

## THE "WAR" TAXES.

Points from the Speech of Mr. A. K. Maclean, M.P., Feb. 23, 1915.

(Continued from March number.)

### Deficit was not Necessary.

THE Government estimates the ordinary expenditure for the year 1914-15 at \$140,000,000, and proposes that ordinary expenditure for the year 1915-16 should be about the same amount, \$140,000,000. Will any man seriously argue that ordinary expenditure for the year 1915-16 could not well have been kept within the amount of expenditures for the years 1912 and 1914 when they were in round figures respectively ninety-eight millions and one hundred and twelve millions of dollars? Why should not our ordinary expenditures this year have been within the 100-million dollar mark, and why should not the proposed expenditure for the next fiscal year be within the same amount? In the fiscal year 1910-11, which was a fairly prosperous year, so prosperous that during the election campaign Conservatives argued that the future was so well assured that they wanted to "let well enough alone" and argued against a tariff alliance with our neighbors, in the year 1910-11, our ordinary expenditures were eighty-seven million dollars. Under a careful administration of the public services during the present fiscal year and next, there need not have been any substantial deficit, if any, in respect to capital and ordinary expenditures over revenue.

### Could Reduce Expenditure by \$50,000,000.

Consider our declining revenue, trade and immigration, the cessation of railway construction, that our borrowings from abroad have ceased, that the public debt interest account rose during the present year by nearly nine million dollars, that we face a probable annual pension charge of ten million dollars, that the world's capital is being dissipated by the great war now in progress—in view of all these and other circumstances prevailing during the past year and likely to continue during the next, can it be seriously contended that our current expenditure for 1914-15, and the proposed current expenditure for 1915-16 are justified? A reduction of fifty million dollars and more in ordinary expenditures for 1915-16 would easily be possible if honorable gentlemen opposite were attempting to administer the country's business solely for the country's good. They could easily have avoided this fresh taxation but they have made not a single effort to do so.

### A Liberal Precedent.

The Government is apparently proceeding upon the theory that trade and revenue will suddenly resume its former proportions immediately after the end of the War. There is nothing to indicate that this will happen. Compare the course now being pursued by the present Minister of Finance with that of Hon. Mr. Fielding, Finance Minister in the

Laurier government in 1908 and 1909, when there was a slight falling off in trade. In 1909 Mr. Fielding reduced his ordinary expenditures by over five million dollars, just the amount of the decline in customs revenue that year. This was a small amount, it is true, but it was based upon an absolutely sound business principle and proves the sound principles on which the business of the country was administered by that government. In that year there was an excess of revenue over ordinary expenditure of over twenty million dollars, but that did not alter Mr. Fielding in his decision to reduce expenditures below those of the previous year.

### War not Alone Responsible for Decline.

I am of the opinion that our customs revenue will be found to have fallen but little this year as a result of the War. Imports were decreasing and consequently revenues were decreasing before the war. Our customs revenue for the year ending March 1914 was \$104,691,000; for the year ending March 1915, it is estimated by the Customs department at \$77,000,000, a decline of \$27,000,000. The figures month by month show that there was a tremendous decline prior to August, when the war broke out. For the eight months from January to August 1913, the total imports of dutiable goods were \$304,161,411; for the corresponding eight months in 1914, up to the outbreak of the war, imports amounted to \$222,699,782. Dutiable imports for the first eight months of 1914 were thus \$81,461,629 less than for the same period in 1913. Duties collected were of course correspondingly less, the net falling off in 1914 as compared with 1913 being \$18,293,263, or at the rate of \$2,285,000 a month, which would make a total of \$27,420,000 for the whole year of twelve months. The actual decline in customs revenue for the calendar year 1914, as compared with the year 1913 was \$32,109,927. It is thus fair to argue that the war can be held responsible for only \$5,000,000 or less, of the decline in customs revenue for the calendar year 1914.

### Government Only is Responsible.

The proposed special taxes and increased customs taxation are caused solely by the fact that expenditures are and have been absurdly excessive. The Minister of Finance should have kept within his revenues and on the former basis of taxation. He can give no reason for not having done so. The government and not the War is clearly responsible for the proposed taxation.

### Tariff for Protection, not for Revenue.

We have in Canada a tariff based on the Protective system. To raise the general tariff  $7\frac{1}{2}$  per cent.,