

Mr. BENNETT: I have no hesitation in saying that no similar order in council ever has been passed in the history of this country, for the cheques were payable on Saturday and the election was on Monday, and the Liberal majority in the city corresponded very closely to the number of those who received cheques.

Mr. ELLIOTT: Perhaps my hon. friend will be good enough to answer the question I asked him. Does he object to that order in council?

Mr. BENNETT: I object to any such politically immoral transaction as that.

Mr. VALLANCE: May I ask the Prime Minister a question, as one coming from a rural constituency of Saskatchewan? Will it be possible for a municipality in a rural district to get directly from this government assistance for the building of municipal roads, or will that request have to go through the provincial government? That is, for the building of municipal roads, not provincial roads?

Mr. BENNETT: I am sure my hon. friend realizes, if he has followed me with care, that this measure deals with the question of distress and unemployment.

Mr. VALLANCE: This is distress, in the dried out areas.

Mr. BENNETT: Then I take it that the provincial government will make the application in due course for the necessary assistance, which will be granted. I think my hon. friend will quite realize that the Dominion is not trenching upon the activities of either municipalities or provinces, but is merely assisting to deal with an acute situation.

Mr. VALLANCE: You stated you were merely lending the interest to the municipalities for two years.

Mr. BENNETT: Mr. Chairman, I very much regret that my hon. friend has quite misunderstood me. I said in the event of public works being undertaken in certain circumstances, which otherwise would not be undertaken, it would be the duty of those who desired to receive assistance from this fund to make the application and have it dealt with accordingly, but if it is the kind of work the hon. gentleman referred to, that is the kind of work in respect to which the province might ask for assistance directly for the carrying out of the undertaking. My right hon. friend, during the course of the campaign, stated that he was willing to contribute, I think, one dollar of federal money for each dollar that might be paid by municipi-

palities or provinces in connection with certain acute forms of distress. That is as I read his speech.

Mr. MACKENZIE KING: Both; dollar for dollar with the province and the municipality for the construction of subways.

Mr. BENNETT: That would be a third from each?

Mr. MACKENZIE KING: Yes.

Mr. ELLIOTT: Might I ask the Prime Minister if there is any limitation as to the portion of this \$20,000,000 which is to be spent by the provinces or under the control of the provinces, and the portion which is to be spent under the direction of the Dominion?

Mr. BENNETT: No, it is felt that the provinces will themselves be the best judges as to the extent to which they might pledge their own borrowing resources. As my hon. friend, who has had much experience in municipal law, perhaps knows, the municipalities are limited in their borrowing operations by having to secure the approval of certain authorities of the province before they may secure loans. Therefore there is no endeavour on the part of the federal authorities to limit or in any sense curtail the exercise of their respective powers by municipalities or provinces, but rather to assist them to the extent that may be thought desirable in view of the facts they may set up and the case they may make as to the situation that prevails.

Mr. ELLIOTT: I fear I have not made myself clear. For instance, may \$15,000,000 of the \$20,000,000 be spent by the provinces, or is it possible that \$15,000,000 out of the \$20,000,000 may be spent by the Dominion, or under the supervision of the Dominion? Is there any limitation provided in the act as to the proportion of that \$20,000,000 which is to be spent by the Dominion and the proportion which is to be spent by the provinces or municipalities?

Mr. BENNETT: No. I think my hon. friend would be the first to admit that no such limitation could be imposed. It will depend absolutely upon factors which are indeterminate at this moment and which will remain indeterminate until concrete cases arise.

Mr. ELLIOTT: Under the act as my hon. friend has it drafted all of this \$20,000,000 might be spent in the construction of some Dominion work; is that correct?

Mr. BENNETT: If my hon. friend uses the word "might" in the sense of it being