

Supply—External Affairs

being paid in the first instance as a matter of expediency. He has indicated that it would be cheaper to pay than to fight.

I have often met clients like that. I have never encouraged them, but I have had to give them the option. That is not a good basis upon which to make a payment. If there is a bona fide legal obligation, then let us by all means pay it. If there is no legal obligation, then let that obligation rest where it belongs. The province of Quebec which received and kept the money, had to return it, under the authority of a judicial decision, and refused to pay the interest. I believe that is the point in the Prime Minister's statement. But to say that the other taxpayers in Canada must repay the obligation of one of the provinces is too thick altogether, so far as I am concerned.

Mr. MACKENZIE KING: My hon. friend knows that the United States cannot look to the province of Quebec.

Mr. HANSON (York-Sunbury): I quite agree.

Mr. MACKENZIE KING: It has to look to the dominion. This is an obligation the dominion did not wish to have hanging over its head in its relations with the United States.

Mr. HANSON (York-Sunbury): That is expediency, too.

Mr. MACKENZIE KING: No. The decision has been reached as a result of very careful examination by the legal authorities.

Mr. HANSON (York-Sunbury): Will the Prime Minister give me an opinion from the Department of Justice stating that there is a legal obligation on the Dominion of Canada to pay this sum of money? If he will do so, and if it is based on any decent principle at all, then I will certainly withdraw any opposition I may have. But until he does that, as a matter of principle I do not see how we can agree to the payment of this sum.

Certainly, if the statement by the Prime Minister as to the facts is correct—and I assume it is absolutely correct—then the obligation is that of the province of Quebec, and that province should be made to pay it. If we pay it, it should be with the understanding that we have the right of redress against the province. We should take an assignment of the claim. I suggest to the Prime Minister that if the government pays this sum, it has a *chose in action* against the province of Quebec. It should take an assignment of the claim and test out in the courts to ascertain whether or not the province should pay us. The government has the right of redress, and

[Mr. R. B. Hanson.]

can withhold the money from the province of Quebec out of the grants made by the dominion to that province.

Do not let anyone say that I make this statement because it applies to the province of Quebec. I would take exactly the same position if it affected any other province, and I believe in taking that position I am on safe ground. I offer this suggestion in good faith, as a way out for the government. Let us take an assignment of this claim from the public executor of the estate, and then let us proceed in the courts of the country to decide whether or not we must pay the amount.

Mr. MACKENZIE KING: The full amount involved is only \$3,836.68.

Mr. HANSON (York-Sunbury): But I suggest there is a principle involved.

Mr. MACKENZIE KING: I think by the time we proceeded to take action in the courts the expenses would be greater than the amount recovered.

Mr. HANSON (York-Sunbury): I put it to the Prime Minister: Is there not a principle at stake?

Mr. CHURCH: Notwithstanding the fact that we are spending all this money, the United States are breaking their bargain and we are still in the appeasement market. I hope no more of these items will appear in the estimates.

With the consent of the committee, I should like to revert to item 40 for a moment. With the critical financial situation facing us at the present time, I cannot understand why we should be spending \$3,000 for publications of the League of Nations and a grant to the League of Nations Society in Canada. This latter society is patterned upon the League of Nations Union in the old country. It was started in November, 1920, as a non-party organization to make the work of the league known throughout Canada and the empire and to win popular support for the work of the league. But it gradually passed under the control of pacifists, high-brow internationalists, prosperous socialists, cosmopolitans and high-brows, with the result that from 1931 on in England it became increasingly anti-government. It became a great supporter of pacifism and collective security and attempted to convince the people of Britain that they did not need a navy, an army or an air force. I object to our spending all this money upon literature which mostly finds its way to waste-paper baskets. It is an insult to the soldiers who are serving over-