

GOVERNMENT OF THE PROVINCE OF B. C.

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"The Department of Education also shows an increase of 87.14% for the period. The main reason for the rise is the increase in grants and aids given to schools and school districts by the Province. It should be borne in mind that this does not include the annual grant to the University of British Columbia, which, in 1919-20, was estimated at \$285,000. We suggest that this amount should be in future included in educational costs. This expenditure on education is in addition to that made by the various municipalities.

"The large increase apparent in the Department of Mines arises mainly through the money which is spent under the Mineral Development Act and the Mineral Survey and Development Act.

"The Provincial Secretary's Department has shown a large and steady increase in its expenditures. These have increased a total of 143.92% during the period 1911 to 1920. This can be accounted for, to some extent, by the necessary increases in salary to the employees of the various institutions under its supervision. Grants to hospitals have almost doubled in amount during that time. Another factor which must be taken into account is the annual grant to the University of British Columbia, which is now allocated to this Department. It also includes various other grants, such as salaries to enlisted employees, etc., which were discussed previously.

"The great decrease which has occurred in the Department of Public Works' current expenditures can be explained, in part, by the fact that until 1917-1918 no distinction was made in Public Accounts between Capital and Current Expenditures on Public Works. Capital Expenditures are now separated and not included in the Current Account Statement for the years 1919 and 1920."

The comparison of per capita expenditure is presented for each department of the Province. The totals for 1911 were \$20.89; 1915, \$29.65; 1919, \$26.34; and 1920 (estimated), \$28.20.

In making a comparison between the expenditures of British Columbia, Alberta and Saskatchewan, it has been difficult to arrive at a comparative statement on account of the differences in making up the statements of account. But getting at as close an approximation of the accounts and bringing Alberta and Saskatchewan into conformity with the accounts of British Columbia, the statement shows that on the basis of actual expenditure there was a per capita expenditure on current account of \$25.19 as compared with that of Alberta \$13.35, and of Saskatchewan \$9.92. If the expenditure on the Department of Lands as being attributable to administration of natural resources are excluded, amounting to \$1.93 per capita, the per capita expenditure would have been \$23.26.

The expenditures caused by the differences in physical features of the Province is illustrated by the expenditure under Public Works. This consists to a large extent of expenditures for maintenance and repair of roads, bridges, etc. The per capita for public works in British Columbia was \$5.06, compared with \$1.33 in Alberta, and \$1.13 in Saskatchewan. In the report the comparative statements are shown, giving in detail the amount chargeable to each office of the Government of the Provinces and the per capita costs for each department. Separate tables are presented with regard to the expenditure of the Agriculture Department of the three Provinces and for that of Education. In the tables of agricultural costs, Alberta is practically double that of British Columbia, while the great agricultural Province of Saskatchewan is considerably below that of British Columbia. In the comparative tables of expenditure for education, British Columbia largely exceeds that of the other two Provinces with a total of \$1,780,990, \$1,073,037 for Alberta, and \$1,173,290 for Saskatchewan.

With regard to the provincial debt, the report states: "The information given in the Public Accounts in connection with the Provincial Debt is not as full or complete as could be wished for. For instance, an item such as 'Loan Act, 1917, 5 per cent., due 1st April, 1938, \$200,000,' does

not convey a great deal to the ordinary citizen. We would suggest that a statement be prepared showing what this money was borrowed for and the use to which it was put. If this were done for all Loans it would then be possible to allocate the Sinking Fund and Interest Charges according to the use to which the money was put. One would then be able to learn the Gross Debt, Sinking Fund and Net Debt, incurred on account of building roads, bridges, etc. This is impossible from the information at present given.

"So far as we can learn, no separate statement is published showing in a clear and concise form the Gross Bonded Debt of the Province, the Sinking Funds on hand in connection therewith, and the Net Debt."

The per capita bonded debt has risen from \$27.40 in 1912-13 to \$70.88 in 1919-20. The annual debt charges being interest and sinking fund payments, have increased from \$1.12 per capita to \$4.51 during that time.

While there is no doubt that a Province with the great and largely undeveloped territory of British Columbia requires large borrowings to assist development, the fact that such amounts must be repaid should also be kept in mind. Posterity should pay its share, but, in effect, posterity to a great extent includes many of us who are here at present. The future always brings its own burdens. British Columbia should, therefore, while having regard for proper expansion, beware of over-expansion. Its ideal should be to pay at least all current expenses out of current funds and, if possible, to keep its per capita net debt from increasing for a period of years at least.

"Added to the Bonded Debt, another feature which costs the British Columbia citizen a substantial amount annually, is the 'Interest, etc., on Debts on which the Province has guaranteed Interest or Principal, or both.' The guaranteed debt per capita has risen from \$151.76 in 1912-13 to \$184.10 in 1917-18."

The guaranteed debt for 1912-13 was \$59,562,072, and 1917-18 was \$72,255,405. The annual payments under the agreement increased from \$57,321 in 1912-13 to \$907,973 in 1917-18. The per capita charge for both periods was respectively \$0.15 and \$2.32.

"Another factor which should be taken into account in connection with the Public Debt is the amount paid annually in 'Interest on Account of Temporary Loans.' An attempt was made to prepare a table of such sums, but, owing to insufficient information being at hand, it was given up. Such

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