

War Finance.

I shall conclude my account of Canada's war effort by a very brief summary of our war finance. I need not remind the House of the principles on which the government has decided that our war effort should, as far as possible, be financed. We have relied upon taxation and upon domestic borrowing. Even if we desired to use them, foreign markets are not at present available.

In the first twelve months of the war, our expenditure was \$190,000,000 or about \$800,000 a day.

The collapse of the resistance to the Nazi offensive on the continent of Europe and the elimination thereby of many of the protective factors of time and space, were followed by an immediate increase in our financial and material responsibility. The result was a rapid and progressive rise in our war-time expenditures.

In June and July we were spending about one and a third million dollars a day. In August, nearly two million dollars a day. In the month of September we spent sixty-six million; in October our war expenditures were over \$81,000,000. The October expenditures were at the rate of almost a billion dollars a year.

Our revenues fortunately are at the highest level in Canada's history. Our second war loan of \$300,000,000