

day at noon and beg someone for some lunch so that he could go and finish his day's work, and he had to go again and beg for something to keep him until the next morning. Now the Prime Minister speaks about the cost in money; what about the cost in human life?

Mr. MACKENZIE KING: I have been speaking about both.

Mr. MacINNIS: The Prime Minister did not, but I assume he thinks of both as much as I do. At any rate, this young man, a very fine young fellow, said to me, "I didn't mind it at first, but I have been forced into the position in which I have to come and ask for help." This is a man who has been demoralized because the industries of the country will not give him an opportunity to make a living.

Mr. KUHL: May I ask the Prime Minister a question? Is it necessary for the dominion government to go into debt for any public works projects, no matter to what extent?

Mr. MACKENZIE KING: If I were to judge by the past, I should say that apparently it has not been thought so, because the public debt is pretty large as a consequence of many projects.

Mr. KUHL: Is it necessary?

Mr. MACKENZIE KING: I am inclined to think it is with respect to many projects, yes. Does my hon. friend think otherwise? If so, can he tell us how to escape debt if we go into unlimited expenditure?

Mr. KUHL: I was asking the Prime Minister the question.

Mr. McGEER: This discussion is beginning to get into the atmosphere of generalities, out of which very little is likely to come, but I should like to supplement the remarks I made on the second reading of the bill with one or two observations on what now appears to be of paramount importance. That is so, because of the very limited amount of money that is to be supplied to this commission to carry on with. The assumption which justifies the appointment of the commission seems to be that the provinces and municipalities are going to be able to carry on financing unemployment relief in much the same way as they have financed it in the past. I say to the government in all seriousness, that is not so. The governments of the western provinces have been able to carry on during the last three years only because of the generosity of the federal government in lending money to the provincial governments. The cities in western Canada have carried on largely at the expense of deferring maintenance and expansion which

is essential to the protection of the health and other securities of the people that live in those cities.

Now it must come with some measure of disturbance to the government to know that Alberta has defaulted on the payment of a loan which fell due, not because that provincial government was negligent in the imposition of taxes, nor because it was negligent in the use of the revenues that were available to that province. Alberta has no desire, on the part of either its government or its people, to repudiate its debts; on the contrary, it has shown that it is quite willing to have the ideas of the existing government with respect to social credit stand aside until that government, with the assistance of competent, orthodox financial and economic authority, exhausts every possible channel through which the means of meeting its obligations and balancing its budgets can be sustained.

I might be permitted perhaps to speak as the mayor of Vancouver. Recently I went to the government of British Columbia and said to that government: We have exhausted the revenue resources of the city; our taxes on real estate are now above the danger point; and notwithstanding reductions in assessment values, the reduction in the mill rate, last year there were 12,000 parcels of land, 4,000 of them improved, that were offered on the delinquent list for taxes, and had we held a tax sale not one of them would have been sold. Under such circumstances we cannot balance the budget as we are requested to do under the city's charter. And I was told that the province was in the same boat. How, then, can the cities and the provinces carry on? It is all very well for the federal government to say: We are not responsible for provincial and municipal debts; we cannot assume, along with the burden we are carrying, the responsibilities of the finances of the junior branches of government. It is all very well to say: If you cannot pay you must submit to terms at our dictation or be allowed to go into default. I am inclined to think the excerpt I read the other day from a speech of Sir Wilfrid Laurier properly envisages the position the federal and provincial governments are in to-day, and I want to put that position clearly before the committee. The seriousness and the danger of the situation is not a matter of idle conjecture. The plea of the council of Montreal to the legislature of Quebec to authorize that city arbitrarily to reduce its interest rate on existing bonds to three per cent was not born in a council chamber dominated by radicals or monetary reformers; it was born of the grim necessity that faces men charged