

Employment Commission

dividend payments outside of the country, was approximately \$5,000,000,000. It is considered that the maximum error in this estimate is not more than two per cent.

I submit these figures for the cheer and encouragement of the hon. member for Vancouver-Burrard, and I ask hon. members to note how different are his conclusions from mine. He said:

Let me direct the attention of the house to the fact that this condition came about under a system of so-called sound money.

This condition was not one that actually existed, it was one which the hon. member described. He said:

It developed under a system of orthodox finance; it grew into being under the defunct economy that came to us during the nineteenth century, and which will not serve to-day.

I venture to suggest that in each succeeding century the inhabitants of that age condemn those who immediately preceded them. I have no doubt that in the second century they condemned those in the first, but I venture to suggest that if we are going to condemn the people of the nineteenth century we must first demonstrate that we are capable of emulating their example. If we attempt to do that I think we will look with a good deal of care before we describe them as being presided over by a defunct economy and as being incapable of looking after their affairs.

I turn now to another item in the speech of my hon. friend. He called the attention of the house to the fact that in 1930 the savings bank accounts of the country totalled \$1,427,000,000 and the current accounts, \$622,000,000, a combined total of \$2,049,000,000. He then went on to give the figures as of February, 1936, which showed the savings accounts as totalling a little over \$1,517,000,000, but unfortunately the current accounts were down to \$533,000,000. I calculated these figures and I found that we had in the current and savings accounts of Canada one million dollars more in 1936 than we had in 1930. My hon. friend then went on to say:

These figures, which I hope are somewhat interpretative of the statistics which the minister placed before us indicate that we are far from recovery and confirm succinctly the statement made not only by the leader of the opposition (Mr. Bennett) but also by the present Prime Minister (Mr. Mackenzie King) that the unemployment situation is a truly national problem.

They give us no such conception. The amount of money on deposit was just as large in 1936 as it was in 1930, but it was

[Mr. Deachman.]

not being used in the same way. My hon. friend gave the figures for current loans in the dominion. In 1930 these loans amounted to \$1,386,000,000. In 1934 they had dropped to \$987,000,000, and the figure for January 31, 1936, was \$856,000,000. I am not defending these figures; I simply present them to the committee. I submit that if the banks could have put their money out in current loans and discounts in 1936 they would have preferred to do that rather than to invest it in dominion government bonds. Like other people, the banks desire to make money. They make money by expansion of loans and not by investing their money in the bonds of the provinces and the dominion. The simple fact is that in 1930 there was a demand by borrowers for money. This demand did not exist in 1936. In times such as we have passed through recently the banks are not in a position to loan money unless there is some possibility of its being repaid. If they could have done so, then the dominion government which got money from the banks through the sale of bonds would have been forced to get this money somewhere else. The banks financed loans to the dominion government which were used for the purpose of providing employment and they thus served a function which was essential and necessary under the circumstances.

It is all right to say that the fault lies with the banks; but return our trade to normal; let us get back to the basis which I think we might possibly reach within the next few years and then we shall have a condition in which it will be no longer impossible to borrow from the banks. It will then be quite possible to develop trade to such a stage that we might begin gradually and steadily to reduce the burden of taxation which we have seen come about during the last few years.

I come now to one other item put forward by my hon. friend. He said:

Let me say that municipal taxation constitutes the most definite repudiation of obligations representing the investment of Canadian wealth in real estate subject to the taxation powers of municipal government. We have wiped out accumulative wealth having an assessed value of \$8,500,000,000. Holdings of improved property in the majority of Canadian cities have changed from an asset to a liability.

I am not going to say that he is right or that he is wrong, because I could not prove either, but I have this estimate to give: The wealth of the Dominion of Canada in 1929 totalled \$30,840,000,000. The assessed value of urban real property, including exempted