

We were told by the engineers in the committee in 1927 that there was land in Manitoba which had had railway service for forty years and which was not developed, and that there could be no possibility of developing the bush lands in Peace River. The fact is that the settlers have pushed back into this bush land in the last two or three years some sixty or seventy miles from the railway and they are in process of developing them and clearing them for farming to-day.

And what about these engineers? What were they doing in connection with the railways in Canada at that time? They were opposed to the Peace River outlet, while at the same time they were helping to spend from \$30,000,000 to \$60,000,000 in unnecessary duplication of services in Canada, in needless competition, if the reports of the newspapers can be relied on with regard to the railway investigation that has been going on during the last twelve months. They were recommending the expenditure of millions in unnecessary hotels all over the country, and yet they were desperately keen to save the country the expenditure, for permanent development of Peace River country, of a few millions, less than one-third of what they were losing in unnecessary duplication of services in Canada annually. I am therefore not at all impressed now any more than I was in 1927 with the recommendations that were made by the engineers, in view of the fact that, as I know, so many of their findings were altogether wrong.

Of course, the financial situation in Canada must be considered. There may be difficulty in the way, especially in view of the announced policies of the government with regard to sound money and so on, but in my judgment we cannot keep 800,000 people indefinitely on relief in Canada. How long can we continue to deal with direct relief in this manner? Can we afford to keep 800,000 people permanently or for an indefinite period? Can we afford to continue a situation where the time and energy of these people are being lost in the development of this country?

I should like to quote the Macmillan report upon the difficulties of again getting things going. This committee was dealing with the question of having abundantly cheap money and getting it out to work, and the following appears on page 136 of the report:

It is for these reasons that central banks should favour a persistent and determined policy to maintain an abundance of cheap credit in their domestic money markets, sufficient both to satisfy the unusually large demands for liquid resources due to nervousness in the financial world and also to support any new productive enterprises coming forward.

And again:

The greatest difficulty, however, which we foresee is the fulfilment of the second task, namely, to remedy the shortage of definitely sound borrowers for the purpose of new enterprise. The vicious circle is complete. The decline of new enterprise has reacted adversely on profits and prices, and the new level of profits and prices stand in the way of new enterprise. It is for this reason that some of us think that in the domestic field it may be necessary to invoke governmental enterprise to break the vicious circle.

I think the most common sense proposal that can be made for the breaking of the so-called business cycle, inflation and deflation, is that of planned public works. We should hold down public works during boom periods and increase them during depressed periods. I do not think anything more sensible could be proposed. If we had started this in 1925 or 1926 it might have been easier for us to-day, but we must start some time and it seems to me that it would be more sensible to utilize many of our unemployed in building a Peace River outlet than to continue to keep them on direct relief. Many of the settlers in the Peace River district who need work dislike being upon direct relief. I do not know of anything that has pleased me more during the years I have been in public life than the many expressions of regret I have heard from people in the Peace River district and elsewhere at having to be upon direct relief. Man after man has said to me: I do not want direct relief, I want to work. A great percentage of those on direct relief would prefer to be doing something and creating a permanent asset for themselves and for the Dominion of Canada.

This is one public work that could be undertaken with reasonable prospects of its being a real asset for the dominion, and it would also relieve to some extent the situation confronting the country. We have heard a great deal about the duplication in railways. If the newspaper reports of the investigations that have been going on in Canada are correct, one of our chief troubles is duplication of railways. But there would be no real duplication here. We have one fifth more economic acres of land to every mile of railway in the Peace River country than they have in general throughout the prairie provinces. The prairie provinces have 5,000 economic acres of land to every mile of railway, whereas, according to any of the surveys made, we would have 6,000 acres per mile of railway. Our yields per acre have been just a little better throughout the years than the average yield in the prairie provinces.

I want to advance another argument which I used before. Many people have left the