,000
Land Transfer Tax.....	8,500	9,000 .4	500
Hospitals Tax.....	8,200	8,500 .4	300
Post-Secondary Education Program Equalization Payment.....	..... 18,437	8,000 18,421 .9	8,000 (16)
	<u>1,603,391</u>	<u>1,826,765</u> 90.0	<u>223,374</u>
TRANSPORT.....	<u>95,487</u>	<u>99,414</u> 4.9	<u>3,927</u>
LANDS AND FORESTS.....	<u>27,295</u>	<u>28,750</u> 1.4	<u>1,455</u>
PUBLIC WELFARE.....	<u>282</u>	<u>17,922</u> .9	<u>17,640</u>
MINES.....	<u>13,087</u>	<u>15,152</u> .7	<u>2,065</u>
ATTORNEY GENERAL.....	<u>13,676</u>	<u>14,306</u> .7	<u>630</u>
OTHER DEPARTMENTS.....	<u>27,602</u>	<u>28,389</u> 1.4	<u>787</u>
	<u><u>1,780,820</u></u>	<u><u>2,030,698</u></u> 100.0	<u><u>249,878</u></u>

**INTERIM STATEMENT OF ORDINARY REVENUE
FISCAL YEAR APRIL 1, 1966 TO MARCH 31, 1967**

8 MONTHS' ACTUAL PLUS 4 MONTHS' FORECAST

DEPARTMENT	Gross Ordinary Revenue	Application of Revenue to Expenditure	Net Ordinary Revenue
AGRICULTURE AND FOOD.....	\$ 3,191,000	\$ 1,987,000	\$ 1,204,000
ATTORNEY GENERAL.....	15,531,000	1,855,000	13,676,000
ECONOMICS AND DEVELOPMENT.....	30,000	.....	30,000
EDUCATION.....	45,139,000	39,507,000	5,632,000
ENERGY AND RESOURCES MANAGEMENT.....	496,000	.....	496,000
FINANCIAL AND COMMERCIAL AFFAIRS	1,403,000	.....	1,403,000
HEALTH.....	9,286,000	4,910,000	4,376,000
HIGHWAYS.....	3,688,000	.....	3,688,000
LABOUR.....	2,180,000	.....	2,180,000
LANDS AND FORESTS.....	27,500,000	1,275,000	26,225,000
MINES.....	13,114,000	29,000	13,085,000
MUNICIPAL AFFAIRS.....	9,656,000	8,750,000	906,000
PROVINCIAL SECRETARY AND CITIZENSHIP.....	3,716,000	.....	3,716,000
PUBLIC WELFARE.....	10,706,000	10,424,000	282,000
PUBLIC WORKS.....	1,368,000	.....	1,368,000
REFORM INSTITUTIONS.....	3,775,000	2,909,000	866,000
TOURISM AND INFORMATION.....	1,347,000	.....	1,347,000
TRANSPORT.....	96,191,000	704,000	95,487,000
TREASURY:			
Main Office—Subsidy.....	4,624,000	.....	4,624,000
Interest.....	72,000	.....	72,000
Miscellaneous.....	101,000	.....	101,000
Ontario Racing Commission.....	140,000	.....	140,000
Liquor Control Board.....	132,000,000	.....	132,000,000
Province of Ontario Savings Office.....	1,122,000	1,122,000	.....
Provincial share of Income Tax collected from privately-owned corporations operating public utilities.....	1,000,000	.....	1,000,000
Water Rentals.....	7,000,000	.....	7,000,000
Comptroller of Revenue:			
Income Tax Collection Agreement.....	392,011,000	.....	392,011,000
Corporations Tax.....	267,000,000	.....	267,000,000
Retail Sales Tax.....	387,000,000	.....	387,000,000
Gasoline Tax.....	264,000,000	.....	264,000,000
Succession Duty.....	57,000,000	.....	57,000,000
Share of Federal Estate Tax.....	19,743,000	.....	19,743,000
Tobacco Tax.....	18,000,000	.....	18,000,000
Motor Vehicle Fuel Tax.....	18,000,000	.....	18,000,000
Race Tracks Tax.....	13,500,000	.....	13,500,000
Hospitals Tax.....	8,200,000	.....	8,200,000
Land Transfer Tax.....	8,500,000	.....	8,500,000
Security Transfer Tax.....	3,500,000	.....	3,500,000
Logging Tax.....	2,000,000	.....	2,000,000
Total for Treasury.....	\$1,604,513,000	\$ 1,122,000	\$1,603,391,000
	\$1,852,830,000	\$ 73,472,000	\$1,779,358,000
PUBLIC DEBT—Interest, etc.....	60,930,000	60,930,000	.....
	<u>\$1,913,760,000</u>	<u>\$134,402,000</u>	<u>\$1,779,358,000</u>

**INTERIM STATEMENT OF ORDINARY EXPENDITURE
FISCAL YEAR APRIL 1, 1966 TO MARCH 31, 1967**

8 MONTHS' ACTUAL PLUS 4 MONTHS' FORECAST

DEPARTMENT	Gross Ordinary Expenditure	Application of Revenue to Expenditure	Net Ordinary Expenditure
AGRICULTURE AND FOOD.....	\$ 34,338,000	\$ 1,987,000	\$ 32,351,000
ATTORNEY GENERAL.....	48,098,000	1,855,000	46,243,000
CIVIL SERVICE.....	1,412,000	.....	1,412,000
ECONOMICS AND DEVELOPMENT.....	16,506,000	.....	16,506,000
EDUCATION.....	616,769,000	39,507,000	577,262,000
ENERGY AND RESOURCES MANAGEMENT.....	10,676,000	.....	10,676,000
FINANCIAL AND COMMERCIAL AFFAIRS	1,646,000	.....	1,646,000
HEALTH.....	241,347,000	4,910,000	236,437,000
HIGHWAYS.....	115,392,000	.....	115,392,000
LABOUR.....	9,281,000	.....	9,281,000
LANDS AND FORESTS.....	38,100,000	1,275,000	36,825,000
LIEUTENANT GOVERNOR.....	33,000	.....	33,000
MINES.....	3,056,000	29,000	3,027,000
MUNICIPAL AFFAIRS.....	59,329,000	8,750,000	50,579,000
PRIME MINISTER.....	259,000	.....	259,000
PROVINCIAL AUDITOR.....	640,000	.....	640,000
PROVINCIAL SECRETARY AND CITIZENSHIP.....	6,108,000	.....	6,108,000
PUBLIC WELFARE.....	103,403,000	10,424,000	92,979,000
PUBLIC WORKS.....	17,067,000	.....	17,067,000
REFORM INSTITUTIONS.....	25,692,000	2,909,000	22,783,000
TOURISM AND INFORMATION.....	9,373,000	.....	9,373,000
TRANSPORT.....	10,134,000	704,000	9,430,000
TREASURY.....	35,581,000	1,122,000	34,459,000
UNIVERSITY AFFAIRS.....	102,463,000	.....	102,463,000
	<u>\$1,506,703,000</u>	<u>\$ 73,472,000</u>	<u>\$1,433,231,000</u>
PUBLIC DEBT—Interest, etc.....	123,249,000	60,930,000	62,319,000
	<u>\$1,629,952,000</u>	<u>\$134,402,000</u>	<u>\$1,495,550,000</u>
PUBLIC DEBT—Provision for Sinking Fund.....	42,000,000	.....	42,000,000
	<u>\$1,671,952,000</u>	<u>\$134,402,000</u>	<u>\$1,537,550,000</u>
Capital Disbursements financed out of Ordinary Revenue.....	241,000,000	.....	241,000,000
	<u>\$1,912,952,000</u>	<u>\$134,402,000</u>	<u>\$1,778,550,000</u>

SUMMARY

**ORDINARY REVENUE AND ORDINARY EXPENDITURE
FISCAL YEAR APRIL 1, 1966 TO MARCH 31, 1967**

8 MONTHS' ACTUAL PLUS 4 MONTHS' FORECAST

NET ORDINARY REVENUE.....	\$1,779,358,000
Less: Net Ordinary Expenditure.....	\$1,495,550,000
Provision for Sinking Fund.....	42,000,000
Capital Disbursements financed out of Ordinary Revenue.....	241,000,000
	<u>1,778,550,000</u>
INTERIM SURPLUS.....	<u>\$ 808,000</u>

INTERIM STATEMENT OF CAPITAL RECEIPTS
FISCAL YEAR APRIL 1, 1966 TO MARCH 31, 1967
8 MONTHS' ACTUAL PLUS 4 MONTHS' FORECAST

DEPARTMENT	Gross Capital Receipts	Application of Receipts to Disbursements	Net Capital Receipts
EDUCATION.....	\$ 1,315,000	\$.....	\$ 1,315,000
ENERGY AND RESOURCES MANAGEMENT.....	34,000	.....	34,000
HEALTH.....	4,000,000	.....	4,000,000
HIGHWAYS.....	250,000	.....	250,000
LABOUR.....	14,050,000	.....	14,050,000
LANDS AND FORESTS.....	1,550,000	480,000	1,070,000
MINES.....	3,000	.....	3,000
MUNICIPAL AFFAIRS.....	10,030,000	.....	10,030,000
PUBLIC WELFARE.....	18,061,000	18,061,000	.....
PUBLIC WORKS.....	160,000	.....	160,000
TRANSPORT.....	8,395,000	.....	8,395,000
TREASURY.....	114,706,000	.....	114,706,000
	<u>\$172,554,000</u>	<u>\$18,541,000</u>	<u>\$154,013,000</u>

SUMMARY

Sale of Land, Buildings, etc.....	\$ 1,462,000
Repayment of Loans and Advances.....	29,951,000
Special Funds.....	78,688,000
Deferred Assets, etc.....	43,912,000
	<u>\$154,013,000</u>

INTERIM STATEMENT OF CAPITAL DISBURSEMENTS
FISCAL YEAR APRIL 1, 1966 TO MARCH 31, 1967

8 MONTHS' ACTUAL PLUS 4 MONTHS' FORECAST

DEPARTMENT	Gross Capital Disbursements	Application of Receipts to Disbursements	Net Capital Disbursements
AGRICULTURE AND FOOD.....	\$ 626,000	\$.....	\$ 626,000
ECONOMICS AND DEVELOPMENT.....	13,345,000	.....	13,345,000
ENERGY AND RESOURCES MANAGEMENT.....	39,564,000	.....	39,564,000
HEALTH.....	18,383,000	.....	18,383,000
HIGHWAYS.....	274,393,000	.....	274,393,000
LABOUR.....	12,500,000	.....	12,500,000
LANDS AND FORESTS.....	5,820,000	480,000	5,340,000
MINES.....	300,000	.....	300,000
MUNICIPAL AFFAIRS.....	41,552,000	.....	41,552,000
PUBLIC WELFARE.....	18,061,000	18,061,000	.....
PUBLIC WORKS.....	46,279,000	.....	46,279,000
TRANSPORT.....	4,904,000	.....	4,904,000
TREASURY.....	364,932,000	.....	364,932,000
	<u>\$840,659,000</u>	<u>\$18,541,000</u>	<u>\$822,118,000</u>
Less: Financed out of Ordinary Revenue.....	241,000,000	.....	241,000,000
	<u>\$599,659,000</u>	<u>\$18,541,000</u>	<u>\$581,118,000</u>

SUMMARY

Highways, Buildings, etc.....	\$336,302,000	
Less: Financed out of Ordinary Revenue...	<u>241,000,000</u>	
		\$ 95,302,000
Loans and Advances.....		431,454,000
Special Funds.....		53,762,000
Miscellaneous.....		600,000
		<u>\$581,118,000</u>

ESTIMATED INCREASE IN THE GROSS CAPITAL DEBT FOR THE FISCAL YEAR ENDING MARCH 31, 1967

Estimated Gross Capital Debt as at March 31, 1967.....	\$2,963,111,870.00
Gross Capital Debt as at March 31, 1966.....	2,508,986,251.88

ESTIMATED INCREASE IN GROSS CAPITAL DEBT.....	<u>\$ 454,125,618.12</u>
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GROSS CAPITAL DEBT INCREASED BY:

Capital Disbursements on Highways, Buildings, Public Works, etc.....	\$ 336,302,000.00
Less: Capital Receipts.....	\$ 1,462,000.00
Capital Disbursements fi- nanced out of Ordinary Revenue.....	241,000,000.00
	<u>242,462,000.00</u>
	\$ 93,840,000.00

Increase in Investments of:

The Ontario Junior Farmer Establishment Loan Corporation.....	16,295,500.00
The Ontario Housing Corporation (net).....	47,500,000.00
The Ontario Education Capital Aid Corporation	169,300,000.00
Ontario Development Corporation.....	7,281,000.00
The Sheridan Park Corporation.....	243,000.00
The Ontario Universities Capital Aid Corpora- tion (net).....	92,649,000.00

Increase in Advances:

Ontario Water Resources Commission.....	24,000,000.00
Hospital Construction loans (net).....	17,603,000.00
The Hydro-Electric Power Commission of Ontario—Secured by Bonds.....	35,000,000.00
Municipal Works Assistance Program (net)....	28,000,000.00
The Ontario Northland Transportation Commis- sion.....	2,000,000.00
Tile Drainage loans (net).....	711,000.00
The Hydro-Electric Power Commission of Ontario—Nuclear Powered Generating Station.....	5,574,000.00
Conservation authorities—recoverable loans....	758,000.00
Miscellaneous loans (net).....	598,000.00
Repayment to Government of Canada under Tax Rental Agreement, 1952-56.....	600,000.00
	<u>\$ 541,952,500.00</u>

GROSS CAPITAL DEBT DECREASED BY:

Sinking Fund Provision charged to Ordinary Expendi- ture.....	\$ 42,000,000.00
Estimated Surplus on Ordinary Account.....	808,000.00
	<u>\$ 42,808,000.00</u>

Decrease in Investments of:

Housing Corporation Limited.....	73,000.00
The Ontario Municipal Improvement Corporation	6,535,000.00

Decrease in advances:

The Hydro-Electric Power Commission of Ontario —on secured and unsecured advances.....	3,400,000.00
The Municipality of Metropolitan Toronto.....	911,000.00
Student-aid loans.....	1,315,000.00
Increase in Reserves (net).....	846,000.00
Discount and Exchange on Debentures, written off..	1,853,000.00

Decrease in Temporary Investments and Cash on Hand and in Banks.....	30,085,881.88	87,826,881.88
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ESTIMATED INCREASE IN GROSS CAPITAL DEBT.....	<u>\$ 454,125,618.12</u>
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**ESTIMATED INCREASE IN THE NET CAPITAL DEBT
FOR THE FISCAL YEAR ENDING MARCH 31, 1967**

Estimated as at March 31, 1967:

Estimated Gross Capital Debt	\$2,963,111,870.00
Less: Estimated Revenue-Producing and Realizable Assets	1,533,674,819.00

Estimated Net Capital Debt	\$1,429,437,051.00
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As at March 31, 1966:

Gross Capital Debt	\$2,508,986,251.88
Less: Revenue-Producing and Realizable Assets	1,128,481,579.92

Net Capital Debt	1,380,504,671.96
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ESTIMATED INCREASE IN NET CAPITAL DEBT	<u>\$ 48,932,379.04</u>
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NET CAPITAL DEBT INCREASED BY:

Capital Disbursements on Highways, Buildings, Public Works, etc.	\$ 336,302,000.00
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Less: Capital Receipts	\$ 1,462,000.00
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Capital Disbursements financed out of Ordinary Revenue	241,000,000.00
	<u>242,462,000.00</u>

	\$ 93,840,000.00
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Repayment to Government of Canada under Tax Rental Agreement, 1952-56	600,000.00
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	<u>\$ 94,440,000.00</u>
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NET CAPITAL DEBT DECREASED BY:

Sinking Fund Provision charged to Ordinary Expenditure	\$ 42,000,000.00
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Surplus on Ordinary Account	808,000.00
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	<u>\$ 42,808,000.00</u>
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Discount and Exchange on Debentures, written off ..	1,853,000.00
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Increase in Reserves (net)	846,000.00
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Miscellaneous Decrease	620.96
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	<u>45,507,620.96</u>
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ESTIMATED INCREASE IN NET CAPITAL DEBT	<u>\$ 48,932,379.04</u>
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**ESTIMATED INCREASE IN THE FUNDED DEBT
FOR THE FISCAL YEAR ENDING MARCH 31, 1967**

Estimated as at March 31, 1967 (after deducting Sinking Fund).....	\$2,484,717,486.40
As at March 31, 1966 (after deducting Sinking Fund).....	2,085,365,039.18
ESTIMATED INCREASE IN FUNDED DEBT.....	<u>\$ 399,352,447.22</u>

FUNDED DEBT INCREASED BY:

Debentures Issued:

Series "DW"—5½% due April 1, 1996.....	\$ 35,000,000.00
Series "MER"—5% due December 31, 1973(1).....	20,100,000.00
Series "MW"—5¼%—5¾% due 1967 to 1987(3).....	30,000,000.00
Series "CPP"—5.37%—5.61% due 1986 and 1987(4).....	325,000,000.00
Series "TI"—5% due November 1, 1972(2)....	40,500,000.00
	<u>\$ 450,600,000.00</u>

FUNDED DEBT DECREASED BY:

Redemption of Debentures:

On Maturity.....	\$ 57,477,049.19
Prior to Maturity.....	1,671,000.00
	<u>\$ 59,148,049.19</u>

Deduct: Debentures retired from

Sinking Fund..... \$ 49,900,496.41

Less: Provision for Sinking Fund..... 42,000,000.00

7,900,496.41

51,247,552.78

ESTIMATED INCREASE IN FUNDED DEBT.....	<u>\$ 399,352,447.22</u>
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- (1) Issued under The Ontario Municipal Employees Retirement System Act.
- (2) Issued under The Teachers' Superannuation Act.
- (3) Issued under The Municipal Works Assistance Act, 1963.
- (4) Issued—Canada Pension Plan.

**ESTIMATED INCREASE IN CONTINGENT LIABILITIES
(BEFORE DEDUCTING GUARANTEED BONDS HELD IN SINKING FUNDS)
FOR THE FISCAL YEAR ENDING MARCH 31, 1967**

Estimated as at March 31, 1967.....	\$1,812,548,454.00
As at March 31, 1966.....	1,775,515,354.00

ESTIMATED INCREASE IN CONTINGENT LIABILITIES.....	<u>\$ 37,033,100.00</u>
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CONTINGENT LIABILITIES INCREASED BY:

New guarantees or increases in existing guarantees during the fiscal year ending March 31, 1967—

The Hydro-Electric Power Commission of Ontario.....	\$ 144,000,000.00	
Ontario Northland Transportation Commission..	5,700,000.00	
Economic Development Loans.....	46,000.00	
The Junior Farmer Establishment Act.....	29,000.00	
Co-operative Associations.....	4,000.00	
		<u>\$ 149,779,000.00</u>

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, 1967—

The Hydro-Electric Power Commission of Ontario.....	\$ 107,419,700.00	
Ontario Northland Transportation Commission..	4,319,000.00	
Ontario Flue-Cured Tobacco Growers' Marketing Board.....	569,000.00	
Ontario Stock Yards Board.....	45,000.00	
Economic Development Loans.....	241,000.00	
Loans to purchase hay and grain.....	138,200.00	
The Junior Farmer Establishment Act.....	12,000.00	
Co-operative Associations.....	2,000.00	
		<u>\$ 112,745,900.00</u>

ESTIMATED INCREASE IN CONTINGENT LIABILITIES.....	<u>\$ 37,033,100.00</u>
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**BUDGET FORECAST OF ORDINARY REVENUE
FISCAL YEAR APRIL 1, 1967 TO MARCH 31, 1968**

DEPARTMENT	Gross Ordinary Revenue	Application of Revenue to Expenditure	Net Ordinary Revenue
AGRICULTURE AND FOOD.....	\$ 4,320,000	\$ 3,074,000	\$ 1,246,000
ATTORNEY GENERAL.....	16,915,000	2,609,000	14,306,000
ECONOMICS AND DEVELOPMENT.....	581,000	356,000	225,000
EDUCATION.....	27,734,000	22,166,000	5,568,000
ENERGY AND RESOURCES MANAGEMENT.....	777,000	.....	777,000
FINANCIAL AND COMMERCIAL AFFAIRS	1,492,000	.....	1,492,000
HEALTH.....	29,024,000	25,300,000	3,724,000
HIGHWAYS.....	3,948,000	.....	3,948,000
LABOUR.....	6,240,000	3,958,000	2,282,000
LANDS AND FORESTS.....	28,000,000	100,000	27,900,000
MINES.....	15,181,000	29,000	15,152,000
MUNICIPAL AFFAIRS.....	11,444,000	10,450,000	994,000
PROVINCIAL SECRETARY AND CITIZENSHIP.....	3,736,000	.....	3,736,000
PUBLIC WELFARE.....	118,335,000	100,413,000	17,922,000
PUBLIC WORKS.....	1,500,000	.....	1,500,000
REFORM INSTITUTIONS.....	4,111,000	3,202,000	909,000
TOURISM AND INFORMATION.....	1,548,000	.....	1,548,000
TRANSPORT.....	100,200,000	786,000	99,414,000
UNIVERSITY AFFAIRS.....	7,500,000	7,500,000	.....
TREASURY:			
Main Office—Subsidy.....	4,624,000	.....	4,624,000
Interest.....	72,000	.....	72,000
Miscellaneous.....	85,000	.....	85,000
Ontario Racing Commission.....	140,000	.....	140,000
Liquor Control Board.....	142,000,000	.....	142,000,000
Province of Ontario Savings Office.....	1,148,000	1,148,000	.....
Provincial share of Income Tax collected from privately-owned corporations operating public utilities.....	1,000,000	.....	1,000,000
Water Rentals.....	7,000,000	.....	7,000,000
Post-Secondary Education Program Equalization Payment.....	8,000,000	.....	8,000,000
Comptroller of Revenue:			
Income Tax Collection Agreement.....	533,702,000	.....	533,702,000
Corporations Tax.....	287,500,000	.....	287,500,000
Retail Sales Tax.....	412,000,000	.....	412,000,000
Gasoline Tax.....	279,000,000	.....	279,000,000
Succession Duty.....	57,000,000	.....	57,000,000
Share of Federal Estate Tax.....	18,842,000	.....	18,842,000
Tobacco Tax.....	18,500,000	.....	18,500,000
Motor Vehicle Fuel Tax.....	19,800,000	.....	19,800,000
Race Tracks Tax.....	14,500,000	.....	14,500,000
Hospitals Tax.....	8,500,000	.....	8,500,000
Land Transfer Tax.....	9,000,000	.....	9,000,000
Logging Tax.....	2,000,000	.....	2,000,000
Security Transfer Tax.....	3,500,000	.....	3,500,000
Total for Treasury.....	\$1,827,913,000	\$ 1,148,000	\$1,826,765,000
	\$2,210,499,000	\$181,091,000	\$2,029,408,000
PUBLIC DEBT—Interest, etc.....	73,742,000	73,742,000	.....
	<u>\$2,284,241,000</u>	<u>\$254,833,000</u>	<u>\$2,029,408,000</u>

**BUDGET FORECAST OF ORDINARY EXPENDITURE
FISCAL YEAR APRIL 1, 1967 TO MARCH 31, 1968**

DEPARTMENT	Gross Ordinary Expenditure	Application of Revenue to Expenditure	Net Ordinary Expenditure
AGRICULTURE AND FOOD.....	\$ 43,144,000	\$ 3,074,000	\$ 40,070,000
ATTORNEY GENERAL.....	55,605,000	2,609,000	52,996,000
CIVIL SERVICE.....	1,780,000	.....	1,780,000
ECONOMICS AND DEVELOPMENT.....	13,152,000	356,000	12,796,000
EDUCATION.....	675,006,000	22,166,000	652,840,000
ENERGY AND RESOURCES MANAGEMENT.....	11,392,000	.....	11,392,000
FINANCIAL AND COMMERCIAL AFFAIRS	2,563,000	.....	2,563,000
HEALTH.....	336,653,000	25,300,000	311,353,000
HIGHWAYS.....	124,128,000	.....	124,128,000
LABOUR.....	16,144,000	3,958,000	12,186,000
LANDS AND FORESTS.....	41,650,000	100,000	41,550,000
LIEUTENANT GOVERNOR.....	37,000	.....	37,000
MINES.....	3,375,000	29,000	3,346,000
MUNICIPAL AFFAIRS.....	79,464,000	10,450,000	69,014,000
PRIME MINISTER.....	291,000	.....	291,000
PROVINCIAL AUDITOR.....	703,000	.....	703,000
PROVINCIAL SECRETARY AND CITIZENSHIP.....	6,187,000	.....	6,187,000
PUBLIC WELFARE.....	207,534,000	100,413,000	107,121,000
PUBLIC WORKS.....	19,110,000	.....	19,110,000
REFORM INSTITUTIONS.....	30,230,000	3,202,000	27,028,000
TOURISM AND INFORMATION.....	10,527,000	.....	10,527,000
TRANSPORT.....	11,147,000	786,000	10,361,000
TREASURY.....	38,356,000	1,148,000	37,208,000
UNIVERSITY AFFAIRS.....	214,062,000	7,500,000	206,562,000
	<u>\$1,942,240,000</u>	<u>\$181,091,000</u>	<u>\$1,761,149,000</u>
PUBLIC DEBT—Interest, etc.....	147,529,000	73,742,000	73,787,000
	<u>\$2,089,769,000</u>	<u>\$254,833,000</u>	<u>\$1,834,936,000</u>
PUBLIC DEBT—Provision for Sinking Fund.....	43,000,000	.....	43,000,000
	<u>\$2,132,769,000</u>	<u>\$254,833,000</u>	<u>\$1,877,936,000</u>
Capital Disbursements to be financed out of Ordinary Revenue.....	151,000,000	.....	151,000,000
	<u>\$2,283,769,000</u>	<u>\$254,833,000</u>	<u>\$2,028,936,000</u>

SUMMARY

**ORDINARY REVENUE AND ORDINARY EXPENDITURE
FISCAL YEAR APRIL 1, 1967 TO MARCH 31, 1968**

NET ORDINARY REVENUE.....	\$2,029,408,000
Less: Net Ordinary Expenditure.....	\$1,834,936,000
Provision for Sinking Fund.....	43,000,000
Capital Disbursements to be financed out of Ordinary Revenue.....	151,000,000
	<u>\$2,028,936,000</u>
FORECAST SURPLUS.....	<u>\$ 472,000</u>

**BUDGET FORECAST OF CAPITAL RECEIPTS
FISCAL YEAR APRIL 1, 1967 TO MARCH 31, 1968**

DEPARTMENT	Gross Capital Receipts	Application of Receipts to Disbursements	Net Capital Receipts
EDUCATION.....	\$ 1,800,000	.....	\$ 1,800,000
HEALTH.....	2,000,000	.....	2,000,000
HIGHWAYS.....	340,000	.....	340,000
LABOUR.....	9,500,000	.....	9,500,000
LANDS AND FORESTS.....	850,000	.....	850,000
MUNICIPAL AFFAIRS.....	12,600,000	.....	12,600,000
TRANSPORT.....	9,400,000	.....	9,400,000
TREASURY.....	118,897,000	.....	118,897,000
	<u>\$155,387,000</u>	<u>.....</u>	<u>\$155,387,000</u>

SUMMARY

Sale of Land, Buildings, etc.....	\$ 1,290,000
Repayment of Loans and Advances.....	37,037,000
Special Funds.....	72,331,000
Deferred Assets, etc.....	44,729,000
	<u>\$155,387,000</u>

**BUDGET FORECAST OF CAPITAL DISBURSEMENTS
FISCAL YEAR APRIL 1, 1967 TO MARCH 31, 1968**

DEPARTMENT	Gross Capital Disbursements	Application of Receipts to Disbursements	Net Capital Disbursements
AGRICULTURE AND FOOD.....	\$ 400,000	.....	\$ 400,000
ECONOMICS AND DEVELOPMENT.....	22,000,000	.....	22,000,000
ENERGY AND RESOURCES MANAGEMENT.....	88,050,000	.....	88,050,000
HEALTH.....	22,089,000	.....	22,089,000
HIGHWAYS.....	281,633,000	.....	281,633,000
LABOUR.....	9,500,000	.....	9,500,000
LANDS AND FORESTS.....	6,550,000	.....	6,550,000
MINES.....	1,000,000	.....	1,000,000
MUNICIPAL AFFAIRS.....	52,494,000	.....	52,494,000
PUBLIC WORKS.....	52,053,000	.....	52,053,000
TRANSPORT.....	5,286,000	.....	5,286,000
TREASURY.....	410,291,000	.....	410,291,000
	<u>\$951,346,000</u>	<u>.....</u>	<u>\$951,346,000</u>
Less: To be financed out of Ordinary Revenue..	151,000,000	.....	151,000,000
	<u>\$800,346,000</u>	<u>.....</u>	<u>\$800,346,000</u>

SUMMARY

Highways, Buildings, etc.....	\$358,351,000	
Less: To be financed out of Ordinary Revenue.....	151,000,000	
		\$207,351,000
Loans and Advances.....		540,222,000
Special Funds.....		52,773,000
		<u>\$800,346,000</u>

**SURPLUS ON ORDINARY ACCOUNT
FISCAL YEARS 1962-63 TO 1966-67**

	1962-63	1963-64	1964-65	1965-66	Estimated 1966-67
	(Thousands of Dollars)				
Net Ordinary Revenue.....	993,612	1,079,135	1,237,245	1,442,845	1,779,358
Less: Net Ordinary Expenditure—before provision for Sinking Fund and Capital Disbursements financed out of Ordinary Revenue.....	864,033	905,681	1,009,804	1,173,249	1,495,550
Surplus—before provision for Sinking Fund and Capital Disbursements.....	129,579	173,454	227,441	269,596	283,808
Less: Provision for Sinking Fund.....	39,000	41,500	40,000	41,500	42,000
Capital Disbursements financed out of Ordinary Revenue.....	90,000	131,000	187,000	227,000	241,000
Balance carried to Surplus Account.....	579	954	441	1,096	808

**SUMMARY OF INCREASES IN NET CAPITAL DEBT
FISCAL YEARS 1962-63 TO 1966-67**

	1962-63	1963-64	1964-65	1965-66	Estimated 1966-67
	(Thousands of Dollars)				
Capital Disbursements on Highways, Build- ings, Public Works, etc.....	203,509	233,564	255,730	282,949	336,302
Less: Capital Disbursements financed out of Ordinary Revenue.....	90,000	131,000	187,000	227,000	241,000
	113,509	102,564	68,730	55,949	95,302
Less: Capital Receipts relating thereto.....	2,913	2,245	1,737	1,401	1,462
	110,596	100,319	66,993	54,548	93,840
Miscellaneous Increase or (Decrease).....	4,023	2,775	(5,967)	3,224	(2,100)
	114,619	103,094	61,026	57,772	91,740
Less: Surplus (before providing for Sinking Fund).....	39,579	42,454	40,441	42,596	42,808
Increase in Net Capital Debt.....	75,040	60,640	20,585	15,176	48,932

**NET ORDINARY REVENUE BY MAJOR SOURCES
FISCAL YEARS 1962-63 TO 1966-67**

	1962-63	1963-64	1964-65	1965-66	Estimated 1966-67
(Thousands of Dollars)					
Government of Canada:					
Statutory Subsidies.....	4,624	4,624	4,624	4,624	4,624
Interest—Common School Fund.....	74	73	73	73	72
	<u>4,698</u>	<u>4,697</u>	<u>4,697</u>	<u>4,697</u>	<u>4,696</u>
Taxation:					
Income Tax Collection Agreement.....	151,844	164,370	195,842	292,404	392,011
Retail Sales Tax.....	175,715	186,535	195,299	220,998	387,000
Corporations Tax.....	185,718	209,672	232,543	252,376	267,000
Gasoline Tax.....	173,136	183,649	221,189	236,829	264,000
Succession Duty.....	44,149	44,121	48,683	56,968	57,000
Share of Federal Estate Tax.....			15,116	16,837	19,743
Motor Vehicle Fuel Tax.....	8,204	9,390	12,007	14,678	18,000
Tobacco Tax.....				2,002	18,000
Race Tracks Tax.....	6,937	7,998	9,373	12,162	13,500
Mines Profits Tax.....	15,222	10,363	14,387	14,889	11,500
Land Transfer Tax.....	3,844	4,474	5,381	6,705	8,500
Hospitals Tax.....	4,225	4,875	5,403	6,791	8,200
Security Transfer Tax.....	2,926	3,086	4,215	4,200	3,500
Logging Tax.....	2,393	3,175	2,381	2,257	2,000
Other Taxes.....	4,290	4,333	4,833	5,515	5,316
	<u>778,603</u>	<u>836,041</u>	<u>966,652</u>	<u>1,145,611</u>	<u>1,475,270</u>
Other Revenue:					
Agriculture and Food.....	1,804	2,162	2,397	1,272	1,204
Attorney General.....	10,128	11,002	11,906	13,065	12,951
Education.....	4,647	4,223	5,355	8,590	5,632
Health.....	2,023	4,685	4,670	4,731	4,376
Highways.....	789	898	1,476	1,546	1,848
Transport—					
Motor Vehicles—Permits, Licenses, Fees, etc.....	69,543	82,512	88,685	95,882	95,352
Miscellaneous.....	91	162	126	246	135
Labour.....	1,200	1,398	1,459	1,774	2,159
Lands and Forests—					
Timber Dues, Bonus, etc.....	12,616	13,336	13,724	14,958	15,000
Rentals, Fish and Game Licenses, Sales, etc.....	7,564	7,844	8,109	9,027	9,725
Mines.....	1,071	1,042	1,573	1,380	1,372
Municipal Affairs.....	334	617	580	596	906
Provincial Secretary and Citizenship—					
Registrar-General.....	349	364	389	454	606
Other.....	2,114	2,184	2,707	2,990	3,110
Reform Institutions.....	729	832	868	882	866
Treasury—					
Liquor Control Board.....	87,500	97,100	113,000	125,200	132,000
Water Power Rentals.....	5,268	5,273	5,648	6,647	7,000
Other.....	193	173	476	190	241
Various Other Departments.....	2,348	2,591	2,747	3,107	4,909
	<u>210,311</u>	<u>238,398</u>	<u>265,895</u>	<u>292,537</u>	<u>299,392</u>
Net Ordinary Revenue.....	<u>993,612</u>	<u>1,079,136</u>	<u>1,237,244</u>	<u>1,442,845</u>	<u>1,779,358</u>

**NET ORDINARY EXPENDITURE BY MAJOR CLASSIFICATIONS
FISCAL YEARS 1962-63 TO 1966-67**

	1962-63	1963-64	1964-65	1965-66	Estimated 1966-67
	(Thousands of Dollars)				
Education, University Affairs, Health and Welfare:					
Legislative Grants for Education ¹	217,020	233,689	296,096	326,255	383,540
Education for Non-resident Pupils.....	4,316	6,900	3,455	8,150	7,600
Universities—					
Operating Grants, etc.....	23,495	36,332	47,682	66,809	91,148
Capital Grants.....	22,150	34,250	.....²	.....²	.....²
Provincial Share of Cost of New					
Vocational Units.....	37,283	18,846	8,672	21,243	60,000
Public Libraries—Legislative Grants.....	2,168	2,449	2,795	3,250	5,000
Teachers' Superannuation Fund.....	19,074	20,839	21,996	39,469	42,818
Grants to Health Units.....	1,423	1,475	1,588	1,795	2,200
Grants to Sanatoria.....	4,900	4,386	4,302	4,368	4,200
Grants to Public Hospitals ³	71,799	41,336	63,643	63,425	76,581
Special Grants to Hospitals.....	3,400	3,555	9,137	4,498	8,711
Grant to Ontario Cancer Treatment and					
Research Foundation.....	1,151	1,600	915	834	1,500
Medical Services Insurance—Payments.....					30,000
Ontario Hospitals—Administrative and					
Operating Expenses.....	53,255	60,241	64,122	72,936	85,822
Grants, Services, etc., under The Child					
Welfare Act.....	5,452	5,623	7,370	14,358	17,368
Grants for Upkeep of Day Nurseries.....	265	265	328	401	460
Mothers' Allowances.....	12,870	11,130	12,230	16,227	9,564
Old Age Assistance and Blind Persons'					
Allowances.....	8,793	9,489	10,861	10,379	7,593
Disabled Persons' Allowances.....	5,503	6,148	7,333	7,772	8,318
Medical, Dental and Rehabilitation Services	2,303	2,165	2,318	2,855	9,905
Homes for the Aged—					
Grants for Maintenance.....	1,822	1,887	2,066	2,265	4,151
Grants for New Homes.....	2,863	3,161	2,441	3,391	5,350
Charitable Institutions—					
Grants for Maintenance.....	554	516	671	1,028	1,217
Grants for New Buildings.....	580	774	1,087	1,273	4,636
General Welfare Assistance.....	12,383	15,638	18,393	20,167	18,484
Other Expenditure.....	34,465	40,997	51,356	68,844	122,975
Total Education, University Affairs, Health and Welfare.....	549,287	563,691	640,857	761,992	1,009,141

¹Includes Residential and Farm School Tax Assistance incorporated into the General Legislative Grant structure in 1964-65.

²Capital construction funds provided through the Ontario Universities Capital Aid Corporation of \$45,600,000 in 1964-65, \$89,239,000 in 1965-66 and \$94,545,000 in 1966-67.

³Includes contributions to the Hospital Services Commission.

NET ORDINARY EXPENDITURE
(Continued)

	1962-63	1963-64	1964-65	1965-66	Estimated 1966-67
	(Thousands of Dollars)				
Agriculture, Energy and Resources, Lands and Forests and Mines:					
Agricultural Schools and Farms.....	1,542	1,632	1,807	1,968	2,234
Extension Branch.....	2,524	2,704	3,050	2,988	4,905
Agricultural and Horticultural Societies Branch.....	984	937	937	938	1,146
Basic Organization—Field Services (Forestry).....	18,062	17,886	19,862	21,201	29,013
Mines.....	1,982	2,231	2,545	2,536	3,027
Ontario Water Resources Commission....	2,270	2,686	3,115	4,141	6,138
Other Expenditure.....	20,255	23,818	26,498	29,601	36,416
Total.....	47,619	51,894	57,814	63,373	82,879
Highways:					
Highways and Secondary Roads.....	43,724	42,848	48,388	52,539	54,500
Repaving Present Roads.....	1,418	979	1,157	1,666	2,300
Development Roads.....	110	101	87	73	300
Roads in Unincorporated Townships in Northern Ontario.....	674	668	620	719	1,000
Municipal Subsidies.....	29,100	32,969	33,919	37,701	41,400
Other Expenditure.....	3,758	4,015	4,367	4,869	15,892
Total Highways.....	78,784	81,580	88,538	97,567	115,392
Transport:					
Motor Vehicles Administration.....	4,506	5,401	5,690	6,402	6,878
Other Expenditure.....	1,083	1,166	1,518	1,603	2,552
Total Transport.....	5,589	6,567	7,208	8,005	9,430
Public Works:					
Government Buildings—Maintenance, Repairs, etc.....	9,601	10,718	12,451	13,574	15,090
Maintenance—Locks, Bridges, etc.....	94	91	102	104	115
Other Expenditure.....	1,379	1,216	1,228	1,267	1,862
Total Public Works.....	11,074	12,025	13,781	14,945	17,067
Municipal Affairs:					
Subsidies—for Police Departments.....	270	285	325	366	427
Subsidies—for Fire Departments.....	188	198	237	262	295
Payments to Mining Municipalities.....	5,591	5,899	5,987	5,403	6,000
Payments in Lieu of Certain Municipal Taxes.....	1,787	2,211	2,222	2,260	2,730
Unconditional Grants.....	25,761	26,240	25,205	27,642	28,100
Winter Works Projects.....	2,665	3,317	2,626	2,974	3,850
Other Expenditure.....	4,013	4,227	4,620	7,890	9,177
Total Municipal Affairs.....	40,275	42,377	41,222	46,797	50,579
Financial and Commercial Affairs.....					1,646

NET ORDINARY EXPENDITURE

(Continued)

	1962-63	1963-64	1964-65	1965-66	Estimated 1966-67
(Thousands of Dollars)					
Economics and Development:					
Canadian Universal and International Exhibition of 1967				1,265	7,052
Ontario Research Foundation	1,054	1,193	4,702	935	1,010
Other Expenditure	2,546	4,231	5,155	5,758	8,444
Total Economics and Development	3,600	5,424	9,857	7,958	16,506
Labour	3,796	4,422	5,087	6,885	9,281
Attorney General:					
Ontario Provincial Police	15,252	17,300	21,259	24,158	29,184
Election Expenses	77	3,683	23	87	59
Other Expenditure	10,177	11,072	12,884	15,178	17,000
Total Attorney General	25,506	32,055	34,166	39,423	46,243
Reform Institutions:					
Institutions	12,479	13,807	13,989	15,964	18,366
Grants—Training Schools	1,000	855	846	1,376	1,700
Other Expenditure	1,090	1,624	2,049	2,159	2,717
Total Reform Institutions	14,569	16,286	16,884	19,499	22,783
Provincial Secretary and Citizenship:					
Registrar-General	714	770	800	818	949
Other Expenditure	3,243	3,371	4,336	4,853	5,159
Total Provincial Secretary and Citizenship ..	3,957	4,141	5,136	5,671	6,108
Lieutenant Governor	37	25	26	47	33
Prime Minister	210	198	215	236	259
Treasury:					
Contributions to Public Service Super- annuation Fund	10,653	11,373	11,646	17,838	16,401
Contribution to Canada Pension Plan					3,930
Other Expenditure	6,278	7,029	8,332	11,938	14,128
Total Treasury	16,931	18,402	19,978	29,776	34,459
Provincial Auditor	464	530	534	548	640
Tourism and Information:					
St. Lawrence Parks Commission	1,948	1,943	1,896	1,947	2,563
Other Expenditure	2,129	2,384	3,107	4,191	6,810
Total Tourism and Information	4,077	4,327	5,003	6,138	9,373

NET ORDINARY EXPENDITURE

(Continued)

	1962-63	1963-64	1964-65	1965-66	Estimated 1966-67
	(Thousands of Dollars)				
Civil Service	845	855	1,013	1,189	1,412
Queen's Printer	6	143	44	25	.....
Total of above Departmental Expenditure ..	806,626	844,942	947,363	1,110,074	1,433,231
Public Debt—Interest, etc.	57,407	60,739	62,441	63,175	62,319
Total Ordinary Expenditure before Special Provisions	864,033	905,681	1,009,804	1,173,249	1,495,550
Provision for Sinking Fund	39,000	41,500	40,000	41,500	42,000
Capital Disbursements financed out of Ordinary Revenue	90,000	131,000	187,000	227,000	241,000
Net Ordinary Expenditure	<u>993,033</u>	<u>1,078,181</u>	<u>1,236,804</u>	<u>1,441,749</u>	<u>1,778,550</u>

NET CAPITAL RECEIPTS
FISCAL YEARS 1962-63 TO 1966-67

	1962-63	1963-64	1964-65	1965-66	Estimated 1966-67
	(Thousands of Dollars)				
Disposal of Assets:					
Sale of Land, Buildings, etc.	2,913	2,245	1,737	1,401	1,462
Loans and Advances—Repayments:					
Hydro-Electric Power Commission of Ontario	4,870	4,033	1,593	3,992	3,400
Ontario Municipal Improvement Corporation	275	.....	.....	2,582	6,900
Ontario Housing Corporation	1,735	2,496	958	138	143
Municipal Works Assistance .....	.....	.....	.....	10,613	12,000
Other	4,874	3,357	3,596	4,807	7,508
Special Funds—Deposits:					
Vacation-with-Pay Stamps—Sales	8,978	9,072	8,621	11,243	14,050
Public Service Superannuation Fund	29,919	32,650	35,814	44,772	43,650
Motor Vehicle Accident Claims Fund	4,695	7,247	4,681	8,198	8,395
Other	21,059	3,809	19,329	17,494	12,593
Deferred Assets, etc.:					
Provision for Sinking Fund	39,000	41,500	40,000	41,500	42,000
Other	1,929	1,807	1,886	1,893	1,912
Net Capital Receipts	<u>120,247</u>	<u>108,216</u>	<u>118,215</u>	<u>148,633</u>	<u>154,013</u>

**NET CAPITAL DISBURSEMENTS
FISCAL YEARS 1962-63 TO 1966-67**

	1962-63	1963-64	1964-65	1965-66	Estimated 1966-67
	(Thousands of Dollars)				
Highways, Buildings, etc.:					
Highways:					
Highways and Secondary Roads.....	117,174	132,098	132,136	156,168	167,893
Development Roads.....	7,607	11,008	14,368	17,000	18,500
Roads in Unincorporated Townships in Northern Ontario.....	454	709	583	440	500
Municipal Subsidies.....	47,130	55,072	63,397	64,940	76,500
Commuter Rail Project.....				31	11,000
Contingencies.....	3	10	15		
Mines:					
Mining Roads—Construction.....	897	842	1,000	1,408	300
Lands and Forests:					
Construction of Logging Roads, etc.....	94	63	645	769	840
Provincial Parks, etc.....		398	917	3,125	4,500
Energy and Resources Management:					
Conservation.....	2,841	3,096	4,637	2,367	5,000
Rural Power Transmission Lines.....	921	824	520	579	990
Water Management Program.....			193	523	3,242
Municipal Affairs:					
Designing, etc., of Townsites.....	11	22	326	21	863
Public Works:					
Construction of Public Buildings, Dams, Docks, etc.....	26,377	29,422	36,993	35,578	46,174
	203,509	233,564	255,730	282,949	336,302
Loans and Advances:					
Ontario Housing Corporation.....	1,843	2,031	1,242	9,250	13,000
Ontario Universities Capital Aid Corporation.....			45,600	89,239	94,545
Ontario Education Capital Aid Corporation.....					170,000
Ontario Water Resources Commission....	12,410	7,283	7,400	8,152	24,000
Ontario Junior Farmer Establishment Loan Corporation.....		1,500	9,200	20,900	17,300
Municipal Works Assistance.....			5,860	40,733	40,000
Loans for Hospital Construction and Capital Financial Assistance.....			3,079	9,377	18,383
Nuclear Powered Generating Station.....				1,800	5,574
Hydro-Electric Power Commission.....				48,843	34,694
Municipality of Metropolitan Toronto....	10,000	10,000	20,000	20,000	
Other Loans and Advances.....	5,883	8,538	6,192	5,736	13,958
Special Funds—Repayments:					
Vacation-with-Pay Stamps—Redeemed....	8,760	9,341	8,666	9,599	12,500
Public Service Superannuation Fund.....	8,106	9,620	12,083	16,896	18,350
Motor Vehicle Accident Claims Fund.....	4,434	4,009	3,340	4,103	4,904
Other.....	3,082	32,907	2,279	9,054	18,008
Reserves.....	9	5	12	7	
Miscellaneous.....			134	115	
Surplus Account:					
Repayment to Government of Canada under Tax Rental Agreement, 1952-56..	5,499	1,009	224	294	600
	263,535	319,807	381,041	577,047	822,118
Less: Financed out of Ordinary Revenue..	90,000	131,000	187,000	227,000	241,000
Net Capital Disbursements.....	173,535	188,807	194,041	350,047	581,118

**SURPLUS OR DEFICIT* ON ORDINARY ACCOUNT
BEFORE AND AFTER PROVISION FOR SINKING FUND
FISCAL YEARS 1936 TO 1967**

Fiscal Year ending March 31	Net Ordinary Revenue	Net Ordinary Expenditure before pro- vision for Sinking Fund	Surplus or <i>Deficit</i> * before pro- vision for Sinking Fund	Provision for Sinking Fund	Surplus or <i>Deficit</i> * on Ordinary Account
1936.....	\$ 65,726,984	\$ 78,178,770	\$12,451,786*	\$ 890,920	\$13,342,706*
1937.....	80,488,440	70,256,376	10,232,064	918,125	9,313,939
1938.....	86,052,793	80,495,109	5,557,684	947,965	4,609,719
1939.....	86,843,271	85,528,120	1,315,151	992,655	322,496
1940.....	88,172,952	90,368,393	2,195,441*	1,038,655	3,234,096*
1941.....	103,802,020	88,780,934	15,021,086	1,086,655	13,934,431
1942.....	111,496,170	95,208,016	16,288,154	1,129,000	15,159,154
1943.....	108,214,063	91,083,245	17,130,818	1,181,000	15,949,818
1944.....	118,096,684	101,210,715	16,885,969	5,570,000	11,315,969
1945.....	117,124,347	110,956,977	6,167,370	5,292,000	875,370
1946.....	128,368,864	121,450,964	6,917,900	5,352,000	1,565,900
1947.....	142,875,758	135,506,854	7,368,904	5,422,655	1,946,249
1948.....	191,698,952	160,589,199	31,109,753	5,481,000	25,628,753
1949.....	215,469,613	190,706,361	24,763,252	15,550,000	9,213,252
1950.....	228,550,022	199,271,374	29,278,648	20,622,000	8,656,648
1951.....	265,272,106	228,090,424	37,181,682	21,698,000	15,483,682
1952.....	302,320,999	266,983,560	35,337,439	34,276,000	1,061,439
1953.....	349,500,385	317,540,514 ¹	31,959,871	30,859,000	1,100,871
1954.....	372,973,316	342,095,302 ¹	30,878,014	29,945,000	933,014
1955.....	399,393,284	377,713,638 ¹	21,679,646	21,536,000	143,646
1956.....	427,969,363	392,834,481 ¹	35,134,882	32,630,000	2,504,882
1957.....	479,783,191	437,249,640 ¹	42,533,551	40,729,000	1,804,551
1958.....	591,849,092	573,150,062 ¹	18,699,030	17,833,000	866,030
1959.....	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.....	1,079,135,679	1,036,681,209 ¹	42,454,470	41,500,000	954,470
1965.....	1,237,244,493	1,196,803,817 ¹	40,440,676	40,000,000	440,676
1966.....	1,442,845,159	1,400,249,412 ¹	42,595,747	41,500,000	1,095,747
1967 ²	1,779,358,000	1,736,550,000 ¹	42,808,000	42,000,000	808,000

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.....	.....	131,000,000
1965.....	.....	187,000,000
1966.....	.....	227,000,000
1967 ².....	.....	241,000,000

²Interim figures

GROSS AND NET
FISCAL YEARS

Fiscal Year	GROSS DEBT		REVENUE-PRODUCING AND REALIZABLE			
	Total	Yearly Increase or Decrease*	Ontario Hydro	O.N.T.C.	Loans, Cash and Accts. Receivable	Total
1914.....	\$ 41,716,000	\$.....	\$ 10,110,000	\$20,246,000	\$ 5,066,000	\$ 35,422,000
1915.....	50,275,000	8,559,000	12,316,000	20,483,000	8,007,000	40,806,000
1916.....	59,336,000	9,061,000	21,939,000	21,184,000	7,684,000	50,807,000
1917.....	61,825,000	2,489,000	27,489,000	21,594,000	5,805,000	54,888,000
1918.....	75,309,000	13,484,000	36,244,000	21,823,000	9,477,000	67,544,000
1919.....	97,032,000	21,723,000	47,700,000	22,335,000	13,882,000	83,917,000
1920.....	127,262,000	30,230,000	65,717,000	22,681,000	16,009,000	104,407,000
1921.....	202,446,000	75,184,000	102,946,000	23,599,000	31,292,000	157,837,000
1922.....	233,189,000	30,743,000	116,786,000	25,654,000	30,704,000	173,144,000
1923.....	291,025,000	57,836,000	124,360,000	28,075,000	37,612,000	190,047,000
1924.....	329,508,000	38,483,000	135,045,000	30,208,000	45,262,000	210,515,000
1925.....	332,391,000	2,883,000	141,717,000	30,208,000	27,885,000	199,810,000
1926.....	349,116,000	16,725,000	142,473,000	30,208,000	31,899,000	204,580,000
1927.....	368,920,000	19,804,000	147,120,000	30,208,000	33,813,000	211,141,000
1928.....	394,114,000	25,194,000	152,936,000	30,208,000	37,176,000	220,320,000
1929.....	426,914,000	32,800,000	164,522,000	30,208,000	44,007,000	238,737,000
1930.....	473,372,000	46,458,000	176,799,000	30,208,000	53,587,000	260,594,000
1931.....	520,667,000	47,295,000	188,377,000	30,208,000	58,055,000	276,640,000
1932.....	574,419,000	53,752,000	189,635,000	30,208,000	76,902,000	296,745,000
1933.....	594,128,000	19,709,000	187,965,000	30,208,000	76,514,000	294,687,000
1934.....	655,761,000	61,633,000	187,829,000	37,208,000	72,247,000	297,284,000
1935.....	674,386,000	18,625,000	187,878,000	37,208,000	70,855,000	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.....	720,648,000	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	405,486,000
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
1964.....	2,057,964,000	78,589,000	347,265,000	30,208,000	335,747,000	713,220,000
1965.....	2,218,258,000	160,294,000	345,673,000	30,208,000	477,048,000	852,929,000
1966.....	2,508,986,000	290,729,000	393,481,000	30,208,000	704,793,000	1,128,482,000

*Estimated population as at March 31.

*Five months ended March 31.

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

**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 1966**

ASSETS		NET CAPITAL DEBT			
Yearly Increase or Decrease*	Total	Yearly Increase or Decrease*	Population ¹	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	52,972,000	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	175.82	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
17,950,000	1,344,744,000	60,640,000	6,562,000	204.93	1964
139,709,000	1,365,329,000	20,585,000	6,702,000	203.72	1965
275,553,000	1,380,505,000	15,176,000	6,868,000	201.01	1966

