

government which is able to come before the people and say, "Having practised economy, having introduced policies which have been helpful to the nation's progress and development we are now in a position to relieve you of taxation to the extent of twenty-four millions of dollars."

I shall refer now to the other financial matter to which my right hon. friend referred yesterday. He took issue with the statement which I made that the previous government had left as a mortgage upon the wealth and the industry of this country the total capital cost of the war. I wish to repeat Mr. Speaker, that that is a true and accurate statement of the fact. The total cost of the war was met by hon. gentlemen opposite by means of loans, and not a dollar of it was raised by means of taxation. Here again, notwithstanding the figures which my hon. friend gave this House yesterday, I stand in the judgment of the House as to whether I am not right in saying that the appeal to be made in this instance should be to the books of the government as they were kept by hon. gentlemen themselves.

If hon. members will look at the books of the government as they were kept during the period of the war, they will find there were certain sums of money which were allocated to capital cost of the war; to expenditures of account of war and demobilization. There were other sums that were put down to current liabilities to be paid out of the consolidated fund, just as we are meeting all our accounts to-day. These were current obligations arising out of the war, lasting not only during the war, but continuing on for a more or less indefinite time. These obligations arising out of the war were, first of all, interest upon the outlays constituting the capital cost of the war. My right hon. friend would hardly say that the interest that was paid on the capital cost of the war should be added to the capital cost of the war. Interest in such cases is paid to avoid paying the capital—to keep the capital where it is and avoid paying it. But that nevertheless was one of the items that was included in the statement of the former Minister of Finance of what his gov-

ernment had met in the way of war expenditure during the period of the war. The soldiers' civil re-establishment and the soldier land settlement are the other two items. Soldiers' civil re-establishment was an obligation arising out of the war, an obligation which is continuing at the present time. Does any hon. member believe that it is a fair and accurate presentation of the facts to tell the country that expenditure on account of soldiers' civil re-establishment is a part of the capital cost of a war which ended in 1918? Yet there you have the basis of the figures which my right hon. friend gave to the House yesterday as his reason for denying the statement which I had made that the entire capital cost of the war was left to the country as an obligation by the governments of which he was a member and remains as such at the present time. That is the reason why for some little time it may not be easy to reduce taxation as much as we should like.

My right hon. friend put on Hansard yesterday some figures which he had not read to the House. While I take no exception to his having placed them on Hansard, I think he should have taken care to see that they were accurate. In giving the total expenditure to the country for 1919-20, he fixes the total expenditure at \$743,763,186. Those figures should read \$785,869,611, the larger figure including advances to railways amounting to \$45,780,690. This figure makes the deficit for the six-year period, \$1,684,179,975, as given on page 43 of Hansard of this session, when I gave to the House the figures* as to the total expenditures. So, that even if we admit the right hon. gentleman's claim regarding sinking funds, the deficit during the six-year period would still exceed the total expenditure on war and demobilization account. There is no refuting the figures, and I think it is well that they should be before the country and the House again. Let me say that when I speak of the capital cost of the war, I include the capital cost of the war and demobilization. Demobilization is a part. These are the figures:

Year	Total Revenue Receipts	Total Disbursements	Deficit	Spent on War and Demobilization Account
	\$	\$	\$	\$
1914-1915.....	133,073,482	248,098,526	-115,025,044	60,750,476
1915-1916.....	172,149,393	339,702,502	-167,553,109	166,197,755
1916-1917.....	232,701,294	498,203,118	-265,501,824	306,488,815
1917-1918.....	260,778,953	576,660,210	-315,881,257	343,836,802
1918-1919.....	312,946,747	697,042,212	-384,095,465	446,519,439
1919-1920.....	349,746,335	785,769,611	-436,123,276	346,612,955
	1,461,396,204	3,145,576,179	-1,684,179,975	1,670,406,242

[Mr. Mackenzie King.]