

past, proceed to a more detailed consideration of the expenditures of the last fiscal year, figures of which have recently become available.

The grand total expenditure of the fiscal year ended Mar. 31 last, is shown in the Canada Gazette of July 7 to have been approximately \$378,700,000, but out of this large amount \$16,035,000 was not actually paid out during the year, but is a bookkeeping item representing the writing-off or writing-down of old debts due to the Government, being to the extent of nearly \$14,000,000 occasioned by the recent writing-down of soldiers' land settlement loans, necessitated by the fall in the values of farm lands after those lands had been acquired for soldier settlers by a former Government. Leaving these sums out of account, the grand total <sup>actually</sup> expended during the year is stated by the Department of Finance to have been \$362,622,770.

The figure of \$362,622,770 seems at first sight very large as compared with the grand total expenditure of \$186,241,048 in the last pre-war fiscal year ended Mar. 31, 1914. However, the great increase in the debt of Canada owing to the war has been already referred to in the first part of this memorandum, and increasing debt involves increasing interest. Before the expenditures of 1914 and 1928 can be fairly compared, allowance must be made for the expenditures attributable to the Great War. The Department of Finance has made this