

it is not our purpose to undertake to spend x sums of money without regard to where it may be spent—not at all. But it is believed that, within limits, essential undertakings can be accomplished by the dominion for the purpose of doing something towards finding employment for that class of the population that is not absorbable in industrial activity. But when you have regard to the seasonal changes in this country; when you recall its economic history; when you remember that the bureau of statistics has indicated that the average of unemployment for the whole of Canada year after year before 1930, prior to this depression coming upon us, amounted to about 144,000 people—that was the average that came about through seasonal changes—and when you remember the conditions under which west of the great lakes men become unemployed after the harvest is garnered, and how in the cities and towns there is unemployment when construction work is ended—it will be realized that with those conditions before us the effort that is being made is an effort, in that season of the year when the work can best be done and the best results obtained, to see that public works of a limited character are carried on.

Again I desire to point out that the criticisms urged by the right hon. gentleman against these schemes are criticisms made of the very same effort which he himself and his government made when they came into office in 1922. We were confronted in 1930 with conditions under which sums of money were voted for the purpose of enabling public works and undertakings to be carried on. Level crossings were built and public buildings erected in various cities and towns by the joint effort of the provinces, the municipalities and the dominion; and when the provinces and the municipalities met together in conference and indicated, as they did, their inability further to continue along the lines suggested, we carried out the plan that had been adopted by the late government—the only plan that could be carried out in view of the financial stringency and the difficulty of the provinces in finding means with which to carry on—and that was the giving of grants in aid. What is more, when they met the other day there was a feeling on the part of some that some provinces had not been as economical and as careful as they should have been, that they made larger expenditures in the past than they should have made, and there was quite a critical attitude especially with respect to the four western provinces. But when they heard the story firsthand from those responsible for government, when they realized that these western provinces were not

responsible for the hundreds and thousands who were brought in from abroad and landed there as new settlers, calling for roads and schools and facilities of various kinds; when they realized that the western provinces were not responsible for the charters granted to railroads that imposed further burdens upon them, they unanimously passed resolution No. 4 which will be found upon the sheet laid on the table the other day, that under special circumstances special consideration should be given some of the provinces in this confederation.

We have advanced them money, loaned them money borrowed from the people of Canada. We have endeavoured to maintain their credit because we believed that for the maintenance of the credit of the unit as a whole it was necessary to maintain the credit of each of the factor units that made the whole, and to that extent so far we have been successful.

It well may be that in dealing with large questions of finance in this country—I believe it will be—we must impose upon ourselves cruel disciplinary measures and make a very large conversion loan, but in view of the conditions that exist that cannot be done at any moment you think it is desirable so to do. So many factors have to be considered and so many matters determined that I can only say that in my judgment it will be some time before this country will be in a position to carry that forward.

But I do deprecate the attitude taken by some of those who represent the provinces. The hon. member for Vancouver Centre (Mr. Mackenzie) speaking in Calgary the other evening said:

In British Columbia the government will offer to pay its creditors a reasonable rate of interest, and they will be told they can take their money elsewhere if they are not prepared to accept that rate.

That is how it is reported in the press. But Mr. Speaker we cannot repudiate without destroying our credit; we cannot default without destroying our credit and the burden that comes upon the central power by reason of the enormous obligations contracted by the western provinces indeed places us in a most difficult position. But after threshing the matter out as we did the other day involving certain curtailments of expenditures, I believe it will be found that there are no reckless expenditures going forward at this time but that men are being provided with shelter, food and clothing, and with some employment under conditions that preserve their morale and give them at least a few cents per day for the effort which they are making. I be-