

It is in my judgment a serious question whether the first part of this proposed amendment will be in reality a help to the provinces; certainly it is more than a question in my mind whether this is the best way to afford help to the needy provinces.

The third principle which I mentioned was that of giving the dominion under certain circumstances control over provincial finances. Mr. Speaker, if the Sergeant-at-Arms could manage to exclude the noises coming from the exuberant Liberals in the lobby—

Mr. LAPOINTE (Quebec East): The hon. member is opposed to military methods, is he not?

Mr. WOODSWORTH: I suggest that the Sergeant-at-Arms is very much a civil official in this house.

I was going on to say that I agree with the hon. member for Lethbridge (Mr. Blackmore) when he suggested that the second part of this resolution, if adopted and carried out into legislation, would mean the surrender of the sovereignty of the provinces. We are faced here with the old question of political versus economic freedom. Perhaps a good many members have hardly stopped to consider that political freedom without economic freedom does not amount to a very great deal. If an ordinary workman finds himself in the position where his house is very heavily mortgaged and he is dependent for his job upon someone else, I suggest that there is very little freedom left to him. He must simply obey the orders of someone else in almost every sphere of his activity. He may have the right to vote and he may be induced to vote Liberal, but even if he does I submit that he has not achieved economic freedom.

Take the business man. If the business man is dependent upon the banks for a loan; if he cannot enlarge his business without going to the bank and having practically his every action under the dictation of a bank, or, if you will, if he is faced with the possibility of the bank vetoing whatever he does, I submit that although he may have political freedom he has not a great deal of economic freedom.

Further than that, I am quite confident that we cannot very long deny economic freedom without taking away political freedom. What did we have in Newfoundland? A few years ago that colony was declared bankrupt.

Mr. DUNNING: Dominion.

Mr. WOODSWORTH: Yes, it was a dominion at the time. A board was put in to administer its affairs. I think none of us would say that Newfoundland under those circumstances had any very large measure of self-government.

What is happening in a number of our municipalities across the country? They have become bankrupt and the provincial governments are having to put in administrators or supervisors—I think they go by different names in different provinces—and then what happens? The administrator or supervisor looks at the question very largely from the standpoint of those who hold the debentures or bonds of the municipality. The bondholders have a prior claim, and what is the result? I could point to municipalities where the schools have been starved, and in some cases high schools completely closed. I do not need to have to go out of my own constituency, for an illustration of that. Municipal services are cut down to the very limit, and adequate fire service is not maintained. In fact, I was given the instance last summer of a man who had a little shack at the lakeside—his home in the village was small enough—who thought he would spend a week of the summer in his little shack by the lake. He was told by the administrator that he could not do that; that if he did he would be cut off relief. He was told they would declare that he was no longer a resident of the village. That I think is an intolerable situation. Where is our boasted freedom when a man cannot take a week's holidays without being told that he will lose his residential qualifications and no longer have a claim for relief on the town in which he was living and in which he has invested his little all?

Mr. ROGERS: Will my hon. friend give me the particulars of that case some time?

Mr. WOODSWORTH: I shall be glad to do so. I think I mentioned it in the house a year ago. This happened in the village of Brooklands. I am not quite sure whether in my records I shall be able to find the name of the man.

As I have said, it is very difficult to preserve even a semblance of political freedom when economic freedom goes. What will be the effect of this resolution passing this house? I do not object particularly to the method of its introduction, but if it passes there will be an amendment to the British North America Act, upon which no doubt will be based some legislation to create a loan council. Otherwise there would be no purpose in introducing legislation of this kind. What does the resolution say? It says:

The parliament of Canada may authorize the government of Canada to guarantee the payment of the principal, interest and sinking fund of any securities (hereinafter called "guaranteed securities") which any province of Canada may from time to time make or issue, and, subject to the provisions of this act may prescribe the terms and conditions upon which any guarantee so authorized shall be given.