

A few days ago I listened to an able speech by the hon. member for Davenport (Mr. MacNicol) in which he dealt with the problem of youth, and with the part they will play in our war effort. He advocated technical training for them, and I had the privilege of suggesting that that training should be given, not only in day classes but in night classes as well. They could be made to feel that they are part and parcel of the task Canada now approaches. I would even go so far as to give badges or buttons to indicate that in their own sphere, by some means or another those people are contributing to the war effort. If some have bought war savings certificates, then let them wear a badge to show it. If others have cultivated garden plots to produce their own requirements, they could be given buttons to indicate what they have done. If boys and girls have been studying to fit themselves for technical training, so that they might be of some use in our future war effort, they could be given buttons to show that they are taking an active part. Let us badge and placard our citizens, so that we may know who are working and who are not, and thus we may inspire others to do more and more work for Canada at this time.

The Minister of Finance has indicated that perhaps our national income would be expanded if we were to ask the municipalities and provinces not to overspend or to spend wastefully. In fact, if I recall his words correctly he intimated that the provinces were already seized with the idea, and were not spending to the extent which obtained in other years. I was interested in that observation, and with that in mind I sent to the library for reports of speeches of provincial treasurers in which figures of provincial expenditures have been set out. My examination has disclosed that most provinces are spending and budgeting for more money than at any other time in their history. For instance, this year Ontario is budgeting for \$102,000,000, whereas years ago \$50,000,000 was sufficient. There is not sufficient retrenchment in the provinces. The following is from the budget speech of the provincial treasurer of British Columbia:

The appropriations for expenditures in the estimates for the year 1940-41 amount to \$29,268,790.90, and exceed those provided for in the main estimates of this year by \$563,353.41.

There is no retrenchment of provincial expenditures there. Then, Manitoba:

This province estimates ordinary expenditures will exceed original estimates by \$171,382.89.

There is no retrenchment there. Then, turning to Saskatchewan:

The expenditure moved up from \$19,303,528.68 in 1938 to \$21,342,013.33 in 1939.

This year in Saskatchewan they have provided for increases in expenditures for the fiscal year 1940-41, as follows:

Consolidation of the statistics.... \$60,000

Well, I do not know whether the statistics needed to be consolidated until the close of the war. The list continues:

Public works.....	\$170,000
Highways	250,000
Public Health.....	100,000
Education	60,000

I offer no criticism of the expenditure for public health. In New Brunswick this year's budget provides for expenditures of \$10,000,000. I will leave it to some hon. members to correct me if I am wrong in the statement that that is the largest budget New Brunswick has ever had.

I shall not give details respecting the other provinces, in the first place because I am not anxious to do so, and in the second place because I do not wish to stir up discussion in a field which perhaps after all is none of our business. However, in his budget speech the Minister of Finance made a statement which led us to believe that perhaps some kind of arrangement had been made under which provincial and municipal expenditures would be cut drastically.

I now leave that phase of the matter and return to a discussion of the position in which we shall find ourselves if we proceed to freeze more and more of our money in government loans; and in that connection I make the following observation. In peace time, borrow all the money you can at home, but I do not think we should leave ourselves in a more or less frozen position during war time. The Prime Minister knew three years ago that we would be requiring very large sums of money. I can remember speeches in this house in which it was stated that only twelve per cent of our borrowings were payable in New York; eighty per cent were payable in Canada, and probably the balance in London. We have repatriated the London securities by borrowing \$200,000,000 by a short-term loan. We would be in a much better position to-day if our borrowings in New York were greater than \$469,000,000, the present total. The neutrality act provides that we could have renewed these amounts and taken care of these obligations as they become due. As I say, we would have been in a more liquid position if we had taken time by the forelock a year ago and negotiated loans in that country which has been so anxious for so many years past to lend money to Canada.

I should like to quote paragraph (b) of section 7 of the 1939 neutrality act of the United States. It states that the provision shall not apply to a renewal of the indebtedness of countries or states that are at war.