PUBLISHED EVERY FRIDAY
BY
The Monetary Times
Printing Company
of Canada, Limited

Publishers also of
"The Canadian Engineer"

Monetary Times
Trade Review and Insurance Chronicle
of Canada
Established 1867 — Old as Confederation

JAS. J. SALMOND
President and General Manager

A. E. JENNINGS
Assistant General Manager

Canadian Federal Finance

Our Expenditure is Relatively Greater than that of the United States or Great Britain —Summary of Revenues and Expenditures During War Period—Queen's University Professor Reviews Dominion Finances in Bulletin Published by Queen's University.

By O. D. SKELTON

IN the current fiscal year the Dominion government is faced with the task of raising for our civil budget, for our direct war expenditure and for loans to our ally, Great Britain, over $980,000,000. In a world that talks in billions, this may not seem a great amount. Compared with the $24,000,000,000 to be voted by the United States or the $14,000,000,000 of the British budget, it seems little. Compared with the greatness and the urgency of the cause for which we fight, it is as dust in the balance. But compared with peace-time budgets and with peace-time resources, as we judged them, it is colossal. It means that in a single year we must raise a sum greater than the total expenditure of the Dominion, on current or consolidated fund account, during the whole generation from 1867 to 1900. It means that we must raise in a year practically the amount that the federal government of that populous, wealthy and certainly not over-economical country, the United States, was spending before the war. It means that this task is to be faced by a country which, even before the war, had been spending lavishly and taxing heavily. With one-fourteenth the population of the United States, we were spending on federal purposes one-sixth as much, while the total tax-bill of the average Canadian was, contrary to current opinion, clearly heavier than that of the average British taxpayer.

The task before us, then, is so great as to warrant the close and constant attention not merely of the responsible authorities, the powers that be at Ottawa, but of every citizen in the Dominion. In a previous article, published two years ago,* an attempt was made to contribute to the discussion of the question by a summary of the facts as to federal revenue and expenditure, and a review of the possible sources of revenue, leading to an advocacy of a federal income tax. That essential reform, then scouted in official quarters, has now become an important and doubtless a permanent feature of our fiscal system. Other issues have risen, and some of the old issues are still before us. In the present article the purpose is to summarize the facts as to our war finance, to comment briefly on the methods followed, and to consider, still more briefly, how the burdens of the future may be met.

*"Federal Finance," I.; in Queen's Quarterly, July, 1915, and printed as Bulletin No. 16 of the departments of History and of Political and Economic Science, Queen's University.

The total expenditure of the Dominion for war purposes, including outlays in France and England, as well as in Canada, but not including advances to Allies, up to March 31st, 1918—the end of the fiscal year 1917-18—was $879,000,000. The total up to August 1st, 1918, that is, for four complete years of war, will be practically a billion dollars. The exact official figures follow:—

Canadian War Expenditure, 1914-18.

Fiscal year,	1914-15 (eight months of war)	$ 60,750,476
" "	1915-16	166,197,755
" "	1916-17	306,488,874
" "	1917-18 (returns not yet complete)	343,834,688
		$877,271,794
" "	1918-19, to August 1st, 1918 (returns not yet complete)	113,720,046
	Total for four years of war	$990,991,841

In the four fiscal years 1914-15 to 1917-18, the total expenditure of the Dominion for civil purposes was approximately three-quarters of a billion. This covers both the expenditure on current or consolidated fund account and the capital expenditure, including construction of railways and other public works, along with railway subsidies, loan discount and minor charges. A detailed table follows:—

Fiscal year.	Consolidated fund.	Capital and other.	Total.
1914-15	$135,523,206	$ 51,824,843	$187,348,050
1915-16	130,350,726	43,154,020	173,504,747
1916-17	148,599,343	43,114,960	191,714,303
1917-18	176,923,645 (Approx.)	57,799,611	234,723,257
	$591,396,922	$195,893,436	$787,290,358

The total expenditure in the four fiscal years 1914 to 1918 is, therefore, as follows:—

Fiscal Years 1914-18.

War expenditure	$ 877,271,794
Consolidated fund	591,396,922
Capital and other	195,893,436
	$1,664,562,153

During the same period the consolidated fund revenue, that is, receipts from other sources than loans, and including taxes and income from lands and public