

pay back our debts and retain our credit as a matter of national honour. He said:

Once it gets abroad that we are prepared to enact legislation, whether it be provincial or federal, that destroys the contract made between the borrower and the lender—destroys it I say—and substitutes for it something else, that moment we have become what is familiarly known as “welchers.”

And again:

If obligations are created without provision for the reduction of the rate with the increase in the purchasing power of money then the contract must be observed if we are to maintain the character of our people.

The Prime Minister as well as others recognizes that at certain times deflation may materially alter the character of a contract. I need only to refer to the statements he made before the committee on finance of the imperial conference when he clearly recognized that deflation had imposed an enormous extra burden upon the people of this country. In spite of this, he said yesterday that if we did not live up to the letter of the law, even although the dollar had changed in value, we would be in an ethically unjustifiable position. He is emphasizing the letter of the contract, the purely legal side of affairs but I submit that even from the legal aspect as well as from the standpoint of equity and ethics, when the dollar has altered as materially as it has, repayment should be made according to the purchasing power of the dollar when the contract was made. Undoubtedly the deflation has meant the transfer, as Irving Fisher told us twelve years ago, of hundreds of thousands of dollars from one set of pockets into another. It has meant that many people have been reduced to beggary while other people have been exalted to a position where they can levy tribute on the entire population of the country. If to maintain our credit means that we are to maintain an unjust relationship between creditor and debtor, then I say our credit may very well go.

Why after all from the standpoint of expediency, should we maintain our credit? I suppose it is in order that we can continue to borrow; that is to say, we should maintain our credit in order that we may be able to go more deeply into debt—a curious point of view. Canada is already carrying a sufficient load, and we ought to be able to deal with the situation as it is without regard to prospective borrowings that may sink us still deeper. But in the last sentence I read I find a phrase to which I cannot but strenuously object. We should pay these supposedly honest debts in order that we may “maintain the character of our

people.” Maintain the character of our people! I wonder whether those who deal so exclusively with financial and legal matters can understand the real position that confronts tens of thousands of our people to-day. I hold in my hand, for example, a voucher that was given in connection with unemployment relief by the municipality of East Kildonan. I am not blaming the government of the day directly for this, but it can readily be seen from this document what sort of treatment the problem has received. The voucher reads:

Municipality of
East Kildonan
Unemployment Relief Department
Only to be accepted by merchants registered
with the Unemployment Relief Department
Special

King George V Silver Jubilee
Case No.
Date.

To Merchant:

Please supply party producing for your inspection identification card corresponding to case number and signature contained herein with merchandise to the value of 20 cents.

.....
Relief Officer.
.....
Signature of Recipient.
.....
Signature of Merchant.

The family that received that relief points out that that 20 cents would secure one pound of round steak—that is all—and I submit that this is significant of the kind of treatment that we are giving honest Canadian citizens. And it is abominable treatment; it is nothing less than an insult, that in connection with the King George V Jubilee we should give largesse of that kind. The Prime Minister, even in the statement he made this afternoon with regard to the Grand Trunk, points out with what infinite care the law guards the rights of shareholders. What I am pleading for is that we should safeguard the rights of Canadian citizens. I am not for the wholesale repudiation of all obligations, but there are far more sacred obligations resting upon us at the present time and which to-day are being disregarded.

One other little document I hold in my hand may perhaps bring home to the house the actual situation which arises from our disregard of the rights of our people, especially our young people. Some months ago in this house I called attention to a lamentable incident in which a young boy had fallen from a freight train. He was badly injured and as his rescuers picked him up he said, “Kill me; I am no good anyhow.” A few days ago I