

Hon. RAOUL DANDURAND: Honourable senators, it is a very pleasant duty for me to congratulate the mover and the seconder of this Address, whose remarks I have followed with considerable interest. I am sorry that all members of this House could not enjoy the speech by the honourable senator from Ottawa East (Hon. Mr. Coté), which was excellent in form and matter, but they will be able to read the translation of it in our Hansard. The honourable gentleman dealt with not only domestic matters, but also questions of international concern, and his mastery of them surprised me, for I did not think that so busy a man as he is had the time to study world affairs so thoroughly. The honourable senator from Saskatchewan North (Hon. Mr. Horner) gave us some very helpful information concerning his part of the country. We from the East are all deeply interested in what is going on in the Middle West. We know that the farming communities out there are confronted with a very difficult situation, and in addition to our sympathetic consideration for their welfare there is the realization that their fate is intimately linked with ours in finance and in business generally. We in the East cannot hope to prosper when there is no prosperity in the West, and I am glad to think that some measures passed by this Parliament are helping to some extent the people of the Prairie Provinces.

I was surprised early in the New Year to hear that the situation in this country was not as good as statistical reports of preceding months had indicated. We were all rejoicing in the belief that conditions were improving. The honourable gentleman from Ottawa East has given figures to show that we were going up-hill. Nevertheless we were making some progress. I am grateful to the Prime Minister for allowing us to have an agreeable Christmas and New Year's Day and postponing until the second of January his surprising statements, which shocked the country. He told us that all was wrong in Canada; that the world—I am using his words—is in tragic circumstances, the signs of recovery are few and doubtful, the signs of trouble are many, and they do not lessen. The day after that address I felt, as I met people here and there in the metropolis of Canada, that the temperature had gone down considerably. Everybody wondered what had happened. We felt it was a public confession by the Prime Minister of the failure of the two most important objectives in his programme of 1930—the settlement of unemployment and the gaining of markets throughout the world.

Hon. Mr. HORNER.

Figures coming from the Bureau of Statistics have indicated an increase in employment, but we in Montreal have not noticed it. In that city there are still on the dole 47,000 heads of families, and that means 175,000 people out of a population of approximately one million. Most decidedly the unemployment problem has not yet been solved, nor has the "blasting" of the way into foreign markets yet been brought to fruition.

But we are told that if the failure to solve these two important questions has not yet restored prosperity a new recipe will work wonders—and the Right Hon. Prime Minister has heralded a programme of social reform. Well, I listened carefully to his recent radio speeches, and I have weighed them generally and specifically. Although I recognize that social reform is a very good idea, and that Liberalism has always stood for progress and has to its credit many measures in that field, yet I am not convinced that it will be a solution of our present economic problems. We must not forget that many of the projected reforms will be very costly to put into effect, and that beneficent results will not follow immediately. Right Hon. Neville Chamberlain said last week that there was no short-cut to prosperity. For my part, I do not think the enactment of the social and other reforms mentioned in the Speech from the Throne can very soon bring us much nearer to prosperity.

A certain number of the proposed reforms will, as I say, be very costly to put into effect, and therefore we must scrutinize our financial position to know to what extent we can increase our burden. On the 2nd of January the Right Hon. Prime Minister said, "Our burden of debt is heavy and our taxes are high." We all know it. The taxpayer—and who does not pay taxes?—knows it. The burden of debt is heavy, and we are crippled to such an extent in meeting our present responsibilities that a large deficit looms up every year. When we add the railway deficits to the ordinary and the uncontrollable expenditures, the situation is admittedly so grave that the Government thus far has been able to implement only a part of its expressed policy. For example, in 1930 the Right Hon. Prime Minister affirmed that he would place the whole responsibility of old age pensions on the federal treasury. Well, he fell short by 25 per cent. The 75 per cent that he did contribute represents such a load that I wonder whether he was justified either in making such a promise or in implementing it to the extent that he did.