

Trans-Canada Highway

provinces in addition to their subsidies, and up to the present time under that act the amount of \$2,183,016 has been paid to the provinces in addition to what they were receiving under their regular subsidies.

Here again I think one of the factors entering into the situation was the fact that we had a federal Department of Labour and also provincial departments of labour, and it was felt that a coordination of one phase of the work along such lines would serve a useful purpose. But there was another reason which I feel sure was even stronger and which hon. members will recognize at once as being perhaps a sufficient excuse at that time. This was the period just at the close of the war, in 1918, when large numbers of men were returning from overseas to be reinstated in civil life. Part of the duty of reinstating these men was an obligation which this federal government had assumed, and I have no doubt that the members of parliament of that day felt that by taking this course, by voting additional amounts, grants in aid, to the provinces, they would be helping fulfil their own obligation as well as helping to meet the additional burden which in this connection would suddenly be placed upon the provinces.

In the next year, 1919, the third act in the nature of a grant in aid to the provinces was passed by parliament. It was the Canada Highways Act, 1919, to encourage the construction and improvement of highways. The first payment under its provisions was made in 1921, and the last payment in 1928. Altogether, the sum of \$20,000,000 was provided by that act, and the \$20,000,000 paid under that act to the provinces, was again in addition to the amount they were receiving in subsidies. I am sorry the hon. member for South Winnipeg (Mr. Rogers) is not present; I think he was in the house and a member of the government when that act was introduced, and if I am not mistaken he mentioned at the time that one reason, among others, why this parliament was embarking upon grants in aid to the provinces for highways was the large number of unemployed there would be in Canada for a number of years succeeding the war, and it was felt that work would be afforded returned soldiers by the construction of the highways. That was one of the reasons given, and it was one of the reasons why parliament at that time passed that act.

Then in the same year, 1919, the Technical Education Act was passed, providing for the expenditure of \$10,000,000, over a period of ten years, for the promotion of technical edu-

[Mr. Mackenzie King.]

cation in Canada. The first payment was made in 1920, and up to March 31, 1931, an amount of \$8,769,284 had been paid to the provinces under that legislation. I will say something more about that when we come to the technical education measure at present before the House, but at the moment I simply want to place on record the sum which has been paid to the provinces in grants in aid under this heading. In addition to the grant I have mentioned, there have also been special grants passed since 1920 to assist the provinces in combating venereal diseases. These appropriations have totalled the sum of \$1,622,849.

In 1920 there appeared for the first time, under grants in aid from the federal treasury, a sum to provide for the relief of unemployment. Under that heading, to March 31, 1931, the total paid was \$1,845,600. In addition there is the \$20,000,000 which was appropriated at the last session of parliament.

Now we come to the question of old age pensions. A measure was introduced in 1927 which provided for the payment on old age pensions account of half the amount paid by the provinces. The first payment was made in 1928, and up to March 31, 1931, there had been paid from the federal treasury towards the old age pensions paid by the provinces, the sum of \$8,159,455. In answer to my honourable friend who asked me why the Liberal administration took credit for that measure, I would say that credit was taken for the reason that the Liberal administration introduced the measure. The Liberal administration fought for many years for an old age pension act, and care I think was taken to make it clear that an amendment to the British North America Act would be required before this federal government would have power to administer an old age pension scheme. It was recognized that an amendment to the British North America Act would take some time, and for that reason the government of the day adopted the method of agreeing to give these grants in aid to the provinces on condition that they would carry out a scheme framed by the federal government which would be similar in all the provinces.

An hon. MEMBER: A vicious principle.

Mr. MACKENZIE KING: The principle, from a financial point of view, was unsound. I am quite prepared to concede that. But I will go a step further and say that, in my opinion, this parliament ought to remedy the unsoundness of the principle, not by discontinuing to vote money for old age pensions, but by assuming the entire obligation, one hun-