

strained every resource in the past and in many cases have reached the limit of their borrowing powers; and to a considerable extent they have reached the limit of their taxing powers as well. Not perhaps that municipal law will not allow them to tax the people further; but experience shows that you can tax the people just so much and then, as governments have found in the past, you do not get as much money as you did before. Many of the smaller cities have reached the limit where they can reasonably tax the people and expect to get more money. So that if we are to be confined to direct relief, then the government will have to be prepared to pay a larger share of relief money. This will be necessary for two reasons: first, as I have stated, the cities have little or no money, and in the second place, they will be worse off under a policy of direct relief than under the system of contributing to work. Under the system of contributing to work, the arrangement, in British Columbia at any rate, was that the city paid twenty-five per cent, the province twenty-five per cent, and the dominion fifty per cent. So that if a municipality had \$1,000 to spend on relief work, it resulted in a total expenditure of \$4,000. That is obvious. Now, if they are to be confined to direct relief, which is on the basis of 33-33-33 and a fraction, then the city's \$1,000 will result in an expenditure of only \$3,000 and they will have nothing to show for it. They will still have to dig down into an exhausted treasury to do whatever necessary maintenance work might be required in the streets. So that they will be much worse off under the direct relief system than under the one that obtained last year, where each party to the agreement contributed to the work in the proportions I have mentioned. I suggest again, therefore, that if the system now proposed is to operate, the cities will have to have a larger grant.

My next suggestion is that the minister put a little more into the act and a little less into the regulations. He has had one or two years' experience and he knows what can and what cannot be done, and I think the work would be facilitated if he would put more into the law in order to let us know just where we stand. Above all, we want a real genuine system which will provide that when the cities have expended money and are entitled to a certain return from the Dominion government, they shall receive immediate payment. The experience in British Columbia during the last year shows this to be a highly

[Mr. Neill.]

desirable thing. Last year the cities in that province made a deal with the provincial government that they were to put up so much, the province so much and the dominion so much. They went ahead and spent money and incurred obligations. When the work was in progress the men had to be paid and the result was that the cities had to borrow money at a high rate of interest in order to meet payments which should have been met out of payments from the government. In many cases these cities reached the end of their borrowing powers and the unhappy storekeepers had to act as bankers for the province. There should be a definite system evolved so that this money will be paid when due.

I would suggest that the dominion relief officer, especially in the province of British Columbia, should be placed in a position to earmark the moneys coming from the dominion. These moneys should not pass through the provincial treasuries, where it has a habit of sticking; it should come directly from the dominion to the cities. Of course, provision could be made to see what vouchers are properly o.k'd and all that; let the provinces O.K. the vouchers, but do not let the money get into the provincial treasuries. Such a procedure would make the burden of relief, which will be heavy this year, much easier to bear.

I am not making any grand bold suggestions that the department change its policy, because I know they would not; I am only making these one or two plain suggestions. However, I think they are practical suggestions and if the minister will give them consideration I do not think he will be so likely to have a repetition of the nightmare which he must have had last year in connection with the situation in British Columbia.

Mr. HURTUBISE: Mr. Chairman, I have followed the trend of this discussion but I wonder to where it is leading us. I am beginning to realize that the government is trying to shirk the responsibility of relieving unemployment. During the last election the Prime Minister (Mr. Bennett) said that he was going to build the trans-Canada highway and would undertake other public works in order to give employment to everyone who wanted it, but, the farther we go the more we realize that the government is trying to shirk the responsibility. Last year when the unemployment relief bill was introduced the responsibility was divided between the municipalities, the provinces and the Dominion government. That plan seemed to work for a while, but it has proved to be a complete