

*Alberta Financial Situation*

Now there are Social Credit enthusiasts in Alberta who are condemning him because of these measures; but surely no orthodox financier can condemn him. As soon as he came into office he attempted to refund the debt. He said: Let us have this debt refunded at three per cent, which is high enough; it is all that this province can pay. And his request was disregarded. But the request was sound. Surely a device which has been used by our old motherland over and over again since the war is a sound one, judged from the standpoint of orthodox finance. Besides that, he made requests over and over again for assistance before he should default. Much has been made of the fact that Alberta defaulted, but I submit that under the circumstances there was nothing else that Mr. Aberhart could do. The province did everything in its power to avoid default, but defeat came nevertheless. And now there are those who say that Alberta should have accepted the loan council.

I have not discussed the significance of the loan council; when the time comes I shall do so. But it was utterly impossible, as we understood it, to put in social credit if Alberta subscribed to a loan council. Whether rightly or wrongly I know not, but as I understood it, the day we signed the loan council we signed away all possibility of putting in a social credit system, which was the thing we were elected to do. That is why we had to resist the loan council in the form in which it was, as I understand, presented to us.

Since Mr. Aberhart took charge of the Social Credit government they have done everything in reason that lay in the power of man to eliminate the unnecessary costs. There were in the province departments in which thousands of dollars a month in extra costs were eliminated. Then the 1936 budget was brought in. The bank's report refers to that budget. May I give the words in which the budget is referred to—and please remember that I am not speaking as a social creditor, but as an ordinary Canadian to Canadians asking them to help us face the situation that confronts us, and to look at it in a plain common sense, orthodox way. Here are the words, at page 34:

While final figures are not yet available, we estimate that in the 1936-37 year the province covered all its current and capital expenditures, redeemed \$1,600,000 of debt, and also provided funds to meet some two-thirds of its share of relief costs.

It would be difficult to find a better record than that, let the administration be the most orthodox on earth.

Then came the 1937 budget, the budget that is causing all the trouble in Alberta

[Mr. Blackmore.]

to-day. And remember that the trouble is from the Social Credit standpoint, and not from the orthodox finance point of view. This report is written from an orthodox financier's standpoint. I contend that, from that standpoint, it is somewhat unjustified. Here are some words which are strikingly significant, dealing with the present budget, which has been postponed in Alberta because of the activities of the more determined social creditors:

Attention should be drawn to the determined effort to increase the revenue during the fiscal year which has just ended and that which is now beginning. We are of the opinion that the scale of taxation in Alberta in 1937-38 will be approximately the same as in the other prairie provinces, and we are not prepared to say that a further increase in taxation would be practical or desirable under existing conditions.

May I interpose to say that if there is nothing else you can do, what can you do? The report declares that everything has been done that could be done. Then how can we expect more? The report continues:

The amount of the increased revenue which is being utilized for additional expenditures on ordinary account may be estimated at \$1.2 millions compared with 1935-36. As in the case of the provinces of Manitoba and Saskatchewan we are prepared to say that expenditures could not be kept down to the low point of the depression years, and that some increases were inevitable. Education and health services have to be maintained, and attention must be paid to the preservation of the road system. The appropriations for the first two mentioned services are still on the low side.

May I interpose again. Everything has been done that can be done, according to the understanding of orthodox finance. The report continues:

On the other hand it appears to us that the amount provided for capital expenditures on roads, bridges and equipment in the 1937-38 estimates must be considered rather large if the exigencies of the present financial situation are borne in mind, and we are inclined to think that the program is relatively a more extensive one than is being undertaken by either Manitoba or Saskatchewan.

I am not prepared to say that there is any injustice in the conclusions of the report. But because of the topographical conditions of Alberta it must be remembered that it is extremely important to keep those roads up. That is the way the people feel, and that is the way the government must feel.

Now going on with what the province has done, we wish to guarantee our interest rate; Mr. Aberhart has declared that over and over again. We wish to secure the principal for those to whom we owe. It is largely to maintain that integrity of the principal, and to