

think we do not realize that some day these liabilities all have to be met, and there is not a sufficient sinking fund on the asset side of the ledger to take care of our obligations on the liability side. The money collected from the sale of war savings certificates should be earmarked as a direct responsibility. We are too prone to get our capital assets into the revenue structure without making provision for the liquidation of the corresponding liabilities.

What applies in this regard applies also with regard to Canadian National Railways financing. They buy freight cars, build stations, lay rails and what not. It all goes into their capital assets, but no fund is set up from year to year to take care of the depreciation of the equipment. Therefore we are fooling ourselves in regard to the earnings of the road. Similarly we are fooling ourselves when we say that our consolidated revenue fund is swelled by so much from the sale of war savings certificates, and that we are that much further ahead. I want to gear all my ideas to the war effort; so that following these constructive criticisms I would say: Let us get the money wherever we can; let us encourage our people in thrift; let us stop wasteful spending and do all we can, by every possible means, to expand our war effort.

I come now to the matter of the physical volume of trade. In August last the index figure stood at 125; in January, responding to the war spending, it reached 139. Since January we have had a recession in commodity prices—and may I interject this warning; look out that we do not have a further recession in commodity prices during the next few months. Our physical volume of business receded to 137. Did this rise indicate an expansion of business as we ordinarily know it in Canada? Not entirely. The major portion of that expansion of physical volume of business was due to the construction industry, which increased 76 per cent in the six months; and a second reason was the heavy sale of pleasure cars, arising out of the fear on the part of the people that these would be further taxed.

Coming back to the question of construction, the construction of buildings is a capital expense. I do not mind the expenditure of money to stimulate the physical volume of trade, but I should like to see those expenditures made for production purposes. We have hundreds of idle factories in Canada, and I would say to the Minister of Munitions and Supply (Mr. Howe) that in making these expenditures, instead of putting up buildings here, there and everywhere he should use the buildings already existing and get them into

production, thus using this money for production purposes.

May I interject just here that urgent government business has made it necessary for the Prime Minister and the Minister of Munitions and Supply to retire from the chamber, and I should like to express my appreciation of the kindness of the Prime Minister in sending me a note excusing himself and the other ministers who found it necessary to leave. It was a very gracious act on his part, and I thank him for it.

To return to my point, I think we should put our money into production instead of making capital expenditures, and I hope the minister will take note of this suggestion. Scores of factories and other buildings are available. Let us not put up new, expensive buildings; let us get into production with the space at present unoccupied.

I return to the question of automobiles. Even since war was declared our people have been seeking pleasure to a greater extent than they should have. They motor here and there, all over the country. Of course it helps to keep things normal and to prevent the people from becoming panicky, but at the same time it wastes a good deal of gasoline and money. During the last twenty years I am afraid our Canadian people have not been as provident as they might have been, particularly the younger people. Our people have not been provident; they have been reckless; there has been too much wasteful spending. This has had an effect on the physical volume of trade, but while we were building and driving motor cars certain totalitarian states were building tanks, aeroplanes and other war equipment. While our unemployed were idle their unemployed were building military roads. We see the result to-day in the present unpreparedness.

The other expansion in the physical volume of business was in connection with employment. In his budget speech the Minister of Finance said that 100,000 wage earners had been drawn into employment during the last twelve months. I am glad of that; I am sorry it was not three hundred thousand. Something should be done to bring more and more of these people into employment. The present situation, with 367,000 unemployed employables not earning wages and 171,000 of them drawing relief, is not what should be the case in this country at this time.

In the summary which accompanied the budget address the period of the last twenty-three months was covered. In all kindness I say to the Minister of Finance that if he had gone back to the first item set out on page 40 and made a deduction for the twenty-three month period, he would have found that only