

comparison as regards the revenue from taxation. The figures for Canada are taken from the Canada Year Book, page 743. The figures for the United States are taken from the report of the Secretary of the Treasury. I have added the postal rates, which are not included in their figures, in order to have a fair basis of comparison with the Canadian figures. The figures shown by the comparison are as follows:

Total Per Capita Revenue From Taxation		
	Canada	United States
1914..	\$21 21	\$10 32
1915..	16 93	9 78
1916..	21 42	10 67
1917..	28 45	13 94
1918..	31 31	43 54
1919..	36 91	48 10
1920..	40 52	67 10
1921..	49 43	56 35
1922..	42 72	47 16
1923..	43 45	48 26
1924..	43 01	40 90

The United States entered the war in April, 1917, and immediately they shot up their taxation. Their fiscal year ends in June while our fiscal year ends in March. The per capita taxation in the United States for the year 1917 was \$13.94. It had increased by \$3.62 from 1914. This was only an amount sufficient to account for the decreasing purchasing power of the dollar, but in 1918, the first year after they had entered the war, the per capita revenue for taxation in the United States was \$43.54. They adopted the plan of paying for the war as it went on; a sort of "pay as you enter" plan if you like, I do not want to be too severe but these things are a matter of national history, the facts are there. The Americans tried to pay for the cost of the war as the war went on, and while they had inflated prices. We did not adopt that plan. We waited until prices began to come down, and then we began to put on the necessary taxation to pay for the war. That was the trouble. So, in 1921 when this government came into power the war had not been paid for and yet the obligation must be met. This government started to meet it. Our revenue in 1914 was \$21.21 per capita, and in 1916 it was \$21.42. For the year ending March 31, 1918, it stood at \$31.31, and when we take into account the depreciated purchasing power of the dollar, that was not very much—we had hardly advanced our revenue at all. In 1920 the American per capita revenue was \$26.58 per capita more than ours was. Or, to put it in another way, the Americans collected a per capita revenue in the two years 1920 and 1921 of \$123.45. Our per capita revenue for 1919, 1920 and 1921 was only \$126.86. That is to say the Americans were collecting almost as much per

capita revenue in two years as we were collecting in three. As I say, when the Americans entered the war they shot up their taxation. Now, if we take the years from 1918—the year following the entry of the Americans into the war—to 1923 and total up the amount of taxes the Americans collected during that period, and also total the amount of taxes the Canadian government collected for the same period, we find that the Americans collected per capita \$66.17 more than we collected. Now take it on the basis of population. Our population in Canada in the year 1921 was 8,788,000. If we had paid the same rate as the Americans we would have had \$581,691,960 more revenue and with the interest and compound interest added the amount would have been brought to something like \$700,000,000. Deducting this sum from our present national debt, which is in the neighbourhood of \$2,400,000,000, our national debt at the present time would have been only \$1,750,000,000. With our national debt reduced to that figure the Finance Minister could have announced a reduction in taxation of another thirty or thirty-five million dollars. He could have done that easily, or have reduced the national debt by an equivalent amount. He could have taken his choice and done as he pleased.

These are not pleasant things to contemplate, but they must be faced. We did not follow the example of the Americans and pay for the war as it went along. Neither did we adopt the system which the English followed. We adopted rather the French system. That is to say we decided to wait until the war was over and then endeavour to pay for it. There are only one or two things which prevent Canada from being in the same condition that France is in to-day. Our country did not suffer from the war in the same way that France did. Furthermore, our national resiliency, our great natural resources, and the character of the people themselves, saved this country and put it back into a sound financial condition.

Now let us look again at what the United States has done. As I say, hon. gentlemen opposite are always comparing Canada with United States, therefore let us make another comparison. The United States faced the question of tax reduction and they dealt with it by means of heavy taxes. They collected more from their people than we did during the war to lighten the burden of taxation in the future and to meet interest charges. Had we adopted the same system in this country we could have achieved the same results. Everybody knows that during the war time many large corporations received enormous