

country in the 1922 and 1923 budgets. But why was such additional taxation imposed? Because increased taxation was at that time absolutely necessary on account of the spendthrift and prodigal policy of our predecessors. Let me briefly review the financial situation which developed under the late Government, and made further taxation imperative when an experienced Minister of Finance who was determined to make his country pay its way in time of peace at last took control of the national finances. I shall confine myself to the tax revenue of the country, as stated by the Department of Finance, leaving out of account for the time the revenue arising from the post office and from other comparatively minor activities, which broadly speaking, involve an expenditure equal to the revenue which they bring in. It is after all the tax revenue which must meet the general expenditures of the country.

In the pre-war fiscal year ended 1914, the revenue from taxation was \$126,143,275 or \$16.40 per head of the officially estimated population of that year, as compared with \$88,707,926, or \$12.31 per head of the population in 1911, the last fiscal year of the Laurier administration. But the aggregate and per capita taxation, which had gone up so rapidly in time of peace, when it ought not to have done so, declined in time of war, when on all sound principles of public finance, it ought to have increased. The 1915 tax revenue sank to \$97,519,008 or \$12.40 per head of the officially estimated population and even the 1916 tax revenue was only \$124,666,969 or \$15.51 per head. So slow was the Government