

pay as you go is a question which I am not going to discuss at this time. The net increase of debt from 1942 to 1943 was \$2,261 million, according to the minister's own statement as recorded on page 842 of *Hansard*. The increase from 1941 to 1942 was only \$413,681,000, as recorded in *Hansard* of 1942 at page 3575. The increase of debt in this year we are now closing is more than five times as great as the increase in the previous year. Can anyone by any exercise of the imagination characterize a budget which increases the debt of the country at that appalling rate as a pay-as-you-go budget?

Canadians have never yet paid the financial cost of the last war; witness the three-cent postage stamp. In the midst of the last conflict our postage rate was increased from two cents to three cents and we were told it was a war measure, but when the war was over the three-cent stamp remained, and everyone who sent a letter from that time to this has been helping to pay the burden of the last war.

Mr. ILSLEY: That is incorrect.

Mr. BLACKMORE: I should be glad to have the minister tell us why.

Mr. ILSLEY: There was a period between 1926 and 1931 when the postage was reduced.

Mr. BLACKMORE: Then we will make that exception, but up to 1926 and from 1931 on, that generation was certainly paying for the last war. I was glad to hear the hon. member for Danforth say that we ought to be frank and tell the truth, that we ought not to deceive the people. One of the deceptions which a good many of the public men of Canada indulge in is that we are going to pay the cost of this war during the war. Now, we are not paying it.

Mr. MARTIN: Who said that?

An hon. MEMBER: Nobody ever said it.

Mr. BLACKMORE: I did not come prepared to prove it, but I can and will do it from the words of various public men in Canada. Let it be understood that we are now preparing to pass on to future generations a crushing debt, and they are going to assume that debt at a time when perhaps it will be necessary for them to be preparing for another war by expenditures the like of which we have never deramed of.

Mr. ILSLEY: Will it not be a debt due from one part of the future generation to another part of the same generation?

Mr. BLACKMORE: I believe that is true. But may I point out another fallacy or semi-fallacy which men are endeavouring to persuade the people of Canada to believe. Before

[Mr. Blackmore.]

I finish I intend to point out that the bonds of the last war debt are held by about fifteen per cent of the people of Canada, but they are owed by all of us. I am not saying the figures are exactly right; grant that they are held by twenty per cent of the people; in effect that renders eighty per cent of the people of Canada hewers of wood and drawers of water to the twenty per cent.

Mr. ILSLEY: These people are changing all the time.

Mr. BLACKMORE: But they are all among the same group. I shall discuss that at greater length. To say that because we owe the debt to ourselves we need not worry about it is to delude the people of Canada.

Canadians have not yet paid for the last war. Now we have a four-cent postage stamp imposed upon us to afflict future generations. Let no one imagine that once this four cent rate is established it will ever be changed, unless some tremendous revolution takes place. Under the present system the Canadian people will and can never pay off the debt of the last war. Under it they will and can never pay off the debt of this war. According to the minister's figures, as of March 31, 1943, our national debt will amount to \$7,861,000,000, and if I interpret the minister's words correctly the annual charge at 2.6 per cent is \$205,000,000. If we add \$2,250,000,000 a year for the three more years which it is likely this war will last, we shall add \$6,750,000,000 to that colossal debt, and Canada will find herself saddled with a debt of some \$14,000,000,000.

For the last number of years the Minister of Finance was able to encourage the house with the statement that the interest rate was going down even though the debt might be going up, but I ask what guarantee the people of Canada can have that the interest rate will continue to go down. If we are committed to a debt of \$14,000,000,000, who is to say that the group of men holding that debt will not, at some time, agree among themselves to increase the interest rate; and what power would the Minister of Finance or the government of Canada, as at present constituted, have to prevent such an increase in the interest rate? Suppose the rate of interest was increased to 3, 3½, 4 or 4½ per cent; imagine what would be the condition of the people with a contractual obligation of that kind, which is supposed to be as sacred as though it came from the sanctum sanctorum, the holy of holies of all time.

Turning to the expenditures in connection with this war, I wish to declare definitely that we cannot avoid those expenditures, and we