

Mr. McGEER: I am surprised that the occasion permits the hon. minister at this time to read amusing letters, although I must confess that that may be the attitude of the government. Representatives of the cities and representatives of the provinces may not be able to get a hearing at the present time. In any event, the point I want to draw—

Mr. MACKENZIE KING: I think on reflection my hon. friend will withdraw that. There has been no case where any municipality or any province has been refused a hearing. My hon. friend knows that.

Mr. McGEER: Well, I am not so sure about that. Hearings can be given. But I want to say this with reference to my own city: We have a very unfortunate problem in that large numbers of unemployed people come from all parts of western Canada to the coast of British Columbia, and one of our most tragic occurrences was the strike in Vancouver against the relief camps. Although there is the agreement that the dominion government will take care of transient unemployed in British Columbia, there are in Vancouver to-day some eighty-four men of that class who are denied the right to go into the camps, and for whose assistance I have been requested to use the taxpayers' money. If I ever dared, as mayor of Vancouver, to open the city's treasury to that type of unemployment relief, we would be flooded with that many transients and that sort of relief far beyond the power of the city to care for. That is the kind of hearing we have been getting, and that is not the kind of hearing that is going to solve this problem successfully.

What I want to say to the government is this: We are in a much more serious position than many think, because I believe the provinces and the cities have come to a disastrous exhaustion of the revenues that are available to them. Let me say that in Vancouver the deferred maintenance account on waterworks and sewage systems has reached the point where the health of the community is threatened.

Mr. BENNETT: On pavements, too.

Mr. McGEER: On pavements, of course; I referred to the waterworks and sewage systems because they are the things that protect the community against pestilential disease. Our supply of pure water and our sewage system are the basis of our whole health organization in the city.

In Vancouver there are fifteen thousand people unemployed, or over thirty thousand including dependents, and anyone who thinks the situation is improving as to actual num-

bers is overlooking the fact that as time goes on those with reserves of savings, who have been living on those reserves instead of going on relief, are exhausting their savings and falling into the relief category just as rapidly as others are being provided for. The same situation appeared across the line, and while some people say that the enormous expenditures made by the government of the United States to meet the unemployment problem have not been successful, I do not think anyone would dare suggest that if the extraordinary efforts of the Roosevelt administration had not been carried out the unemployment situation would not have been infinitely more severe than it was or is to-day.

Some measure, I believe, must be undertaken to rehabilitate our municipal and provincial financial structures. I know it is easy to say to me: Men like you have been responsible for the collapse of civic credit. Let me say just one word on that. When I came to the office of mayor I met an extraordinary situation. As a lawyer I felt that we should place the city's financial position before the bondholders; that we should ask the bondholders to examine our situation and should tell them frankly what we thought were our financial powers. We passed a plain resolution calling upon the bondholders to examine our financial structure, to recognize that we could not pay more than fifty per cent of the interest charges on the existing debt, and asking them to agree not to a repudiation but to a suspension of fifty per cent of the interest rates until such time as the civic finances could be adjusted, with provincial and federal assistance. That carried out a promise I made; I said that interest rates must come down, and that they would come down by agreement with the bondholders, or if not in that way, then by the power of the provincial legislature to reduce them by law, and if not in that way, then by virtue of the inevitable, bankruptcy. I went to the bondholders, and they refused. I went to the legislature, and it did not refuse. The legislature of British Columbia did not give me power to reduce the interest rate, but it did something more dangerous from the point of view of the bondholders, in that it gave me power to levy for the sinking fund requirements of the city and to use those sinking fund requirements to meet current expenses. That was not repudiation of interest, Mr. Chairman, but it was a definite repudiation of the security of principal. Did the legislature of British