

accurately by the amount of the loans, at least during the earlier period. Owing to the secrecy maintained by the German government regarding its financial transactions, and the difficulty of securing the few facts which are published, these and the votes of credit are practically the only accurate data upon which an estimate may be based.

Imperial revenues for the fiscal year ending March 31, 1915, had been estimated in the budget of the preceding year at \$830,770,350. This was for the civil budget, which was sharply distinguished from the military budget. The latter was to be met solely by loans. The former was to be met by existing taxes and other sources of revenue so long as it balanced. Only in the event of a deficit would any new taxes be imposed.

Owing to the almost complete interruption of foreign trade the receipts from customs duties, which amounted to \$208,328,650 in 1913, declined greatly, but a deficit for the year was prevented by transferring the whole of the military and naval outlay (amounting in 1913-14 to \$344,425,000) from the ordinary civil budget to the extraordinary war budget. In this way not only was a deficit prevented, but Dr. Helfferich was able to announce a surplus for the year of \$54,750,000.

The following March, however, in presenting the budget for the fiscal year 1916-17, Dr. Helfferich stated¹ that owing to the great increase in the service of the Imperial debt, which was \$575,750,000, as against \$317,000,000 in 1915, and \$62,500,000 in the last peace budget, even this formal balance could not be maintained. In the ordinary budget there was a falling off of over \$36,000,000 in receipts as compared with 1915 and an increase of over \$84,000,000 in expenditures, which gave a deficit of \$120,000,000.

To meet this deficit new or additional taxes were authorized on war profits, tobacco and cigarettes, bills of lading and receipts, and increased postal, telegraph and telephone rates. The estimated yield from these taxes was \$125,000,000, but the actual

¹ Budget speech of March 16, 1916.