

Year	Receipts	Total Expenditure	Deficit	War Expenditure
	\$	\$	\$	\$ cts.
Brought forward.....				41,529,475 00
Taking pensions into account which are a war cost:—				
1914-15.....				
1915-16.....	307,572			
1916-17.....	2,447,375			
1917-18.....	7,262,810			
1918-19.....	16,598,601			
1919-20.....	23,308,696			49,925,054 00
Amount paid on war cost including pensions.....				91,454,529 00
Including soldier settlement and soldiers' civil re-establishment:—				
<i>Soldier Settlement—</i>				
1918-19.....	207,559			
1919-20.....	2,886,156			
<i>Soldiers' C.R.—</i>				
1919-20.....	45,869,064			49,062,779 00
We find the amount paid on war cost to be.....				140,527,308 00
Then there were as well special expenditures such as management and expenses of placing loans which should be charged against and were solely caused by the war:—				
1914-15.....	4,911,360			
1915-16.....	3,160,557			
1916-17.....	14,758,901			
1917-18.....	10,505,751			
1918-19.....	-7,283,582			
1919-20.....	17,945,120			43,998,107 00
This would show the amount paid on war cost from revenue raised by taxation during the war to be.....				184,525,415 00

Mr. MACKENZIE KING: Does my hon. friend contend that the money we are voting this year for soldier settlement and soldier's civil re-establishment is part of the capital cost of the war?

Mr. MEIGHEN: I contend this: When incurred during the war it is perfectly right to include it as such. It is after the war now, but is this even now "carrying" cost? It all depends on what name you prefer. We had to get the money to pay it, no matter what you call it; and it certainly was fairer to call it capital cost, than to call it "carrying" cost then. I would like to know what the difference is between the cost of curing a wound and the cost of making one. Is one to be called capital, and the other not?

Let me add, in the first year of the war necessarily, there could be no war taxes imposed. The war broke out shortly after the end of a fiscal year, and the first taxes which could be imposed would be collectable in the second year after the struggle began. So, we had say five years of war, with only four years' possibility of taxation. And I wonder was the

taxation too light? Could the taxes have been made greater?

Mr. MACKENZIE KING: Yes.

Mr. MEIGHEN: The Prime Minister says yes but the member sitting at his right thought no at the time we were imposing them. The right hon. gentleman himself was not in the House at that time. The facts are these: During the early part of the war, as revealed, indeed, by the figure given to the House to-day by the hon. member for Springfield, when the United States were not in the conflict, they held a tremendous advantage over us as a magnet for population. If hon. members will look at the official returns they will find that for all these early years after the war right up to the time the United States came in, the balance of migration against this country was in large figures. In those days we had to look carefully in making our financial provisions because there was the prospect that contrasted with conditions across the border, instead of getting more money by a too high scale we would get