

One cannot help but wonder why, before we allowed our returned men to suffer degradation, we did not use these powers. I believe the fact that we did not do so constitutes a solemn warning to this generation that unless something is done we will continue to ignore these possibilities. I must say that I am really discouraged by reason of the fact that the Prime Minister, the hon. member for St. Lawrence-St. George, the hon. member for Essex East and the hon. member for Cariboo, who were the government representatives and advocates in the discussion which preceded the introduction of this bill and in the discussion of the bill itself, referred to nothing but taxation and debt. In a vague sort of way the hon. member for Cariboo reminded us what the banks did when they had to market a crop of wheat, but beyond that he did not go, nor did the Prime Minister. What does it mean? It means that the people of Canada are left out on a limb at the present time, with no idea whatever of how the government proposes to do all the things it envisages in this act. If the government has no financial device for financing the projects involved in this act, beyond borrowing and taxation, all I can say is that this whole measure is nothing in the world but another means of deceiving the Canadian people.

As an indication of the possibilities of the use of debt-free money, state-created, I should like to read two or three passages from the report of the Bank of Canada dated February 10, 1944, wherein the governor of the bank, or whoever wrote the report, suggests the tremendous productive capacity of Canada in the post-war world. I have already indicated that the amount of money a state can create debt-free depends upon the goods the state can produce and consume. If, then, it can be shown that we are capable of producing an astounding amount of goods, then the possibility of the use of this debt-free money, which is indicated in the three excerpts which I have read, becomes very encouraging. Now I read from page 11 of the report of the Bank of Canada:

By the end of 1943 the gainfully occupied population had risen to approximately 5,100,000 but about 1,900,000 of these were engaged in the armed forces, in supplying the weapons of war, or in producing the food required for special wartime exports. The number available to meet civilian needs had therefore fallen to about 3,200,000, but at the same time the average standard of living had risen materially and was probably higher than it had ever been.

Mr. MACKENZIE KING: Would my hon. friend permit me to interrupt, since it is just [Mr. Blackmore.]

a minute to six o'clock? I should like to move that the committee rise, report progress and ask leave to sit again this day. I have to make that motion now in order that the committee may continue after the Minister of Finance has made his statement on the budget.

Mr. BLACKMORE: The Prime Minister will not mind if I read one more sentence?

Mr. MACKENZIE KING: Not if my hon. friend is going to stop then for good.

Mr. BLACKMORE: Yes, I am going to stop then, because I understand that at eight o'clock we are going on with the budget.

This increased output of consumption goods by a smaller working force can be accounted for in part by longer hours of work, favourable crop conditions and the abnormally small number now employed in private capital development and maintenance work. Another important factor, however, has been the improvement in production techniques worked out under the stress of war.

In the next paragraph the governor of the bank goes on to point out that there will be an enormous increase in the goods produced in this country, which would indicate that if only we will be realistic in the matter of money and use the power which is implied in the three quotations I have read, we will not need to be anxious at all about implementing this measure for the rehabilitation and reconstruction of Canada.

Progress reported.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

THE BUDGET

ANNUAL FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

Hon. J. L. ILSLEY (Minister of Finance) moved:

That Mr. Speaker do now leave the chair for the house to go into committee of ways and means.

He said: Mr. Speaker in laying before the house the government's proposals for meeting the financial requirements of the present fiscal year, it is proper that I should give some account of the economic conditions and the financial results of the fiscal year which closed on March 31. In doing so, I refer the house to the white paper, which I shall table before sitting down, for the detailed record with which I do not wish to burden the house now.

