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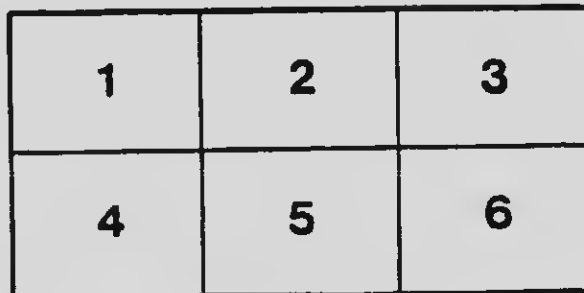
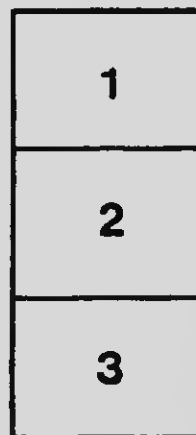
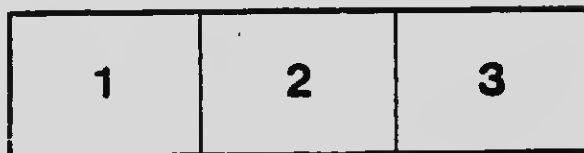
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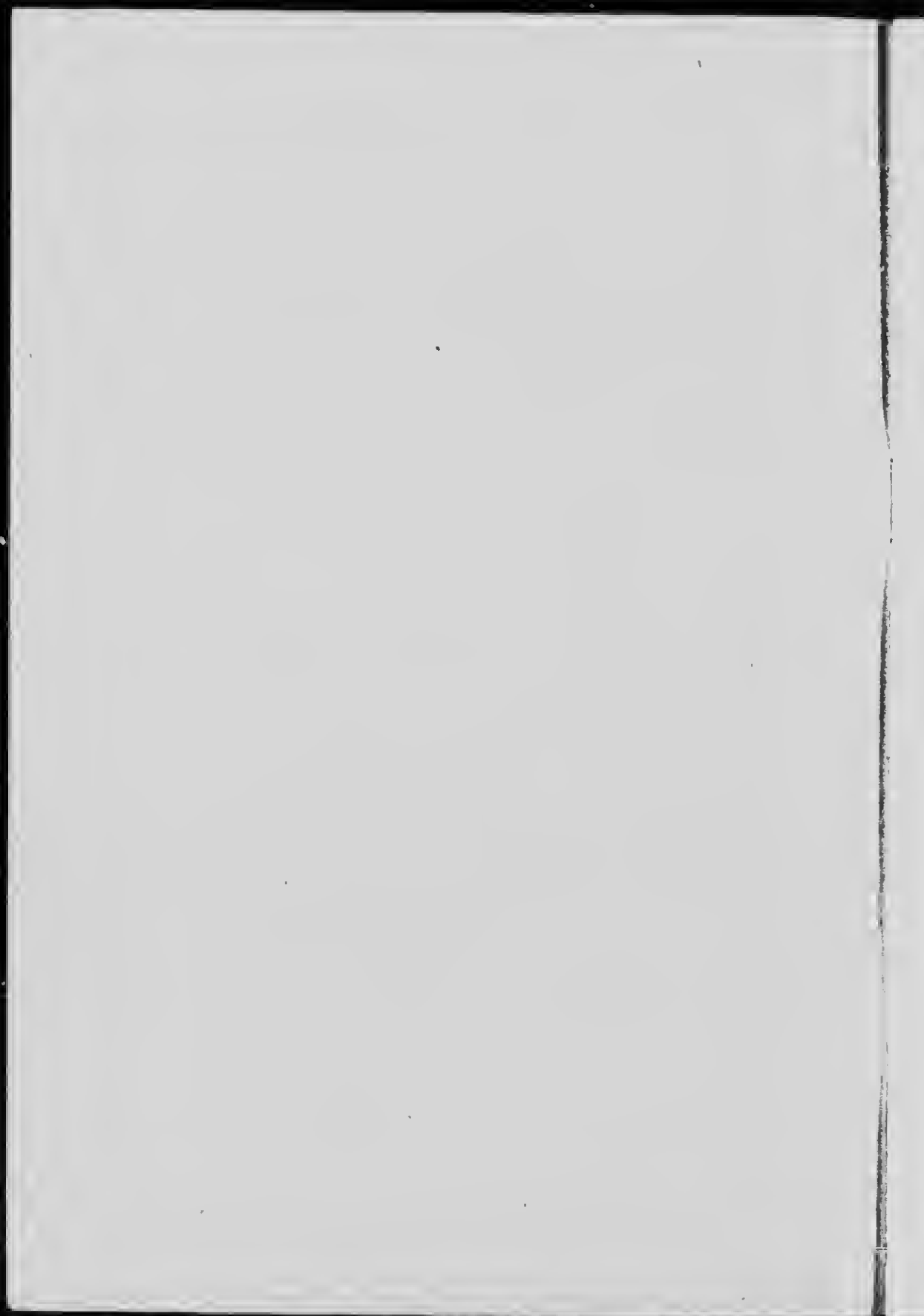
VANCOUVER BOARD OF TRADE

BULLETIN No. 2

**Notes on the
Cost of Administration of the
Province of British Columbia**

MARCH, 1918

Price Twenty-Five Cents.



VANCOUVER BOARD OF TRADE

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Notes on the Cost of Administration of the Province of British Columbia

At a meeting of the full Board of Trade held on February 20th, 1918, a Committee was appointed, consisting of the Chairmen of the different Bureaux, for the purpose of investigating the question of Provincial and Municipal taxation.

This Committee met on March 4th, and a Sub-Committee consisting of myself as Chairman, Mr. W. H. Malkin and Mr. George Kidd, was appointed to prepare particulars for presentation to the Minister of Finance.

This Committee prepared a report on the subject and interviewed the members of the Government on Friday, 5th April.

In preparing our report, the first matter which was directed to our attention was the question of expenditure. Of course the information at our disposal in this connection is confined to the published accounts of the various Provinces and Municipalities. We are of opinion that so far as the City of Vancouver is concerned, many economies have been effected and that there is little relief to be expected from further economies in the expenditure of the city. We found, however, that some very startling results were revealed by a somewhat cursory examination of the published Accounts of the Province of British Columbia, particularly when those expenditures are compared with the different Provinces throughout the Dominion. We therefore thought that we would in the first instance direct the attention of the Government to the question of Provincial expenditure. The following is the report which was presented to the Government on Friday last.

Through a variety of channels the question of Provincial and Municipal taxation has been brought to the attention of the Board of Trade, with the result that a committee has been appointed to investigate this question and to ascertain whether any means can be recommended to the Government whereby some relief can be given to the taxpayer.

It is almost unnecessary to remind anyone of the enormous importance of taxation at the present time, but perhaps a few figures may illustrate the exceptional difficulties which confront the taxpayer in British Columbia. During the three or four years prior to the War the Provincial Government, the Railways, the Municipalities and a large number of public and private concerns undertook extensive programmes of development with the object of providing facilities for an anticipated population far greater than at present resides in British Columbia. The result has been that the public are today saddled with taxes separately assessed by the Dominion Government, the Provincial Government, the Cities, the Municipalities and other bodies, which are out of all proportion to the present population.

Attached will be found Schedule A giving the revenue and expenditure of the Government of British Columbia during the year ended the 31st March, 1917.

This statement has been compiled from the Public Accounts issued by the Province.

Although in these Accounts no attempt has been made to distinguish between Revenue and Capital Accounts, we have attempted in the schedule referred to to roughly allocate the expenditure which should be raised out of the revenues of the year against the annual revenues of the Province.

From this statement it will be seen that the revenue of the Province amounted for the year referred to to \$6,472,910, whereas the expenditure for the same period was \$9,357,989, leaving a deficiency of \$2,885,079

It should be noted that this deficiency does not include the \$907,200 necessary for the provision of interest on the Pacific Great Eastern Bonds guaranteed by the Provincial Government. We are not familiar with the results of the negotiations between the Provincial and Dominion Governments as to the guarantee of the Canadian Northern Railway Company's bonds, but should the Province still have any liability in this connection it would form a further item of our expenditure.

The next schedule attached hereto, marked B, gives the Revenue and Expenditure of the Province under a few of its main headings during the years 1910, 1913, 1917 and 1918.

The last year represents the estimates of revenue and expenditure prepared by the Minister of Finance when he submitted his Budget

before the Provincial Legislature at the session held in the early part of 1917.

From this statement it will be seen that both in total and in detail very heavy increases have taken place.

To take one outstanding item, namely the Civil Government salaries, we find that during the years mentioned the expenditures on this item alone have been as follows:—1910, \$389,701; 1913, \$857,092; 1917, \$1,477,611; 1918, \$1,453,256.

The increases shown in the above figures are so extraordinary as to in themselves warrant some explanation.

The population of British Columbia today is little more than it was in 1910, and yet our Provincial Government's salary bill has increased over 350 per cent.

On the same schedule B will be found an analysis of the Revenue account.

In this connection it is often contended that British Columbia has an enormous amount of development work connected with its administration which warrants a high ratio of expense. It will be found, however, that a very large revenue is already derived from such items as Timber Sales and Mineral Tax, which are in the nature of revenue derived from the sale of a portion of her natural resources, and might well be absorbed by expenditure on permanent improvements.

It is worthy of note in this connection that British Columbia has the unenviable distinction of being the only Province in the Dominion where an Income Tax is necessary.

It may be asked what the expenditure on similar items are in other Provinces in Canada, and in Schedule C will be found a few of the main items, namely, the Civil Government salaries, the cost of Education and the cost of Public Works, in the other Provinces of Canada.

From this schedule it will be seen that British Columbia, apart from the Provinces of Ontario and Quebec where the population is far in excess of the population of British Columbia, heads the list in each of these three departments of expenditure.

So far as the expenditure per head of population is concerned, British Columbia is far in excess of any other Province in the Dominion.

Returning to the expenditure on Civil Government, we find from

this schedule that they are as follows throughout the Provinces of Canada:—

British Columbia	\$1,555,562
Alberta	485,528
Saskatchewan	343,719
Ontario	826,653
Quebec	649,156

The discrepancy between the expenditure in British Columbia and elsewhere, as shown by the above figures, is so startling that we have, as far as is possible from the published accounts, analysed the Civil Government expenditure, as will be found in Schedule D.

Schedule D gives the expenditure in British Columbia under the head of "Civil Government Salaries" and the expenditure in Alberta under the head of "Civil Government."

We have given this statement so that there may be no doubt as to the accuracy, from a comparative point of view, of these two items of expenditure. It shows that in Alberta, with a population of roughly 500,000, they can administer the Province with an expense for salaries of \$379,507, whereas in British Columbia it costs \$1,477,611 for the same expenditure, with a population of probably 400,000 persons.

In presenting these figures, comparing the costs of administration in B. C. with other Canadian Provinces, we fully realize the many different conditions prevailing in different parts of the Dominion. For instance, the natural resources of Alberta, such as minerals and lumber, are administered by the Dominion Government, whereas here the cost of that administration falls on our Provincial Government. Many other instances might be quoted which would, to some extent, explain the high cost of government in B. C., but even when all these factors are taken into consideration, it appears that there is ample room for economy and co-ordination in our methods of government, especially bearing in mind the heavy increase in expenditure in our own Province during the past few years where, until recently, we have had a stationary if not a declining population.

Schedule E gives the revenue and expenditure of the Provincial Governments of Canada during the years 1915 and 1916, as shown in the Canada Year Book for 1916 and 1917, page 533.

This statement again bears out the extraordinary state of affairs

with regard to the cost of administering the Province of British Columbia.

It shows that with an average expenditure throughout Canada of \$6.56 per head of population, we here spend \$17.34.

Schedule F further illustrates this question of expenditure per head of population by showing that the figure referred to above is not exceptional and that during the years 1911, 1912, 1913, 1914 and 1915 it was very much higher than it is today.

As we are dealing with both Provincial and Municipal taxation, we give the following statement compiled from the report of the Conference recently held at Winnipeg by the Commission of Conservation:

Name of City	General debenture debt per capita, after deducting sinking fund and property owners' share of local improvements, but including debt of public utilities.	Per capita debt, less public utilities debt.
Halifax	\$108	\$ 71
St. John	71	11
Montreal	160	84
Toronto	150	57
Ottawa	96	40
Winnipeg	129	130
Regina	313	150
Saskatoon	290	100
Calgary	242	170
Edmonton	359	218
Vancouver	265	145
Victoria	245	

The foregoing figures do not refer in any way to the taxes collected by the Dominion Government, which, at the present time, as is well known, are in themselves a great burden on the community, and in this connection we suggest that greater efficiency and economy could be secured if the collection of both Dominion and Provincial income tax were undertaken by one instead of two independent organizations as at present.

We only mention this as an illustration where economies and greater efficiency might be effected in British Columbia if a similar practice were adopted.

The cost of collecting taxes, and particularly an Income Tax, can easily amount to a very large percentage of that tax.

It has taken England one or two generations to develop an organization capable of adequately collecting Income Taxes.

If two such organizations are to be developed in British Columbia—one for the Dominion Government and one for the Provincial Government, we venture to suggest that a very large portion of the taxes collected will be absorbed by official salaries.

It will of course be understood that it would be impossible for any intelligent criticism or constructive suggestions to be made with regard to the cost of administering this Province from the information compiled from the Public Accounts. All we can suggest is that the total expenditure in various branches, as shown by the above figures, clearly indicate that the cost of administering the Province has grown out of all proportion to the increase in population. No doubt this Government, which is the heir to the extravagance of the past, has already considered this question and has in all probability effected substantial economies.

We do not approach the subject in any narrow spirit—we realise that the future of the Province depends upon the development of the resources it contains, for which purpose incoming capital must be encouraged, and that capital will not be attracted to the Province should we have the reputation of being one of the most heavily taxed communities within the limits of the British Empire.

Neither do we, in viewing this question, wish to suggest the curtailment of any expenditure of an immediately productive nature. On the contrary any expenditure which will encourage the growth of population, the development of industries, and with them the creation into actual wealth of our natural resources, has our cordial and most sympathetic support. We do, however, feel that, judged even with the scanty information at our disposal, there is ample room for reform in the present administrative methods of our governing bodies.

We notice from the reports of the last session of the Legislature that the Government obtained the services of a well-known firm of Chartered Accountants, namely Messrs, Price, Waterhouse & Co., who spent some time in the Province, presumably on the Government accounts. So far as we are aware, their report has not been published, but we should very much appreciate the courtesy of the Government in

permitting us to peruse the reports and statements presented by Messrs. Price, Waterhouse & Co.

We have asked you to grant us this interview in no critical or captious spirit, but with the object of obtaining further information and of ascertaining whether we can be of any assistance to the Government in carrying out their reforms. Since this Committee was formed, we have received numerous enquiries as to the progress we are making. In presenting our report to the Board of Trade we wish to do nothing to emharass and to do everything we can to assist the Government, but we feel that this question will inevitably, no matter what action we take, come prominently before the public, and we therefore ask you at this interview to give us as fully as you can your idea as to the methods you are now adopting with regard to curtailment of expenditure, and also as to how we can best assist you, and, further, as to what extent and the date of any relief which you anticipate granting to the taxpayer.

While we realize that the facts revealed by the attached schedules cannot in themselves be used for the purpose of making any practical suggestion at this moment as to the means whereby expenditure can be reduced and possibly taxation more equitably distributed, we do most strongly contend that the information we have supplied to you is ample evidence of the necessity for immediate action.

In the foregoing remarks practically no reference has been made to Dominion taxes, but it must not be forgotten that these taxes fall upon the shoulders of the same people who have to bear the burdens of Provincial and Municipal taxation. We speak in British Columbia of an approximate population of 400,000 people, but it must be remembered that owing to our method of taxation practically the whole burden falls upon the shoulders of a very small percentage of the total population.

No mention has been made in these remarks of the fact that a War is in progress, which is already in itself creating a somewhat extensive administrative machine in connection with our returned soldiers, our hospitals, our convalescent homes, etc., etc., the cost of which, with their numerous officials and attendants, will all have to be borne by the producer.

Neither has any reference been made to the fact that the Dominion taxes consist largely of indirect taxation in the shape of tariffs, which again form a charge on the productive enterprise of the community.

Obviously something must be done and we wish to discuss with you here the possibility of the appointment of a Committee with power, if necessary, to engage the required expert advice, in order that the whole question of Government administration may be investigated and adequate remedies suggested. The question as to the composition of this committee and its powers are matters which we also wish to discuss with you, and we feel it is imperative that before very long some definite statement should be made to the public as to the means which the Government proposes to adopt, if possible in conjunction with the leading business bodies of the Province, for the purpose of dealing with the question of taxation.

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SCHEDULE A.
REVENUE AND EXPENDITURE OF BRITISH COLUMBIA, YEAR ENDING 31st MARCH, 1917.
DIVIDED APPROXIMATELY BETWEEN CAPITAL AND REVENUE

Revenue		Expenditure	
Revenue	Capital	Capital	Revenue
DOMINION OF CANADA—			
Annual Payments of Interest, Subsidy, Grant per Capita, &c.		Civil Government Salaries	\$1,477,611.45
TAXES—		Administration of Justice (Salaries)	59,201.52
Revenue Tax		Legislation	206,281.02
Real Property Tax \$532,106.85		Public Institutions (Maintenance)— Mental Hospital, Industrial Schools, Printing Office, etc., \$52,000.31	412,531.41
Personal Property Tax 291,412.93		Hospitals and Charities	486,590.67
Wild Land Tax 521,325.25		Administration of Justice (other than Salaries)	188,961.79
Income Tax 296,801.75		Education	1,331,413.43
Mineral Tax 287,257.59		Transport	32,374.38
Royalty & Tax on Coal 194,536.62		Department of Agriculture	124,099.25
Land Sales	218,453.47	Revenue Services	18,196.09
" Revenues, Survey Fees, Water, Revenue, Rents		Public Works (Partly Capital)— Works and Buildings, \$429,083; Roads, Bridges and Wharves, \$1,939,961; Steamboats, etc., \$97,663	2,515,530.44
Timber Sales	85,357.26	Miscellaneous, \$1,005,264.50	
" Royalties, Licenses, Leases		Postage, Stationery, Royal Commission, Superannuations, Grants (University), \$200,000; Destruction of Wolves, &c., \$72,499; Game Protection, Libraries, Fraser River Bridge; Songhees Reserve Improvements, Agent-General, London; Fuel, Light, &c.; Kettle Valley Rail- way, \$100,000	173,751.00
Minerals, Tax on Unworked Crown Granted Mineral Claims		Department of Lands	831,513.50
Free Miners Certificates		Public Debt—Interest	286,237.06
Mining Receipts			827,774.30
LICENSES, COURT FEES, etc.—			
Trade & Liquor	67,386.87		
Game	66,097.50		
Fines & Fees of Court 21,968.12			
Probate Fees	72,695.47		

Department of Lands
 Public Debt—Interest
 286,237.06
 827,774.30

Fines & Fees of Court
 Probate Fees
 21,968.12
 72,695.47

Public Debt Sinking Funds
 " " Premiums and Exchange,
 Discount & Commission
 452,422.65
 107,250.39

Succession duty 277,702.73
 Law Stamps 65,949.02
 Registry Fees 196,663.90
 Registration of Companies 44,983.50
 Marriage Licenses 15,020.00
 Revenue Service Refunds 632.62
 Tax Sale Deeds 170.00
 Tax Sales, Com. & Fees
 Boiler Inspection Fees 28,309.36
 Log Scaling Fees 40,897.85
 Fishery and Cannery
 Licenses 38,563.50
 Fire Insurance Licenses, &c. 76,581.17
 Motor Traffic Regulation
 Fees 134,361.50
 Moving Picture Act Fees 18,429.85

1,166,412.97

SUNDRIES—
 Bureau of Mines 870.50
 Hospital for the Insane 42,124.07
 Provincial Homes 584.80
 Keep of Prisoners—Reim-
 bursements 11,338.95
 Printing Office 39,695.36

94,613.68
 136,826.69

Miscellaneous Receipts
 Forest Protection 23,206
 Horticulture 18,220
 Difference in Exchange 11,063
 Sale of Government Property
 Traffic Tolls—New Westmin-
 ster Bridge
 Interest
 Dykes Assessment Tax—Reserve

4,156.54
 19,080.07

26,394.99
 75,803.66

\$173,751.00 | \$9,357,969.35
 \$9,531,740.35

\$327,047.34 | \$6,472,910.96
 \$6,799,958.30

Total Expenditure

Total Receipts

SCHEDULE B.

PROVINCE OF BRITISH COLUMBIA
COMPARISON OF PRINCIPAL PROVINCIAL ITEMS OF
REVENUE AND EXPENDITURE FOR THE YEARS
ENDING MARCH 31st, 1910, 1913, and 1917 and
(ESTIMATED) 1918.

EXPENDITURE				
	1910	1913	1917	1918
Public Debt: Interest	\$ 335,213	\$ 331,335	\$ 827,774	\$ 1,017,495
Sinking Funds & Redemp tions	233,972	214,484	452,423	968,025
Civil Government Salaries....	389,701	857,092	1,477,611	1,453,256
Education	587,936	944,038	1,331,413	1,480,500
Public Works, Buildings, Roads, Streets, Bridges, Wharves, Steamboats, Ferries, etc.	3,413,838	7,664,468	2,515,530	1,800,600
Public Institutions: Mainten ance	257,691	495,843	412,531	479,583
Hospitals and Charities	209,442	35,369	486,591	367,200
Lands	—	—	286,237	457,200
Agriculture	—	—	124,099	142,250
Other Expenditures	1,189,143	4,726,177	1,617,531	1,704,495
Total	\$6,616,936	15,626,806	9,531,740	9,870,604
Add: Interest on P.G.E Bonds	—	—	737,809	907,200
Total	\$6,616,936	\$15,626,806	\$10,269,549	\$10,777,804

REVENUE				
	1910	1913	1917	1918 (estimated)
Dominion of Canada: Grants	\$ 522,076	\$ 732,489	\$ 723,135	\$ 623,135
Land Sales	2,618,189	2,344,596	218,453	350,000
Land Revenue	175,778	301,184	79,919	75,000
Timber Sales	—	—	85,357	154,000
Timber Royalties & Licenses	2,234,099	2,457,129	1,759,469	2,068,000
Succession Duty	108,495	193,524	277,702	400,000
Registry Fees	408,826	712,258	196,663	180,000
Real Property Tax	335,744	459,570	532,106	1,330,000
Personal Property Tax	161,692	197,790	291,412	700,000
Poll Tax or Revenue Tax	260,000	360,000	—	150,000
Wild Land Tax	250,904	546,087	521,325	915,000
Income Tax	190,984	280,302	296,801	1,090,000
Mineral Tax	102,609	153,163	287,257	300,000
Coal Tax & Royalty	222,723	302,225	194,536	120,000
Tax on Unworked Crown granted Mineral Claims	39,870	42,733	37,904	50,000
Chinese Restriction Act	356,200	1,723,990	—	—
Fire Insurance Co. Fees	—	36,609	76,581	—
Motor Traffic Fees	—	—	134,361	120,000
Amusements, Moving Picture Fees	—	—	18,429	100,000
Interest, General	157,493	276,522	75,803	50,000
Interest on Sinking Fund In- vestments	56,145	74,187	106,825	90,000
Miscellaneous Receipts	45,632	290,457	136,826	100,000
Other Receipts, viz.: Survey Fees, Water Revenue, Rents, Free Miners Certifi- cates, Mining Receipts, Licenses, Fines & Fees, Law Stamps, etc	627,283	1,023,400	855,920	903,190
Total Revenue	\$8,874,742	\$12,510,215	\$ 6,906,784	\$ 9,868,325

SCHEDULE C.
 PROVINCIAL GOVERNMENT EXPENDITURE
 COMPARED WITH OTHER PROVINCES

	Year 1916
Civil Government (Salaries)	British Columbia 1,555,562
"	Alberta 485,528
"	Saskatchewan 343,719
"	Ontario 826,653
"	Quebec 649,156
Education	British Columbia 1,325,308
"	Alberta 907,408
"	Saskatchewan 987,795
"	Manitoba 910,505
"	Ontario 2,261,801
"	Quebec 1,545,079
Public Works	British Columbia 2,529,105
"	Alberta 553,962
"	Saskatchewan 828,884
"	Manitoba 1,054,647
"	Ontario 3,344,039
"	Quebec 935,851

SCHEDULE D.

COST OF CIVIL GOVERNMENT IN BRITISH COLUMBIA
COMPARED WITH ALBERTA, YEAR 1916-17.

BRITISH COLUMBIA

Under the Head of "Civil Government (Salaries)" the following items of expenditure appear in the British Columbia Account

	Salaries
Lieutenant Governors' Office	2,100
Premier's Office	6,275
Provincial Secretary's Department—	
Provincial Secretary	14,645
Provincial Board of Health	14,274
Provincial Museum	6,879
Provincial Home, Kamloops	7,138
Printing Office	53,516
Bookbinding	22,687
	76,203
Mental Hospital	17,468
Education Office	10,184
Free Text Book Branch	5,865
Industrial Education	12,320
Inspection of Schools	30,714
Provincial Normal Schools, Vancouver	23,010
Provincial Normal Schools, Victoria	17,861
	99,954
Department of Mines	47,516
Department of Finance	68,656
Department of Agriculture	62,566
Department of Lands	223,703
Department of Public Works	119,283
Department of Railways	9,189
Department of Attorney General	474,799
Government Agencies	226,963
	\$1,477,611

ALBERTA

Under the Head of "Civil Government" the following items of expenditure appear in the Alberta Account.

	Salaries	Expenses
Lieutenant Governor's Office	\$ 1,100	\$ 1,096
Executive Council	59,990	13,789
Provincial Secretary	11,157	2,432
(See Municipal Affairs, \$52,949 below)		
King's Printer	7,740	6,433
Education	45,173	25,099
Treasury Department	20,038	1,997
Provincial Auditor	15,497	1,493
Agriculture	26,432	23,054
Public Works	57,140	6,905
Railways, Telephones	10,589	1,419
Attorney General	36,216	10,800
Municipal Affairs	52,949	19,730
Theatre Branch	4,225	5,897
Motor Vehicle Branch	3,060	9,584
Wild Land Tax Department	10,114	17,532
Insurance	4,117	3,084
Succession Duties	5,832	1,334
Legal	5,160	2,216
Telephones	2,978	
	<hr/>	<hr/>
	\$379,507	\$153,894
		<hr/>
		\$533,401

SCHEDULE E.

REVENUE AND EXPENDITURE OF THE PROVINCIAL
GOVERNMENTS, 1915-16. TOTAL AMOUNT AND
AMOUNT PER HEAD OF POPULATION.

(The Canada Year Book, 1916-17, p. 533.)

Province	Total Revenue	Revenue per head	Total expenditure	Exp'diture per head	Population in 1911
British Columbia	\$ 6,291,694	\$11.04	\$ 9,880,662	\$17.34	392,490
Alberta	5,281,695	10.74	6,018,894	12.24	374,663 ^x
Saskatchewan	4,455,730	6.99	4,887,815	7.67	492,432 ^x
Manitoba	5,897,807	10.72	6,147,780	11.17	455,614 ^x
Ontario	13,841,340	5.12	12,706,333	4.70	2,523,274
Quebec	9,647,983	4.39	9,436,688	4.29	2,003,732
New Brunswick	1,580,419	4.36	1,568,342	4.33	351,889
Nova Scotia	2,165,338	4.26	2,132,135	4.19	472,538
Prince Edward Isd.	482,535	5.15	463,217	4.94	93,728
	\$49,644,541	\$6.12	\$53,241,866	\$6.56	7,179,650

^x Population of Three Prairie Provinces in 1916:—Alberta, 496,525; Saskatchewan, 647,835; Manitoba, 553,860.

SCHEDULE F.
 PROVINCIAL REVENUE AND EXPENDITURES PER
 HEAD OF POPULATION FOR THE FIVE YEARS
 ENDING 1916.

(Canada Year Book, 1917, page 532.)

	PER HEAD OF POPULATION				
	1911-12	1912-13	1913-14	1914-15	1915-16
Summary (All Provinces)					
Revenue	\$6.45	\$6.87	\$6.64	\$6.32	\$6.12
Expenditure	6.16	7.16	7.33	7.04	6.56
British Columbia—					
Revenue	25.69	27.62	21.46	16.33	11.04
Expenditure	26.75	34.18	32.30	24.46	17.34
Alberta—					
Revenue	10.42	13.12	12.04	11.10	10.74
Expenditure	10.05	12.70	12.37	12.33	12.24
Saskatchewan—					
Revenue	6.60	8.23	10.30	7.78	6.99
Expenditure	6.47	8.38	9.48	8.40	7.67
Manitoba—					
Revenue	14.98	11.83	10.84	10.35	10.72
Expenditure	9.23	10.87	11.08	11.39	11.17
Ontario—					
Revenue	3.93	4.32	4.23	4.94	5.12
Expenditure	4.03	4.19	4.49	4.84	4.70
Quebec—					
Revenue	4.03	4.04	4.25	4.54	4.39
Expenditure	4.15	4.11	4.07	4.71	4.29
New Brunswick—					
Revenue	4.01	4.12	4.25	4.62	4.36
Expenditure	3.98	4.08	4.22	4.59	4.33
Nova Scotia—					
Revenue	3.80	3.85	3.75	3.89	4.26
Expenditure	3.72	3.91	4.18	4.13	4.19
Prince Edward Island—					
Revenue	5.18	5.40	5.61	5.02	5.15
Expenditure	5.62	4.80	4.75	5.44	4.94

The report having been read to the Executive a general discussion took place.

The Premier informed us that the Government was fully alive to the abnormal cost of administering the Province of British Columbia. He said that the Government had inherited such a mass of arrears of work and so many complicated problems which had been left over by their predecessors that they had not yet had an opportunity of adequately tackling this question of expenditure. Economies had been effected but the Premier admitted that up to the present they were not substantial. He said that many people had commented on the number of officials in the employ of the Provincial Government, and generally confirmed the accuracy of the statements contained in our report.

The Premier expressed his anxiety to co-operate with the Vancouver Board of Trade in bringing home to the people of British Columbia the necessity for economy in the expenditure of the Government. He asked this Board of Trade to assist in preventing applications to the Government for further expenditures. He informed your Committee that the Government are almost daily in the receipt of petitions of various kinds for further expenditures, and strongly urged the Board of Trade to advertise as widely as possible the impossibility of acceding to further requests for money if the solvency of the Province of British Columbia is to be preserved. The Premier spoke very seriously of the danger arising from the present financial situation with which the Province is confronted.

We urged upon the Government the advisability of appointing a special expert to investigate the administrative methods at present in force in British Columbia with the object of ascertaining whether some means of co-ordinating the various Departments in the interests of economy could not be suggested. We pointed out that such expert would assist the government in carrying out very drastic reforms, which are apparently necessary, by relieving them of the odium which necessarily arises when reductions are undertaken.

The Premier questioned the necessity of incurring the expense of such expert and expressed a doubt as to whether any practical results would be forthcoming. He said that the different members of the executive and the civil servants are themselves quite capable of tackling the

problem of co-ordinating the different departments, and that the real difficulty arises in carrying out any scheme which may be suggested. He stated that there is a natural reluctance on the part of all Government and probably other officials, to co-operate in any scheme which may lead to the resignation of several Government servants.

We, as a Committee, feel that it is necessary for the public to be more fully acquainted with the financial affairs of the Province than they are at present, and are still of opinion that the Government should be urged to appoint an expert, as was suggested by your Committee, to investigate the whole question of Provincial administration. We do not suggest that an expensive Commission should be inaugurated, but rather that the Provincial Government should request the services of, say, Mr. Bradshaw, who has been so successful in his work as the financial head of the City of Toronto, and ask him to visit British Columbia and confer with the Government on this question.

F. W. ROUNSEFELL,
Chairman.





