

## CANADA'S WAR BUDGET.

THE new War Budget announced in the House of Commons on February 11, by the Minister of Finance provides for a general increase of  $7\frac{1}{2}$  per cent in customs duties of the intermediate class and 5 per cent in preferential duties. There are a few exemptions, notably of agricultural implements and such articles of household consumption as tea, cocoa, chocolate, sugar, wheat and wheat flour. In addition to the increase in customs duties, there is a series of special war taxes, the more important of which are noted in the subjoined summary.

### Tariff Changes and Special Taxes.

A general tariff increase of  $7\frac{1}{2}$  per cent intermediate and 5 per cent preferential with, however, a list of exemptions including tea, cocoa and chocolate, sugar, wheat and wheat flour, tobacco, books, newspapers and magazines, agricultural implements and other items.

Special war taxes including:

One per cent on bank note circulation.

One per cent on the gross income (Canadian) of trust and loan companies.

One per cent on the net premiums of insurance companies except life, fraternal and marine.

One per cent on telegraph and cable messages.

Ten cents for every \$5 on railroad and steamboat tickets.

Ten cents on sleeping car and 5 cents on parlor car tickets.

One to \$3 per passenger from steamboat companies carrying to ports other than in Canada, Newfoundland, the United States and the British West Indies.

Two cents on all bank checks, receipts and bills of exchange, express and post office orders.

One cent on postal notes.

One cent (war stamp) on each letter and post card.

One cent on patent medicines and perfumery for each ten cents of cost.

Five cents per pint on non-sparkling wines sold in Canada.

Twenty-five cents per pint on champagne and sparkling wines.

Specific duty of 6 cents, preferential, and 8 cents, intermediate, on iron ore.

### Extra Revenue Not for War.

The statement of the Minister of Finance showed that there has been a falling off in imports of over one hundred million dollars in the past year, with the consequent falling off in revenue. The new taxes are not imposed for the purpose of paying directly for the assembling and equipping of Canadian troops for the War, nor for defence of Canada. They are to liquidate domestic expenditure and debts, in other words they are to pay the ordinary bills of the country, not its war bills. As pointed out elsewhere in this issue, the money to cover Canada's war expenditures is coming from England, and apparently will continue to come from England.

The shortage in the revenues of the country, as compared with the estimated necessary expenditure, is figured by the Minister of Finance at about thirty millions. The special war taxes imposed he estimates will yield about eight millions. The general increase in the Customs duties he expects to yield "between twenty and twenty-five millions." This latter is dependent, of course, on the volume of imports being maintained at something like their present level. Any further serious drop in the volume of imports might considerably effect the Minister's expectations of the amount of revenue to be realized.

Hon. Mr. White estimates the total expenditures during the coming year at over \$300,000,000, including the estimated war expenditure of \$100,000,000. He proposes to borrow the whole of the latter amount. On the present basis the revenue would yield only about \$120,000,000. From this it is apparent that the new tariff and special taxes will meet only part of the deficit.

The tariff changes went into effect immediately on announcement. Several of the special taxes, notably those on wines, patent medicines, are already in effect, the stamps used being the ordinary stamps with the words "War Tax" printed on them.

## DISMISSALS AND APPOINTMENTS.

RETURNS tabled in the House of Commons on February 12, giving statistics as to dismissals and appointments in the civil service since the present Government came into power in 1911 makes almost incredible reading, and throws into vivid light the extent to which the party axe has been wielded and how the influence of patronage has been invoked under the Conservative administration. The return is admittedly not complete and was made up from the different departments at varying dates in the spring of 1914, yet it shows a record of no less than 2,115 dismissals while the new appointments are shown to make the enormous total of 10,576.

In the Department of Agriculture there were 45 dismissals and 579 new men engaged; in the Customs, 271 dismissed and 1,649 engaged; in the Department of Indian Affairs, 135 dismissed and 295 engaged; in the Department of Inland Revenue, 73 dismissed and 291 engaged; in the Interior Department, 309 dismissed and 1,651 engaged; in the Immigration Department, 110 dismissed and 343 engaged; in the Department of Justice, 20 dismissed and 258 engaged; in the Labor Department, 21 dismissed and 60 engaged; in the Public Works Department, 511 dismissed and 2,002 engaged; in the State Department, 20 dismissed and 287 engaged; in the Department of Railways, 363 dismissed and 2,076 engaged; in the Department of Mines, 1 dismissed and 103 engaged; in the Department of Trade and Commerce, 13 dismissed and 49 engaged; in the Royal Northwest Mounted Police, 124 dismissed and 527 engaged.