

## DOMINION METHODS OF FINANCE.

A correspondent, writing from Liverpool, seeks information as to the method in which government accounts are kept, the amount and origin of the public debt, and the present and past history of Dominion finances. To answer these enquiries in detail would encroach rather seriously on the limited space at our disposal, but being of almost universal interest, and but seldom referred to in the public press, we will discuss the questions in a general way, suggesting the Statistical Year Book of Canada as a source of further information, if such be desired. This work is now in its sixth year of issue, and is published by the Department of Agriculture, being the compilation of Sydney C. D. Roper, one of the ablest statisticians in Canada. Government receipts from ordinary sources of revenue are paid into what is called the Consolidated Fund, and payments therefrom are made to cover the ordinary expenses. These receipts and payments, therefore, constitute what may be considered as the regular income and expenditure of the country; receipts and expenditure from loans and all other extraordinary transactions being excluded. The ordinary revenue is derived from a variety of sources, which may, however, be classed under two heads: Taxation and Other Sources. The amounts raised by taxation consist solely of customs and excise duties, aggregating about 80 per cent. of total revenue, while those raised from other sources consist of money derived from the postal service, government railways, public works and so forth. Ordinary expenditure provides for interest on the public debt, sinking funds, provincial subsidies, the cost of revenue collection and the current expenses of the country. In sixteen years out of the twenty-four since confederation, there has been a surplus of revenue, and in the remaining eight an excess of expenditure. The total amount of surplus during these years has been \$42,906,752, and of deficit \$16,851,849, being a net excess of revenue over expenditure of \$26,054,903. These figures are based on the assumption that the surplus for the fiscal year just closed (30th June, 1891) has amounted to \$6,779,450, as shown by returns at that date, but these figures will call for correction when the final returns are published. The largest revenue ever collected was during the previous year (1890), when a total of \$39,879,925 was reached, or an increase of \$26,191,997 over that of 1868, the first year of Confederation. For the now current year the estimated revenue is placed at \$37,500,000, a sum still sufficient to produce a satisfactory surplus in view of the avowed intention of the Government to confine expenditure within the narrowest limits consistent with the efficiency of the public service. The cause of this apparent decline in the revenue for 1891-92 is to be found in the recent removal of the duty on raw sugar, and does not proceed from any estimated falling off in the ordinary sources. The fact of such an important change being possible in the tariff, without any great readjustment, indicates very clearly that expenditure has been of less rapid growth than revenue, a truth that the figures at hand plainly demonstrate. Estimated by percentage, it can be shown that the expenditure of 1890 was 107 per cent.

larger than that of 1868, while the revenue increased 191 per cent.

Having thus briefly considered the method of Dominion accounting and the financial history of the years since confederation, we proceed to the question of the Public Debt. The gross debt of the Dominion as returned on the 31st August last (1891) amounts to \$290,508,093, against assets of \$53,988,418, making the net debt \$236,519,675, equal to 64 years of revenue. At Confederation, the gross debt amounted to \$93,016,051 and the net debt to \$75,728,611, so that recent figures show an average yearly increase approximating \$7,000,000. Of late years, however, there has been some sort of equilibrium maintained between expense and income, taking in capital expenditure as well as expenditure on Consolidated Fund account, as appears from the figures for 1890, which shows a mere nominal increase in the net debt of \$3,170. The increase during 1889 was somewhat larger, but this is to be accounted to the reduced surplus available from ordinary revenue, consequent upon the extraordinary charges incidental to the late elections and the taking of the census. As to the principal objects upon which the public debt has been expended, these may be summarized as follows:—The assumption by the Dominion of the debts of the various provinces on their entering the Confederation; the construction of the Intercolonial and Canadian Pacific Railways and other public works; the enlargement and improvement of canals, harbours and rivers; and the acquisition and management of the Northwest Territories. The total provincial debts assumed or allowed have amounted to \$109,430,148, leaving the sum of \$127,089,527 as the actual net liability created by the Dominion since Confederation. Of this amount the Canadian Pacific Railway absorbed \$61,910,581; the Intercolonial and connected railways, \$12,727,034, and canals, \$33,868,296 (figures to end of fiscal year 1890), a grand total of \$108,505,911, which actually exceeds the net liability, apart from provincial debts assumed. The excess has been drawn from surplus revenue, to which also all other public works must be assigned. In all, the amounts expended on public works in Canada to 30th June, 1890—by the Dominion since Confederation (including expenditure charged to revenue), and by the provinces prior to 1867—aggregate \$251,867,814, of which \$188,212,722 was disbursed by the Dominion Government. At that date the total expenditure in excess of increase of debt since Confederation was \$23,076,505. Space will not permit of greater detail than the above, interesting though the subject matter be. We have endeavored to give as brief a resume as was possible of the objects of this comment, and may refer to the subject again as opportunity offers. If by thus summarizing the main features of the financial history of the Dominion we have satisfied the enquiry of our English correspondent, and have at the same moment made of greater interest to the general reader the monthly Government returns which have found and will continue to find space elsewhere in these pages, one of the aims we seek to attain will have been successfully accomplished—to satisfy by accurate information any enquiry of general financial interest, and to enable the general

reader to study with increasing interest the otherwise dry figures which engross the attention of financial men.—*Merchants' Magazine and Financial Review*.

## BRITISH COLUMBIA.

Like the rest of Canada, the Pacific Province has been making wonderful strides during the past years. In an interview recorded in one of the London papers, Hon. John Herbert Turner, the Provincial Minister of Finance and Agriculture, gives a wonderful account of this development. The building of the Canadian Pacific; the promotion of steamship lines to the east; the increase of trade; the growth of population and the expansion of its cities are cited as proofs of this progress. Mr. Turner points out that:

In 1871 the assessed value of real estate owned in the province, outside of cities, was.	\$ 3,673,000 00
In 1889 it is	20,000,000 00
In 1881 the assessed value of real estate in the city of Victoria was about	6,000,000 00
In 1891 it has risen to	17,000,000 00
The personal property in the province, assessed in 1881 at	3,880,000 00
Has risen in 1891 to	18,000,000 00
The total debt of the province, as shown by the Public Act, to June 30 last is, per head of population,	12 50
The value of real and personal property owned by the people is assessed, per head, at about	516 00
The revenue in 1881 was	97,035 00
The revenue in 1891 was	969,231 00
The expenditure in public works, such as roads and bridges, and surveys for the opening up and development of the province, has in the last five years been	960,967 00
And in 1891 the expenditure on education in the province, which is entirely free and unsectarian, was	122,984 00

The exports of the province have increased from \$1,858,000 in 1872 to \$5,785,000 last year, and its imports from \$1,790,000 to \$1,442,471. Trade has decreased with San Francisco, which is now a competing port, not a market, while there is a "large and rapidly growing trade" with Eastern Canada. Speaking of external relations, the Minister observed that:

"Years ago, before the bargain of Confederation was carried out, and the Canadian Pacific line was completed to the Pacific coast, there was, undoubtedly, a feeling of unrest. I won't say there was much of a desire for annexation, for, with the exception of the few who may be found in any community to favor a policy of that nature, we were always attached to British institutions, but whatever that feeling once was, there is nothing of the kind now. The railway has given us the outlet we need, and our future is assured."

Mr. Turner may well speak in glowing terms of British Columbia. Like Canada at large, it has prospered exceedingly under the wise railway and fiscal policy of our Government, and nothing remains now, that a substantial and assured basis for its present welfare and future greatness is laid, but to continue along those lines and help the rest of the Dominion in promoting general prosperity and national power.—*Toronto Empire*.