

ment" and "loose administration." Those are severe words to apply to the government which existed in Alberta during those times. Hon. members must realize that the people who are trying to-day to get Alberta out of the morass of debt into which she was thrust had nothing to do with the public affairs of the province at that time. They are struggling against a set of circumstances which were more or less thrust upon them. When hon. members realize that, I think they will give us more sympathy than they have in the past, or perhaps I should say consideration rather than sympathy. All we want is consideration.

It is pointed out that there was an ambitious telephone policy which threw the province into debt to the extent of \$21,000,000. There was an ambitious railway policy which added another \$15,000,000 to the indebtedness of this young province. A highway policy was adopted which proved to be extremely costly, as Alberta is a foot-hills province. The need for roads was greater than in provinces where the topography was more level, and the expense of constructing those roads was greater because of the grades and the necessity for bridges, culverts, and things of that sort. Guarantees of agricultural loans accounted for another \$7,000,000. Bonds of the university of Alberta to the extent of \$4,000,000 were guaranteed. Irrigation bonds to the extent of \$6,500,000 were guaranteed and later on had to be assumed. The governments of the day almost consistently fell behind in their estimates of current expenses. The result was that by 1918 they had fallen behind \$3,500,000 in that respect. Another \$2,000,000 was added in 1921, and another \$2,000,000 in 1922.

There then developed another condition from which we are suffering to-day. The province of Alberta started to sell what were known as savings certificates. This method provided cheaper money, and they went into the sale of these certificates on a rather large scale. The result was that the province became indebted to many of its citizens. The money taken in as savings was spent to a great extent, if not completely. The result was that when the people called for their money which they thought was on deposit, the money was not available. This is what happened just as the social credit government came into power. There was a run on these savings certificates which shook the credit of the province to its very foundation, and destroyed the confidence of great numbers of the citizens who did not understand just why it was they were unable to get their money when they called for it. Many people, care-

less in their thinking and not very well informed, blamed the social credit government. This was not right. The sales of savings certificates had amounted to \$4,500,000 by 1922.

Going on, the report states:

A further weakness lay in the inadequate sinking fund provision of one-half of one per cent.

By 1922 the debt of the province had mounted to \$95,000,000. The people of Alberta became aware of this debt and the result was wide-spread alarm. I can remember quite distinctly when that feeling ran through the province. It was at that time that the United Farmers of Alberta were organized. I took part in the organization of that party shortly after I had left the university. In 1922 the debt was \$95,000,000.

Another period in the financial history of Alberta occurred between 1923 and 1930. I quote from the report regarding this particular period, as follows:

It is true that the mere maintenance of its position, judged by standards then prevailing, was a creditable feat, but the 1922 position had been so unfavourable in itself and so seriously out of line with that in other provinces that there is little excuse for the failure to take more determined steps to correct it.

May I comment on that statement just for a moment or two? The United Farmers of Alberta government came into power in 1921 and immediately they set about to deal with the problem of the provincial debt. As a result of the efforts put forth between 1922 and 1930, no additions were made to the debt; in other words, the debt was maintained at \$95,000,000. The bank report seems to be of the opinion that the United Farmers of Alberta administration was blameworthy to some extent because it failed to pay off some of the debt during the good times of 1926 and 1927. It is easy enough to look back and think of what might have been, but I think hon. members will remember that during those years we all had a sort of feeling that we were being reconstructed from the war, and that we were going to be much better off in days to come.

Mr. DUNNING: The sale of the railways during that period was an important factor.

Mr. BLACKMORE: I did not intend to take the time to refer to that.

Mr. DUNNING: It had a bearing on the debt situation. There is no need to develop it.

Mr. BLACKMORE: The point I want to make is this: If the United Farmers of Alberta administration, which I believe is generally acknowledged to have been an