

continues after a war will end, or can tell how long it is going to last. This war is not going to end with an armistice and peace treaty. It is going to end with armies of occupation not only in Europe but in Asia. How anybody can say that we can carry a debt load without embarrassment, without knowing even approximately what it is going to be, is of course one of the mysteries of high finance, I suppose. But Mr. Towers does give us this warning: "The key to this problem, as to many others, lies chiefly in the maintenance of a high level of employment and income." That I think is probably the great problem that is going to be before this committee in the preparation of its report to parliament.

I should like to draw this observation which Mr. Towers makes, when he comes to deal with that problem, to the attention of the members of the committee. I am going to read it into the record. I am again quoting from page 11 of the 1943 report of the Bank of Canada. The observation is as follows:—

The magnitude of the adjustments which Canada will face in maintaining high employment after the war can be indicated in simple terms. In 1939 about 4,000,000 Canadians were gainfully occupied and at least 300,000 who were available for work were not employed. 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. 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.

After the war, some of those who are now employed will voluntarily withdraw from the working force, and the armed services may be maintained at a level considerably above their pre-war strength. It seems likely, however, that at least 4,700,000 workers will be available for employment in civilian jobs, or at least 1,500,000 more than the number employed in that sector of the economy at the present time. A working force of this size, at present rates of efficiency, will be able to produce a vastly greater volume of civilian goods and services than Canada has ever known before. By the same token, a vastly increased volume of consumption and capital development will be necessary if this output is going to be fully absorbed and high employment maintained. The adjustments required will clearly be of unprecedented magnitude, and bold planning on the part of labour, farm and business organizations, as well as governments, is urgently needed.

With that statement alone, and with its clear relation to the Industrial Development Bank, I am going to move, Mr. Chairman, that we request that the report of the Bank of Canada covering the year 1943 and issued on February 10, 1944, by the Governor, Mr. G. F. Towers, be referred to this committee. I move that we request parliament to make that reference to us.

Mr. KINLEY: Do you agree with that statement, Mr. McGeer? It seems to me to be a pretty good statement.

Mr. McGEER: I think it is probably the most important statement we have had from an authority of that kind.