

been spent that had been received in that way, but more money had been paid out for war purposes.

Expenditures on Increase, Too.

The Government took credit to itself, he said, for having at various times introduced legislation which, while not drastic, had increased the revenues of the Province. Of course the expenditures had increased correspondingly. New institutions had had to be built, new methods had to be introduced for the treatment of the insane, and even yet some people said the methods were not absolutely up to date. "During the war we kept down the expenditures, but now the time has arrived when we may look forward to the erection of buildings which will make life more agreeable to those who may be so unfortunate as to be placed in these institutions. It is the intention of the Government to go on with building operations at almost every one of its public institutions," said the Provincial Treasurer.

Increases shown for the year by motor licenses were \$280,000; by public institutions, \$330,000; by Game and Fisheries Department, \$270,000; by casual revenue, \$530,000; by the Hydro-electric, \$227,000, and by the T. & N. O., \$50,000. Altogether the total increase in those receipts was \$1,781,000, and the decreases were \$781,000, principally in the Department of Crown Lands.

Scores U.F.O. Members.

The Province closed the year, said Mr. McGarry, with a balance in the bank of \$5,195,244.85. The liquid assets were \$71,000,000, the total liabilities \$75,000,000, and the net debt \$4,000,000. The Provincial Treasurer turned aside for a moment to criticize the United Farmers and their supporters for statements they were alleged to have made, that Ontario's debt was \$75,000,000. "We have a \$75,000,000 debt, and I am proud of it," declared Mr. McGarry, "because it represents advancement on the part of the people of Ontario." He cautioned them next time to refer to the other side of the ledger and see what offset the debt. Of the \$75,000,000 he said \$22,000,000 was invested in the T. & N. O. Railway. While he had doubted the wisdom of building the road, he admitted, amid Liberal applause, that he had changed his mind.

"Any asset which originated with them is all right," said Mr. McGarry. "Any asset which originated with us is all wrong, no matter if it is twice as good."

For a number of years past, continued the speaker, the T. & N. O. has had a deficit for the Province of nearly \$600,000 annually, which was being paid in interest on the money invested. However, the road was built for colonization purposes and not money making. The road might go to James Bay, although he was not sure of that, and there were 20,000,000 acres in that country which will be settled. The main point was that it would not be many years until the T. & N. O. was a paying investment.

The Government had initiated another public enterprise, the Hydro-electric, and \$44,000,000 was invested in it, and the direct investment was \$26,000,000. Last year the Government received \$1,400,000 in interest from the Hydro.

Assets Total \$71,000,000.

The Province had assets of \$71,000,000 which it could convert into cash immediately. In addition to that amount there is \$22,000,000 invested in public buildings, most of it during the last fifteen years, which would make a total of \$93,000,000. In addition the Province had assets of \$503,000,000 in natural resources. Altogether, therefore, the assets were \$600,000,000, as against a total debt of \$75,000,000.

The Province had never gone into anything that required a large expenditure that it was not felt would result in benefit to the people of Ontario; nor had the Government ever gone into any scheme that did not promise a return to the Pro-

vince either immediate or remote.

\$15,000,000 Borrowed in Year.

Mr. McGarry next turned to the matter of loans which he had secured during the last year. During the last fiscal year \$15,000,000 had been borrowed. Early in the year it was impossible to borrow money either in Canada or the United States, because huge loans were being floated by the Federal Government. Then the Dominion Finance Minister fixed the interest rate at 6½ per cent. because some Provinces were paying more than that. It had been necessary then for Ontario to borrow \$2,500,000 at that rate.

Since the end of the fiscal year he had been able to do better in raising a loan. He had gone to New York to get \$1,000,000, and secured the money at less than 5½ per cent. Exchange was bought on Toronto by us and the net cost to the Government for the money for six months was 1.82 per cent. Contrast-ed with this was the loan floated by the Manitoba Government for \$1,000,000 at 5½.

In addition to that the Government had made another loan, the money being chiefly required for capital expenditure and Hydro-electric undertakings, at 5½ per cent. for three years, with the privilege to renew it at the end of that time. He said he was convinced that it would be folly for a Government at the present time to enter into obligations for a long period at prevailing interest rates. At the end of three years he believed the financial market of Great Britain would be open to the Province. Before the war, he said, Ontario had to pay more for money in England than the Dominion, as it was on the trustee list. Because of the British North America Act making it only possible for the Dominion Government to disallow Provincial acts, Ontario could not avail itself of an amendment made in the British regulations. The matter had been discussed at the conference of Provincial Ministers at Ottawa last fall, and Sir Thomas White had promised to take the question up with the proper authorities.

T. & N. O. Revenue \$2,800,000.

Dealing with the various Government Commissions, the speaker said that last year the Workmen's Compensation Board had dealt with 47,000 cases, and paid out to workmen and widows \$3,518,000. The revenue of the T. & N. O. for the year was \$2,800,000, the total expenses \$2,390,000, and the net earnings \$429,000.

The total loss upon the T. & N. O. up to this time has been something like \$900,000; added to that will be a loss this year of between \$500,000 and \$600,000. "If during 13 years the road has cost us \$100,000 a year, and during the next few years it costs us half a million dollars, it was worth undertaking and it will prove that it is valuable to the Province of Ontario," said Mr. McGarry. It was desirable that the Government should own the road for the opening of that part of the country and the settling of the northern part of the Province. He was convinced the road could be sold for every dollar invested in it.

Hydro Expenditures.

Last year the Hydro-electric had spent altogether \$8,350,000, the chief amounts of which were: Niagara system, \$1,781,000; Chippawa development scheme, \$5,187,000; Severn system, \$377,600; St. Lawrence system, \$142,000; Eugenia system, \$231,000; Central Ontario system, \$641,000; Rideau system, \$151,000; constructing lines and maintenance, \$188,000.

It is estimated that next year the expenditures of the Hydro will be \$11,000,000, said the speaker, most of which would be divided between work near Port Arthur, in Eastern Ontario and on the Chippawa scheme.

Dealing with the demands on the Treasury for the coming year, Mr. McGarry said that in addition to the \$11,000,000 for Hydro, \$4,000,000 would be needed to carry on capital expenditures under way now. Then there will be \$3,000,000 bonds ma-