

should be paid, I intimated yesterday that the government held the view that it would be quite proper for the board to make that direction, because the availability of an additional sum in the level crossing fund was intended to be made through the proper channel. It is not believed, however, that there will be very large municipal undertakings because of the very circumstances to which the premier of Alberta referred in his telegram yesterday. It would be impossible to lay down a fixed rule with respect to that, we feel at the moment, but some rules and administrative regulations will be laid down when the situation is more thoroughly canvassed.

Mr. MACKENZIE KING: My hon. friend has made some reference to his understanding of my point of view, but I believe there is some slight difference between us as to that. My reference to dollar for dollar with the province and the municipality had relation to the construction of subways, which I regarded primarily as a federal obligation, the municipality and the province also benefiting thereby. I thought that with regard to the construction of subways the federal government might very well take that obligation upon its own shoulders as a federal obligation, the municipalities and the provinces making contributions in view of the service they would get in return, my thought being that it is always preferable to have the government that is expending the money the government that is also obliged to raise it, and vice versa. If we in this federal parliament raise the money, let us spend it for federal purposes, and if in so doing we can assist a municipality and a province, well and good; let them contribute their dollar for dollar in the way I have indicated, because they will be getting something of permanent value in return. In this way all parties will be helped; the federal government, the province and the municipality and all will be assisting unemployment, while the taxpayer who in all cases has to meet the bills will also be getting something in return. If he is a farmer or an urban dweller he will have the benefit of these subways which are useful in saving time in transportation and serve in no small way to avoid the loss of life.

As to municipal buildings, I never had it in mind that the federal government should contribute a third towards their construction. What was done under the order in council introduced by a former Conservative government was that a third of the excess cost of the work was met by the Dominion govern-

ment, and as respects that class of undertaking I do not think that more than that should be contemplated.

Mr. BENNETT: I may say that I think perhaps the right hon. gentleman has revised his views with respect to subways. I am bound to say that when I first read what he had said I did not construe it as meaning what he now suggests, for the reason that as the law now stands the municipalities can get 40 per cent, so what would be the advantage in taking 33½ per cent? Therefore I felt there must be an error in the report which I read. The right hon. gentleman now seeks to have me believe that what he had in mind was that there should be an equal division, but he will recall that when we set up that grade crossing fund and the regulations were made thereunder, up to 40 per cent of the cost of constructing a subway was payable out of that fund by order of the Board of Railway Commissioners, so that the municipalities are nearly 7 per cent ahead under that fund than they would have been under the suggestion of the right hon. gentleman. If the federal government undertook the responsibility of building a subway to cost \$900, the dominion, the province and the municipality would each pay \$300 under the suggestion of my right hon. friend, but as the matter now stands the board might order that \$360 be paid out of our grade crossing fund, which would reduce the contributions necessary from the municipality and the province. It will be recalled that under the former Minister of Railways, Mr. Dunning, this fund apparently was not well understood by the public, and an effort was made to have it more thoroughly appreciated. When I was sitting where my right hon. friend is sitting now, I did direct attention to it, and the minister was good enough to increase the maximum sum that might be paid in any city to \$100,000. The Dominion could hardly assume responsibility of putting a level crossing in a city like Toronto, for instance, because that would involve the Dominion in itself interfering within the municipality with the streets of that city. What was done recently by the city of Toronto was to make an application to the board to construct a subway, and they asked that the cost be allocated to the railways, both being involved, I believe, and that a certain sum should be contributed out of the fund itself. The board decided that the city should do the work itself at its own expense and made an order accordingly. That was what I had reference to when I answered the hon. member for

[Mr. Bennett.]