

is one which he evidently had prepared for some other occasion. While it was a very good speech, it did not apply to the present situation. It takes no account whatever of the announcement I made this morning. By the announcement I made this morning I went just as far as I am justified in going on the basis of general provincial consent. While this is a matter of provincial responsibility, I am only going on the basis of general provincial consent. At least I think that should be the policy of the government, and it has been the policy to date.

With regard to the assumption of the cost by the government, I may have said on some other occasion that the people were driving at us from every hand and from all sides to assume projects in time of war. This afternoon I just happened to come in when the hon. member for Battle River (Mr. Fair) was saying, "What is a dollar from every member of the population; what is \$11,000,000 to help these poor soldier settlers?" Then the hon. member for Vancouver-Burrard comes along and, while he does not estimate the amount per person, he tells us that on the basis of Australia it would cost \$146,000,000. Nearly every member of this house has the same argument to advance about some project or another.

Mr. BLACKMORE: We have the men and materials.

Mr. ILSLEY: We have neither the men nor the materials for unlimited expenditures. We cannot do that—I will use the word—without crippling our war effort. \*We cannot meet all the demands made by members of this house for expenditures running from \$10,000,000 to \$125,000,000 without crippling our war effort. The use of men and materials would cripple our war effort completely. It may be that I may have said something on some previous occasion about being ground at and driven at from all sides for money from the federal treasury. I dare say I did, because sometimes I have to speak extemporaneously. I do not prepare a speech for four or five months; I have just to say what is in my mind. I may have showed a little impatience about the demands that are made on the treasury for money.

Mr. McGEER: You would not say that you could not take care of old age pensions without crippling us, would you?

Mr. ILSLEY: I do not think I would say that about any one of these things, but when you multiply it by a hundred, I would say that. That is the trouble. The Prime Minister and the government of 1926 to 1930 proceeded, not on the assumption that this was

[Mr. Ilesley.]

a matter primarily of dominion responsibility, as the hon. gentleman seems to argue, but on the assumption that it was not. That is the reason why they made grants in aid to the provinces, leaving the administrative machinery in the hands of the provinces. These pensions are not paid to old age pensioners in Canada by the dominion government; they are paid by the provincial government, and the dominion government makes grants in aid to enable them to do so. The proposal is to increase these grants in aid under our present constitution.

I do not think there is anything unreasonable or uneconomical or obsolete about the view that, when the provinces have changed their position from a combined deficit of perhaps \$20,000,000 before the war to a combined surplus of from \$60,000,000 to \$70,000,000 today, while we have changed our position from a balance before the war to a deficit of over two billion dollars today, the people who have the primary responsibility should take the thing in hand. Nevertheless I made the statement in November, 1941, that if the provinces would come forward, we would give consideration to their representations. We have carried that out to the letter and just as soon as it could be carried out unless we were to take the initiative and go after the provinces. I did not think we should take the initiative, and I declined to do it because theirs is the primary responsibility. That is all I have to say.

Mr. ESLING: A condition has arisen in connection with the administration of the act which was never anticipated. I refer particularly to the provision which restricts the earnings of a pensioner to \$125 a year, to bring him up to a total of \$365. Anything he may earn in excess of this amount is deducted from his pension by the province. Never in the history of Canada has there been such a need for labour, and many of these old age pensioners could do light work such as gardening and so forth. They are anxious to do it and their services would be most acceptable. I know of one case in my own community where a man had earned \$25 a month for a year, or a total of \$300. When the inspector came around and discovered this, his pension was reduced from \$20 a month to \$14 a month for fifty months until he had repaid the \$300 he had earned.

Mr. BLACKMORE: Shame!

Mr. ESLING: Surely this situation could be taken care of administratively.

Mr. ILSLEY: I know the situation to which the hon. gentleman refers.