

Mr. REID: I should like to ask a question of the Minister of Finance which arises out of the controversy which has taken place between the province of British Columbia and the Dominion government in connection with moneys which have been sent. Moneys were sent by the Dominion government presumably to take care of not only provincial works, or of dominion commitments in connection with provincial works, but also of municipal works. Orders in council were not very explicit regarding the dominion's share of the municipal expenditures. The provincial government has consistently taken the stand that the order in council did not specifically state that these moneys were for the dominion proportion of municipal expenditures. Up to date there has been a total of \$1,800,000 sent to the province of British Columbia. That province has taken and maintained the stand that the money sent was sent as the dominion's proportion of provincial expenditures only, and that none of the \$1,800,000 sent by the dominion is to pay for any of the dominion's proportion of municipal expenditures. The sum of \$1,800,000 is more than the commitment or agreement entered into by the dominion government with the province of British Columbia to be expended on provincial public works projects. The total schedules of work submitted by the government of British Columbia in conjunction with the dominion government was \$3,250,000, fifty per cent of which was payable by the Dominion government. The total figure for the municipal program was \$2,749,963, fifty per cent of which was payable by the dominion, 25 per cent by the province and 25 per cent by the municipalities. Some of the moneys sent to the province were to help the financing of both municipal and provincial programs. However, the \$1,800,000 sent by the dominion is to pay, so the province maintains, for provincial works only, although it was understood when the orders in council were passed—and I have this on the word of the Minister of Labour—that it was to take care of all expenditures and commitments, both provincial and municipal. The question I had intended to ask the Prime Minister, which I shall ask the Minister of Finance is: In view of the fact that more money has been paid to the province than the sum for which the Dominion government is obligated, what will the attitude of the government be now? The sum of \$1,625,000 is the exact amount for which this government is committed, and they have thus sent \$200,000 in which the municipalities are not allowed to participate.

Mr. RHODES: Speaking from memory and without the figures before me, I would say that up to the point where they were precluded from sending further money, after the first of March, the dominion had discharged its complete obligation to the province of British Columbia. There was a matter of \$500,000 in question, because a question arose with respect to an order in council which could not be approved prior to March 1. I can only repeat what the Prime Minister said earlier to-day, namely that in all cases we have dealt with the province only. We have made advances to it apart from our own obligations arising out of our share of unemployment relief works. Those advances made by the province against the security of treasury bills were to be dealt with by the province as between themselves and the municipalities, without our direction or control in any respect whatsoever.

Mr. REID: Due to the fact that the Prime Minister said I was delaying payment, I wish to make this statement. To date the province of British Columbia has received over \$200,000 more than the dominion's commitment for provincial expenditures, and yet the municipalities are being denied any portion of this.

Mr. RHODES: The money which was loaned by the dominion to the provinces against the security of their treasury notes was intended to be advanced against the province's obligation—and that would apply also to the province's advances to the municipalities. We dealt only with the province. The question is one which rests between the municipalities and the province.

Mr. REID: I am afraid the minister has not grasped my point. The Dominion government has sent \$200,000 more than the total commitment. If the federal government were sending the whole amount owing the province it would send the sum of \$1,625,000, because the provincial program totalled \$3,250,000. Now there has been sent \$1,800,000 for provincial accounts, a sum which is \$200,000 beyond the amount sufficient to settle the whole account.

Mr. STEVENS: My hon. friend is twisted.

Mr. BENNETT: Yes, he is all wrong.

Mr. STEVENS: You are about three thousand miles out.

Mr. REID: Well, the minister will have a chance to tell us after I sit down.

Mr. STEVENS: I have been listening to my hon. friend's chatter for some time.