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## Effect of War on Dominion's Finances

**Budget speech of acting Finance Minister.—Canada calls for \$980,000,000 for the present fiscal year.—Increased Income and Luxury Taxes.**

On Tuesday April 30th, the Hon. A. K. Maclean, Acting Minister of Finance delivered the budget speech in the House of Commons, Ottawa and dealt with the financial position of the Dominion and the proposed increase of taxation which chiefly affects income and non-essential commodities. The growth of trade and industry in Canada during the war has been truly remarkable and the plain statement of fact by Mr. Maclean is eloquent not only of this growth but also of our increased responsibilities and burdens.

Dealing with the financial situation, Mr. Maclean said that for the fiscal year ended March 31, the revenue will reach, when all accounts are closed, \$258,000,000, exceeding the revenue of the preceding year by \$26,000,000, and that of the first year of the war by \$125,000,000. Customs will yield \$146,000,000, and excise \$27,000,000, while other taxations will bring in \$25,000,000. Of this latter amount the business profits war tax yields \$21,271,283; banks, \$836,724; insurance companies \$385,127; trust and loan companies, \$267,917; inland revenue from railway, steamship, telegraph and cable companies and stamps, \$2,229,922; a grand total of almost \$25,000,000.

Ordinary expenditure for the fiscal year 1917-18, Mr. Maclean estimated at \$173,000,000, inclusive of \$45,000,000 for interest and \$7,000,000 for pensions, or \$52,000,000 altogether.

Prior to the war the outlay on interest was only \$12,000,000, and the expenditure for pensions had not yet begun. The ordinary expenditure also included the sums of \$25,000,000 and \$7,500,000 voted on account of the C. N. R. and G. T. P. railways. For capital outlays an expenditure of \$30,000,000 is estimated, making the outlay of Canada for all purposes apart from the war, during the past fiscal year, \$203,000,000.

With a revenue of \$258,000,000, the government had a

favorable balance or surplus of about \$55,000,000 to apply to war expenditures. Coming to the present fiscal year, Mr. Maclean said that apart from increased interest caused by our war borrowing and the amount required for pensions, substantial reductions have been made in the estimates of practically all the services.

"I anticipate," said Mr. Maclean, "that actual expenditures will be well below the amounts voted. These deductions, however, are more than offset by the additional sums needed for interest and pensions for the current year and which excess I estimate at \$25,000,000, so that ordinary expenditure will increase materially over that of the previous year. Substantial disbursements will be necessary in connection with the soldiers' land settlement programme and in connection with the Halifax disaster. The capital expenditure vote has been materially cut. It is estimated that for the present fiscal year we shall be able to pay our ordinary and capital expenditure out of our revenue and have, as in the past two years, an appreciable surplus over, which we can apply to war purposes. The unexpended balance of the Victory Loan will finance our war expenditures and advances to the Imperial Government until next July, when treasury bills will be temporarily negotiated until the proceeds of the next public loan are available."

Mr. Maclean announced that in the fourth year of the war Canada's expenditure on war account will approximate \$345,000,000, of which \$167,000,000 was expended in Canada,

while the balance, \$178,000,000 represents our war expenditure overseas. Up to March 31, 1917, we had expended for war purposes \$533,477,036, so that on March 31, 1918, our total outlay for war was approximately \$878,000,000. The amount does not include any pay due but not yet paid to the troops overseas. During the past few years the government has applied to war expenditures, surpluses of revenue over ordinary and capital outlays amounting to \$113,000,000 and interest and pension payments attributable to war and covering the entire war period of approximately \$75,000,000.

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