

Trans-Canada Highway

Federal Grants in aid made by the Dominion to the Provinces in addition to annual subsidies provided by Statute—Con.

Statute	Object	First Payment	Last Payment	Provision	Expended to March 31, 1931
Special Annual Vote.....	To combat venereal diseases..	1920	.....	\$ 1,800,000 (total appropriation.)	\$ cts. 1,622,849 00
Special Votes prior to 1930....	To provide for the relief of unemployment (Labour Department).	1921	.....	.....	1,845,000
Special Vote, 1930.....	To provide for the relief of unemployment.	.....	.....	20,000,000	4,431,655 (Total Dominion commitments to Mar. 31: 14,842,962)
Old Age Pensions Act, 1927....	To pay half the amount paid by provinces, towards Old Age Pensions.	1928	.....	No fixed amount.	8,159,455 00
Total.....	.....	.....	.....	.....	57,911,259 00

But while these grants in aid to the provinces have been increasing in this way, the provinces themselves have been taking advantage of new sources of revenue, sources of which they never dreamed at the time of confederation, sources which this dominion has left exclusively to them. Take, for example, the question of liquor control, the sale of liquors. The provinces derive very large revenues from this source. Then there is the inheritance tax, another source of revenue not thought of at the time of confederation, and one from which the provinces obtain considerable sums. Again, there are motor licences from which very appreciable revenues are secured. And there are other sources of revenue which I am sure will suggest themselves to hon. gentlemen. I might mention, as another, the revenues derived from hydro-electric power. All these are sources of revenue which the provinces to-day enjoy to the exclusion of the federal treasury; and in addition thereto, with revenues derived from many other sources, they have the subsidies which this dominion votes year after year under statute.

The Prime Minister yesterday in his budget speech drew attention to the fact that the federal government had lost considerable revenue through the recent transfer of natural resources to the provinces. In other words, we have yielded to them, in addition, revenues which formerly we ourselves enjoyed. One has only to reason the matter out to see where this dominion is going to find itself in the matter of debt and taxation, while the provinces are being thus relieved and assisted. We are going deeper and deeper into debt to help relieve their situation. As their situation improves our own is becoming deplorably worse. While the provinces have these addi-

[Mr. Mackenzie King.]

tional sources of revenue to draw upon, our sources are relatively fewer, notwithstanding that our obligations are increasing in a way never dreamed of at the time of confederation. Read the Prime Minister's speech of yesterday with respect to the outlays of this present government for expenditures which it cannot control. The first one amounts annually to around \$125,000,000, interest on public debt. Most of that amount is due to the vast expenditures in the period of the war. Come next to the pensions bill. I cannot recall the figures at the moment, but they run into many millions—\$55,000,000 annually, an hon. member says. That money this parliament has to provide. I might mention others, but these perhaps are sufficient to give some indication of the obligations that have arisen from the war.

Now, can any hon. gentleman name a single service of this dominion government to which the provinces have contributed one dollar? The provinces contribute nothing to our necessities. They are making no grants in aid from their treasuries towards the vast obligations which have suddenly fallen to this parliament to provide for in addition to all the other expenditures which the federal treasury must bear. So far as the federal government is concerned, there are many services which can be carried out only from a federal point of view and which are being denied the people to-day on the score that we have not enough money to provide those services. Hon. gentlemen will recall what was said yesterday in regard to the air mail and the carrying of mails—an obligation on the federal treasury. Yet we are told that this development, which is one that can be undertaken only by the federal government, must be proceeded with slowly and with caution, if indeed it is not