

duction of debt? Speaking in Winnipeg—I happen to have here a quotation from one of his speeches—my right hon. friend said:

The burden of taxation on the Canadian people was greater than the burden on any people in any other country similarly situated in the known world.

Mr. MEIGHEN: Hear, hear.

Mr. MACKENZIE KING: This is from the *Winnipeg Tribune* of September 8, 1923.

He recognized, he said, that taxation in Canada must be great, but to-day it was beyond all reason. He wondered how people could reconcile the pre-election speeches of Sir Lomer Gouin, in which there were declarations that the public debt had to come down or Canada would be bankrupt, with the two budget statements of Mr. Fielding. The debt of the Dominion had risen by almost one hundred million dollars since the Fielding regime, and with the last budget had gone the announcement that it could not balance by \$172,000,000.

Mr. MEIGHEN: Excuse me. I did not use the figures \$172,000,000 at all; I used \$72,000,000.

Mr. MACKENZIE KING: I am sorry, but I am taking the quotation as it appeared in the *Winnipeg Tribune*.

Mr. BUREAU: Good for the public, bad for the House.

Mr. MACKENZIE KING: My right hon. friend has asked me to speak first of all of the debt and to show wherein this government has done anything to decrease it. I will not say anything of the debt during the period of the war. The country knows that while war is on the accumulation of debt must be vast, and while it might be expected that the government of the day would seek to meet some of the cost of the war out of the taxes of the people at the time war is in progress, which my right hon. friend and his colleagues did not do—

Mr. MEIGHEN: Oh, oh.

Mr. MACKENZIE KING: Yes, which they failed to do, nevertheless the country would be prepared to expect a very considerable addition to the debt during the war and for a period immediately after the war. The war started in August 1914 and ended November 11, 1918. If we allow until the end of the fiscal year 1919-1920, six years, I think we are taking what might be correctly termed the war period. During this period vast expenditures would be made on account of war and demobilization, but one would expect those expenditures to end by that time. What was the position of my right hon. friend then? In the year 1920-21, during most of which time my right hon. friend was at the head of the administration, he added to the public debt \$92,000,000.

[Mr. Mackenzie King.]

Mr. MEIGHEN: Hear, hear.

Mr. MACKENZIE KING: My right hon. friend says, "hear, hear." The next year, the year that he was prime minister, when he had the shaping of his own budget, when he had got past the period of demobilization, when we had come to the time that he says the increase of debt ought to end, he added not \$92,000,000, but \$81,000,000.

Mr. MEIGHEN: How much of that was gratuities and how much was due to demobilization?

Mr. MACKENZIE KING: I am not going into the details of that at the moment. I am asking—

Some hon. MEMBERS: Oh, oh.

Mr. MACKENZIE KING: I will give the full details if my right hon. friend wants them. He knows that I have not got them before me at the moment.

Mr. MEIGHEN: Soldier settlement.

Mr. MACKENZIE KING: Yes, soldier settlement and the like. But what is this government doing? Are we not also paying for soldier settlement? Are we not paying pensions and all of these other things?

Mr. MEIGHEN: Very little.

Mr. MACKENZIE KING: My right hon. friend asked me to show how the debt had increased since the war. I have told him that he added \$92,000,000 one year and \$81,000,000 the next, and that \$81,000,000 would probably have been \$92,000,000 if this government had not come into office. We came into office on December 29th, 1921. In 1922-23 we had to carry a great part of the load that my hon. friend left us, liabilities that had nothing to do with the war but relating to a number of things that had we been in office we would never have thought of undertaking.

Mr. MEIGHEN. Railways.

Mr. MACKENZIE KING: I will come to that in a few moments. But what was the result? At the end of that year we had not added \$92,000,000, nor had we added \$81,000,000. We had made an addition of about \$31,000,000, or a drop of \$50,000,000 in the very first year we were in office.

Mr. MEIGHEN: Will the right hon. gentleman tell us what year it was that only \$31,000,000 were added—the first of it and the end? I want to check him up.

Mr. MACKENZIE KING: That was the fiscal year 1922-23.