

**BUDGET FORECAST OF CAPITAL RECEIPTS.**

Fiscal Year, April 1, 1937—March 31, 1938.

Department	Capital Receipts		
	Works and Resources	Loan Repayments	Trust Fund Deposits
Agriculture .....	\$ 4,500.00	\$ 25,000.00	.....
Attorney-General:			
Hydro-Electric Power Commission..		1,982,297.09	.....
Highways .....	5,329,300.00	.....	.....
Lands and Forests:			
Lands Branch .....	50,000.00	.....	.....
Forests Branch .....	8,000.00	.....	.....
Mines .....	65,000.00	.....	.....
Municipal Affairs .....	.....	898,000.00	.....
Prime Minister:			
Public Service Superannuation F'd	.....	.....	1,025,000.00
Provincial Treasurer:			
Main Office .....	.....	4,219,037.00	234,825.00
Public Welfare:			
Boys Training School .....	.....	.....	460.00
Dominion Government—			
Old Age Pensions Commission..	.....	9,566,000.00	.....
Public Works .....	.....	.....	15,000.00
	\$5,456,800.00	\$16,690,334.09	\$1,275,285.00

**SUMMARY.**

Works and Resources .....	\$ 5,456,800.00
Loan Repayments .....	16,690,334.09
Trust Fund Deposits .....	1,275,285.00
	<b>\$23,422,419.09</b>

**BUDGET FORECAST OF CAPITAL PAYMENTS.**

Fiscal Year April 1, 1937—March 31, 1938.

Department	Capital Payments		
	Works and Resources	Loan Advances	Trust Fund Repayments
Agriculture .....	\$ 56,000.00	\$ 2,500.00	.....
Attorney-General:			
Hydro-Electric Power Commission..	1,800,000.00	60,000.00	.....
Education .....	65,638.43	.....	.....
Game and Fisheries .....	40,000.00	.....	.....
Highways .....	14,587,350.00	.....	.....
Lands and Forests:			
Lands Branch .....	77,000.00	5,500.00	.....
Forests Branch .....	232,500.00	.....	.....
Prime Minister:			
Public Service Superannuation F'd	.....	.....	850,000.00
Provincial Secretary:			
Reformatories and Prisons Br'ch.	125,000.00	.....	.....
Provincial Treasurer:			
Main Office .....	.....	1,422,985.00	344,190.00
Public Welfare:			
Dominion Government—			
Old-Age Pensions Commission..	.....	9,517,500.00	.....
Public Works .....	2,749,500.00	.....	.....
	\$19,732,988.43	\$11,008,485.00	\$1,194,190.00

**SUMMARY.**

Works and Resources .....	\$19,732,988.43
Loan Advances .....	11,008,485.00
Trust Fund Repayments .....	1,194,190.00
	<b>\$31,935,663.43</b>

**Highways Program**

"As I have already intimated, the Government intends this year to embark upon a program of highways extension. During the year which is just closing, we have added 167 miles to the Provincial road system; 76 construction projects were started and mostly completed under an agreement with the Federal Government, the latter contributing 50 per cent. of the total cost of the work done and material supplied under each project. This work included the laying of 95 miles of new pavement, 100 miles of grading and the construction of 15 bridges, including some of the largest ever built by the Province.

"Several grade crossings were eliminated with substantial assistance received from the Federal Government on this account. Construction was commenced on a four-lane highway from Oshawa to Toronto, thence via the middle road and Burlington Beach through St. Catharines, to Niagara Falls to Fort Erie, connecting at the Peace Bridge with the road to Buffalo.

"In preparing our program for this year safety in construction and maintenance will be emphasized. Grade separations, both railway and highway, will receive special attention. Construction generally will be of much higher standard, wider road surfaces, improved alignment, and grades. The policy of building divided pavements on heavily travelled roads will be continued; in short, every effort will be made to bring our highways to the highest possible standard of safety.

"The highway construction program calls for an outlay of \$14,587,350, and full consideration will be given to the increasing requirements of the northern part of the Province.

"It is the intention of the Government to begin a program of modernizing and fireproofing the Ontario hospitals at Brockville, Cobourg, Hamilton, Kingston, London, New Toronto, Orillia and Penetanguishene.

"The Government also proposes to erect a sufficient number of new hospital units to accommodate the rapidly increasing patient popula-

tion and will build these new units in areas which at present are not as well served as conditions demand.

**Plan New Buildings.**

"Already a site for a new mental hospital has been selected at Port Arthur, and when I inform this House that in the hospitals of older Ontario there is a population of over 650 mental patients whose homes are in the Port Arthur-Fort William district, which extends as far west as the Manitoba border, you will appreciate, Mr. Speaker, how sadly that part of Ontario has been neglected.

"Just consider this fact, that friends and relatives of the patients whose homes are in the Port Arthur district, in order to visit their unfortunate ones who are confined to mental institutions in the Toronto district, are compelled to make a journey of over two thousand miles, counting the return journey. Honorable members will agree that a Government would be callous indeed that would fail to give consideration to this unsatisfactory state of affairs.

"Construction of new buildings is proposed for Hamilton, where buildings, including a new reception building, will be erected at a cost of \$300,000.

"At Woodstock the construction of two new units for epileptic children will be undertaken, as well as other alterations, improved equipment and fireproofing.

"The total amount that we place in the estimates for hospital additions and new construction amounts to \$2,650,000. It is the intention of the Government that practically all of this work will be done by private contract for which tenders will be invited.

**Subsidies to Townships**

"Mr. Speaker, there are, in the Province of Ontario, 339 Townships which at present are subsidized by the Department of Highways in respect of township road and bridge construction. Of this number, 278 townships receive 40 per cent., 35 receive 45 per cent. and seven receive 50 per cent. With respect to those 313 townships which receive

subsidies of less than 50 per cent., the Government has decided to make a uniform rate of subsidy by increasing the present grant to 50 per cent. of the amount expended for road work by the municipalities. This will cost approximately \$300,000.

**Interest Rates**

"This Government has constantly stressed the necessity for keeping interest rates on money borrowed by public authorities down to moderate levels, and, recognizing the difficulty which rural municipalities sometimes experience in obtaining funds at reasonable rates of interest, the Government has decided to reduce the rates of interest on debentures purchased under the Municipal Drainage Act, revised Statutes of Ontario, 1924, Chapter 64.

"The present rate is 5 per cent. per annum. The amount that the Government is limited to in purchasing debentures of each township is \$40,000. The limit for all townships amounts to \$500,000. At the present time the amount borrowed by townships under the Municipal Drainage Act from the Province of Ontario amounts to approximately \$130,000, and there is still available under the statutes \$370,000.

"Effective April 1, the Government will reduce the rate of interest so that the municipalities will be able to borrow money for municipal drainage at a rate of 4 per cent. per annum. The necessary enabling legislation will shortly be introduced.

**Tile Drainage Debentures**

"As honorable members are aware, by authority of the Tile Drainage Act, Revised Statutes of Ontario, 1927, Chapter 65 as amended, the Province is authorized to purchase debentures from municipalities, which debentures are issued on the security of mortgages upon land, where the owner of the land has borrowed money for the purpose of tile, stone or timber drainage. About 85 townships have availed themselves of the privilege of selling tile drainage debentures to the Province, and the Province