EXTRAVAGANCES—DEFICIT—TAXES

Reckless Methods in Dominion Lands, Immigration and Indian Departments.

WHEN hard times hit the big business and manufacturing institutions of Canada long before the outbreak of War these institutions applied common business principles to the unwelcome situation and curtailed their expenditures. Thus they maintained, as far as possible, the safe equilibrium between receipts and expenses, between revenue and the cost of securing that revenue. A notable instance is to be found in the case of the C.P.R., which in spite of a falling off of $31,000,000 in gross revenue in the last year was able to declare the usual yearly dividend because, as Sir Thomas Shaughnessy stated at the annual meeting, "a saving had been made in working expenses representing a substantial offset to the loss in gross revenue."

The biggest business institution in Canada is the Dominion Government. No other institution in the country should have had so complete a knowledge of conditions, and as a matter of fact none did have so many warnings of the coming of hard times nor so many undeniable proofs of these conditions when they arrived. But when other business institutions were applying business principles and methods to meet the new conditions, the Borden government disregarded the signs of the times. Instead of curtailing expenditures to fit revenues that were falling so fast, the Government persisted in its policy of increased spending, so that the official records of the past four years actually show that as revenues decreased expenditures increased. "The smaller the revenue, the larger the expenditure" is a business maxim which the Borden Nationalist-Conservative government may adopt as its own; it is not likely to be copied.

Dominion Lands Department.

How utterly without excuse is the policy of the government in this regard is well illustrated in the record of the administration of Dominion Lands since 1911.

The revenue from Dominion Lands dropped from $3,775,852 in 1912 to $2,996,271 (estimated) in 1915, a decrease of $779,581.

The number of homestead entries decreased in corresponding ratio, from 44,499 in 1911 to 31,829 in 1914.

In the same period expenditures on the Dominion Lands Department increased from $2,277,099 in 1912, to $3,475,079 (voted) in 1915, an increase of $1,200,000 in expenditure in face of falling revenues.

Thus, while revenue and business of the department fell away 27 per cent, expenditure increased 52 per cent.

In 1912 there was a surplus of revenue over expenditure of $1,498,753. In 1913 the surplus had dwindled to $939,403. In 1914 there was an actual deficit of $250,450 (the first deficit in the department since 1880). For 1915 the deficit is estimated at over $520,000.

That expenditures since 1911 have increased regularly from year to year, while revenues have correspondingly decreased will be seen from the following official government figures:

	Revenue	Expenditures
1912	$3,775,852	$2,277,099
1913	3,402,026	2,462,623
1914	3,036,030	3,286,480
1915 (Est.)	2,996,271 (Voted)	3,475,079

Business Decreases, Cost Increases.

The official figures of homestead entries prove conclusively that the actual work of the department must have been decreasing. In 1911 the entries numbered 44,479; in 1912 they dropped to 39,651; in 1913 there was a further drop to 33,699 and a still lower mark was recorded in 1914 with 31,829. It is well known that for 1915 there will be shown a still greater drop, and despite this fact the amount voted for expenditure by this department is considerably greater than even in 1914:

In 1913-14 homestead fees were $19,643 less than in 1912-13; pre-emption fees decreased by $24,280; purchased homesteads fees dropped $3,080; pre-emption sales fell away to the extent of $249,027 and purchased homestead sales were $35,648 less; general sales dropped $67,056 and timber dues were $85,373 less than the previous year. In fact the net decrease in the revenue of the department amounted to $334,197. And in face of this the expenditure for 1913-14 was nearly a million dollars greater than for 1912-13. These are the official figures from the government's own official documents. Can they be explained away?

With diminished settlement, diminished homesteading, and with large areas homesteaded or preempted in former years being patented and thus no longer needing agencies and inspectors, expenditures continue to increase. There is only one explanation. Land agencies and inspectorates are being maintained where they are no longer needed; agents, inspectors and officials of all kinds have been multiplied in number without any justification in the work to be done. And this has been simply because the patronage system demanded that jobs must be given to the hungry horde who were supposed to have earned them by their political activities in 1911, and who will be expected to "deliver the goods" again when election time comes.

Dominion Immigration Department.

Equally startling is the record of the Immigration Department. Not only has the number of arriving immigrants fallen away but the total yearly cost of running the department has increased to such an extent that whereas the cost in 1910-11 was $3.47 for each immigrant, for 1914-15 it is officially estimated at $14.77 per immigrant. The whole story is told in the following official figures: