

## 8 BRITAIN'S FINANCIAL EFFORT.

proportions in which the British people have met their war bill out of taxation as opposed to borrowing. Leaving out of account altogether peace revenue and peace expenditure, we can see that against 18,625 million dollars of war expenditure there have been raised 2,575 million dollars of extra war taxes—a proportion of 1 dollar of purely war tax to 7 dollars 23 cents of purely war expenditure. Taking the total spent during the period of the war on all services, and comparing it with the total sum raised by war taxes (21,278 and 5,410 million dollars respectively), we get a proportion of 1 dollar raised by taxation to 3.93 dollars spent on all accounts. If we rule out of the expenditure the loans to Allies, etc. (money which should in due course be returned in one way or another), we get a proportion of 1 dollar raised by taxation to 2 dollars 56 cents spent on all accounts except that of loans. Both the economist of whatever nationality and the patriotic Britisher may safely contemplate these figures with satisfaction.

### PROVISION FOR DEBT REDEMPTION.

The estimates for the year which will end on 31st March, 1918—estimates made on the hypothesis that the war will go on throughout that period—show that the same conservative financial policy as before is to be maintained. The levy on war profits is raised from 60 to 80 per cent., and with the help of an additional duty on tobacco the revenue of the United Kingdom for the year should amount to 3,190 million dollars. But part of this revenue, the excess profits duty, will not be available after the