

policies. No one need be under any illusion as to what that will mean. The lessons stand out in history crystal clear for any person who takes the trouble to study them.

I come back to the point I made. These agreements, in my judgment err on the side of federal generosity. This afternoon the honourable leader of the opposition (Hon. Mr. Haig) made a point with which I agree, namely, that in practice it is unsound for one authority to raise public money by taxes and pass it over to another to spend.

Hon. Mr. ROEBUCK: Hear, hear.

Hon. Mr. CRERAR: That often begets extravagance.

Hon. Mr. HAIG: May I interrupt my honourable friend? I do not want him to credit me with being the author of that remark. I got it from a statement by the Prime Minister of Canada.

Hon. Mr. CRERAR: Then the authority is all the better.

Hon. Mr. HAIG: I want to make it clear that I am not the author of the statement.

Hon. Mr. CRERAR: Well, you made the statement this afternoon.

Hon. Mr. HAIG: The Prime Minister made it before me.

Hon. Mr. DUFFUS: In what year?

Hon. Mr. NICOL: And the Prime Minister was not the first one who made it.

Hon. Mr. ROBERTSON: He was quoting somebody else.

Hon. Mr. HAIG: He was quoting Sir Wilfrid Laurier, I believe.

Hon. Mr. CRERAR: At any rate, I think the provinces which have entered into these agreements should walk warily. I believe that the province of Manitoba will.

Hon. Mr. HAIG: I agree with you.

Hon. Mr. CRERAR: I will be quite frank and say I do not believe the province of Saskatchewan will.

Hon. Mr. HAIG: I agree with you again.

Hon. Mr. CRERAR: The last budget of that province was by a wide margin the largest budget ever submitted to its people.

There is nothing for us to do but to ratify the agreements. They have been made in good faith by the provinces with the government, but I do feel that the dominion has been too generous in the terms that it allowed.

And no clear understanding has been reached with the provinces as to how money can be spent wisely for productive purposes in this country.

This afternoon we were considering the report of the Standing Committee on Immigration and Labour. One way in which we could spend money wisely is by bringing more people into Canada. We have got great resources, which the world needs, and the development of some of them would add to our national income. I will take one illustration. What I am about to say now is not a criticism of family allowances; far from it. The amount that the federal government will spend on family allowances in 1946 and 1947 will be, when the cost of administration is included, 500 million dollars. Let us think of it in another term. The expenditure of that sum would have built 20,000 miles of good hard-surface roads in Canada, at a cost of \$25,000 a mile, and would have trebled and quadrupled our tourist business from the United States; and the roads would have been a distinct asset to Canada. I use that merely as an illustration, and I repeat that it is not any criticism of family allowances.

I do say this, that there never was a time in the history of this country when the federal government and the governments of the provinces and the municipalities needed to watch their expenditures so closely and to be guided by the greatest possible wisdom in what they do with the money they take from the taxpayers' pockets.

Let me say this again: I hope that I am wrong, but I am afraid that in a few years' time many things that we are doing now—and these agreements may be included among them—will have to be reconsidered in the light of conditions at that time.

Hon. Mr. HAIG: Honourable senators, I should like permission to answer the question asked by the honourable gentleman from Peterborough West (Hon. Mr. Duffus). If he will look at page 316 of *Hansard* of another place for 1929, he will find that on February 21 that year the then Prime Minister, the Right Honourable W. L. Mackenzie King, said this:

I believe that everyone who has given any attention to public finance will agree that it is a thoroughly vicious system to have one body raise taxes and another body expend the money thus secured.

The same position was taken by the Prime Minister on April 3, 1930. My honourable friend will find what was said then by referring to *Hansard* of another place for that date, page 1237.