

what has been accomplished by Great Britain in this war. It is something worthy of our study, and something which we should follow as an example. Germany imposed some direct taxation before the war. Last year, (that is in the year 1916), she raised £25,000,000 sterling by direct taxation, when she needed money worse than ever before in her history—£25,000,000. Before the war Britain's income had risen to £200,000,000, in times of peace. That is what Britain was raising by direct taxation before the war. Last year Britain raised £500,000,000 by direct taxation of her people—£500,000,000 as compared with £25,000,000 raised by Germany. And yet there are people living—I am not sure whether my hon. friend from Halidmand (Mr. Lalor) would not be one of them—who would tell us that the tariff is the enlightened line of business, and not this free trade policy that Britain followed. £500,000,000 raised in the middle of this war by Great Britain, one and one-half times the greatest previous income she had ever raised. Was there ever a financial miracle like that in the history of the world? At the beginning of the war Britain needed in the worst kind of way to buy munitions because she had not prepared herself for fighting on land. Many people say it was foolish of her not to have done so. Well, I do not think so, because if she had prepared to the same extent on land as on sea she would have been bankrupt before the war began—no country could have stood it. Britain's defence was on the sea. She needed in the worst kind of way to buy munitions at the commencement of the war. She was able at once to do it on an enormous extent in the United States because of the wealth that she had built up by her fiscal policy in the generations that preceded the war. She needed for the purpose of correcting her exchange, rapidly to convert her securities, British held in foreign lands, into money, and she did that at once. She was able to do that and correct her exchange because of the enormous wealth which she had invested in the United States as the result of having become so wealthy through a wise fiscal policy. She did all these things while Germany's finances, as I have shown you by a single figure, showed no elasticity whatever. In addition to that, we all know how she has financed the Allies. It is admitted by the first action in the United States as the result of the important conference that is now going on at Washington that Britain has borne the heaviest financial burden of

[Mr. M. Clark.]

the war. She financed the Allies; she kept the seas of the world open for the trade of the world. If it had not been for Britain's fiscal policy and Britain's wealth and Britain's command of shipping, the United States and Canada would have had a very different record to show in the matter of exports from the figures I quoted to you a few moments ago. She has preserved the trade of the world, financed the Allies, raised an amount of money by direct taxation that never was attempted, much less done, by any other country in the history of the world. She has done all that, and she has been a prime factor with the other Allies, whose efforts I do not for a moment deprecate, in saving, as the Allies are saving, the freedom of civilization and the progress of humanity. She has done that because of a wise fiscal policy, which I submit to you, Sir, this young country and its public men ought to study deeply and honestly, and to apply to the management of Canada's own affairs.

Sir HERBERT AMES (Montreal, St. Antoine): It is always a pleasure, Mr. Speaker, for us to listen to the hon. member for Red Deer (Mr. Michael Clark) and to hear that he still stands four-square by the principle of free trade. I do not think, however, that he is making very many converts on this side of the House, nor have we reason to believe that he is making very many converts on his own side of the House. I confess that I was waiting for him to tell us in what manner he would raise the \$135,000,000 that has been raised during the past year by the present tariff to meet Canada's expenditures. By what means would he undertake to raise that revenue, which we all know is so much needed? The hon. member for Red Deer loves to tell us that he is a pioneer along the road of enlightenment, but I am rather wondering whether he is keeping as close a touch as he should upon the old land. I am wondering whether he is interpreting the signs of the times quite as faithfully as we have been led to believe he has been accustomed to do. If we can judge from the symptoms that are being evidenced in Old Country legislation, the days of free trade in old England are numbered. The Old Country, which has been so often held up to us as a shining example of free trade, is, under the stress of war, and of unification of the Empire, beginning to find that the time may not be far distant when it may adopt to some extent a policy of protection that will enable Britain and all her