

real owner of the utility, although the debentures would be the debentures not of the municipality but of the utility.

Mr. DUNNING: The municipality would never have to obtain authorization from the province.

Mr. BENNETT: Yes, that is the point I make. Those are the two points I think we shall have to consider carefully when we come to the bill itself. For frankly I do not see how we are going to make this effective without the legislatures of the provinces taking steps to give their guarantees, or to authorize such guarantees to be given. I am not interposing this in any way as an obstruction, but rather as a suggestion which I think will have to be met before we can this year make it effective. The Minister of Labour has indicated how desirable it is that we should do so. That difficulty could be overcome in part by making the distribution a matter as between the provinces and the municipalities, provided the provinces would have the power they have heretofore enjoyed in that regard.

But a look at the orders in council downstairs does not induce one to believe that self-liquidation has been the sole determining factor in the granting of the aid to which reference has been made. Under the circumstances I think we will have to give the utmost consideration to the details of the measure. The minister has said that the resolution is as detailed as he thought he could make it. There are some details he has supplied in his very admirable explanation, but I am afraid that unless we go beyond the terms of the resolution, or if we follow strictly the terms of the resolution, we will find we have placed upon the statute book an act that provides for something being done next year, after the legislatures of the provinces have met and authorized their several governments to give the guarantees which, under the resolution, constitute an essential feature of the proposal.

Mr. DUPUIS: Would the right hon. member permit a remark?

Mr. BENNETT: Yes.

Mr. DUPUIS: It occurs to me that in many legislatures statutes were passed concerning unemployment and relief acts. I am sure that in Quebec similar legislation was passed, stipulating that it was for unemployment or relief, and the municipality was not bound to obtain authorization from the province. Otherwise it would be necessary to have either a referendum or the authorization of the provincial government.

Mr. BENNETT: What the hon. member has said is correct so far as the municipalities are concerned. But the point I was endeavouring to make was that unless and until the legislatures of the several provinces have authorized their governments to give guarantees for the repayment of the sums advanced by the dominion under this legislation, it cannot become workable under the terms of the resolution now before us. I think there is no doubt as to that, and as many of the legislatures have risen for the year 1938 it will be essential for us to consider, when the bill based on this resolution is before us, whether we are in a position to insist upon that guarantee being given. It would involve the minister ascertaining from the several provinces whether or not they have the authority to give the guarantees without further legislation.

Mr. DUPUIS: The same difficulty will occur even if the distribution is made to the provinces.

Mr. BENNETT: No, because some of them have power to give promises to pay, which would be the same thing with respect to unemployment relief as a guarantee.

Mr. DUNNING: Perhaps I should at this stage indicate what is in the mind of the government regarding the point raised by the leader of the opposition (Mr. Bennett). In fact, I think I should apologize for not having anticipated it, but I overlooked it completely in making my statement.

The laws of the provinces relating to municipal expenditures vary very widely; the powers vested by the legislatures in the various lieutenant governors in council vary very widely as also do the powers extended to municipalities to do certain things involving capital expenditure. It is quite impossible to frame a measure which would meet all the varying conditions, and I was compelled therefore to visualize the possibility that this scheme might have a sufficient appeal to the various provincial authorities to warrant them even in calling the legislature together for a couple of days to make possible what might be required in their particular case, for the municipalities on the one hand and for themselves on the other, to enable them to come within the ambit of the legislation.

I will be perfectly frank, Mr. Chairman, and say that I do not think the dominion can extend this credit on any less secured terms than those involved in the bill. As the one charged with the guardianship of the treasury, I should say that I believe the security asked for by this legislation is reasonable and no more than adequate so far as