

## Highway Expenditure

There is an increase in the gross debt of the Province due entirely to the highway program of the present fiscal year, but I would draw your attention to this fact—and I do this with some degree of satisfaction—that, whereas the expenditure for highway construction amounts to approximately \$35,000,000, the increase in the gross debt amounts to \$25,221,519.72. In expending \$35,000,000 for highway construction, we have not burdened the Province, but rather we put her in a most favorable position. As you will see from the forecast, we expect to collect in the next fiscal year \$18,200,000 from the gasoline tax. This is a very moderate estimate. I should not be surprised if the collections reached \$20,000,000, and you will not disagree with me when I make this statement, because every estimate

of gasoline collections that has been made by this Government has been equalled or exceeded.

In my considered opinion, there is no investment that this great Province can make in material things that will yield the returns by way of attracting tourists, by improving the living conditions of farmers, by increasing the value of their farms, and by improving transportation facilities, as well as increasing the revenue of this Province, that will compare with the investment in modern highways. The Middle Road, alone, from Toronto to Hamilton, will probably bring two million dollars in gasoline tax revenue next year. Here we have exchanged our wealth in the form of dollars for capital, that is wealth producing additional wealth, and will undoubtedly enjoy a very profitable return on our investment.

### THE FUNDED DEBT OF ONTARIO.

The Funded Debt of this Province, as represented by outstanding debentures, annuities and railway certificates

as at March 31, 1937, amounted to ..... \$567,973,130.86

Add Debentures issued during the fiscal year ..... 46,600,000.00

\$614,573,130.86

Deduct—Debentures redeemed at maturity....\$35,198,500.00

Debentures purchased for cancellation ..... 2,438,946.67

Debentures purchased under Succession Duty

Act ..... 179,400.00

Railway Aid Certificates matured ..... 92,594.20

Annuities matured ..... 10,175.00

Sinking Fund Purchases ..... 971,129.26

Total Reduction ..... 38,890,745.13

Leaving the Funded Debt of the Province as at March 31, 1938, at .....\$575,682,385.73

An increase in the Funded Debt of a year ago in the sum of \$ 7,709,254.87 But a decrease in the Funded Debt since Oct. 31, 1934, of \$18,356,402.76

The Funded Debt as shown above includes \$149,620,646.87 borrowed for the Hydro-Electric Power Commission.

### Stocks and Debentures Outstanding in the Hands of the Public.

Stock and debentures payable only in Canada..\$289,975,800.00—50.20329%

Stock and debentures payable only in London.. 3,323,512.33— .55982%

Stock and debentures payable only in Canada,

New York ..... 49,862,650.00— 8.57273%

Stock and debentures payable only in Canada,

New York, London ..... 234,548,500.00—40.66416%

\$575,810,462.33

Debenture maturities for the remainder of the present calendar year amount to only \$9,269,000, and it is not anticipated that it will be necessary to go into the market for a considerable period of time.

The net debt of the Province will vary in an amount closely following the amount of the gross debt. The exact amount of the variation cannot here be stated because of the necessity of ascertaining the amounts of certain balances which may be collected or outstanding at the end of the fiscal year. Full details of the change in the amount of the net debt will be available when the Public Accounts are brought down.

### Indirect Liabilities.

There will be a reduction in the amount of indirect liabilities and guarantees of the Province at March 31, 1938. The only new guarantees made by the Province

for the present fiscal year are as follows:

Co-operative associations \$ 15,000

Parks Commission ..... 1,062,500

Hydro-Electric Power

Commission ..... 19,000,000

Total .....\$20,077,500

Against this, however, will be the payment of the Hydro-Electric Power Commission debentures in the amount of \$19,626,950. Added to this there are certain guaranteed maturities which have been met by the borrowing authorities, so that the indirect debt of the Province will be reduced this year by something over \$1,000,000. Full details will be given in the Public Accounts.

## Outlook For Children

It will be readily recognized that the dominant note of this Budget

Address in outlining the policy for the ensuing year is the care which this Government is exercising in the preservation and development of the human resources of the land. No Government with the proper conception of its duty considers for

a moment that the sole business of government is to produce surpluses and to run on what might be termed a profit-and-loss basis. The duty of a Government is to ensure that every child born within the State is assured of equality of op-

portunity and is encouraged and helped to grow up to make the most of his or her life, and to have the most helpful influence upon the lives of all citizens who make up the organized society of which he or she is a member.

## Education Grants in Full

I am pleased to be able to inform the House that the legislative grants paid to the public and separate schools of the Province represented the full amount earned by school boards. Since 1932, deductions varying from 10 per cent to 20 per cent have been made from these grants. Payment in full last year involved an expenditure of \$4,164,156.40, or \$580,373 more than was paid in 1936.

Provision is now being made for the appropriation for public and separate school grants of \$475,000 more than was paid during the present fiscal year. The result will be that the grants paid to the elementary schools for the Province in 1938 will exceed by \$1,000,000 those paid in 1936. Provision is being made, likewise, for substantial increases in the grants being paid to high schools and collegiate institutes and to vocational schools.