

**School Grants Cut.**

"A total reduction of \$265,000 is being made in the grants to the public and separate schools of the Province. Pending a complete investigation into the systems of Provincial grants to the various classes of schools of the Province, no change is being made in the basis upon which these grants are computed, but it is proposed that for the year 1935 a deduction should be made of 15 per cent. from the basis provided for in the regulations."

"The grants for the various types of special services maintained in the public and separate schools of the Province are being reduced from 10 to 15 per cent. of the amounts provided by the regulations. These deductions include the grants for music, fifth classes, art, household science, manual training and school dental and medical services."

Grants for agriculture and horticulture in public and separate schools were based on the 1934 deduction of 10 per cent. A more extensive reduction in grants paid in connection with the teaching of agriculture in secondary schools was proposed.

"A reduction of \$198,000," the Premier said, "is proposed in the grants to vocational schools. It is intended further that the reduction made in the regular grants for commercial departments, and for manual training and household science departments maintained in the secondary schools of the Province, shall be increased from 10 per cent. to 15 per cent."

The sum of \$900,000 was to be voted to the University of Toronto for the fiscal year ending March 31, 1936, in lieu of the \$1,000,000 and \$150,000 appropriations granted last year. "It is the conviction of the Minister," said the Premier, "that the university will be able to continue its operations without serious impediment"—particularly in view of this year's substantial surplus. To Queen's and Western Ontario Universities the grants of \$275,000 were to be reduced to \$250,000.

**Mines Bright Spot.**

The Premier dwelt at length on "the bright spot"—the Department of Mines. The year 1934 witnessed a 32 1-2 per cent. increase in the value of the Province's mineral production. The increased price of gold was largely responsible, and on the debit side were recorded low prices for the base metals, and particularly copper. For the first time in Provincial history the value of the mineral output had exceeded that of field crops.

Dividends paid by Ontario mining companies had amounted to \$37,227,480 in 1934, and the Province's profit tax had increased to \$897,993. Treatment of lower-grade ore by the larger mines was extending the life of the mines of the dependent communities.

**Building Halted.**

"In the Department of Public Works," the Premier said, "it was found that an ambitious building program, involving approximately \$3,000,000, had been commenced for the year 1934. The Government felt that the proposed outlay could not be justified at the present time and ordered all work stopped after \$263,000 had been expended—a saving of \$2,687,000."

Highway revenue increases were noted. "It is the desire of this Government to do everything possible to relieve the overburdened taxpayer, and, as a contribution to this end, the entire burden of Provincial highways will now be lifted from the municipalities and assumed by the Province."

"Further effort," the Premier pointed out, "is being made to keep the highways open to permit of year-round traffic, thereby increasing the return from the gasoline tax and further conveniencing the public."

The Premier defended the Government's strict requirements for early renewal of automobile licenses. Elimination of needless procrastination had saved many thousands in interest charges and rendered unnecessary the maintenance of special staffs.

"There is ample indication," he said, "from trade reports and from the evidence of these registration figures that the number of vehicles registered this year will surpass last year's total by a considerable margin and may well be expected to set a new high record."

**Federal Aid Needed.**

The Premier reviewed the trans-Canada highway problem and the general situation in the Department of Lands and Forests and Northern Development. Construction of the highway, he said, was impossible, in view of its length through sparsely populated territory, unless the Dominion contributed substantial aid.

Revenue had suffered with the drop in lumbering activities, but Government concessions in stumpage dues were expected to generally increase Northern lumbering employment. In the pulp and paper industry uncertain conditions still existed. A number of pulpwood agreements were being reviewed.

"Plans for reforestation are now under way," the Premier announced, "providing for the distribution of from fifteen to twenty million trees per annum."

**Air Service Saving.**

The Premier referred to the reorganization of the Provincial Air Service, which had resulted in a saving for November, December and January last of \$34,888, as compared with a similar period the previous year.

Turning to the question of unemployment, Premier Hepburn stated that one of the first tasks of the Government was to put the work of unemployment relief on a permanent basis. Great care was taken, he said, in

selecting qualified officials and employees for this branch of Government activity. The permanent staff now consisted of seventy-four men and women working in every section of the Province.

A steady increase in the number of persons on relief in the Province is being noted, the Premier declared, stating that the total number at the present time is estimated at 400,000. Relief costs for November and December stood at over \$3,000,000 a month, with the Province paying three-fifths, the municipalities one-fifth and the Federal Government about one-fifth, or about \$600,000 monthly.

Defaulting municipalities, as of Dec. 31, 1934.

**OUTSTANDING DEBENTURE DEBT.**

Name of Municipality.	Unmatured Principal.	Overdue Principal.	Total Principal.	Overdue Interest.	Total Outstanding Principal and Interest.
Windsor .....	\$10,578,995	\$ 2,943,435	\$13,522,430	\$1,277,500	\$14,799,930
Sudbury .....	3,082,000	214,000	3,296,000	nil	3,296,000
Niagara Falls .....	2,865,290	421,636	3,286,926	nil	3,286,926
East Windsor .....	2,673,000	1,424,000	4,097,000	655,000	4,752,000
Sandwich .....	2,410,000	615,000	3,025,000	462,000	3,487,000
Walkerville .....	2,406,282	279,566	2,685,848	nil	2,685,848
Pembroke .....	839,977	51,226	891,203	41,730	932,933
New Toronto .....	1,407,000	194,000	1,601,000	nil	1,601,000
Midland .....	1,270,000	41,000	1,311,000	37,000	1,348,000
Mimico .....	1,760,000	147,000	1,907,000	162,000	2,069,000
Trenton .....	.....	.....	920,000	nil	920,000
Hawkesbury .....	396,415	63,769	460,184	1,938	462,122
Thorold .....	676,758	50,581	727,339	nil	727,339
Fort Erie .....	1,671,600	49,000	1,720,600	15,000	1,735,600
Leamington .....	753,000	61,000	814,000	nil	814,000
Weston .....	979,090	33,763	1,012,853	nil	1,012,853
Penetang .....	182,000	10,000	192,000	4,000	196,000
Riverside .....	1,752,000	502,000	2,254,000	372,000	2,626,000
Kingsville .....	426,000	19,000	445,000	nil	445,000
Tecumseh .....	367,000	137,000	504,000	116,000	620,000
Essex .....	221,648	41,478	263,126	24,479	287,605
Leaside .....	896,787	66,264	963,051	nil	963,051
La Salle .....	189,000	31,000	220,000	33,000	253,000
Long Branch .....	(No debenture debt of its own)	.....	.....	.....	.....
Rockland .....	36,256	3,323	39,579	2,703	42,282
York .....	16,800,000	1,200,000	18,000,000	nil	18,000,000
East York .....	4,138,000	324,000	4,462,000	nil	4,462,000
Scarboro' .....	3,592,000	648,000	4,240,000	56,000	4,296,000
North York .....	3,024,000	220,000	3,244,000	nil	3,244,000
Etobicoke .....	3,120,000	370,000	3,490,000	nil	3,490,000
Sandwich East .....	1,366,000	609,000	1,975,000	296,000	2,271,000
Sandwich West .....	2,000,000	634,000	2,634,000	408,000	3,042,000
Dysart .....	24,000	14,000	38,000	8,000	46,000
<b>Totals .....</b>	<b>\$71,903,498</b>	<b>\$11,418,041</b>	<b>\$84,241,539</b>	<b>\$3,972,350</b>	<b>\$88,213,889</b>