

but under our capitalist system they have enjoyed the privilege of free education. I do not want to be unkind to the academic mind just because I do not happen to possess one myself. I do say, however, that in my opinion if there is anything calculated to disturb the equilibrium of our country it is the few people who have been blessed with absorbent intellects, who have taken advantage of our educational institutions, who have become proficient in the use of the English language and who go round this country talking to working people, farmers and others, but who have nothing to sell except speeches. They are good enough business men in their own line; they are cautious in what they say to their customers, generally saying the things they know their audience want to hear rather than the things that should be said. I am satisfied that these men constitute a challenge to the sober, orthodox-thinking people who have laboured hard, who by frugality and thrift have been able to secure command of some of the good things of this world. Perhaps if some of these men had possessed some capital to offer together with their suggestions, they would not be talking quite so much. Generally speaking, however, it is those who have nothing who are always looking for some new world order to take the struggle out of life.

Just here I should like to mention that I come from the county of Brant, which on February 19 will celebrate its freedom from debt. That is a splendid thing. The county of Brant is out of debt to-day, and I hope to attend that celebration. This is the result of action taken a number of years ago, when a number of frugally minded men—and I want to say that then, as now, they were the sons and grandsons of the old pioneers of Brant county—decided that we would get out of debt and follow a pay-as-you-go policy. That was early in 1930. At that time we had to meet a bill of \$220,000 from the province of Ontario, representing our twenty per cent share of the cost of building highways. In addition, we had a funded debt of \$218,000, and early in 1933 a bridge was built at a cost of \$129,000. We set to work to pay that amount in cash. In order to meet all those commitments we had to sell a bond issue of \$150,000, and the balance of what we owed we paid in cash. Previously our funded debt had always been on the fifteen-year plan. We issued that \$150,000 on a ten-year plan, which is why we are going to be out of debt this year instead of five years from now. The point, however, to which I should like to direct attention is that we took this action at a time when the purchasing power of the

[Mr. Wood.]

dollar was extremely low. I happen to have before me a record of prices from 1930 to 1934-35, when it just happened that it was not a Liberal government that was in power here.

Mr. HOMUTH: Or 1936 or 1937, or 1938.

Mr. WOOD: It happened to be one of the ancient parties we used to hear about, called the Conservative party. They had a different name, but I guess it is now in the museum. In 1932 it took fifteen hogs to pay my taxes on a 100-acre farm. This year I paid my taxes with three and a half hogs. Nevertheless at that time we had courage enough to start the policy of paying our way as we go. That is one of the reasons why I stand loyally behind this government in its price-control policy, in spite of all the disabilities and the discouragements which present themselves. I believe, when we get far enough away from this war effort, the efforts of the government and its many activities will be looked upon with favour. I hope I shall be able to attend the celebration in ten years' time which will undoubtedly arise from the splendid type of administration we are having. I point this out only to show that the path of least resistance is not the one for public men to take. It is their duty to stand firmly behind their principles, and do those things which they believe right, knowing what the results will be.

We have, undoubtedly, an immense debt. But we are servicing that debt to-day almost twice as easily as we did in 1921 when we took over the debt of the Canadian National Railways. At the present time the average rate of interest is only three per cent, while at the time of and shortly after the last war it stood at about five and a half per cent, and on top of that the money we borrowed was in United States funds. We did not have foreign exchange control at the time of the last war, and as a result much of our money went to the United States. We had to pay it back in United States funds, and we paid interest in the same way. The issues of loans at that time were tax-free. To-day our total investment income stands at about \$512,000,000. The interest on our loan is about \$237,000,000, and this goes back to the people who, in turn, pass part of it back to the government in income tax. I believe if we analyse the government's financial policy, and if we are fair about it, we must admit that the country's business is wonderfully well financed. I believe, if we deduct individual income tax payments on interest received from government bonds, we shall find that probably the government is paying less than two per cent on our debt.