

To sum up, I estimate that during the next twelve or eighteen months including unforeseen capital expenditures or further expenditures that may be provided by Parliament, it will be necessary to arrange by borrowing including the present Victory Loan for sums aggregating from \$650,000,000 to \$800,000,000. Unless financial conditions abroad improve very materially, these amounts will have to be obtained from the Canadian people.

(Sd.) T. C. BOVILLE,
Deputy Minister of Finance.

APPENDIX No. 4.

EVIDENCE BEFORE THE COMMITTEE OF SIR THOMAS WHITE *re* FINANCIAL CONDITIONS OF CANADA.

Sir Thomas WHITE called, sworn and examined.

By the Chairman:

Q. You were Minister of Finance?—A. Yes.

Q. And at what time did you enter into that office?—A. 1911.

Q. And you continued how long?—A. Until August of the present year.

Q. You are not now acting?—A. I am not now acting.

Q. Some members of the Committee desired that you should come here and give evidence on this problem that we have before us. A motion was made to that effect and agreed to by the Committee and, permit me to say, we are very glad to have you here because there are some problems in reference to which we would like to have as much information as possible. If I am not mistaken some time last May or June you made a statement in the House as to the financial position of Canada?—A. That was the budget statement you are referring to, are you not?

Q. You made a statement about that time in reference to the subject of further gratuities, when was that statement made?—A. The occasion of that statement was an interview which General Mewburn and myself gave to the officers of the Great War Veterans' Association. They had a number of questions to which they desired to draw our attention and among others was this proposal which had been canvassed somewhat at that time of a \$2,000 gratuity to the members of the C.E.F. We dealt with some of the matters which were before us in accordance with the request of these officers, but with regard to this proposal, I made a statement to the officers and also gave a statement to the press with a view of its being published widely throughout Canada, so that the position of the Government might be known respecting the request, which was for a very large amount indeed.

Q. What was that statement in general?—A. The statement in general was that in my own view, having regard to the financial position of the Government and the exceedingly large amount involved, it was quite impossible for the Government to give favourable consideration to the request, and further that I regarded compliance from the financial standpoint quite impracticable, because I did not believe that the money could be raised by the Government even if there were no other considerations involved and there were in my judgment many considerations which should be taken into account.

Q. When you said that you did not believe that the money could be raised, do you mean raised in Canada?—A. I did not believe that having regard to the financial position of the Government, so large an amount could be raised by means of a loan. If you will just allow me to elaborate that and explain to you what I have in mind; if that is your desire?