

paid considerably less than \$60,000,000 on account of our war expenditures from the beginning up to the present time. Now, it is a fair question to put to this House and to the country: With our expenditures on war account, great as they are, and with this country so prosperous, whether it is satisfactory that we should have contributed out of our revenue toward that expenditure only \$60,000,000 or less? Are we now doing our full duty, or are we leaving too much to the future to pay? I believe that we are borrowing too much and paying too little.

There are facts which should be carefully considered in this connection. After the war, we shall have a national debt of from \$1,300,000,000 to \$1,500,000,000, with charges for interest and pensions approximating, as I have already pointed out, \$100,000,000 a year, which must be paid and for which the people must be taxed. We shall have a smaller supply of capital, interest rates will be higher, and the productive capacity of the country will be less. The transition from a state of peace to a state of war was made easier in our case by the absorption of men into the army, but the transition in the reverse direction will be complicated, not only by the discharge of munition workers from their employment, but in addition there will be the demobilization of the army. These are important facts and should be considered in discussing the question whether we should or should not now tax ourselves more in order to pay a greater portion of our war obligations than we are paying. We must further remember that the immense expenditure for war which is being added to our debt is unproductive. It leaves us richer in ideals and in history, it is true, but in a monetary sense the expenditure is unproductive. If the amount which we are obliged to borrow for war purposes were expended in the construction of railways, the development of agriculture, and the establishment of industrial enterprises, it would add to the productive power of industry and trade thus making it relatively easier to meet interest and sinking fund charges upon the debt. With these things in mind, is the Government policy with respect to taxation for war expenditure the correct one? Is it one which is approved by the best judgment of our people? Are we not handing down to posterity the obligation to pay too largely for our patriotic performances?

Taking the position, as I do, that we are not presently contributing sufficiently to

war expenditures, I realize that hon. gentlemen opposite will naturally inquire what suggestion hon. members on this side would make, what policy they would propound. In the first place I assert, and this is but a repetition of what we on this side have said on every budget deliverance of the Minister of Finance since the beginning of the war, there should be further retrenchment in civil expenditure so as to leave a greater amount to apply to war expenditures, thus minimizing the additions to our debt. We have presented this view in the past, generally and in detail, and there is no necessity for me to repeat at length these arguments, nor do I intend to do so. Some little improvement has been made, and I think hon. gentlemen on this side of the House have reason to feel gratified that their criticisms in this respect in the past, have borne some fruit at least.

Our consolidated fund account expenditure for the last year amounted to \$122,392,000. Our interest charges and pensions, due to the war and payable in the last fiscal year, amounted to \$14,500,000; at least that is what I make it from an official statement furnished me, although I understood the Minister of Finance to say this afternoon that it amounted to \$25,000,000. But, I think \$14,500,000 represents the actual additional amounts chargeable to war and paid on interest and pension account for the year ended March 31 last. If you deduct this \$14,500,000 from the \$122,392,000, the total amount of the consolidated fund expenditure last year, you have a net consolidated fund account expenditure of \$107,482,000, not a cent of which is attributable to war. The question naturally arises, and I put it to the House, if that is a fair amount for this country to expend in war days, a sum which is above the amount expended for similar purposes in days of peace, and when the country was growing and developing in population and in wealth, and when every branch of the public service was adequately fed. In 1910 our expenditures on consolidated fund account amounted to \$79,411,000; in 1911 to \$87,774,000 and in 1912, to \$98,161,000. These were prosperous days in Canada; they were days of peace. Am I making an extravagant statement when I say that in the year ended March 31 last, having in view the circumstances and conditions prevailing, \$107,482,000 was an expenditure for ordinary purposes which was unnecessarily excessive. If that had been reduced to the amount of the expenditure in 1910, our sur-