

Year	Receipts	Total Expenditure	Deficit	War Expenditure
	\$	\$	\$	\$ cts.
1914-15	133,073,482	248,086,526	115,025,045	60,750,478 01
1915-16	172,149,394	339,702,902	167,583,109	166,197,755 47
1916-17	232,701,294	498,203,118	265,501,824	306,488,814 63
1917-18	280,778,952	576,660,210	315,881,257	343,336,801 98
1918-19	312,946,747	697,042,212	384,095,465	446,519,439 48
1919-20	349,746,335	743,763,186	394,016,851	346,612,954 54
Total	1,461,396,204	3,103,469,754	1,642,073,551	1,670,406,242 13
Sinking Fund:—				
1914-15	1,645,812			
1915-16	1,773,021			
1916-17	1,471,698			
1917-18	3,183,493			
1918-19	1,448,495			
1919-20	3,674,265		13,196,784	
Deducted from total deficits this leaves net deficit for 6 years			1,628,876,767	
Taking total net deficit for 6 years from total war expenditure				1,628,876,767 00
Amount paid on war costs is shown to be				41,529,475 00
Taking pensions into account which are a war cost:—				
1914-15	307,572			
1915-16	2,447,375			
1916-17	7,262,810			
1917-18	16,598,601			
1918-19	23,308,696			49,925,054 00
1919-20				
Amount paid on war cost including pensions, including soldier settlement and soldiers' civil re-establishment:—				91,454,529 00
Soldier Settlement—				
1918-19	207,559			
1919-20	2,886,156			
Soldiers' C.R.—				
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	10,503,751			
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 less and we would certainly get less population. We had to adjust our finances accordingly, and as rapidly as we could we increased taxation and in the spring of 1917 we put on the highest profits taxes in the world. We put on other taxes almost in proportion. So high did we impose them that hon. gentlemen now sitting opposite, hon. gentlemen now in the government, rose and protested that the effect of such taxation would be unfair to the industry of Canada. If the Prime Minister will look at Hansard for May 22, 1917, at the time these high taxes were being put on—I mean the higher taxes for there had been profits taxes imposed long before—he will find that his present Minister of Railways warned the government that strong representations were coming to him from many and reputable business concerns to the effect that the high taxation being levied upon them would so reduce their reserves gathered during the period of inflation that they would never be able to stand the deflation period which was sure to come. Not only did he tell of these representations—representations which went so far as to say that one firm after another might be driven into bankruptcy—but he declared on the strength of figures submitted to himself, on

the strength of investigation made by himself, he was disposed to agree with their contention. And the Minister of Railways turned out to be right—this was the effect on many a company in Canada. I have not even referred to the warnings that came from the Minister of National Defence (Mr. Macdonald). Now the leader of both these hon. gentlemen says "You did not tax nearly enough, you let the profiteer go." I do not think this conduct on the part of the Prime Minister is very fair, especially when during that period we were supported in the course we took by certainly the one most eminent of his own ministers to-day.

The amount we had to raise for interest on war debt, was a sum in the neighbourhood of two to three hundred millions more. According to the figures of Sir Thomas White some \$435,000,000 of war cost was paid during the real period of the war. I do not think this experience compares unfavourably with that of any other country but I say this: Having regard to the position this Dominion was in, a position unique in the world, a position right alongside of the most prosperous nation speaking our own tongue, we went as far in the direction of taxation as was in the interests of this Dominion and we were recognized as doing so by hon. gentlemen among those who now complain.

There is one other statement I wish to make. I am sorry the Minister of the Interior (Mr. Stewart) is not in his seat. It refers also to what took place in those years. The Minister of the Interior went to the city of Edmonton last fall and made a statement explanatory of the failure of this government to reduce the debt. This is what he said:

In 1911 when the Conservatives took office the public debt was less than the sum now required to meet the annual fixed charges. By the time the war began in 1914 the national debt was increased 46 per cent.

I should like to ask the minister—and I will put my question on Hansard now so that he may answer it at the first opportunity on the Orders of the Day—whether he made this statement before any audience in this Dominion? I have read from the report of the Edmonton Bulletin, an organ friendly to himself. I do not need to insult the House by telling them it is not true. Every hon. member knows that instead of the debt being increased 46 per cent—an incredible amount; I cannot see how a responsible man could possibly use such words, and I would employ stronger language only I hope he will be able to say the report of the Edmonton Bulletin is wrong—the facts are quite the opposite. The debt in the one year was increased by twenty-one million odd dollars, and in