



DISSIPATING THE INHERITANCE

FOR two years the present Finance Minister was able to get along without difficulty on his inheritance from the Liberal regime. Six months ago the wave of Liberal progress and prosperity had spent its force. Revenues began to decrease and trade began to fall off. Nothing was done by the present administration to meet the changed conditions, except to attempt a fictitious prosperity by increasing the national expenditures and by borrowing money from abroad.

The result of the steadily accelerated process of falling revenues and increasing expenditures during the last half of the present fiscal year is seen in the financial statement of the Dominion for February. The figures are startling:

During February the revenue from all sources decreased, as compared with February of last year by	\$3,437,750
Expenditures for the ordinary cost of administration increased during the same time by	\$2,839,754
In the one month the net impairment of surplus of revenue over all ordinary expenditures was, as compared with the corresponding month of last year	\$6,277,504

During the month the net debt of the Dominion increased by	\$2,785,931
Customs revenue for the month decreased by	\$2,322,864

This indicates a falling off in imports of about 25 per cent. and the indications are that the tide will not turn again for some months at least.

During the first two months of 1914, as compared with the first two months of 1913, the total revenue decreased by \$5,350,375 while the total expenditures increased by \$8,215,816. Going "to the bad" \$13,567,191 in two months is by all odds the worst record in the history of Dominion finances since Confederation.

In the face of falling revenues the Government has increased the expenditures for the year by approximately \$40,000,000.

The addition to the net debt of the Dominion during the fiscal year is estimated at \$20,000,000.

The outlook for the coming year is for a steady continuance of the process of going from bad to worse.

Increased borrowings, increased debt, increased expenditures and increased taxation under the Borden Government have replaced the Laurier process of growing annual surpluses applied to decreasing taxation and to decreasing the national debt.

CANADIAN LIBERAL MONTHLY

Issued by THE INFORMATION OFFICE of the CANADIAN LIBERAL PARTY, HOPE CHAMBERS, SPARKS ST. OTTAWA, ONT.

Subscription Rates, \$1.00 per annum. Single Copies 10c. \$1.00 per Dozen Copies

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