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The Financial Condition of British Columbia

Hon. Mr. Hart, Minister of Finance, Shows the Real Financial Position of the Province, with the Necessity for Increased Taxation to Make Income Meet Outgo—Favourable Condition of Provincial Trade.

The Hon. John Hart, Minister of Finance in the Government of British Columbia, in delivering the budget speech to the Legislative Assembly on Thursday, April 4th, made a concise and thoroughly comprehensive statement of the financial condition of the province, with a statement of the problems to be faced and the proposed solutions which the Government would seek to apply. The province is to be congratulated that such a capable business man is in charge of the financial administration of the province, and he is to be commended for the very strenuous efforts he is making to have income balance outgo.

The financial problems, however, are serious, and the Hon. Mr. Hart points out that they are not to be made light of by blinking at them. They must be faced and met squarely. The Finance Minister recounted the financial history for the past decade and emphasized the burdens through capital expenditure that must be carried by the people of British Columbia over and above the actual necessities for carrying on the work of the province. It is now necessary for the taxpayer to contribute \$2,111,868 alone to meet the interest and sinking fund charges of \$19,724,010.63 of net funded debt, in addition \$907,200 for interest charges on Pacific Great Eastern Railway guaranteed debentures, and a smaller amount on the Nakusp and Slocan Railway. These are burdens to be borne apart from the actual operations of the Government.

The Finance Minister stated that the arrears of general taxes outstanding on December 31st last amounted to \$4,776,408, and in addition arrears of school taxes amounted to \$168,403. He proposed using every endeavour to get in these arrears, and stated that it is the intention of the Government to hold during the present year a tax sale. He points out that the Government proposes to collect taxes imposed, but that all inequalities so far as possible in the matter of taxation will be eliminated by the recommenda-

tion of the Taxation Board, aided by Professor Robert M. Haig, of New York, the taxation specialist who aided the Government at its taxation hearings last fall. The Government proposed the reassessment of farm lands, elimination of tax on farm improvements, with the income tax so laid that it is hoped that all in the province shall bear his or her just proportion. It is only by the firm determination to face the financial obligations of the province that any headway can be made. On account of capital expenditure

the Government has recently borrowed \$1,000,000 at a rate of about 6¾%, and has made arrangements with the Dominion Government for a loan of \$3,000,000 at a rate of 6½%.

The Finance Minister presented a very lucid statement as to the assets and liabilities statement of the province. In regard to revenue and expenditure he pointed out that for the nine months ending December 31st last, \$6,794,671 were received, against which there was an expenditure chargeable to income of \$5,544,889. To this, however, must be added \$2,365,576, being made up of \$1,089,682 for sinking fund and redemption of loan charges, \$1,251,848 on account of interest on Pacific Great Eastern bonds outstanding, and \$24,045 for interest on Nakusp and Slocan Railway. In addition there was an advance of \$74,994 to the Land Settlement Board.

The requirements for the public service for the fiscal year 1918-1919 are \$9,658,254, and the estimated revenue is \$9,900,055, giving an estimated surplus of \$241,801. The capital expenditure will require \$1,953,440, giving an apparent

deficit of \$1,711,639 for the year. The House will be called upon to vote supply for the fiscal year 1918-19 of \$11,611,694.

In the consideration of the estimated revenue the Hon. Mr. Hart pointed out the condition of the basic industries of the province and the value of production of those industries. He stated that in spite of the depletion of our farming population, of a somewhat unfavourable season and an acute shortage of farm labour, there were increases in nearly every line of farm production, with an aggregate actual increase in value as compared with 1916 of \$5,478,935, an increase of slightly over 17%. The total value of all products for 1917 was \$37,661,850. In addition there were agricul-

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