

first instalment of the bill and asking for something on account.

GRADE BURDENS UP.

We shall not, by any reasonable supplemental taxation measures, be able to close the gap between revenue and expenditure, much less to pay a portion of the principal of our special war outlay. I have no hesitation in proposing to the House that we shall borrow the full amount required under this heading.

Even a general increase in the tariff

TEN SHILLINGS HERE.

Thanks for sending "The Canadian War." I have been reading the two numbers with great interest. Enclosed is a Ten Shilling Treasury note, so that I may have each issue for the present. A good deal of the stuff is particularly timely and thought provoking, and one can but hope that it will have the very wide circulation that its importance and quality deserve.

I take special note of a sentence in No. 3: "Diplomacy always tags behind the progress of mankind. We are fighting because men with mediaeval minds have controlled chancelleries in Europe." I think the feeling that diplomacy as we have it is a very dangerous blend of Annanias, and the mole (as someone has put it) is rapidly growing, and that the whole thing will have to be overhauled.

I think the recruiting here at home is very fine. In the town to-day it is soldiers, soldiers everywhere. And on the whole a fine lot they are. There are but few young single men left. And it is not because of unemployment.—Letter from Kent., England.

can only partially fill the gap between ordinary revenue and ordinary expenditure. There will be hardships on sundry businesses. The Minister who promises to face conditions resolutely can accept to the objectors' own estimates of the afflictions the changes will place on them, and ask them if they would object to carrying the burden if they felt they were not being discriminated against. They will all say they are ready for anything, so long as the burden is fairly distributed. The Minister will then wisely bring the

general burden up to the high level, for it will be hopeless to suppose that it can long be kept down to the lowest level—it certainly cannot, if ordinary expenditures are not to be reduced.

NO GAIN FROM DESTRUCTION.

We believe the tariff increases which we propose will be not only effectual in producing greater revenue, but strongly efficacious in stimulating Canadian industry and agriculture and in relieving unemployment.

It would appear that accumulation of funds with accompanying easier interest rates, and increasing confidence on the part of investors will result in a gradual resumption of the sale abroad and at home of securities for needed expenditures on the part of our provinces, municipalities, railways and industries. Such expenditures, even on a greatly reduced scale, together with war outlays in Canada, should go a long way towards the restoration of such of our trade and industry as have suffered from the effects of the war.

This is a return to the vicious habit of making out that whatever happens is going to increase business—presently. It is the politician's method of pacifying a distrustful constituent, and not a statesman's way of facing crises unexampled in the history of the world. In South Africa they prophesied good times as the immediate result of the Boer war. They have not arrived yet. In Canada the increased prices of food will bring increased gains to the farmer, but they will not come from a higher tariff, which will at least increase the prices of some things the farmer has to buy.

The commercial gain of war to a nation which is at war is only an incidental local gain, such as that which comes from war contracts. Every dollar that comes to Canada for British war contracts, for instance, is a dollar less that will be available for constructive investment when the war is over, because war and everything connected with it is destructive. We ought to be big enough to defeat the temptation to under-estimate the seriousness of the war. Optimism is a great quality when it takes all the facts into account. The other kind is deception.