

paid to the Province \$5,950,000, although it yet has interest arrears amounting to \$5,573,618. "With the continuation of improving interest rates," he concluded on this subject, "and sympathetic support from the Government, the future of this road financially looks very hopeful indeed."

Then he dealt with highway affairs. "This Government," he declared, "hasn't spent money like the Drury Government on good roads, but it has given you more miles of better roads for less money." He reviewed the expenditures of the preceding Administration on highways, and then sketched the expenditures of the present Government, declaring that the present demands for road construction and maintenance were being fully met, and at the lowest possible cost.

**Loans to Farmers.**

"The Agricultural Development Board," said he, turning to a new topic, "is functioning very successfully. The loans to farmers have increased during the year from \$9,584,176 to \$12,191,375, thus showing that the farmers of our Province are appreciating what this board means to them. This Government has also reduced the rate of interest from 6 per cent. to 5 1/2 per cent., which means, on the \$12,000,000 borrowed by the farmers, they are saving \$60,000 on the half of 1 per cent. reduction in rate.

"The reserve held in the Consolidated Revenue Fund pertaining to this activity is \$66,400. The Agricultural Development Board has itself an operating profit of \$57,030 during the year, and an accumulated surplus to date amounting to \$113,176. The total farm loans reserve at the end of the fiscal year 1926 was, therefore, \$179,576.

"This board has proved a great convenience to the farmer by way of borrowings at a very moderate rate of interest, and the repayments are most conveniently arranged—the board at all times doing its utmost for the convenience of the rural borrower. Throughout its operations it has had little or no losses, which is somewhat unusual in the history of rural credits."

**Savings Officers' Achievements.**

Then came a brief report on the Province's savings offices. In 1926 the deposits were \$18,366,363, and the surplus on Oct. 31 last amounted to \$133,000. Interests in connection with this phase of the Province's finances were as follows: Paid to depositors, 3 per cent.; allowed savings offices by Government on all deposits, 4 per cent.; paid to the Government by the Agricultural Development Board, 4 1/2 per cent.; paid by farmers to Agricultural Development Board, 5 1/2 per cent. The savings offices carry on and build up a reserve on a spread of 1 per cent.

Continuing, Dr. Monteith briefly sketched the special audits in various Government departments, a subject explained to the House on previous occasions.

Then, nearing the conclusion of his speech, he summed up his outline of the Province's financial condition:

**Policy of Government.**

"May I announce to this Chamber," he continued, "that so far as this Government is concerned, they will adhere to the same sound principles already laid down in their past financial operations. I will refer to them as: 1. Economy, efficiency and sound, honest, businesslike administration.

"2. Regular bookkeeping methods and strict audits of the receipts and expenditures, as well as proper discipline and direction in all departments.

"3. The same adherence to a correct and proper division between capital and ordinary.

"4. No false surplus or concealed expenditure.

"5. The records and files will verify every activity.

"6. An intensive collection of revenue, with strict control of expenditures.

"7. The same careful and skilful operation of the Treasury Department as well as other departments. We can assure the public that there will be a very distinct holding down of the interest charges.

"8. Full activities in every department will be carried out for economy and still having in view no starvation of service.

"9. Public debt will continue to be kept under control and well in hand.

"10. Provision for the debt retirement.

"11. Pronounced adherence to the new era of taxation reduction introduced by this Government, and a further reduction of direct taxation to the ratepayers of the Province."

**Announces Balanced Budget.**

"All these influences will be spread throughout all the various departments, and on the ground that those principles in the past proved sound, we are fully determined to continue them in 1927 and, honorable gentlemen, as a result of these, permit me today to make an announcement that the people of the Province have been yearning for for a number of years. It has been a long, hard, patient struggle, wearing down a deficit of fifteen millions of dollars, that was found on the doormat when this Government took office, and it is with delight that this Government today, through its Treasurer, announces to the honorable gentlemen present, and to the ratepayers of the Province of Ontario, something new in the history of recent years by way of a balanced Budget.

"A balanced Budget means a good deal, but a deficit changed into a surplus and at the same time providing for \$3,000,000 payment off the capital debt, is a real accomplishment. This announcement in the Chamber today is based upon the estimated receipts and expenditures."

He concluded with the emphatic reiteration that the Province was entering a new era of taxation reduction. R. F. Miller (Liberal, Haldimand) then moved the adjournment of the debate.

Estimated receipts and expenditures for Ontario in the fiscal year ending Oct. 31 next were given to the Legislature yesterday by Hon. Dr. Joseph D. Monteith, Provincial Treasurer, as follows:

**RECEIPTS.**

Prime Minister:	
Water Rentals .....	\$ 400,000
Legislation:	
Legislation .....	20,000
Attorney-General:	
Law Enforcement Branch ..	1,450,000
Government Control of Liquor	3,500,000
Miscellaneous .....	450,000
Insurance Department .....	145,000
	\$5,545,000
Education .....	530,000
Lands and Forests:	
Lands and Forests .....	3,500,000
	\$3,500,000
Mines:	
Mines .....	850,000
Game and Fisheries .....	750,000
	\$1,600,000
Public Works and Highways:	
Public Works .....	25,000
Public Highways .....	765,000
Motor Vehicles .....	5,300,000
Gasoline Tax .....	3,600,000
	\$9,690,000
Health and Labor:	
Health .....	175,000
Labor .....	100,000
Mothers' Allowances .....	900,000
	\$1,175,000
Provincial Treasurer:	
Dominion Subsidy .....	2,643,000
Succession Duty .....	8,000,000
Corporation Tax .....	5,000,000
Amusements Branch .....	1,485,000
Land Transfer Tax .....	500,000
Law Stamps .....	350,000
Luxury Tax .....	200,000
Miscellaneous .....	400,000
	\$18,578,000
Provincial Secretary:	
Companies Branch .....	460,000
Public Institutions .....	1,450,000
	\$1,910,000
Agriculture .....	500,000
Total (excluding interest) ..	\$43,448,000
Interest:	
Hydro-Electric Power Com...\$	7,850,000
T. & N. O. Railway Com....	1,000,000
Miscellaneous .....	1,273,000
	\$10,123,000
Total ordinary and capital ..	\$53,571,000

**PAYMENTS.**

	Ordinary.
Lieutenant-Governor .....	\$ 5,000
Prime Minister:	
Miscellaneous .....	95,000
Bonus Transmission Lines....	500,000
	595,000
Legislation .....	350,000
Attorney-General:	
Law Enforcement, etc. ....	2,575,000
Insurance Department .....	45,000
	2,620,000
Education .....	9,200,000
Lands and Forests:	
Lands and Forests .....	1,710,000
Northern Development .....	1,260,000
	2,970,000
Mines:	
Mines .....	292,000
Game and Fisheries .....	470,000
Wolf Bounty .....	75,000
	837,000
Public Works and Highways:	
Public Works .....	600,000
Highways .....	3,500,000
	4,100,000
Health and Labor:	
Health .....	650,000
Labor .....	440,000
Mothers' Allowances .....	2,000,000
	3,090,000
Provincial Treasurer .....	2,000,000
Provincial Auditor: .....	100,000
Provincial Secretary:	
Companies Branch .....	260,000
Public Institutions .....	5,750,000
	6,010,000
Agriculture .....	2,250,000
Miscellaneous .....	200,000
Total, excluding interest ..	34,327,000
Interest on Public Debt....	17,600,000
Debt Retirement .....	1,488,000

Total Ordinary and Capital. 53,415,000

Capital revenue, as estimated for the fiscal year ending Oct. 31, 1927, was apportioned as follows: Lands and Forests, \$1,250,000; Northern Development, \$65,000; Mines, \$39,000; Public Highways, \$1,480,000. Total capital revenue, excluding interest, \$2,834,000. (Loans and special funds) Hydro repayment of advances, \$1,370,000; housing, drainage and other loan repayments, \$1,247,000; Public Service Superannuation Fund, \$500,000; other special fund deposits, \$228,000. Total capital receipts, \$6,179,000.

Capital expenditures, for the same period, were distributed as follows: Education, \$100,000; Lands and Forests, \$745,000; Northern Development, \$1,890,000; Mines, \$9,000; Game and Fisheries, \$70,000; Public Works, \$1,700,000; Highways, \$9,650,000. Total capital expenditure, \$14,164,000. (Loans and special funds.) Advances to Hydro Commission, \$8,000,000; Agriculture, drainage and other loans, \$3,355,000; Public Superannuation Fund, \$230,000; other special funds and repayments, \$447,000. Total capital expenditures, \$26,196,000.

**\$28,000 REQUESTED FOR WOLF BOUNTIES IN SUPPLEMENTARIES**

**Additional Estimates Totaling \$3,032,759 Tabled in Legislature**

**AMOUNTS FOR HYDRO**

Supplementary estimates to the amount of \$3,032,759 were tabled with the Budget Speech by Hon. Dr. J. D. Monteith in the Provincial Legislature yesterday.

By departments the amounts to be voted are: Prime Minister's, \$562,500; legislation, \$1,000; Attorney-General's Department, \$7,335.30; Insurance Department, \$1,000; Education Department, \$188,267.39; Northern Development Department, \$1,500; Mines Department, \$19,552; Game and Fisheries Department, \$62,060; Public Works Department, \$1,160,129.49; Highways Department, \$27,216.25; Labor Department, \$169,000; Provincial Treasurer's Department, \$82,580; Provincial Secretary's Department, \$600,789.66; Agriculture Department, \$92,209.30; miscellaneous, \$57,600.