

it necessary to ask for aid from the Dominion Government would not have had to take that course if greater care had been exercised with regard to certain capital expenditures that those provinces made. Many of the public works in those provinces have been of the kind that does not produce revenue, and the result is that the governments are compelled now to seek federal assistance. I should like to point out that the Legislature of the Province of New Brunswick, from which I come, has been very careful in supervising the capital expenditures of municipalities. When municipalities came to the Provincial Government for authority to issue bonds for capital outlays the proposals were very carefully scrutinized by the Government and members of the Legislature, with the result that to-day the municipalities of New Brunswick are in good financial shape. My personal opinion is that, if some provinces must come to the Dominion Government for aid in financial matters, some supervision should be exercised by the Dominion over capital expenditures of the provinces. Great care should be taken in approving the public works of those provinces, and before they are undertaken the sanction of the Dominion Government ought to be necessary.

Right Hon. Mr. MEIGHEN: I desire to express appreciation of the speech of the honourable senator from Saint John (Hon. Mr. Foster), with whose remarks I wholly agree. The Government has lately come to the assistance of provinces, but only because of the principles that apply in extremis; although after assistance has been rendered and the other parties to the contracts have been able to breathe more freely, they have not been eager to explain to their people that they have been in extremis. Of course, we have to realize that anything in the way of a crash, or serious embarrassment, resulting in something that I should not like to name, would have a bad effect not only on the Dominion but on every province. It has been a case of choosing between the lesser of two bad results. I am not sure yet that the chastening effects of what has happened have been such that any province would be ready to submit to supervision of its expenditures. Supervision of payments is more acceptable. I believe the governments of New Brunswick and, in more recent times, of Ontario, have succeeded in establishing a system of supervision of capital outlays by municipalities. But it must be remembered that the municipalities were created by the provinces, whereas the provinces themselves are sovereign

Hon. Mr. FOSTER.

states within the limits prescribed by the British North America Act.

I am glad the honourable senator from Saint John has made this speech as to the attitude of his province, and I sincerely hope that what he has said will be read with care by those in authority in other provinces.

Hon. Mr. DANDURAND: I suggest to the right honourable leader that, since we are becoming creditors of some provinces, further consideration should be given to the proposal, which was put in the form of a Bill this session, to establish a system whereby annual payments due by the Dominion to provinces may be set off against provincial borrowings from the Dominion.

Hon. R. H. POPE: I suggest that if honourable members on the other side of the House will look up the record of past expenditures, under Conservative and under Liberal administrations, they will see where Canada landed when led by their party.

Hon. Mr. DANDURAND: But—

Hon. Mr. POPE: The honourable gentleman is hopping again, but he cannot hop with me. Just take the time to look up the records and make a comparison as to the financial condition of the country before and after Sir Wilfrid Laurier came into power. Under Liberal administration we landed in a deep ditch.

Hon. Mr. BUREAU: On a pile of gold.

Hon. Mr. POPE: No, in a dismal ditch. The honourable gentleman's party led us to that place referred to recently by his leader, the valley of humiliation. You cannot get away from that fact, and there is no use in making a big noise. Let us have a little peace and harmony.

Hon. Mr. BUREAU: Is the honourable gentleman a dove of peace?

Hon. Mr. POPE: Give us a little peace and harmony. Shoulder your own load. Sir Wilfrid Laurier said that the Grand Trunk would cost only \$12,000,000 to \$15,000,000, but look up the record and see what it cost—hundreds of millions.

Hon. Mr. DANDURAND: No. The \$13,000,000 or \$14,000,000 was for interest.

Hon. Mr. POPE: But what is that in comparison with the present figures? Honourable members should not talk nonsense to this country. They should shoulder their own load and let the people of Canada know who led us into the present difficulties. I am