

NEWFOUNDLAND FINANCES

Revenues and Expenditures of the Colony Have Reached Unprecedented Levels

For the fiscal year ended June 30th, 1917, the expenditure of Newfoundland was \$4,555,000, and the revenue totalled \$5,267,000, leaving a surplus of \$652,000, this being the largest in the history of the colony, exceeding that of the previous year by \$162,000. These were the primary facts in the annual budget speech recently delivered in the Colonial Legislature by Hon. M. P. Cashin, the finance minister. The estimated expenditure for the year ending June 30th, 1918, was \$5,452,000, as against an estimated revenue of \$5,702,000, so that a surplus of about \$250,000 was anticipated. The reports of revenue and expenditure for the past few weeks have not yet been completed. From these two there will, however, be a surplus revenue of about \$900,000, which it is the intention to apply to the cost of the colony's war expenses.

Some other features of Mr. Cashin's speech were as follows: For the fiscal year beginning in July, 1918, he estimated a total revenue of \$6,500,000, and an expenditure of about \$5,400,000, which would leave an apparent surplus of somewhat over \$1,000,000, but as against that he took into account the fact that this year supplemental estimates for roughly \$700,000 had been voted, and the same circumstance might occur next year, so that in such an event his available surplus would be between \$300,000 and \$400,000.

In order, however, to make assurance doubly certain he proposed various new taxes, the first being an income tax based upon those recently enacted in Canada and the United States requiring all persons having a yearly income above \$1,000 if unmarried and \$2,000 if married, or having dependants, at the rate of 5 per cent. on the income up to \$6,000, and with the addition of a super-tax of from 3 to 5 per cent. on a gradually ascending scale. This was to be the complement of the business profits tax imposed upon commercial and industrial enterprises the previous year, which had yielded \$400,000, contrary to the predictions of many leading business people who had declared that it would not pay the cost of collection, though, as a matter of fact, the collection charges only amounted to \$10,000, or 2½ per cent. on the amount received. He was unable to estimate what the income tax would yield, but he thought it might contribute at least \$100,000 additional to the revenue.

Other taxes he proposed were an increase in postage rate from 2 to 3 cents; 5 cents stamp tax on all internal telegrams; 10 cent stamp tax on all telegrams to outside countries; 20 cent stamp tax on every set of Customs forms; an increase of 2 cents a pound in the excise duty on tobacco, of 50 cents in the excise duty on cigars, and of \$1.25 in the excise duty on cigarettes; and export duty of 20 cents a quintal on all fish; of 2 cents a gallon on all fish oils, of 20 cents a barrel on herring, of 50 cents a case on canned lobsters, of 25 cents on canned salmon, and of 30 cents a tierce on pickled salmon; and he calculated to obtain from all these sources a revenue of about \$500,000.

He was able, in his review of the condition of the country, to congratulate it on having attained a degree of prosperity unequalled in its annals. Imports had increased from \$15,000,000 in 1913-14 to \$21,500,000 in 1916-17, and that exports had grown from \$15,000,000 to \$22,500,000 in the same period. He predicted that the Customs returns for the current fiscal year would show a total trade (imports and exports combined) of \$50,000,000, against half that total four years ago. The products of fisheries, forest, mine and farm had grown enormously. This had been accomplished at the same time that the colony had made a substantial contribution of its man-power towards the conduct of the war, enlisting 6,500 men, and having made provision whereby an addition of at least another 1,000, and possibly 2,000, would be made immediately.

The savings of the people, as represented by the amounts deposited in the savings banks or on deposit with the banks, totalled \$16,000,000, an increase of \$2,250,000 over the previous year, this sum being about twice what had been deposited the previous year. The guarantee value of the life insurance policies in effect in the island amounted to over \$2,000,000. Including hoarded gold, he felt confident there were at least \$20,000,000 of savings possessed by the people, and he intimated that, in view of the difficulties to obtain money outside the island, an attempt would be made to raise a local loan for war purposes to be known as a Victory Loan.

It is the intention to raise about \$10,000,000, of which

one-half should be raised in the colony, and the other half abroad; \$3,000,000 have already been borrowed in Canada, and a \$2,000,000 domestic loan was recently. The time planned for the campaign extended over six weeks, but it was fully subscribed in six days, and, according to latest reports, it is expected that the total will be doubled.

TORONTO'S DEBT AND SINKING FUND

Debt Has Grown Rapidly But is Still Within Legal Limits
—Sinking Funds in Good Shape

Mr. Thomas Bradshaw, the finance commissioner of the city of Toronto, recently presented his annual report on the city's funded debt and sinking fund, covering the year ended 31st December, 1917. The debt and statistics of the city are summarized as follows:—

Gross funded debt	\$100,323,433.36
Deduct:	
(1) Specially rated and revenue producing debts as follows:	
Waterworks	\$14,464,639.34
Ratepayers' share local improvements	14,793,757.50
Civic hydro-electric system ...	7,876,631.08
Civic abattoir	415,608.00
Exhibition buildings	1,230,075.00
Toronto street railway pavements	4,231,733.74
Civic street railway	2,082,737.00
(2) Sinking fund on other than foregoing debts as follows:	
On gross debt, \$24,427,756.91, less \$12,137,144.98 on above special debts	12,290,611.93
	57,385,793.59
Net funded debt	\$42,937,639.77
Assessment, etc.:	
Assessed value of rateable property	\$605,727,725
Exemptions not included in foregoing	87,375,684
Capital assets	100,074,126
Revenue from taxation for 1918	18,107,672
Revenue other than taxation for 1918	5,937,930
Population, 1917	473,829
Area of city (acres)	25,330
Tax rate for 1918 (including schools, 6 7/10 mills)	30½ mills

During the year the city's gross debt increased from \$97,730,921 to \$100,323,433, a net addition of 2.65 per cent. The debentures sold were for local improvements and war purposes, and were sold to the sinking fund at a 5½ per cent. basis. No debentures were sold to the public during the year, and a considerable amount of temporary financing has been done during the past two or three years to avoid the high rates of interest now prevailing in the market. The total unnegotiated debentures outstanding on December 31st, 1917, were \$6,117,700, representing for the most part public works commenced several years ago, and war expenditures. The only debenture issue expected during 1918 is one for \$775,402.

The debt limit of the city fixed by statute is 12½ per cent. of the first hundred million dollars of assessed value, and 8 per cent. of the amounts beyond that sum. In determining this limit, however, certain exempted debts are not to be accounted as forming part of such debenture indebtedness. These include waterworks, local improvements, hydro-electric, Toronto street railway pavements, civic street railway and debts for war purposes. The limits of the city's debenture indebtedness is now \$52,958,218, and the actual debt after excluding exempted debts amounts to \$44,893,375, so that there is a margin of \$8,064,843.

Regarding the future prospects, Mr. Bradshaw comments as follows: "Having regard to the unsettled conditions, due to the prolongation of the war, it cannot be expected that the assessed value of real property will be increased in the near future to any appreciable extent. This, coupled with the uncertainty of what may take place in business and other spheres of activity after the close of the war, makes it essential that we should not estimate or rely upon probable increases in the city's borrowing power, which alone can come through increases in the assessed value of rateable property."

A table is also included showing the gross debt classified according to the purposes for which it was issued. Local im-