

Farm Loans Big Problem

The Agricultural Development Board is still engaged in the task of liquidating the loans that were made over a period of years. On Jan. 31 of this year, according to the records of the Commissioner of Agricultural Loans, the Province now has on hand repossessed farms on which loans are outstanding of \$2,805,614.87 and current loans of \$43,258,529.28 as of Dec. 31, 1937, a total of \$46,064,144.15. The current loans are made up of items totalling 16,172 different accounts, 10,729 of which are in arrears.

A statement of the mortgage loans in arrears as at Dec. 31, 1937, is as follows:

Number of loans in arrears	10,729
Total amount of principal	\$30,658,398.80
Principal in arrears.....	\$ 4,404,483.80
Interest in arrears.....	\$ 3,809,148.94
Total principal and interest in arrears	\$ 8,213,632.74

During the period April 1, 1937, to Dec. 1, 1937, loans were reduced by order of the Board of Review of the Farmers' Creditors Arrangement Act as follows:

Book value of farms reviewed	\$1,351,663.52
Reduction in principal ordered	\$ 64,287.47
Reduction in interest ordered	\$ 222,100.66
Reduction of sundries, taxes, etc.....	\$ 11,589.45
Total amount of reductions ordered.....	\$ 297,977.58

Sad Story Presented.

There are presently to be dealt with by the Board of Review the applications of 364 mortgagors with an indebtedness of \$2,033,350. This is a sad story, but the authors of the mischief are those who, without regard to the economic value of the farms and the amounts that they could bear by way of repayment of interest and principal of the mortgage loans, loaned money on farms to people, many of them with little or no knowledge of farming, in amounts ranging from 25 to 200 per cent in excess of the economic loanable value of the farms. I might tell you that, of the 17,000-odd loans originally made, over 1,720 loans were made to mortgagors between the ages of 60 and 70 years; 440 loans were made to mortgagors between the ages of 70 and 80 years, and 70 loans were granted to mortgagors who were over 80 years of age. You will realize that some ten to fifteen years have elapsed since most of these loans were made and our problems are not at all sweetened by reason of the fact that many of the mortgagors are at such an advanced age.

Savings Bank Deposits Up

Total deposits in the twenty-five branches on Dec. 31, 1937, amounted to \$38,923,945.61, as compared with

total deposits on Dec. 31, 1936, of \$37,505,429.49, or Dec. 31, 1934, when deposits totalled \$21,865,379.43.

Individual accounts increased 4,200 during the calendar year.

There has been no change in our interest rates since July 1, 1936, and no increase in the number of branches during the year, so the increase in deposits shows the constantly increasing faith of the public in the financial stability of the Province.

Liquor Board Profits High

Last year the revenue from the profits of the operations of the Liquor Control Board reached the sum of approximately \$10,000,000, and this year I anticipate that the Province will receive from the Board the sum of \$10,500,000.

It greatly surprises me that there are people in this Province who express regret that the Liquor Control Board operates at a profit. Why they would have it operate at a loss passes my comprehension. In this connection, I should like to state that, whereas this Government, after taking into account the purchase price of the beer, wine and spirits, and the cost of handling, housing and marketing, as well as the risk of loss from fire and breakage, will receive a return of \$10,500,000 this year, the Dominion Government will collect from the goods which the Board handles the substantial sum of about \$11,255,000. Little criticism is heard of the vast sums that go into the Dominion cash box, but to some it is a folly and an offense for this Government to obtain any part of its revenue from the operations of the Board.

A \$10,500,000 profit this year means less than 11 per cent of the total gross revenue of the Province, but in the fiscal year which ended at Oct. 31, 1931, the portion of the net profits and permit sales remitted to the Province of Ontario by the then Liquor Control Board reached the sum of \$10,875,000, and that amounted to over 20 per cent of the gross revenue reported by the previous Administration.

Prison Costs On Increase

At the Reformatories and Industrial Farms very considerable progress has been made in providing facilities for intensive discipline and training of prisoners.

At the Ontario Reformatory, Guelph, a new cell block is under construction and the auditorium has been completed. At Burwash another permanent building is nearing completion and will be available this Spring.

Because of the high percentage of young irresponsible prisoners it has been necessary to increase guard staffs at Guelph and Burwash. The hours of duty of officers at Guelph have been reduced. These, with higher prices for food, clothing and other commodities, have increased expenditures.

Early in the fiscal year Training Schools at Bowmanville and Galt and the three Industrial Schools were placed under the direction of the Provincial Secretary. The new reception and hospital building at Bowmanville was finished and placed in use last Summer. Complete x-ray and dental equipment has been installed through the generosity of the Toronto Industrial Schools Association in making a donation of \$5,000 for that purpose. A new building at Galt was completed this Winter and is now occupied.

The policy of giving juvenile delinquents short intensive training in these schools and then placing them in good, carefully selected homes, chiefly farm homes, appears to be very successful and therefore such placements are being increased. The main objective is, of course, making good citizens of these juveniles but it is also interesting to note that it results in less maintenance cost and saves the necessity of providing more accommodation at those Institutions.

Labor Policy.

Five months ago a full-time Minister of Labor was appointed and since then this Department has continued to increase the scope of its services to the people of the Province.

The Industry and Labor Board is completing the first year of its operation. The duties of this Board include the setting of minimum wage rates which will prevent the exploitation of the most helpless class of workers; encouraging employers and employees to meet together and agree on wages and working conditions that will be fair to both parties and to the consuming public; and administering the Apprenticeship Act, by means of which it is hoped to furnish industry with competent help and to provide youth with opportunities to fit itself for useful occupations.

A new service was undertaken by the Department of Labor with the appointment of a conciliation officer at the beginning of the fiscal year.

During the last calendar year there was considerable expansion in the activities of the Ontario Government Employment Offices. More employers made use of these employment offices and approximately 146,500 placements were made, an increase of 22,000 as compared with the previous year.

Revenue Gain From Timber

The fiscal year now drawing to a close has been the busiest one in many years, both from an operating and revenue point of view. The cut of log timber for lumbering purposes is estimated at 240,000,000 feet, or over 90,000,000 feet beyond the average for the prior seven-year period. Pulpwood has been cut from Crown lands to the extent of one and three-quarter million cords, or nearly 40 per cent. in excess of the average cut since 1930.

The reductions made by the Government in stumpage prices played no small part in encouraging bush enterprises, re-creating a spirit of thrift and saving the morale of legions of anxious workers who had previously become disheartened. Optimism displaced pessimism, hitherto rampant in many small communities.

Notwithstanding stumpage concessions, the revenue of the department will approximate \$4,500,000, the highest revenue in eight years.

Rail Profits On Increase

The operation of the Temiskaming and Northern Ontario Railway during the past year has been eminently satisfactory. The railway keeps pace with and assists materially in the development of the North, and thus contributes directly and indirectly to the prosperity of the Province as a whole. The continued development of mining, lumbering and agricultural industries in the North which the railway serves will inevitably be reflected in the revenues of the railway in future years.

During the year ended March 31, 1937, expenditures for new equipment amounted to \$829,057.22, and consisted of:

Locomotives	\$292,947.48
Passenger-train cars..	520,349.94
Motor busses, etc....	15,759.80

\$829,057.22

During the nine months ended Dec. 31, 1937, 453,846 revenue passengers were carried. For the same period in 1936, 330,214 revenue passengers were carried.

Net profit from operations for the fiscal year 1937 amounted to \$1,369,763.21. Net profit amounted to \$792,012.49 for the fiscal year 1936.