

*Unemployment Relief*

Mr. MACKENZIE KING: As I understood my hon. friend in the course of the campaign, a national highway was an undertaking by itself. In the past few years we have heard in this house a discussion with respect to a national highway, which was proposed as a separate undertaking. It had no relation whatever, at the time it was originally proposed and discussed in the house by hon. gentlemen then on this side, to anything in the nature of an unemployment relief measure. Now is my hon. friend getting away from the idea of a national highway as a national undertaking and making it something allied to unemployment relief, or does he still hold to the original idea of a national highway as a national undertaking, to be carried out as such with appropriations to be made for that specific purpose?

Mr. BENNETT: I have no difficulty in answering the question put by the right hon. gentleman. There never has been any doubt in my mind as to the fact that the Dominion was not going to build a new highway in any province. Rather the idea has regard to the utilization of existing highways built to a standard fixed by this government, involving grants for the purpose of maintaining them to that standard. I have said before what I repeat now, that this government is of the opinion that appropriations should be made to assist the provincial authorities in maintaining such a highway throughout Canada, so that there would be no difficulty in motoring from Cape Breton, we will say, to Vancouver.

Mr. MACKENZIE KING: Then may I ask my hon. friend another question. Speaking from memory at the moment, I believe it was either with reference to highways or old age pensions that my hon. friend was asked a question when speaking in Montreal. The question was asked by a lady, who was anxious to know how he proposed to raise the money to be disbursed for the purposes of the highway. His reply was that he proposed to raise the funds by taxation. May I ask him now, with respect to these measures, whether it is his intention in the event of there being a deficit in consequence of the payment of these millions of dollars, to see that the deficit is made up by taxation, or does he contemplate meeting it by borrowing?

Mr. BENNETT: Whichever method may be necessary, having regard to the conditions then existing, will be pursued. I would not like now to review the financial position of the country as it was on August 7, because

[Mr. Bennett.]

this certainly is not the time for that, but I will say that the falling off of the revenues of the country has been very great during the months that have elapsed since April 1 last. We believe—I have no doubt the right hon. gentleman thinks incorrectly—that had proper policies been followed in this country there would have been no necessity for any demand being made upon our falling revenues to meet this situation.

Mr. MACKENZIE KING: My hon. friend is aware—indeed, his own statement indicates it—that the provinces have moneys appropriated for the purpose of highway construction. I do not wish unnecessarily to bring in matters referring to the recent election, but I think it was pretty evident that much of that money was used at election time in a manner which it was believed by the provincial authorities would affect the results of the election in particular constituencies. I should like to ask my hon. friend if the money which is to go from the federal treasury is to be handed over to the executives of the provinces to be used as they think best with respect to highway construction, or if there is to be any provision which will prevent any part of that money being used in a way such as I have indicated.

Mr. BENNETT: I am very sorry that my right hon. friend thinks the premier of Quebec utilized the road money to assist our campaign. I am satisfied that our twenty-five followers from Quebec were not assisted in that way. I know of no such action having been taken in the province of Prince Edward Island, for instance, where I found the roads none too good, and certainly there was no striking evidence of it in Ontario, where I was.

Some hon. MEMBERS: Oh, oh.

Mr. BENNETT: No, indeed, but the gentlemen who should know about it come from Saskatchewan.

Some hon. MEMBERS: No, no.

Mr. BRADETTE: You will hear about that yet.

Mr. BENNETT: I certainly do recall that the public moneys were used for very strange purposes. I recall an order in council passed on July 24, I think, by which the then Minister of Public Works appropriated some \$20,000 odd to provide an increase in salary from April 1, 1930, for 828 charwomen in the city of Ottawa.

Mr. ELLIOTT: Does my hon. friend object to that order in council?