Dominion Faced With Heavy Expenditure

Estimates for 1920-21 Show Large Deficit, in Spite of Reductions—House Discusses Marine Policy of Government—Some Comparisons With Pre-War Fixed Charges

(Special to The Monetary Times.)

Ottawa, March 24, 1920.

THE long-delayed government estimates were laid on the table of the House by Sir Henry Drayton this week. This is the latest for the estimates for years. They have been pared and repared in an effort to have expenditures and revenues balance, but despite all the efforts of the finance minister and drastic retrenchment in many departments, our expenditure will be \$166,000,000 over the estimated revenue of \$370,000,000. This includes \$38,000,000 to clean up demobilization and \$58,000,000 on capital expenditure. The consolidated account, which means the ordinary running expenditure for the year alone shows a total of \$440,000,000, or a deficit of \$70,000,000.

Fixed Charges Very Heavy

It is not a matter of extravagance on the part of the government, so much as general all-round increase in fixed expenditures and in the ordinary running of the civil administration. As an example of what Sir Henry has had to face, the interest charges on the national debt in 1913-14, the year before the war, were \$14,000,000. For the coming year they will total \$130,000,000. Pensions in the last pre-war year totalled the modest amount of only \$312,000. This coming year they are estimated at \$27,000,000, and if demands go through for increased pensions this will run up to possibly \$35,000,000. The Soldiers' Settlement Board scheme calls for an expenditure of no less than fifty millions and civil re-establishment of soldiers another thirty-four millions. These items account for \$241,000,000. Subtracting these it means that the ordinary expenditure would be only some two hundred millions or not a great advance on prewar expenditure considering increases necessary through increase in salaries, material, etc.

However, the facts are that this year the government will run behind by \$70,000,000 on ordinary expenditure, and, capital expenditure included, by \$166,000,000. They are not pleasant figures, but will have to be faced. He would be a bold man, too, who would suggest just where Sir Henry could shash expenditures more. Every cabinet minister and deputy minister insists that his particular vote has already been cut so much as to threaten efficiency. There cannot be charged extravagance in public works. The "pork barrel" is very slim. There is an actual decrease in expenditure of this department of over three and a-half million dollars.

Government Marine Attacked

One place where the Opposition, or a section of it, has suggested some reduction, is in the vote for \$20,000,000 to finish the mercantile marine program of the government. It was the first item of the estimates touched. This is a policy of which Hon. C. C. Ballantyne, who inaugurated it, is exceedingly proud. The story, as he related it to the House, is that from modest beginnings of two years ago, there has been produced a fleet of twenty-five vessels, with an aggregate of 121,000 tons, and when the program is completed, there will be sixty-three vessels. Six types of vessels are being built ranging from 3,800 tons to 10,800 tons. The cost of construction has varied from time to time, but, roughly speaking, has averaged about \$175 per ton, a cost less than that of the American yards. Mr. Ballantyne said that up to December 31, 1919, the gross earnings had been \$3,448,036 and the net earnings, \$1,406,600. This will provide an interest of 51/2 per cent. on the government investment. The Opposition critics claimed that we should follow the example of the United States and withdraw from government operation of a mercantile marine as soon as possible.

Twenty-Five Ships in Operation

The vessels in operation at the present time, with their tonnage and routes, are as follows:—"Voyageur," 4,575, St. John-London; "Pioneer," 8,408, Halifax-South America; "Warrior," 3,995, St. John-West Indies; "Ranger," 8,382, St. John-Liverpool; "Recruit," 3,964 (stranded in St. Lawrence); "Volunteer," 4,485, laid up at Quebee; "Trader," 3,341, Halifax-West Indies; "Sailor," 3,357, Halifax-West Indies; "Trooper," 4,540, Halifax-London; "Seigneur," 8,391, Halifax-Liverpool; "Miller," 8,390, Halifax-Liverpool; "Signaller," 3,990, Halifax-West Indies; "Adventurer," 3,408, Halifax-West Indies; "Gunner," 3,990, Halifax-West Indies; "Aviator," 5,100, Halifax-West Indies; "Sower," 3,400, St. John-West Indies; "Navigator," 4,575, St. John-London; "Settler," 5,100, Halifax-Glasgow; "Spinner," 8,393, Halifax-South America; "Raider," 5,100, Vancouver-Australia, N.Z.; "Exporter," 8,390, Vancouver-Australia, N.Z.; "Exporter," 8,390, Vancouver-Australia, N.Z.; "Exporter," 8,390, Vancouver-Australia, N.Z.; "Drummond," 3,000 St. John-West Indies; "Sheba," 3,500, Halifax-West Indies; "Makee," 3,000, St. John-West Indies.

It is understood that Hon. Mr. Tolmie, Minister of Agriculture, has been pressing for cattle boats, and also for those fitted with cold storage for the carrying of our meat exports, in which he has been taking a great interest, and which have shown very great development in the past year; while the Minister of Trade and Commerce and the Minister of Marine are more in favor of general cargo boats. The packing houses in Canada are now said to be filled with beef.

BANK EMPLOYEES ASK SALARY INCREASE

The Bank Employees' Association has drawn up an agreement, which has been submitted to the head office of all Canadian chartered banks. The agreement reads in brief as follows:—

- A salary increase of 25 per cent. upon all salaries up to \$2,000.
- 2. No employee to be called upon for night duty except on Mondays and Saturdays, and special occasions, such as pay nights.
- 3. Alternate staffs to be provided when night work is absolutely necessary.
- 4. Employees unable to leave at lunch hour to be allowed time off at stated periods.
- 5. Employees to have equal representation in the administration of pension funds where instituted.
- 6. All employees now in the service of Canadian chartered banks, who are eligible to membership in the association, and shall become and remain members of the Association, and all employees taken in the service of Canadian chartered banks shall, after 30 days from date of entering service if eligible, become and remain in the association during the period, as stated in the agreement.
- 7. The head office of the bank to meet and treat through its officers, with duly accredited representatives of the Employees Association, on all matters of grievances which may arise from time to time between employers and employees.
- 8. Officials of the association and also those attending conventions to be granted time off when occasion arises if need can be shown.
- 9. The following privileges to be retained by the members of the association: Annual vacation with two weeks' holidays; necessary time for recovery in cases of illness with convalescence on full pay; remuneration not in any case to be affected by bonuses given in lieu of overtime.
- 10. Full right to discuss restrictions of the liberty of the staff, such as are imposed by the banks in general with particular reference to interference with rights of marriage.