

lie is led to believe that the war is responsible for things which governments ought to have avoided, the public's estimate of what it will have to bear from our part in the war is falsely based, and its moral power to resist the ravages of war correspondingly lessened—wherein is no comfort for those who do not realize that we are fighting for national survival. There is confusion where there ought to be clarity in the public mind.

ONE DECLINE MAKES MANY.

Our revenue on the present basis being estimated at \$130,000,000, we should have to meet for this year a deficit of ten million dollars on current account plus the entire amount of our capital and special expenditure, a substantial part of which we have in the past been able to defray out of current revenue, a balance only having been provided by borrowing.

The capital and special expenditure has included such things as the cost of the Transcontinental Railway. We used to meet cost of that out of income, mainly from the tariff. But when the borrowed money which produced so large a part of the tariff revenue fell off, AS IT DID BEFORE THE WAR, the capacity to meet capital expenses out of revenue declined. The capacity to meet interest charges on many obligations weakened also. A glance at railway earnings, beginning a year ago, indicates how one decline in revenue makes many, especially when the revenue was largely borrowed—a most deceptive form of “income.”

THE PREMIER'S ESTIMATE.

In connection with the war appropriation bill presented by him at the August session the Prime Minister presented an estimate of \$30,000,000, covering expenditure until March 31 next for the mobilization, equipment, transport and maintenance of an overseas contingent of 25,000 men, and pay of detachments of troops on active home service.

Here is the key to the speech, and to the interior statesmanship of which the speech is the expression, and the results of which will, in good time, be

submitted to the judgment of the country. The Minister of Finance, somewhat startlingly, throws the responsibility for the financial war measure of last August on the Prime Minister. This budget speech of Mr. White's was very carefully prepared, on the general principle of safety first. A Minister of Finance is naturally regardful of the safety of the Minister of Finance. He does not say that the Government presented an estimate of an expenditure of thirty millions last August, but that the Premier did. It is well worthy of remembrance, because of what follows, and of what is bound to follow when we have passed the stage of receiving notice merely to pay something on account.

WAS INADEQUATE.

The estimate of expenditure presented in August was, of course, inadequate to meet the enlarged programme, and the special war expenditure during the present fiscal year will probably reach the total amount of the appropriation, viz., \$50,000,000.

Read that twice. “The estimate was, of course, inadequate to meet the enlarged programme.” What was the original programme which governed the August War Session? The estimate for eight months of war was for 25,000 men for overseas fighting and detachments—detachments—of troops on active home service. The plain English of that is that the Prime Minister, speaking undoubtedly for the Government, though with the special responsibility which his Minister of Finance carefully displays, in August, 1914, when it was seen that the German rush on Paris would involve a most terrible conflict, the Prime Minister did not intend, during the period ending March 31, 1915, to incur expenditures for more than 25,000 men to fight where the Empire was fighting for its life. The event has proved that the provision contemplated by the Government was forty per cent. too small. Parliament, therefore, was forty per cent. behind in estimating the driving power of Canadian patriotism. The Government's disposition