

Dr Monteith pointed out that the Province borrows from the bank at 4 per cent and lends it out in turn to the Agricultural Development Board at 4 1-2 per cent. "With this spread of one-half of 1 per cent.," he said, "the Treasury Department has built up a reserve of \$127,609.

"With the surplus held in the Consolidated Revenue Fund this makes a total reserve of \$320,898 against possible losses which might occur."

Under the "Housing Loans" arrangement, inaugurated in 1919 for the benefit primarily of the returned soldier, and operated under the Ontario Housing Act, there were, said Dr. Monteith, 2,470 houses erected by 76 municipalities. "The Province in this scheme," said he, "has sustained no loss whatever to date.

"At the end of the fiscal year 1927 there has been paid back to the Province in principal \$2,742,017, and in interest \$2,644,284, or a total of \$5,386,302. Up to last year, out of 76 municipalities only 4, or about 1 per cent, were slightly in arrears in their payments."

Under the Municipal Housing Act of 1920, 775 houses were erected, he said. There are now outstanding de-

bitures guaranteed by the Province amounting to \$2,390,830.

Administrative Costs.

Administration of the Mothers' Allowances branch cost the Province \$75,370 in 1927, or 3.7 per cent. of the amount administered. The amount of moneys distributed "to mothers entitled to consideration, was \$2,007,000—an increase of \$140,000 over 1926. Since the inception of the act, the Province has paid out \$11,131,000. "There has been, however," said the Treasurer, "refunded to the Government by organized municipalities, \$4,771,337, leaving a net cost to the Province up to date of \$6,359,000."

A total of 4,700 mothers received "substantial financial relief" last year under the act.

Dr. Monteith dealt at some length with the operation of the Niagara Parks Commission, noting that its surplus of assets over liabilities for the last fiscal year was \$1,987,368; that it turned over to the Treasury of the Province \$550,000 on account of water rentals, etc., and that in December last it took its "first steps in independent financing."

Northern Railway.

In respect of the Timiskaming & Northern Ontario Railway, Dr. Monteith, from a purely financial point of view, remarked:

"We have at the present time invested in this road slightly over \$30,000,000. Its interest payments for the first year were small, but year by year they have been increasing. During 1925 and some years previously, they paid the Treasury of this Government \$750,000 annually on account of interest. In 1926 they paid \$1,000,000 and last year turned into the Treasury of this Province \$1,300,000. Interest paid to date has amounted to \$7,250,000, the balance in arrears being about \$5,500,000, and from all evidence appearing at the present time, and with the bright future it has, it can be confidently expected to overtake these arrears in a few years.

"The actual revenue for the fiscal year 1927 was \$4,857,760, a new increase of \$228,617, representing 23 1-4 per cent. over the previous year. Sixteen years ago the gold production of Northern Ontario was \$43,000. In 1927 it was \$33,000,000.

"Another interesting feature which deserves very favorable comment is the fact that the T. & N. O. Commission, which now operates its finances entirely independently of the Government, went into the market in January of this year for a loan of \$6,000,000 4 per cent. 40-year annuity bonds, guaranteed by the Province."

On "Provincial roads and highways," Dr. Monteith told the House:

"Today we have a total capital investment in roads of about \$100,000,000, and a total maintenance expenditure of approximately \$33,000,000.

"In the fiscal year 1927 there was expended as follows: Provincial highways, \$9,150,000; county roads, \$2,800,000; township roads, \$1,319,000; colonization roads, \$498,000; Northern development, \$3,943,000, which, with miscellaneous items, makes a total expenditure on road construction of \$17,825,000. The total repayment from counties and towns, together with Federal

subsidy, amounted in the year 1927 to \$1,625,000. The revenue coming to the Treasury from the Provincial highways is very substantial, amounting in the year 1927 to \$10,469,000—this being made up chiefly of motor licenses and gasoline tax."

Hydro Finances.

The Treasurer's review of the administration of the Ontario Hydro-Electric Power Commission included the following reference:

"The total horsepower now in use is estimated at 1,600,000, with another million horsepower available. The total available undeveloped power in the Province is estimated at 5,000,000 horsepower. The number of miles of transmission lines is 7,066. In the fiscal year 1927 there were actually constructed 807 miles of rural transmission lines, and the Government contributed \$1,100,000 in rural bonuses on this account in the fiscal year 1927. The number of homes served in Ontario is about 420,000. The entire debt of the Hydro to the Province at the end of the fiscal year 1927 was \$147,485,906. The amount advanced by the Province in the same year was \$4,220,200. There were refunds and repayments to the amount of \$1,642,706, leaving a net advance of \$2,577,493.

"The Hydro paid into the Treasury of Ontario in 1927 for interest \$7,848,043. It has fulfilled its undertaking in regard to debt retirement, making a repayment of \$1,338,567, which represents its share of the \$3,000,000 required for debt retirement in 1927. The finances of the Hydro are today in a very strong position, having met all its obligations, and ever widening its scope of usefulness by way of annual expansion."

Forecast of Current Year.

"Mr. Speaker," said Dr. Monteith, in conclusion, "having reviewed some of the financial activities of the Ferguson Government since assuming office, more particularly referring to the operations of the fiscal year 1927, I now wish to give a forecast of our estimated receipts and expenditures for the present fiscal year 1928, and refer to some of the outstanding financial work which we hope to accomplish.

"It will always be the desire and intention of this Government to maintain our finances in their present healthy condition, which has been brought about during the past few years.

"I estimate the total ordinary revenue for 1928 at \$55,790,000, a reduction of about \$500,000 from the last year, and a total capital revenue of \$8,780,000. The Treasury Department will show revenue of \$15,668,000, which is \$5,000,000 less than last year, owing to an expected reduction in succession duties.

The public works and highways, we estimate, will give a revenue of \$11,740,000, made up chiefly of motor vehicles, \$6,050,000, and gasoline tax, \$5,130,000. In the Attorney-General's Department also we anticipate a substantial increase, owing to additional receipts from the Liquor Control Board, from which we expect to receive about \$7,000,000. This does not include the permits, which we estimate will bring \$750,000, and \$300,000 from the Law Enforcement Branch.

Must Be Cautious.

"I desire to draw to the attention of the House that our financing has reached the point where our revenue, for the time being at least, will not permit of the same expansion for 1928 by

way of public service as for the past few years. The idea behind the whole operation being, that as our revenues are, thereby will our expenditures be shaped. This principle is, of course, sound in finance, and this Government does not propose, because we have in 1927 a balanced Budget with a surplus, to enter into an orgy of extravagant expenditure.

"The estimated ordinary expenditures amount to \$55,598,000, as against \$55,947,000 for 1927 and \$24,797,000 capital. Our estimated expenditures therefore for 1928 are slightly less than in 1927.

"It will be seen, therefore, that if our predictions are lived up to, and our estimates fairly accurate, we will have an excess of revenue over expenditure of \$177,000, or, in other words, we make a forecast for the fiscal year 1928 equal in merit to that of the past year, namely, a balanced Budget with a substantial surplus.

"In so far as the debt is concerned we will retire over \$3,000,000, of which \$1,730,000 will be provided out of revenue, and the balance by the Hydro, and continue to keep it well under control.

"It will be the object and determination of the Conservative Government of this Province to continue, as in the past, a sound, businesslike Administration, with regular bookkeeping, strict accounting and complete audits of receipts and expenditures; a proper division between capital and ordinary accounts, with the same close attention devoted to the collection of revenue. There will still, it is expected, be a continued lowering of interest charges with relief to the taxpayer, always reasonable economy without starvation of public service; taxation will be maintained at the minimum consistent with the maintenance of the financial standing of the Province."

WEST ELGIN MEMBER IS HONORED BY HOUSE

Hon. F. G. Macdiarmid Gets Flowers on 30th Anniversary of Election

Flowers decorated the desk of Hon. Finlay G. Macdiarmid, Conservative member for West Elgin, in the Legislative Chamber yesterday. They were presented by admiring members on the occasion of the thirtieth anniversary of Mr. Macdiarmid's first election to the Ontario House. At that time the Returning Officer declared him defeated by 11 votes, but six weeks later a Court of Appeal gave him the seat with a majority of 1. Contention continued, and, on petition, his election was declared void. At a new election, on Jan. 12, 1899, he was defeated. That election was, in turn, declared void on June 26, 1899, and on another new election, held Dec. 12 of the same year, he gained the seat, with a majority of 17 votes.

Mr. Macdiarmid successfully contested the general elections of 1902, 1905, 1908, 1911, and 1914, and on Oct. 2, 1914, he accepted office as Minister of Public Works in the Hearst Government. In the by-election which followed he was returned.

Then after 15 years of continuous service, he met defeat at the general election of 1919, when the Drury Government took over the reins of office. With the return of the Conservative party to power under the leadership of Hon. G. Howard Ferguson in 1923, Mr. Macdiarmid was also sent back to the House by his constituents of the riding in which he was born. In 1926 he fought in his thirteenth campaign, and was elected to the House of Assembly for the ninth time.

Says He Said---

Before the orders of the day were called in the Legislature yesterday, George S. Shields (Conservative, Toronto-Woodbine) protested against The Globe's version of one statement in his debate speech of Wednesday. Mr. Shields, in ringing tones, said that he had not said he would stuff the school children of Ontario as "full of English" as the Minister of Agriculture stuffed his cockerels before sending them to market. Mr. Shields said that what he had said was that he would not stuff the school children of Ontario as "full of English" as the Minister of Agriculture stuffed his cockerels before sending them to market.