

I admit that world conditions are beyond the control of the Canadian people; as far as the Canadian people are concerned they cannot control world conditions and the same might be said of all other countries. But Canada surely has an opportunity to make a contribution to world conditions and in that contribution I believe the government and parliament can do something that is really worth while. While I admit world conditions are beyond the control of the Canadian people, may I ask the Prime Minister and his government: What are you doing to improve the situation under conditions that are within the control of the Canadian people? That is the point I consider important. Are we doing everything in our power, in so far as it is possible within Canada to do so, to see to it that the condition of our people is improved? A little later on I shall return to that subject if time permits and give some further viewpoints in regard to it.

The next sentence to which I desire to call the attention of the house, reads as follows:

This period of trial has shown the Canadian situation to be fundamentally sound.

That is quite an assertion. I do not know whether whoever was responsible for writing this speech from the throne gave full consideration to the exact meaning of that sentence. I ask hon. members to consider that question and to ask themselves: Is the situation in Canada fundamentally sound? If it is, why have we to provide for unemployment relief? Why have we to provide for many of our agriculturists who are facing starvation? How is it that we have in this country starvation in the midst of plenty? If the situation is fundamentally sound, then these conditions should not apply, and therefore whoever was responsible for including that sentence in the speech from the throne, did not give full consideration to the subject matter and its importance. If our situation is fundamentally sound, we should have no hardship in Canada because we have natural resources and the machinery of production in great abundance, all the things that are necessary to provide our people with all the comforts they might expect. Yet at the same time, as I have already stated, we have only to look at the records to find a very substantial portion of our people on the verge of want.

The next sentence about which I wish to say a few words, reads as follows:

The over-subscription of the national service loan manifests both the unity and patriotism of the people, and their supreme confidence in the financial strength of the dominion.

[Mr. Gardiner.]

To understand the situation thoroughly, we must give some study to the financial situation as we find it in this country to-day. If you look at the bank returns which are available and printed in the *Canada Gazette*, you will find there has never before in our history been more money on savings deposit; you will find also that current accounts are extremely high, showing very conclusively that there are people who, out of their salaries or wages or whatever profits they are making, are saving very large sums of money and are putting it into the banks for safekeeping. I have been unable to find at present any great field of investment where the investor can put his money so that it will be safe and profitable. We have therefore only to recognize that fact and we shall see immediately why the Canadian people have responded so generously to the various loan flotations that have taken place recently. This is simply because there is no other avenue of investment that is safe and will bring them a return. Consequently, when governments float these different loans, those people are in a position to use their savings, if I may be permitted to describe them as such, to invest in the various bond issues. But I wish to emphasize very strongly the extremely high rates of interest which governments are paying for money under present conditions. I submit under such circumstances the price of money should be about as low as we have any record of in Canada in the past twenty years. Here we have the Dominion government floating a loan ostensibly for \$150,000,000, but turning out to be for over \$223,000,000, if I remember the Prime Minister's statement correctly, showing conclusively there are ample savings to take care of all these loans. If that be so, why are we paying 5 per cent for money at the present time? All other commodity prices are down, but because the government commenced to float and did float a loan at the high rate of interest of 5 per cent, it simply means it has put on money a price that is out of all proportion to its actual value.

I have another illustration which forcibly reveals how these financial interests are controlling the country. Some few weeks ago Ontario floated a loan at 6 per cent. This loan was over-subscribed, also for the same reason that I have explained, namely, because of the tremendous volume of savings available. What has happened? I have it on the authority of a man connected with municipal affairs in close proximity to Ottawa, that they had made arrangements to borrow, at 5½ per cent, money from the banks for use