

ALBERTA BUDGET SPEECH

Provincial Treasurer Gives Figures of Debt, Revenue and Expenditure for Year

HON. Chas. Stewart, provincial treasurer of Alberta, delivered his budget speech on March 17th, and supplemented it by additional information given on the following day. He said that the past year had been a good one financially and quoted figures to show that agricultural, mining and manufacturing products amounted to \$324,704,180, an increase of more than \$7,000,000 over the previous year. He reviewed the progress of the different industries, and said that Alberta's coal production was now the greatest of any province in Canada. The total capital revenue for the year, made up principally of loans, was \$3,368,128, and the capital expenditure \$2,372,835. The public debt at the close of 1918 was \$30,746,149. The province finished the year with a cash balance of \$1,117,191. The total assets of the province were \$136,810,688.

Estimates

Mr. Mitchell gave the total estimated revenue for 1919 for the province as \$13,121,470, adding a balance of \$1,117,191 carried over from 1918 to make a total of \$14,238,661. The total estimated expenditure for 1919 he put at \$14,207,319, divided as follows: \$4,864,010 for capital expenditure and \$9,343,309 for income expenditure. This gives a cash surplus of \$31,342. This, however, includes items of borrowed money. The real income revenue for 1919 is placed at \$9,362,470 and the income expenditure at \$9,343,309, leaving an income surplus of \$19,161.

The expenditure estimate includes public debt, \$1,275,000; legislation, \$140,755; civil government, \$579,115; administration of justice, \$715,585; public works, \$1,372,190; education, \$1,574,093; agriculture, \$505,254; dairy and poultry, \$450,000; public health, \$298,460; telephones, \$1,660,000; general administration, \$168,905; municipal affairs, \$119,080; miscellaneous, \$545,877. Total, \$9,343,309.

The total expenditures estimated for public works for the year are put at \$1,372,190, exclusive of \$1,600,000 on the telephone system. They include a new court house for Medicine Hat, \$150,000; Institute of Technology, Calgary, site and to commence construction, \$200,000; provincial share of Tuberculosis hospital, Bowness, \$200,000; schools of agriculture, \$250,000; alterations to the parliament buildings, \$75,000; improving grounds of government house, \$7,500; improving grounds of parliament buildings, \$12,500; new hospital building for insane at Ponoka, \$267,500; hospital for returned soldiers, Red Deer, \$5,000; repair shop, Lethbridge jail, \$6,000; sites and construction for public buildings, \$75,000; home for mentally deficient children, \$100,000.

The budget contains an estimated item of half a million dollars for capital expenditure on bridges.

Under highways, an item of \$300,000 is included for income expenditure, and \$100,000 for capital expenditure on main highways, while \$300,000 is placed in the income expenditure estimate for district and local highways.

Other items of estimated expenditure under public works include \$45,000 charged to income expenditure for ferries and \$50,000 to capital expenditure for the same, and \$98,740 capital expenditure for surveys and compensation for lands.

The university budget shows that the total estimated expenditure is \$483,273 and estimated revenue, \$143,780, leaving an estimated net expenditure of \$339,493. The principal expenditures all along the line, are, of course, for salaries of professors, assistant professors, lecturers, demonstrators, etc., and operating expenses.

Included in the revenue account is \$1,621,075, of which \$190,000 is under the heading government and legislation, \$463,200 on the population basis of 579,000 at 80 cents a head, \$405,375 as debt allowance and \$562,500 as compensation for public lands. Other items of revenue include school lands, \$575,000; treasury, \$491,855; attorney-general, \$868,260; provincial secretary, including license fees, \$1,158,

475; public works, \$218,015; education, \$31,250; agriculture, \$181,500; dairy and poultry, \$450,000; railways and telephones, \$1,625,000; municipal affairs, \$2,058,000; public health, \$11,500; king's printer, \$7,500; public utilities commission, \$3,000. Total, \$9,362,470.

Direct Taxes Will Stay

Mr. Mitchell confirmed the previous forecast that the government intends to maintain direct taxation through the supplementary revenue tax, an estimated item of revenue from this source for 1919 being placed at \$1,100,000. It will be recalled that last year the government placed the estimate to be raised under this tax at approximately the same figure, but a total of \$1,600,598 was raised, of which, however, only \$613,269 was actually collected, the remainder being an asset to be collected this year. Since 1905, he said, the government has been obtaining money by direct taxation. When the population was small, the tax was applied mostly to corporations and came from the Dominion treasury. The expansion of population and the increasing needs of the province had made other forms of direct taxation such as the supplementary revenue tax necessary.

Increasing Expenditures

The speaker cited the increasing pressure brought to bear upon the government by various organizations for the expenditure of money, remarked on the institution of such things as the government labor bureau, and the maintenance of the provincial police. In this connection, he also cited some figures which cannot be found in the printed public accounts and are therefore not readily available to the public. He remarked briefly in regard to the proposal of the Dominion government to loan money for housing schemes, that the provincial government had only been able to obtain meagre information on the need of housing, but such as was at hand indicated that there was no acute situation of this kind.

Mr. Mitchell recapitulated some figures concerning the public debt of the province, none of which appear in the printed budget. The total public debt of Alberta he places at \$31,500,200, against which is a sinking fund of only \$754,000, leaving a net debt of \$30,746,139. However, the provincial treasurer pointed out that there must be taken into account that a large part of this debt is on the capitalization of revenue-producing utilities and investments, chiefly the government telephone system. The total revenue-producing debt he put at \$10,102,000. In addition, there is another class of debt such as loans to the Alberta Farmers' Co-operative Company and other loans aggregating \$3,000,000, making in round numbers a total revenue-producing debt of \$13,000,000 odd.

In the class of non-revenue-producing debt, he put the debt for bridges at \$2,500,000, for trunk roads at \$3,500,000 and for surveys at \$700,000, while some \$7,734,000 is invested in public buildings. Other items brought the non-revenue debt up to approximately \$18,000,000.

On the basis of the total debt of \$31,500,200, the per capita debt of the province would be \$54.40, but it should be calculated only against the non-revenue debt, and then the per capita debt would only be \$31.18, which, said Mr. Mitchell, compares favorably with other provinces in the Dominion.

Opposition Criticism

The government's figures came in for criticism at the hands of Hon. J. Ramsey of the opposition. Mr. Ramsey pointed out that the Alberta budget only has one balance sheet purporting to cover all the finances of the province lumped together, and showed in comparison the Manitoba budget with a separate balance sheet for every department of financial activity in that government. The member also touched briefly on some other points, urging that the province should issue domestic loans. He declared that if the province could get the people to take \$2,000,000 of a loan locally, it would increase their interest in its financial affairs. The speaker had previously criticized Mr. Mitchell for con-