

a secondary consideration, and from the point of view of providing money I agree that money is a secondary consideration. It is the cheapest commodity on earth to obtain, nothing but paper and ink. As far as procuring money is concerned I agree with the minister if that is what he implied, that money is a secondary consideration. I agree that the all-important factor, whether we are considering war-time or peace-time requirements, is the men and the materials available.

From the point of view of the necessity for the increase in the income tax on the lower incomes I believe everyone will concede as a fundamental that no country, neither Canada nor any other part of the empire, nor any of the united nations, can make its most effective contribution to the war effort unless the people at home who are working in the industries, as well as those in the armed forces, are in the best state of health. I believe everyone will concede that workers in industry, and in fact anyone doing work of any kind, can do his best and contribute his maximum only if his standard of living is such that he enjoys the best of health and can work at the highest possible efficiency. If there is any factor contributing to the impairment of a man's efficiency in this war work, then I say that factor, whatever it may be, whether it be an increase in the income tax or any other kind of impost, is doing a decided disservice to the war effort, and is actually subversive. If we are going to contribute the maximum in all fields of production, then surely the first fundamental we should establish is that every individual worker should be allowed an income which will permit him to work with the greatest possible efficiency. Does this budget promote that efficiency on the part of the large majority of the workers in this country? If one may judge from the remarks that have been made by many hon. members, the imposts contained in this budget will not bring about that result. Many people will be denied health services. Many will be denied even some of the necessities of life, some of those things which contribute greatly to their ability to produce. Therefore, from the point of view of realities, surely the minister must admit that in connection with these lower income brackets this budget does not promote the greatest war effort.

Let us now consider the matter still farther from the point of view of realities. Men and materials, as the minister has said in the past and as we in this corner have said many times, are the fundamental considerations. If we have the men and the materials, then we have nothing to worry about. Surely no one will deny that we have not the wherewithal, as far as food or clothing or shelter is con-

cerned, adequately to take care of our war workers. These things are not beyond our reach; they can be produced, for the physical essentials are here. It is just a matter of apportioning to domestic requirements the maximum we feel we can afford to devote to those purposes; and surely we cannot afford to apportion to our living standard any less than will give all workers a decent standard of living.

As far as the money angle is concerned, the same reasoning holds true. This budget is going to bring about a great increase in our national debt. After all, what is our financial system? Is it anything more than an accounting system? The debate that took place yesterday and the day previous in connection with the question of national money was very interesting; but in all that has been said with regard to the issuing of national money I believe too much emphasis has been laid on the question of currency. Currency is a very minor part of our monetary system. It amounts to possibly less than 5 per cent of the complete operation of our financial system, while by far the greater part of that system is carried on through bookkeeping transactions which are the simplest things on earth to perform. The costs that are involved in operating the financial system are being met from day to day, in the same manner that we are meeting the real costs of the war. We provide from day to day all essential labour with which to produce the munitions of war at home. Those in the armed forces are jeopardizing their lives, sometimes losing their lives, and munitions and supplies are being blown up. But from the physical point of view the costs are being met from day to day. Does that not apply with equal force to the matter of finances? After all, the money we use is created simply through bookkeeping transactions, with a little depreciation in connection with bank equipment and buildings, and some clerical work. This work energy is being provided from day to day by those engaged in the banking business. All the physical requirements, all the essentials, are being met from day to day in our banking system. Consequently, as the minister has suggested, from the point of view of realities we are meeting all costs, physical as well as financial, from day to day. Therefore I see absolutely no reason why there should be any debt in connection with Canada's war effort, and of course that also would apply in peace time.

Now a word as to the need for securing funds from those in the lower income groups in order to finance the war effort. From the point of view of physical realities I see