

the ambition of his boyhood to own a home as a sanctuary for himself, his wife and his children, some tax-alleviating legislation must be passed to make that possible.

It has been said, I think truthfully, that the building trades are the backbone of prosperity, and that the product or products of the building trade is real estate from which is extracted the bulk of our taxation. The burden of relief in our municipalities has been soaring since 1930. Because of increasing tax rates and assessments which have been consistently too high, we have placed on the home owner a burden of taxation that he cannot bear up under. The poor home owner is bowlegged and humpbacked from trying to carry this burden. This condition has been caused by a frantic effort on the part of the municipalities to get revenue from the only source available, that is from real estate taxation and other levies in the way of licences and levies on the business man.

Several hon. members from Toronto have pointed out that in that city real estate bears ninety per cent of the burden of taxation. In Hamilton real estate bears 88.4 per cent of the burden of taxation. The result is that the home owner and the small business man are bearing almost the total burden of relief. What incentive is there for a man to own his home? What incentive is there for a young man to fulfil the dearest ambition of his life, and practise one of the fundamental principles of citizenship?

To some extent municipalities are restricted in their ability to tax. The province has wider powers and the federal government, through this House of Commons, has access to the widest field of all in the way of taxation. The mayors of various cities waited upon the provincial government and also upon the Minister of Labour of this government, and the result was that the province said: We will cooperate with you, we will try to do something for you, we will try to shoulder a greater part of your load. However, I understand that this is a step which this government, through its Minister of Labour, does not care to take. The result is a stalemate and the municipalities are faced with the probability of having to shoulder more than half the cost of relief for 1938.

I was interested last night in hearing the Minister of Labour say:

I fully agree with what has been said to-night regarding the plight of the small property owner. From the time I first came into active contact with the relief problem in Canada I have been impressed with the unfairness of a system of relief which presses as heavily as it does upon those who own real estate. But I would suggest to hon. members that the only

[Mr. Marsh.]

solution to this problem does not lie in an increase in grants in aid payable by the dominion to the provinces. It is within the power of the provinces to increase the grants to municipalities, over and above the amount received from the dominion government. It is also within the power of the provincial governments to confer wider powers of taxation upon the municipalities within their borders.

The province has promised fuller cooperation, and inasmuch as this is a national problem, I suggest that we regard it as such and do something to relieve the property owner. I wonder if we realize the extent of unemployment and relief payments still obtaining in our cities, despite what we hear of increasing revenues and trade and commerce. I am not saying that conditions are not slowly getting better. The employment figures are mounting gradually, but I am speaking about the municipality of which I know most, the city of Hamilton. In December 1937 we had 2,606 families on relief, and now the number of families is 3,002, an increase of 400 during the last two months. Last year we paid out in direct relief \$1,319,918, of which the city's share was \$345,222. Of that amount the city of Hamilton budgeted \$100,000 and funded the balance of \$245,222. I do not want to tire the house with figures, but I will briefly present some items to indicate what we have paid out in relief in various forms. Last year there was expended: for food, \$721,400; fuel \$166,748; clothing, \$59,835; shelter, \$308,713; medical services, \$50,075, and for a land settlement scheme, purely an experiment in the city of Hamilton with the surrounding community, but one which I believe has definite possibilities, \$12,372. There are some other charges, which at the moment I cannot earmark, amounting to \$775, or a total of \$1,319,918 for direct relief.

Now, the point is that the cost of relief did not improve materially during the year. In January, 1937 we spent \$134,011; in December of the same year, \$126,546—in other words, approximately \$7,400 less, an improvement of eight per cent. My submission is that so small a decline in expenditure cannot be regarded as a real improvement.

I desire now to say just a word or two about the ability of the property owner in Hamilton to pay his taxes. In 1930 arrears of taxes in our city amounted to \$1,107,710 against an assessment of \$165,440,160. Seven years later what do we find? We have tax arrears to the amount of \$2,488,555 on substantially the same assessment, or a trifle less, namely \$164,127,200.

What does it all mean? It means that the home owner cannot continue much longer