

they contain. May I, however, direct the attention of the house to one important phase of the matter? When the economic conference was first suggested, and particularly in view of the failure of the economic conference of 1930, it was understood by the majority of Canadian people that empire agreements or policies would be the subject matter of the discussions. According to the Prime Minister's statement, and from what we find on the order paper, we learn that there is a series of separate agreements between the different dominions and the motherland represented at the Imperial economic conference. In other words, we are to deal with separate agreements, and in so far as the economic conference is concerned we may conclude that such agreements could have been agreed upon or brought into existence in a manner similar to that made last year with New Zealand. Therefore the outcome of the economic conference is simply this: We have a series of agreements entered into between component parts of the empire. I shall make no further comment in this connection until Wednesday, at which time the agreements will be before us. At this time I am not in a position to make proper criticism of them.

The next paragraph in the speech from the throne concerns the report of the commission appointed to investigate the railway situation in Canada. We have not had that report before us, but we are told by the Prime Minister that probably it will be available to-morrow. No matter what the commission may recommend—and I understand some of the recommendations are really worth while—the one point I should like the people of Canada to remember is that the big problem, so far as our railways are concerned, is over-capitalization. The over-capitalization is so great that under present economic conditions the Canadian people cannot pay the freight rates necessary to make returns sufficient to take care of these large capitalizations.

Mr. BENNETT: Perhaps the hon. member will allow me to interrupt him by saying that so far as the Canadian Pacific railway is concerned, for every \$100 of common stock outstanding \$125 was spent, and that no change in the capital structure would affect the railway.

Mr. GARDINER: I understand the capital stock of the Canadian Pacific railway is very small—only about \$335,000,000. There are bonded issues, however, which constitute a tremendous drain upon the Canadian people, and when we discuss the railways those issues must be taken into consideration.

[Mr. Gardiner.]

The next paragraph in the speech from the throne concerns the St. Lawrence waterways. I have not had an opportunity to read the agreements or treaties entered into, but I presume the government will be able to give to this house the reasons for promoting that development at the present time, and what it will mean to the Canadian people by way of savings in freight rates.

I desire next to deal with the problem of unemployment, and the reestablishment of the unemployed. I stress particularly the latter part of the paragraph dealing with unemployment:

Plans for the reestablishment of the unemployed in various parts of the country are in preparation and will become operative as soon as, in the opinion of my ministers, the public expenditure incident thereto will be productive of commensurate benefits.

I take it from that sentence that there is reference to the re-settling upon the lands of people who may so desire. I can conceive of no other idea the government may have had in mind. Such a policy brings to my mind remarks heard here and there throughout the length and breadth of Canada concerning that particular policy. I understand such re-establishment involves contributions by federal, provincial and municipal governments. I understand further that the only lands available are those which have been abandoned, or new lands. I believe it to be the height of folly to take people from the cities and place them on abandoned properties, the former owners of which have failed. Such action has been described to me in somewhat humorous terms. It is said that the farmers who have abandoned these lands have gone to the cities to receive relief and to have a rest, and that the city men are returning to the farms to procure work. No matter how we approach the matter, there is merely an exchange of unemployed.

In my view paragraph 8 is the most hopeful one in the speech from the throne, and I believe it contains some possibilities. It is as follows:

There will also be brought before you for consideration other measures which my ministers deem to be in the public interest.

In view of the barrenness of the speech from the throne, and looking towards a solution of the economic problems before us, I must confess that this particular paragraph holds out a ray of hope—in fact the only ray of hope I see in the whole of the speech from the throne. Time alone will tell whether my hopes in that direction will be realized. However I am hoping that at least the govern-