

THE BRITISH COLUMBIA BUDGET.

The Budget recently brought down in the Legislative Assembly of British Columbia, is presented below in a condensed form. The statement before us is not in the form which has been adopted from Confederation year downwards for the public accounts of the Dominion. The form, which classifies receipts and expenditure into two distinct sections, according to their being current revenue, outlays or, such as have the nature of "Capital," is necessary in order to prevent accounts falling into serious disorder and confusion. Unless this division is maintained, and honestly and skilfully observed in classifying revenue and expenditure, there cannot but arise the gravest misunderstanding as to the financial position of the person, or firm, or government whose accounts are so muddled. The statement in the British Columbia Budget of Receipts and Expenditure includes under each head, a variety of items which are clearly of a "Capital" nature as distinguished from "Current," or "Ordinary," such revenues and outlays as, in the Federal accounts are classified as Consolidated Fund Account and Capital Account. The mixing up of different classes of expenditures in the British Columbia financial statement is liable to be misleading. If the items were analyzed and assorted under the headings "Current expenditures," and "Expenditures on Capital Account," the statement would be favourable.

A province in the position of British Columbia is compelled to spend heavily in providing works essential to the development of its natural resources, and for the transport conveniences essential to its commerce. Before omelettes can be made eggs must be broken, before wheat can be gathered capital must have been expended in implements, cultivation and seed; before a building can be erected outlays must be made in foundations. Expenditures on roads, canals, wharves, bridges and other permanent works are not the current expenses of the year in which they are incurred, the cost of such works are equitable charges proportionately on the revenue of each year during which such works exist. They add to a country's productive wealth, that is, to its "Capital," under which designation these expenditures ought to be classified. The following is the Budget statement of British Columbia, much condensed:

RECEIPTS,		1901-2.	1900-1.
		\$	\$
Dom. Govt. annual interest 5 p.c.....		29,151	29,151
" " subsidy.....		35,000	35,000
" " grant per head.....		120,000	78,538
" " payment for r'way lands.....		109,000	100,000
From Dominion of Canada.....		284,151	242,689
Land sales and rentals.....		157,000	115,000
Timber royalty and licenses.....		85,000	80,000
Miners' certificates and survey fees.....		210,000	175,000
Mining rece pts and mineral tax.....		280,000	265,000
Income, property and revenue taxes.....		490,000	425,000
Miscellaneous.....		634,600	454,550
Total revenue.....		\$2,140,751	\$1,757,239

EXPENDITURE.		1901-2.	1900-1.
		\$	\$
Public debt.....		411,440	372,790
Administration.....		1,139,354	1,063,536
Miscellaneous.....		119,900	116,820
Public Works —			
Government house.....		4,698	4,698
Roads, streets, bridges, wharves, etc.....		718,243	646,875
Surveys, etc.....		81,700	13,750
Total expenditure.....		\$2,475,335	\$2,218,468
Excess over Revenue including Capital expenditures.....		\$ 334,584	\$ 461,229

Without having the detailed accounts for examination we are unable to declare with certainty what portions of the above receipts and expenditures are properly chargeable to a Capital Account. But, from the statement as published by the British Columbia Government in the B. C. Trade Budget of 4th May, we believe that were the division made of the items into current account and capital account, the annual current revenue would considerably exceed the annual current expenditure. The following is an estimate of how the British Columbia Budget would probably stand were it analyzed and classified:

	1901-2.
Revenue from Capital sources.....	\$ 120,000
Expenditure on Capital account.....	718,243
Balance chargeable to Capital.....	\$ 598,243
Revenue on Current account.....	\$2,020,751
Expenditure on Current account.....	1,757,092
Excess of Revenue or Surplus for year.....	\$ 263,659

One item of receipts will be greatly enlarged after the Census is completed. The Dominion Government grant is per capita on the basis of the population of the Province being 150,000, which is considerably below, probably a third of the present number of people in British Columbia. We are surprised to find no revenue specified as having been derived from fisheries. There are various taxes on mines and miners, on lands, on coal, but, apparently, none directly on fishery enterprises, or products, which are of enormous value.

The Pacific Province is in the "development" stage of progress with the brightest prospect of the "yield" being a magnificent return on the outlay, and a rich reward for all the labours, the anxieties and the enterprise attendant upon its founding and organization.

THE TRADERS' BANK OF CANADA made net profits last year of \$145,537. The amount of \$34,770 was received for premiums on new stock. Those provide for two ½ yearly dividends of 3 per cent. each, together \$71,428; \$10,000 written off bank premises, and \$100,000 for increase of profit and loss account, which stands at \$250,000. The percentage of profits on average capital of year, \$1,201,300, was 12.11 per cent.