For instance, is the fifty-five dollars a year based upon a meal in a restaurant three times a day and every day in the year?

Mr. FAIR: Yes.

Mr. HANSON (York-Sunbury): On a dollar and a half meal in a dining car you pay five cents extra for a cup of coffee. It is ridiculous.

Mr. ILSLEY: I should not like to say that the matter will be reconsidered. It has been considered, and the reasons were given in the house the other day.

Mr. FAIR: I will point out that part of the—

Some hon. MEMBERS: Order.

Mr. FAIR: Then I would say this, Mr. Speaker, that some low salaried people will be compelled to drink water with their meals. Surely this will not be the new order we are promised.

Some hon. MEMBERS: Order.

THE ANGUS SHOPS

DISMISSAL OF WORKERS PREVENTED THROUGH ACTION BY THE MINISTER OF LABOUR

On the orders of the day:

Mr. GASPARD FAUTEUX (St. Mary) (Translation): Mr. Speaker, I wish to thank the honourable the Minister of Labour (Mr. Mitchell) for the action which, as a result of representations from Montreal members, he has taken with the management of the Angus shops with a view to preventing the dismissal from those shops of 2,000 employees who would thus have been out of work.

THE BUDGET

DEBATE ON THE ANNUAL FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The house resumed from Monday, March 8, consideration of the motion of Hon. J. L. Ilsley (Minister of Finance) that Mr. Speaker do now leave the chair for the house to go into committee of ways and means.

Mr. J. H. HARRIS (Danforth): Mr. Speaker, before discussing the matter of ways and means of raising the revenue under the present budget, and before we come to a review of the forecast for the coming year, I should like to say a word or two with regard to the national debt.

The minister has given us some stupendous figures with regard to our proposed expenditures, which will necessitate not only extraordinarily high taxation, but also heavy borrowing in the current year. Although the bookkeeping figures might show that over one-half of our expenditures will be paid out of revenue, the actual fact is that we shall be unable to pay as we go. Last year we acquired assets and certain government obligations held in London and certain sterling balances, which our Canadian bookkeepers have considered as a $700 million loan. We might call them investments, but if they are; they are frozen investments; they are not liquid. We have bereft ourselves of these sterling balances and they will not be there next year or at the close of the war to be used to pay for our exports to Britain. In the present budget there is no concrete answer to the problem of how we are going to assist Great Britain to pay for our future exports. One problem, then, is how can we increase the earnings and the savings of our people so that we may lend more to our country and replace the sterling balances of which we are bereft, on the one hand, and in the second place, the $983 millions which it was necessary for Canada to borrow from the banks. If Providence is kind to agriculture, and if our Canadian people apply themselves assiduously to the task, we shall be able to increase our earning power. There will be shortages of material, scarcity of power, and difficulties of transport. But it must be remembered that the need for war production is still very urgent, though many contracts for munitions and supplies are well ahead of schedule. We must replace inventories of goods that we require for the war effort even if we go short of civilian goods. More production will require more money. The more that is produced, the more money there should be for the wage earner.

The Minister of Finance (Mr. Ilsley) says it is not the size of the debt that matters. To my mind that is a dangerous statement, even though it is a fact, and perhaps it should not be referred to too often. After all, he says, the debt is an obligation of the people to pay the people the bonds which they hold, and therefore it is a matter of the distribution of the debt. I agree that it is a matter of distribution. I hope to make a constructive criticism in considering ways and means which, to my mind, will help spread the debt. It is a matter of importance to see to it that the average Canadian citizen holds these government obligations. Therefore we must have more savings to the credit of the wage earner so that he will build up for himself a cushion for the after-the-war period.

Unfortunately both in Canada and the United States there seems to be a falling-off of the wage-earner's desire to save to the maximum of his ability. This falling-off of the desire to earn and save is slowing