

THE GOVERNMENT'S FINANCIAL RECORD.

Expenditure Doubled—Taxation Grows—The Cost of Living Mounts.

PUBLIC expenditure and taxation are synonymous terms. To spend money a government must first take it from the people. And since what the government spends is in the main obtained from customs taxation which directly or indirectly levies toll on every citizen of the Dominion, each and every one has a personal interest in insisting on strict honesty and economy in the public expenditures. The cost of living must mount with the cost of government. That is the essential point to keep in mind in reviewing the financial administration of the present government.

What does the record show? Here are the main facts. They are significant enough in themselves; but the real portent lies in the still more reckless extravagance they foreshadow.

For the fiscal year closing with March, 1911—the last complete fiscal year of the Laurier administration—the total expenditure was \$122,861,250. Of this amount \$87,774,198, was on consolidated fund account, or chargeable to the ordinary expenses of administration.

Total Expenditure:—

Liberal (last complete fiscal year)	\$122,861,250
Conservative (first complete fiscal year)	144,200,705
Appropriations for present year	250,000,000

For the first complete fiscal year of the Borden Government ending with March last the total expenditure was \$144,200,705—a jump of \$22,690,740, despite a reduction of several millions on the outlay for the National Transcontinental. The most astonishing part of this increase is that it was all due to expenditure on consolidated fund account.

But the increased expenditure last year—amounting to nearly \$3 per head of population, or \$15 per average family—apparently merely whetted the appetite of the ministerial spenders this year. The amounts voted at the last session of Parliament totalled the staggering sum of a little over a quarter of a billion of dollars—exclusive of the \$35,000,000 for the naval contribution which the Government wanted to add. It is true that the whole of this quarter billion will not be expended this year, but it is quite within the mark to say that the total expenditure will be well over \$200,000,000.

Ordinary Expenses of Administration—

Liberal (last year)	\$87,774,198
Conservative (first year)	112,059,537
Appropriations (present year)	143,179,147

The vote on consolidated fund account was \$143,179,147 and on capital account \$59,772,161, a total of \$202,951,308. In addition there were voted in subsidies to Mackenzie and Mann \$15,640,000, and to the Ontario Government railway \$2,000,000. To the Grand Trunk Pacific a loan of \$15,000,000 was made. For the encouragement of agriculture the sum of \$10,000,000 was set aside, to be expended during the next ten years. Under separate statutory enactments the expenditure for bounties and for railway subsidies will total respectively, at a moderate estimate, \$1,000,000 and \$5,000,000.

Taking both the votes for the ordinary expenses of

administration and on capital account we find an increase of \$55,404,949 or over 63 per cent in the vote on revenue account over the expenditure under the same head during the last year of the Laurier administration, and an increase of \$29,919,299 or nearly 100 per cent in the vote on capital account.

Per capita expenditure under Laurier	\$18
Per capita expenditure under Borden (at least)	26

In 1911, during the election campaign Mr. Borden repeatedly declared from the public platform that the Liberal expenditures for the ordinary expenses of administration included about ten millions of waste money. In two years of office he and his colleagues have jumped the cost of ordinary administration by over fifty millions. There is no valid reason for any such increase and there is not apparent any corresponding return to the people for the equivalent of \$40 additional per family spent for them—but not on them. The agricultural classes are not getting it, for the total vote for agriculture, exclusive of the ten millions ten-year grant, was increased last session by only \$73,000. The increase doesn't go to the cause of labor for the government has not introduced a labor measure of any kind. It certainly doesn't go towards the naval service for the *Rainbow* and the *Niobe* have been dismantled, and the total appropriation for the naval service has been cut down by \$570,500.

Increase under Borden in ordinary expenditure 63 p.c

Increase under Borden in capital expenditure 100 p.c

What is the explanation? Hon. Robert Rogers and the Hon. Col. Sam Hughes can explain a large part of the increase. In Mr. Rogers' Department the total vote for public works last session was \$47,680,751 as compared with a total expenditure for the department in 1910-11 of \$12,364,045. Nearly a four-fold increase in three years. The taxpayer is paying his money into Mr. Rogers' hands and the latter is scattering it around in constituencies where it will be politically beneficial to Mr. Rogers and the political machine he represents. And Mr. Rogers is still distributing lavish promises of still vaster expenditures. Hon. Col. Sam Hughes has also made a successful raid on the treasury. He has succeeded in practically doubling the expenditure for militia purposes in his two years of office. In 1911 the total expenditure for militia and defence was \$6,868,657, exclusive of an expenditure of \$222,700 on armouries, drill halls, etc. This year the vote calls for a grand total of \$14,057,435.

Instead of keeping the brakes on expenditures they have been taken off entirely. Instead of relieving the burden of customs taxation and thus reducing the cost of living there has been a mad scramble to squander the fifty five million surplus of last year and to spend not only all increase of revenue, but also to borrow more in order to continue the orgy. In the mind of the Government it may be that an increase in national debt and a deficit between total revenue and total expenditure will provide the desired excuse for revising the tariff upwards instead of downwards.