

that the war lasts another year our public debt, after complete demobilization and after all expenditures are liquidated, will probably be between \$1,500,000,000 and two billions. On this basis we will annually, after the war, have to provide a total sum of from 270 to 300 million dollars to carry on the Administration of the country, pay interest, pensions, etc.

That means about \$40 per head in annual taxes for every man and woman or \$200 per family per annum, over and above Provincial and Municipal taxes.

To devise schemes of taxation which will raise the enormous amounts required annually, and do it in an equitable manner, will tax the ingenuity and ability of the best minds in the new Government. A grave responsibility is thrown upon them. That the Government is well aware of this is evidenced by the declarations of policy contained in the Prime Minister's Manifestoes, namely:—

- (1)—Adequate taxation of war profits and increased taxation of incomes as necessitated by the continuance of the war.
- (2)—The reduction of public expenditure, the avoidance of waste and the encouragement of thrift.
- (3)—In order to meet the ever increasing expenditure for war purposes and also to ensure that all shall share in common service and sacrifice, wealth will be conscripted by adequate taxation of war profits and increased taxation of income. There will be close enquiry into expenditures in order to protect the treasury against purely local demands, and to eliminate undertakings of purely political origin and object.

There is undoubtedly a strong impression in the public mind that the existing methods of taxation are inadequate and to some extent inequitable, and further, that some important classes in the community, well able to stand taxation, have so far escaped paying their fair share. There is also a well founded and popular opinion that we have been placing too much of the war burden on the shoulders of posterity. It will be the duty of the Government to correct these weaknesses and they may be relied upon to do so.

## ABOLITION OF PATRONAGE

The new Government has made an excellent start in the direction of economy by abolishing the patronage system in Government purchase and appointments. That system was the curse of our politics and the bane of public life, and it did more than anything else to lower the tone of political thought. It was the root of all our political evils—favoritism, extravagance and corruption. Unsound in principle, undemocratic, unfair and