

Alberta Financial Situation

It will stand to the lasting credit of the right hon. the Prime Minister (Mr. MacKenzie King) that he has made public pronouncement on several occasions that he would do nothing to interfere with the bringing in of social credit in Alberta, and I feel sure that if there is any injustice in this matter, as we believe there is, it is entirely without the will or disposition of the right hon. gentleman or any member of his cabinet. We do feel that there is an element of injustice and discrimination, and that is why I am putting this matter before the sympathetic members of this house this afternoon. The Liberal party prides itself upon its record. Any discrimination against Alberta at this critical moment will be long regretted by Canadians. Little or no harm can be done by granting help to Alberta. Great harm may be done by denying that help. Having regard to all these considerations, I urge the government to disregard the recommendation of the Bank of Canada and to grant Alberta financial assistance pending the findings of the royal commission that is to be set up.

Mr. R. A. PELLETIER (Peace River): Mr. Speaker, in rising to speak on the second reading of this bill I hasten to say that I am not looking for sympathy. I am looking for justice. Just before the house adjourned at eleven o'clock on Wednesday last the Minister of Finance (Mr. Dunning) laid on the table a report of the Bank of Canada on the financial position of the province of Alberta, dated April 7, 1937. We had no opportunity to study this report that night, and this is the first opportunity we have had to make any observations with regard to it.

May I express great pleasure on noting that the condition of the province of Alberta is such that it does not require assistance? At the same time I should like to extend my sympathies to the people of Saskatchewan and Manitoba because of the situation in which they find themselves. The report admits that because the government of Alberta reduced the rates of interest payable on its bonded indebtedness, thereby saving the province some \$3,400,000 per year, the province will not require any financial assistance from this government in order to carry on its administration—a most unique achievement in administration in the west and elsewhere, since I note that the province of Quebec expects a deficit of some \$70,000,000 during the course of the present year. At first glance, therefore, financially speaking it would appear that in the province of Alberta at the present time all is serene; but closer inspection of this report reveals some rather unusual statements.

[Mr. Blackmore.]

In the first place, the report begins by saying that the bank was charged with an examination of the financial position of the province of Alberta along lines similar to those followed in Saskatchewan and Manitoba. In part the report states as follows:

As regards Alberta, we must note, in the first instance, that the decision of the government to pay only 50 per cent of the interest due on bond issues and savings certificates has had a major effect on the budgetary position and on the amount of the province's cash requirements.

It seems to me, Mr. Speaker, that this is sufficient to indicate a definite fact, since this is a financial report; but the bank does not stop there. It goes beyond all that and mistakenly imagines that it is its business to criticize government policy in a report intended to disclose a financial position only. By what possible stretch of the imagination can the Bank of Canada conclude that its opinion was asked with regard to government policy? What possible business of theirs was it to say in a report of this kind—and I repeat the words "of this kind"—such words as these:

Yet we cannot report on the financial position of Alberta without expressing regret that this repudiation of interest liabilities should have taken place.

And further on:

There are legal and moral reasons for the fulfilment of contracts—

And still further:

Default produces a lack of confidence—

I submit that statements such as these have no place in a report of this kind. The bank was directed to examine into the finances of the province, not to criticize government policy. The report states that because Alberta reduced the interest on its bonds and securities, its cash position is such that it does not require assistance. That conclusion appears to be based on facts and therefore must be accepted; but what does this reduction of interest really mean? It simply means that this federal government has not had to advance funds for the payment of the relief bills of that province, as it has had to do in connection with Manitoba and Saskatchewan. Alberta has bettered its cash position by \$3,400,000, and needs no assistance.

I am glad this report follows so closely upon the discussion in this house recently in regard to refunding operations in Saskatchewan. I am sure hon. members will recall vividly the vast amount of debt lifted off the backs of the people of that province, in part by this government. I believe the total was about \$75,000,000, the share of this government being something over \$18,700,000.