

noon, the Prime Minister has intimated that the federal government would be prepared to give what was the equivalent of two or three years' interest that would not have accrued had the improvements taken place two or three years hence. Is that all the federal government is prepared to give to those municipalities which at the present time may undertake improvements for the sole purpose of providing work for their unemployed?

Mr. BENNETT: The door would not be closed to cases of that kind.

Mr. HEAPS: A municipality may wish to undertake certain improvements for the sole purpose of providing work for its unemployed. It probably would not have undertaken those improvements at all had there not been an emergency such as there is at the present time. I am inclined to think that the giving of two or three years' interest charges for such improvements will be no inducement for municipalities to undertake works of that character. If the federal government wishes to give aid to municipalities undertaking construction work for the purpose of providing relief for employment, that aid should be in the form of contributing say, one third or 25 per cent of the cost of such work.

Mr. BENNETT: I think the suggestion is well founded. But I explained that as the federal authority had not the machinery and did not propose to set up machinery to investigate each of these various claims, whereas the provinces had the facilities, it was proposed to utilize the provincial authorities' staff and knowledge; and if a provincial government made a report along such lines as the hon. gentleman has suggested I am disposed to think it should be entitled to very great consideration. I would not make a promise, because I think that would be a wholly improper thing to do, but the door is not closed to favourable consideration.

Mr. DONNELLY: Is any part of this twenty million dollars to be used to help the farmers?

Mr. BENNETT: It will be observed in the report made by the council which met on August 21 that a recommendation was made which might be construed to involve that very meaning given to it. The bill will provide that a certain proportion of the fund may be used for the purpose of assisting in defraying cost of distribution as well as for various purposes in connection with farm, forest, mines and so forth. The provision meets the recommendation made by the conference.

Mr. DONNELLY: I ask the question for the reason that I have received a telegram from the business men and farmers of my constituency inquiring whether anything has been done or whether it is the intention of the government to do anything in relation to the cost of production, with a view to safeguarding the investments of the farmers and not forcing them to join the ranks of the unemployed.

Mr. BENNETT: I should like to see a copy of the telegram.

Mr. IRVINE: I wish to ask a question of the Prime Minister, and so that there may be no misunderstanding as to the purport of it I will spend just a few minutes explaining it. The Prime Minister has been so frank with the house in regard to the purpose of the legislation proposed that there is no room for misunderstanding. He is not offering this legislation as an ultimate cure for unemployment, but as something distinctly palliative in character. But even as a palliative I fancy it would have to give real relief. In my opinion there can be no real relief of unemployment unless there is an increase in purchasing power. The only way to give people more work is to enable the people of Canada to buy more goods in order that there may be some need for them to engage in further work. The expenditure of twenty millions proposed is to be taken from the consolidated revenue fund. That fund must be maintained by a tax on the pockets of the people. Therefore there cannot possibly be an increase in purchasing power, for every farmer who pays a share of the \$20,000,000 in taxation must buy that much less in goods than he would otherwise be able to purchase. So that the only thing that is being done is that something is being taken from people who have already too little and being given to assist people who now have nothing. That may be all right; I have no objection to making the sacrifice. But I want to point out that this legislation will not be really even a palliative nationally considered, if it is financed in the way suggested in the resolution. I would ask the Prime Minister if he would not consider financing this expenditure in exactly the same way as was done in connection with the Canadian Northern and the Grand Trunk Pacific and in connection with certain necessary expenditures of the government of that day under Sir Robert Borden, while Sir Thomas White was Minister of Finance. I have here the statute providing for an expenditure of \$26,000,000, which was issued in Dominion