

during the last five years. The fact that it is renewed does not make it any better; it is all wrong.

Mr. McGEER: The purpose of this bill is to solve the unemployment situation. It deals not merely with destitution but it deals with the whole problem of the reestablishment of normal conditions. I think that one great mistake all governments have made in dealing with unemployment is to be found in the false belief that in some way this problem was going to disappear from year to year. Surely there is no one left who thinks that the continuation of that idea will help to solve this problem?

I should like to direct the attention of hon. members to some information I have just received from the office of the deputy provincial treasurer in Regina. These figures are more than illuminating. The entire debt of Saskatchewan is \$183,000,000. The average rate of interest paid is 5-195 per cent. The annual charge for interest is \$5,970,000. That is one of the provinces which has to borrow on treasury bills in order to meet the unemployment situation if it is to be met. Now let us have another look at the total amount expended on relief by that province from 1930 to 1935. That total amount was \$86,689,000, of which about \$27,000,000 was contributed by the dominion government, making the net relief expenditures of the province \$59,270,000. Keeping that in mind, we find that the net borrowings of that province from the dominion government on treasury bills total \$55,869,000 or just \$4,000,000 less than the entire relief bill. As of March 31, 1936, the dominion government held treasury bills of that province to the extent of \$55,869,000, made up as follows: capital account, \$4,081,000; revenue account, \$1,500,000; relief accountable advances, \$8,897,000; others, \$41,290,000. These are the round figures. If Saskatchewan is in that plight, what reason has the government for believing that in some way this relief commission which is going to solve the problem and practically assume full responsibility for advising the government on the whole program will be able to terminate its activities within the next year? What justification can there be for putting this commission to work under an act that is limited to one year? I think everyone in this committee will agree that this limitation is there because we have been treating the relief problem in Canada on a year to year basis, and have never had the courage to face it as a serious, persistent, permanent problem, characteristic of the economic, commercial and industrial activities of the

twentieth century. I am not criticizing the government for this, but in the light of what has taken place in other countries I am just a little inclined to think we are hopeful that the problem of unemployment is going to be more easily solved than will prove to be the case. No one is more anxious than I am to see that problem successfully dealt with, and I do not think the government is faced with any problem which it is more anxious to solve effectively and permanently.

The other day I drew the attention of hon. members to the deplorable financial condition of many of our municipalities. To-night I refer to the same point again, and I cite Saskatchewan as evidence of the fact that the provinces are in no better condition; in fact I think in some instances they are worse off than are the cities. Since we appear to be contemplating the disappearance of unemployment relief within another year it might be well to keep in mind the debt situation, not only of the municipalities but also of the provinces, the national government and private industry as well. According to the best figures I can secure from the statistical department—and these figures are not by any means complete but they are the best available—the net dominion debt is \$2,846,000,000; the guaranteed debt is \$1,136,000,000. The gross direct liabilities of the provinces totalled \$1,541,000,000; indirect liabilities were \$231,000,000. The total direct liabilities of the municipalities amounted to \$1,500,000,000, which makes a total debt load of nearly \$7,500,000,000 that has to be faced. I know it is very easy to generalize and it is comparatively easy to say that we have spent all that we can spend and that the time has come when that sort of thing must end, when we must reduce public expenditure and look to the liquidation of our debts. But let me point out that it is equally easy to say that unless we resort to inflation we must face repudiation. That is exactly what has happened in Alberta and what is going to happen in other provinces. British Columbia must default on the 15th of May in one of two ways; it must default by using its sinking fund or by allowing its maturing obligations to pass by. Let us assume that the province does appropriate its sinking fund, which belongs to the whole debt load; that amounts to a partial default. Now let me point out once more that there is more than one reason to believe that the government anticipates that this problem will disappear in a year. There is the amount appropriated, which must be on the assumption that provincial and municipal governments are going to be able to finance