

British Columbia Estimates Heavy

Millions Will Be Borrowed This Year—Contingent Liabilities Reduced, on Account of Canadian Northern Being Taken Over by Dominion and Nakusp and Slocan by C.P.R.—Provincial Credit Good

HON. John Hart, minister of finance for the province of British Columbia, gave his budget speech in the legislature on March 12th. He said:—

"In dealing with the revenue and expenditure for the year ending March 31 last, we find that the revenue which my predecessor, our late premier, estimated would be collected was \$9,868,325, and against this was estimated an expenditure of \$2,032,225 on capital account, and \$8,768,579 on current account, a total of \$10,800,804, leaving an estimated deficit of \$932,479. For the sake of comparison I am treating the accounts on the same basis shown for many years past, and on this basis we find, from the public accounts, which I presented at the opening of the session, that the net revenue for the year was \$8,882,846 and the net expenditure on current and capital accounts was \$8,899,649, leaving a surplus of net revenue over net expenditure of \$483,196.

"This net expenditure showed a saving of \$470,955 on the estimates presented a year before. Deducting the capital expenditure, the net expenditure on current account, as shown by the public accounts, was \$8,073,565. The figure of \$8,399,649 does not, however, cover sinking funds, which I think should be taken into the calculation when figuring out whether there is a surplus or a deficit. Taking this into account we will find a deficit of \$466,504. It has also been the practice in former years to exclude from the calculation certain payments considered as recoverable at some future date, such as moneys paid on account of Pacific Great Eastern interest.

"The revenue for the year fell short of the estimate by \$985,479. The chief heads of revenue which showed a larger collection than was expected were poll tax by \$179,500; interest by \$73,400, motor traffic regulations act by \$73,000, coal and coke tax by \$72,000, land sales by \$46,000, amusement tax by \$24,500, interest on the investment of sinking funds by \$37,000, log scaling fees by \$20,000. Under the prohibition act liquor sales brought in \$17,200.

"Sources of revenue which fell short of the estimate were: Income tax by \$420,000, real property tax by \$316,000, personal property tax by \$179,000, wild land, coal land and timber land tax by \$224,000, timber royalties and licenses by \$270,000, succession duties by \$159,000.

"On the other hand the actual expenditure on capital and current accounts was less than the estimated expenditure by \$1,451,453. There was a saving of \$47,000 on public debt, of \$116,000 on the cost of civil government, of \$114,000 in the department of lands, of \$83,000 in the expenditure on education, of \$70,000 on the administration of justice, other than salaries of \$124,000 on miscellaneous, and \$45,000 on the cost of maintenance of public institutions. Services which exceeded the estimate of expenditure were hospitals and charities by \$40,000, public works by \$37,000, revenue services by \$11,000, legislation by \$8,000.

"As compared with the previous fiscal year all the general sources of revenue showed increases, real property tax by \$481,000, personal property tax by \$230,000, wild land tax by \$169,000, income tax by \$374,000, motor traffic fees by \$59,000, and timber receipts by \$87,000. On the other hand, items of expenditure which showed a decrease as compared with 1916-17 were: Public works by \$679,000, civil government by \$141,000, legislation by \$90,000, administration of justice by \$41,000, hospitals and charities by \$79,000. There was \$66,000 more spent on education than in 1916-17, the department of agriculture's expenditure was greater by \$14,000, department of lands by \$57,000 and miscellaneous expenditure by \$114,000.

"The most striking feature about the figures which I have been able to present to the House for the current year is the increasing revenue. For nine months up to the end of

the calendar year the receipts were only \$657,759 short of the estimated revenue for the twelve months of the fiscal year, while the receipts for the corresponding period in 1917 were over three million dollars behind the estimated revenue for 1917-18. On the other side we find a reduction in the comparative expenditure by half a million dollars, the outlays in the nine months of last year being \$3,388,692 less than the estimates for the year, while the year before the expenditures for the nine months were \$2,815,345 below the full estimates.

"There should really be deducted from both revenue and expenditure a sum of \$660,395, which was paid into the consolidated revenue fund in error in connection with the Pacific Great Eastern settlement and which was paid out again under authority of special warrant. This would leave the revenue for the nine months at \$8,581,899 and the expenditure at \$7,562,605.

"Towards the \$9,900,055, which is expected to be the revenue for the twelve months we have collected at the end of December \$9,242,295. Already we have received, for three-fourths of the fiscal period, in excess of the estimated revenue for the year by \$161,735 on account of personal property tax, by \$109,672 on account of the mineral tax, by \$47,639 on account of wild land, coal and timber tax, by \$41,500 on account of timber receipts, by \$39,200 on account of land sales, by \$13,500 on account of interest. Several of the heads of revenue which showed a shortage have since filled out, such as motor license fees, poll tax and Dominion subsidy payments. There still remained to be paid at the end of the year on account of income tax some \$800,000. This is in large part made up of amounts expected to be derived from mining corporations and following an audit which has just been completed will probably be paid into the treasury before the end of the month.

Estimates of Expenditure and Revenue

"I come now to a discussion of the estimates of revenue and expenditure for the fiscal year ending March 31, 1920. The various services of government call for an expenditure during the coming twelve months of \$11,071,113 on current account and \$2,242,190 on capital account, or \$13,313,303 in all. Against this we estimate a revenue of \$10,209,960.

"In the department of agriculture we expect a revenue of \$53,000, the increase of \$23,660 being accounted for by larger receipts from horticultural inspection fees and collection from those who purchased seed grain last year. The revenue looked for in the department of the attorney-general is \$833,000, or \$255,415 more than it was in the current year. By an increase in the motor license fees \$100,000 will be collected, and \$50,000 additional is estimated for from land registry fees. The revenue from the administration of the Prohibition Act is set down at \$25,000, and old sources which are expected to yield more, are game license fees, company incorporation fees, fines and fees of court and law stamps.

"Under the head of the department of finance, we estimate for a revenue of \$6,358,215, the first item being the Dominion subsidies. These stand at the same figure as before, \$623,135.06. The reduction of \$287,000, which we allow for in my department, is much more than made up by a lesser collection of income tax as compared with the current year, due to the fact that last year there was included in the estimate the amount which will be got in from the mining companies for 1917, as well as for 1918. Mineral tax is expected to bring in \$150,000, an increase of \$65,000 on the last estimate. Closer collection of personal property tax justifies us in placing the figure from that source at \$750,000, which is higher than I put it last year. To the receipts from the taxation of unworked Crown granted mineral claims, we have added \$20,000, making it \$60,000.