

FINANCIAL EFFORT

Canada's war spending has steadily increased. In the fiscal year, April 1, 1940, to March 31, 1941 expenditure for war was about \$835,000,000. The present rate of spending is well over \$1,000,000,000 a year and the estimated expenditure for the present fiscal year is \$1,450,000,000. The Minister of Finance expects this appropriation to be exceeded. In addition to this direct war expenditure, Canada in the last fiscal year, spent over \$300,000,000 to repatriate Canadian securities held in Britain and will spend, in the present fiscal year, over \$400,000,000 for the same purpose. When ordinary expenses of all Canadian Governments are added, the total which Canadians will have to provide for their Governments during this fiscal year amounts to about half of the estimated national income, which is now expected to total \$5,950,000,000. To finance Canada's direct war effort and her indirect effort in the form of financial assistance to the United Kingdom, almost 44% of the national income will be required.

The financial policy of the Canadian Government is to pay for the war, as far as is possible, "as it goes". Federal bond issues, since the start of the war, total about \$1,500,000,000. All this money has been raised in Canada and the maturity dates have been so arranged as to make post-war financing as easy as possible. Some of this money has been loaned in war savings certificates which have a face value of from \$5. to \$100. It is now expected that the war savings campaign will exceed its first-year objective of \$50,000,000 by some \$20,000,000.

Rising war expenditures have necessitated higher taxes. Indirect taxes of various kinds have produced increasing revenues. For example, customs and excise revenue in the first eleven months of the past fiscal year was \$438,893,738, an