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GREAT BRITAIN'S WAR REVENUES.

Attention has recently been directed, following the close of the Dominion's fiscal year and the appearance of Sir Thomas White's new budget, to the effect of the war upon Canada's debt and revenue and the various problems arising therefrom. Great Britain's fiscal year also closed on March 31st, and it is interesting to survey the effect of the War upon British national finance, which, up to the present, has been the main prop of the Allied financing and has borne unassisted such a burden as has never before in history been thrown upon the finances of any country. The outstanding fact disclosed by the new revenue returns is that with war expenditure upon a scale that is so enormous as reckoned in terms of figures to be practically meaningless to the average mind, there has been such a great development in revenue, that the total revenue in the fiscal year amounted to nearly one-fourth of the nation's total expenditure on war and other objects. Unmistakeably, this is a great achievement, and it does not lose in greatness when contrasted with Germany's puny efforts at additional war taxation, which, as it seems, scarcely make a beginning in the problem of providing for interest on the various war loans.

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In the British Budget of a year ago, the national revenue for the fiscal year which closed in March last was estimated at £502,275,000. It has actually amounted to £573,427,582, compared with £336,766,824 in the preceding fiscal year, and £198,242,897 in the last complete fiscal year before the outbreak of war, 1913-14. The results produced by new and hitherto untried taxation appear to have been mainly responsible for this remarkable surplus over estimates. The excess profits duty produced no less than £139,200,000; income tax with the super-tax, £205,033,000. In the last fiscal year prior to the war the income tax and super-tax produced £47,249,000. So that during the last fiscal year, the yield of these taxes was over four times the amount they produced under pre-war conditions. In those earlier days the

British taxpayer used to grumble vigorously at the then height to which a Radical government had pushed the income tax. Nowadays, he pays without a grumble. The productiveness of the Excess Profits Duty, which, of course, is a tax running only for the duration of the war, was much in excess of expectations, the estimate of £86,000,000 being exceeded by no less than £54,000,000, though to some extent the figures have been swollen by arrears. The British national expenditure for the year exceeded by some £373,000,000 the total originally estimated, owing to the provision of ships for national, as distinct from military and naval needs, and enlargement of advances made to the Allies and Dominions. Its total was £2,198,113,000. Of this total, £2,058,993,000 was for supply services—that is, the actual maintenance and equipment of the army and navy and the civil service—and £107,467,000 for interest on war debt.

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Through the existing British scale of taxation, it is calculated, not only have all additional interest liabilities arising out of the war been amply provided for, but a sum of approximately £250,000,000 per annum remains for capital expenditure or for sinking fund purposes. The position is thus very different from that of Germany, which is still paying the bulk of her interest charges only by the creation of fresh debt—a sure sign of insolvency, which is strongly suggestive of eventual repudiation. That the burden of taxation is being borne in Great Britain without undue strain (though some classes of the community must find the load no light one), is shown by the way in which the recent great War Loan was subscribed and by the vigorous demands of the leading British financial critics for additional impositions in order that an even larger proportion of war expenditure may be immediately met through taxation. It is certain that the further taxation imposed by the new budget will be willingly and cheerfully borne. The burden upon British taxpayers is heavier than anything that could possibly be conceived in Canada. But there is no doubt of British capacity to shoulder an even greater load.