

## DIRECT COSTS OF THE PRESENT WAR

CIVIL EXPENDITURES AND RECEIPTS, 1914-1917<sup>1</sup>

(In millions of dollars)

Year	Ordinary Expenditures	Ordinary Receipts	Deficit
1914.....	\$1,464	\$1,449	\$15
1915.....	1,534	1,397	137
1916.....	1,587	1,457	130
1917.....	3,061	1,870	1,191
Total.....	\$7,646	\$6,173	\$1,473

Large as were these deficits, which had to be met out of loans and paper money and must to that extent be counted in as part of the cost of the war, they were really larger than appears from this statement. In 1914 the deficit was kept down by stopping all possible expenditures for social purposes. The small deficit which resulted was met out of the free cash in the Treasury. The following year the ordinary military and naval expenditures were transferred to the war budget.

On the other hand every effort was made to increase the ordinary revenues by new tax measures. The war cut off about 80 per cent of Russia's foreign trade and deprived her of customs revenues amounting to \$250,000,000. By the abolition of the *vodka* monopoly the government sacrificed revenues amounting to about \$450,000,000. The revenues from this source have shown the following decline:

## REVENUE FROM SPIRIT MONOPOLY

1913.....	\$449,650,000
1914.....	251,950,000
1915.....	15,360,000
1916.....	25,680,000
1917.....	24,800,000

But new taxes were immediately levied and the rates of existing taxes were raised. There was an increase in the city real estate, house, and poll taxes, and in the postal, telegraph, and railroad charges. Large sums were obtained from excise taxes on sugar and tobacco. But the most important new measures

<sup>1</sup> Russian Yearbook, 1916, and budget reports.