

*Unemployment Relief*

I am very much opposed to the principle of giving the government a free hand to spend \$20,000,000, but I presume the statement that there is an emergent situation must be accepted, and provided no precedent is established by the course we are now taking, I shall have to be satisfied. However, my hon. friend the Prime Minister has disturbed me somewhat by the character of his answers this afternoon. His first statement is that he is pursuing what has been the policy of previous governments in meeting emergent situations of this kind, that in every particular he is following that precedent with the single exception that he now informs the house that he does not propose to grant assistance on any basis of percentages whatever.

Mr. BENNETT: I did not say that; I said that has not been determined.

Mr. STEWART (Edmonton): The incident that caused me to rise was his statement that some municipalities may find themselves in a position where they are unable to carry on needed work, and in those particular instances the percentages would be departed from. I may point out that after some nine years' experience in trying to straighten out relief accounts in connection with grants in western Canada on the part of the federal and provincial governments when in office, the one saving element in the whole transaction was the percentage basis upon which relief was granted. I think the Prime Minister will be well advised to stick strictly to the rules, and I hope that he will not participate, even in an emergent situation, on any other basis than that of percentage relief to be granted; leaving, as he has pointed out, the responsibility to the provinces and municipalities to indicate to him whether or not an emergent situation has arisen and what relief is necessary.

Mr. REID: I want to ask the Prime Minister another question affecting municipalities. In the event of a municipality paying out money which in its opinion is necessary for relief work, would it be reimbursed to the extent of one-third, irrespective of whether the provincial government might make a contribution or not? A provincial government might not agree to the relief work proposed by the municipality.

Mr. BENNETT: As I explained, it was the purpose of the government, although no regulations have been framed, to deal only with provincial administrations in connection with a matter of this kind, and not with municipalities, because the municipalities are

[Mr. C. A. Stewart.]

creatures of the legislatures of the provinces; they are created by provincial legislation. I do not think that anything but difficulty would arise if the federal government were to undertake to deal with each individual municipality. I did say to the leader of the opposition that the principle which had been laid down by previous administrations and adopted by his own, and which he mentioned yesterday and again to-day, was a principle which in the main it was hoped to follow; that is to say, the Dominion would make a contribution of one-third. In the event of a province declining to take action, I have no opinion of my own at the moment as to what steps we might take; but merely expressing offhand the view which anyone might be expected to take should such a condition arise, I cannot think that the municipality should be deprived of one dollar in three, if the provinces represented that it was an undertaking that merited immediate attention. That is the way it strikes me at the moment.

I may say in reply to my hon. friend from North Waterloo that I am advised by one of the Ontario members that in connection with provincial roads the municipalities contribute 20 per cent. I am sorry my hon. friend did not follow me. I said that this was an unemployment measure, and if the farming population found it impossible to harvest their grain, or were in a position where they did not come within the terms of the measure—because, plainly, if they came within its terms they would be entitled to its benefits—their primary source of relief would lie in application to the municipality in which they lived and, through the municipality, to the provincial administration and not to the federal. The other question does not touch this at all—the question of the marketing of crops. I did receive one representation asking that the Dominion assume responsibility for the payment of part of the freight rates. That is practically what my hon. friend means. No consideration has yet been given to the matter, because there has been no indication as to what might be involved.

With respect to action taken by the banks, as Minister of Finance I certainly decline in any sense to endeavour, to use one hon. gentleman's expression, to force the banks to do something which in the judgment of those responsible for their administration they could not do; for I, in common with every other member, realize that the deposits in the banks are moneys lent to the banks by the people of this and other countries. If therefore I undertook to say how they should ad-