

The pay of a Canadian private soldier was set at a dollar and ten cents a day. If the army were all privates a hundred thousand would require forty millions for a year's pay. Under an estimate of a hundred millions for war—which cannot begin to satisfy Mr. Rowell's demand, or Sir Robert Borden's assurances—we are going to be short a hundred and eighty millions, assuming our income from tariff and other customary sources is only ten millions less than in the current year, which included four months before the war. If the estimate is reasonable—and again, in view of the under-estimate of last August, the responsibility for which the Finance Minister puts upon Sir Robt. Borden, it must be looked at with a certain reserve—it is no wonder the Minister tries to put a cheerful courage on.

### WHO HELPS TO MAKE WAR?

It is therefore the intention of the Government to negotiate for a continuance of the arrangement with the Imperial Government for the purpose of procuring the funds necessary to meet our special war expenditure.

There is no other way. It throws into strong relief the expedient by which we were to make a gift of thirty-five millions to the Imperial Government for ships on which we did not propose to put a single man, and the procedure of laying up Canadian ships of war, and disbanding their crews, at the very time we declared our dread that the Germans were about to make a deadly assault on the Empire. It suggests an inquest as to whether we are helping the Motherland to make war or whether the Motherland is helping us to make war.

### STOP BAD OLD GAME.

We shall be obliged to borrow heavily for military purposes, and our interest charges upon the vast amount which will be required on this and capital accounts will mount up rapidly in terms of millions by way of fixed charges to be provided yearly.

Clearly, the war will create more financial problems than we can settle

during the war. Would it not be well to cease talking about the resumption of borrowings for municipal and other public expenditures until we have actually adjusted the balance of production? Let us concentrate on paying for what we have incurred; using whatever public credit the war leaves to us in increasing production from the soil. The bad old game of debauching public credit in order to turn electioneering corners cannot be continued in the bad old way. It is as well to regard the dislocation of manufacturing which has followed the dwindling of borrowed money as a condition that will last.

### MUCH CRY, LITTLE WOOL.

It is not a question of raising a few millions by stamp taxes, by income tax or other minor means of supplementing revenue. We must endeavor to raise additional revenue to an amount of at least thirty million dollars, and when we have accomplished this we shall still be obliged to borrow heavily over the next fourteen months, that is to say, between now and March 31, 1916, to meet expenditure for purposes other than war.

Here is the admission that war stamps on letters, taxes on railway tickets, and such things, don't amount to anything in the financial aggregate. It may be argued with some plausibility, that the mailing tax, and the increase in postage will cut off more revenue than they create. The good thing about them is that they will bring the fact that we are at war and not giving to a sort of rather inconvenient charitable—Imperial collection. The details of their incidence or of their efficacy are not crucially important, when you are trying to sense the big essentials of a financial situation which is primarily the product of reckless "politics," and reckless gambling with the country's reputation for resources. The Minister says that a few millions raised in these ways don't count for much, beside the big amounts that must be raised. That is to say, looking at the thing in its large aspects, whatever taxes are imposed now, they are only a promise of things to come—the waiter is presenting the