

Finance (Mr. Abbott) collected—and this is some of the criticism—mostly from Canadian taxpayers, \$352 million that he did not use. The question is, what did he do with it? Well, he did not start stepping out. He did not act the part of Canada's prodigal son and encourage this nation to spend that surplus in riotous living. No; he did with that surplus just what he should have done; he did with it what any man with ordinary horse sense should have done. He applied that surplus of \$352 million to the reduction of our national debt. What does that reduction mean to the citizens of Canada? Assuming interest paid at three per cent—the government is paying that and more on an average on its victory bonds—they have in that one retirement saved the people of this country interest payments of \$10,500,000 annually all down the coming years. I leave it to the Canadian people and I leave it to the good sense of my hon. friends across the way to say whether or not that was good business. Further, Canada's net indebtedness remains at \$13,069 million, figures almost beyond our comprehension. Suppose we were to continue retiring the debt at the rate of \$352 million a year; any school boy could tell you in thirty seconds that it would take just thirty-seven years to retire the national debt, not including interest.

Mr. JOHNSTON: Then, according to Mr. Towers, the country would be ruined.

Mr. MATTHEWS (Brandon): Do hon. members not think it is about time we got started? The war left us with a legacy of freedom, but it also left us with a legacy of debt. Canadians, old and young, rich and poor, may just as well face the facts. Some scoffing references were made to the Minister of Finance having received in the last fiscal year \$372 million from the sale of war material by War Assets Corporation. These sales, our critics point out, cannot be repeated in any future year, and that only resulting from such sales was a surplus on this year's business possible. I suggest that that implication is unfair because, on the other side of the ledger, there are special war expenditures which will not have to be repeated another year. The Minister of Finance was frank enough to state both sides when delivering the budget, and I suggest that his critics should be equally frank. He pointed out that \$320 million were paid out in war service gratuities. He pointed out that \$70 million were spent in liquidation and termination of war contracts that had to be halted when peace was declared. That amount, too, was spent. These two items alone more than offset the \$372 million

received from war assets. In addition to these, there were many other large items of expenditure that will not apply in future years. Therefore I say that the argument, when analysed, is completely and overwhelmingly in favour of the minister's position.

May I remark right here that I regard it as a most creditable performance on the part of War Assets Corporation, to have turned back to the government in one year the sum of \$372 million, with a lot more still to come. I confess to having been among those who at one time felt that War Assets Corporation was desperately slow in getting the wheels of distribution started. But the completion of their organization was doubtless a much bigger undertaking than most of us realized. I now want to congratulate War Assets Corporation on doing what I regard as a very fine piece of work, and I believe it is everywhere conceded that they are doing that work in the disposal of war material not only efficiently but above board.

May I digress to say that, in my experience, deputy ministers of various departments, secretaries, senior officials and all officials with very few exceptions did everything that was humanly possible in cooperating to solve the perplexing problems that were constantly arising following the period of the war. I want to extend to them, one and all, my deep appreciation and sincere gratitude.

Reverting to the budget, I accord the Minister of Finance every credit for collecting our taxes and reducing our debt when times are good. The great bulk of our citizens have more money than they ever had. It is true that the cost of living has risen; nevertheless over a million persons bought Canada savings bonds last fall at a coupon interest of $2\frac{3}{4}$ per cent. There is also this significant fact that interest bearing deposits in the chartered banks last year amounted to \$3,476 million, an increase of \$600 million over the previous year. The number of accounts represented was 6,063,000. This does not include the deposits in the provincial chartered banks or in the post office savings department. If we make due allowance for several accounts carried under one name such as trust accounts, it is still safe to say that over five million of our population have savings bank deposits to their credit.

May I here refer to the amendment moved by the hon. member for Muskoka-Ontario (Mr. Macdonnell), in which he deplores the fact that we have indirect and hidden taxes. I am not sure that that comes with very good