

be the result? If that nation were not the United States of America, Canada would have to appeal to the United States for protection or agree to such terms as the enemy might dictate. If that nation were the United States, prepared for war, while Canada was unprepared, there would be none to appeal to and Canada would have to submit. What would be her ultimate destiny in either case?"

There is not space in these columns to print the address of Mr. Lash in full, but a considerable part of it is published on another page. In his concluding remarks, he stated that the war has shown us that Canada as a unit of the great British Empire is far safer and better able to take part in the world's affairs than she could possibly be as an independent nation. "She will never disrupt the British Empire by leaving it," said Mr. Lash, a sentiment which has the unqualified approval of the people of the Dominion.

BRITISH COLUMBIA'S FINANCES

The balance sheet of the province of British Columbia for the year ended March 31st, 1917, was presented to the provincial House by the finance minister last month. An examination shows it to be much more businesslike than has been the custom in the past. It reflects the good work of Mr. A. N. Mouat, who was appointed comptroller-general of the province in August last. In giving consideration to the necessary reorganization of provincial finances, the fact was not overlooked that when British Columbia entered Confederation the province retained the ownership and control of the natural resources of the country. A more comprehensive system of supervision over revenues and expenditures is therefore required in British Columbia than is the case in other provinces of the Dominion, which do not own, nor are entrusted with the administration of lands, forest, water rights, minerals and fisheries.

The system which it is proposed to instal at the commencement of the ensuing fiscal year will provide a complete check over all expenditures by audit in the "Controlling and Audit Branch," as follows: (1) Before liability is incurred, or expenditures authorized to be made against the appropriations sanctioned by the legislature; (2) before payment is made; (3) after payment to ensure that expenditures are charged to the proper account.

Under such a system, all expenditures will be duly authorized, and a stop put to the practice of incurring liability irrespective of the appropriation and holding over the accounts in relation thereto when the appropriation is exhausted and without such indebtedness being disclosed in the public accounts of the province.

The pre-audit system was referred to in *The Monetary Times* of July 27th last. The fact that it materially assisted in bringing about the reduction of \$1,209,716 in the operating expenses of the city of Edmonton for the years 1915 and 1916, has clearly demonstrated the superiority of "counting the cost in advance of liability being incurred" over the usual custom of counting it when it is too late. It is further proof that the conduct of public affairs can be placed on the same efficient basis usually obtaining in the management of a progressive business corporation.

LOAN TO CANADA?

Sir Robert Borden, premier, and Hon. A. K. Maclean, acting minister of finance, have gone to Washington to confer with the government there in regard to the exchange situation and the adjustment of purchases and payments for supplies needed by Canada, Great Britain and the United States.

Our representatives will probably confer with Mr. McAdoo, United States secretary of the treasury, and with Lord Reading, who is representing the United Kingdom on a special mission in America. The position between Canada and the United States in regard to trade and securities, their relation to the Anglo-Canadian position and also to the winning of the war, are matters for the serious consideration of the authorities. We have against us, so far as trade with the United States is concerned, a rapidly increasing trade balance which, by the end of this month, will be between \$400,000,000 and \$500,000,000. Owing to war finance requirements in the United States, we are unable to sell securities there to help offset the adverse trade balance. In addition, we are compelled to finance at home obligations maturing in the United States this year. We have a favorable trade balance in regard to United Kingdom trade but the Imperial authorities are not in a position, after the financial tasks of nearly four years of war, to pay cash for all their purchases.

In view of the facts that we are actively co-operating with the United Kingdom and the United States in the prosecution of the war, that we have raised very substantial sums in Canada for that purpose and are prepared to continue, and in view of the fact that we are one of the best customers of the United States, it is reasonable, we think, that the neighboring republic should give more intimate consideration to the position. Possibly a scheme of reciprocal credits can be worked out, as suggested in Ottawa despatches. We think in any event a substantial loan by the United States government to Canada, such as the loans made to other Allies, would be a businesslike and proper arrangement.

UNFAIR TO INVESTORS

The Vancouver Daily Sun reports a case under the War Relief Act which shows how unjust the operation of that act is to outsiders who have money invested in British Columbia. It appears that a Scottish mortgagee loaned about £1,000 upon a house at Kitsilano, and, upon payments not being forthcoming and being unable to foreclose, applied to a judge for an order for the collection of rent at the rate of \$30 per month. Counsel for the mortgagor pleaded that he was on service as a guard of railway property and received his \$1.10 a day and the separation allowance for the family, and was paying hospital fees for a sick daughter. The circumstances of the mortgagor were unquestionably of a character that would appeal to public sympathy, but it is obviously unfair that any part of the cost of maintaining His Majesty's soldiers in the service of the Dominion of Canada should be imposed upon an individual investor of Scotland, except to the extent he is called upon to pay taxes imposed equitably.

It is now well known that in Scotland itself, if any citizen is taken into military service and is unable to meet