

read in the paper the other day that a British M.P., on a visit to the United States, was advising that country to keep on lending money to the rest of the world. I have no proof of this, but I believe that from 1920 to 1929 the United States lent billions of dollars to Europe, during which period Europe purchased large quantities of American goods, but that in 1929, when the United States stopped lending money, Europe stopped buying. We are facing the same condition today, and what I want to know from the leader of the house is: What is the policy of the government to be when we stop lending money to European countries? We are told there are going to be conventions in London and other places. But what can trade conventions do if people who want to buy goods have no money to pay for them? It seems to me that some of these people who need to be fed should be brought over to our own country and be fed here.

We in western Canada are much more deeply interested in this trade problem than are the people of eastern Canada. The western provinces, like the Maritimes, are largely producers of raw materials. Outlets have got to be found for our grain, or prices will go to pieces. I am perturbed about the absence of government policy. In another place the Leader of the Opposition asked the Prime Minister, "What is your policy for world trade once we have passed over the present period?" That is the question we have to face in this country. We members of this house ought to be more interested in that problem than in any other, and if the business men here cannot give a lead in reaching a solution, I do not know where a lead can be found.

The next question I want to deal with—but perhaps I am talking too long—

Some Hon. SENATORS: No, no.

Hon. Mr. HAIG: —is dominion-provincial relations. That is a very vexed problem. There are four or five "have not" provinces and three or four "have" provinces. Up to 1941 there was no federal tax on successions, electricity, gasoline, pari mutuels, and various other things from which the provinces had always derived revenue. In that year the dominion government made a deal whereby it not only took over from the provinces personal income taxes and corporation taxes, but also went into the fields that I have mentioned and a number of others besides. It has remained in all those fields ever since. The only tax that it has handed back to the provinces—and this was done lately, under pressure—is the gasoline tax.

The premier of my province of Manitoba came here to the dominion-provincial conference last May, and somebody has said—I hope he hears this—that he strove to make the conference a success. I do not blame him; I should have done the same thing. The sources of revenue that he was renting to the dominion government would yield about \$4,000,000 to our province, and in a private deal he got about \$11,000,000 from the federal treasury. Why should he not make that deal? And why should not Saskatchewan make the deal that it has made? It will get about \$13,000,000 for giving up taxes that would have brought in about \$1,000,000 to the province. Besides, very large sums for unemployment relief from 1930 to 1935 are thrown off. Representatives of Alberta then came here and made a deal. Why shouldn't they? New Brunswick did the same, and why not? Unless you are foolish, you never look a gift horse in the mouth. Why should not the Prince Edward Island people have made the deal that they did? They will get \$2,000,000. They are the "Johnny boys" of the whole lot.

But here is the situation. The two provinces in Canada that control the House of Commons have not made a deal with the dominion government, and they say they will not make one under present conditions. They may be right or wrong, but there is the fact; and we cannot carry on under a dominion-provincial agreement into which the two greatest provinces refuse to enter. I may be told that the premier of Quebec, in the stand which he has taken, does not represent the views of that province. Well, ever since he took that stand he has won every by-election by a larger majority than was ever polled before in the respective constituencies.

No doubt the attitude of the dominion government is that these two provinces will be forced into an agreement because the people do not like double taxation. That is the dominion government's only answer. But remember this, honourable senators: there are two sides to that question as to every other question. I do not believe that Ontario or Quebec will want to be taxed in order that big sums of money may be paid to other parts of Canada. I do not believe the people of Quebec will vote to transfer succession duties to the dominion, nor do I believe that the people of Ontario will; and I hate to see Manitoba doing it. This is one tax that should have remained with the provinces, and it was most unfair for the dominion to take it over. One of the chief uses that the dominion makes of its succession duty law is to trace the income of dead men and women in order to see whether they paid sufficient