

adopted a housing and construction policy; they tried to balance their budget; they adopted a policy of preserving their home markets by tariff concessions as much as possible for their own workmen by protection and by reforestation and a suburban policy, and as a consequence they have tided over the depression and have become to-day one of the most prosperous countries in the world.

In this country in recent years we have been too prone to load federal and provincial burdens upon the municipalities. Our constitution in that respect is well on its way to becoming upside down. The Prime Minister (Mr. Mackenzie King) said that the present government could not make a direct grant to the municipalities. That only shows the necessity of parliamentary and constitutional reform. I had a motion on the order paper dealing with that question, but the resolution was called only once although it had precedence I agree to let five or six other motions have the precedence. It is only begging the question for the government to say that they cannot make direct grants to the municipalities. They have made grants to municipal bodies before. In 1919 they made grants to the municipalities for housing, and ninety-five per cent of that money, millions of dollars, was paid back by the municipalities. So what is the use of the government making that argument? Grants have been made by the federal government to municipal institutions all over this country, for pensions, housing and many other services, and to quasi municipal harbour commissions and other social services. The municipalities themselves have no new sources of taxation. They have increased taxes on property owners so much that property is now taxed to death and nobody wants to own it. This affects real estate; it discourages employment; it discourages housing construction, and it leads to congestion and a lower standard of living. In Ontario the municipalities have found little sympathy from the province, because Ontario is seeking to balance its budget at the expense of the municipalities. The provinces were created for political, not economic, purposes. That was one of the greatest mistakes made at the time of confederation, and that is why we are not able to solve the economic problem in Canada. Four of our provinces would have become bankrupt but for federal assistance. Prior to March 5 of this year the federal government advanced \$111,000,000 out of the public treasury to the four provinces west of the great lakes. That is a new constitutional development. If the government, in contravention of the British North America Act, can aid the prov-

inces in this way to the extent of \$111,000,000; if they are able to get round the British North America Act and give cash grants for outside services and federal subsidies, why cannot they come to the help of our municipalities? The provinces up to 1930 were able to run their own affairs out of their subsidy and direct taxation, but the municipalities are looking to this parliament for help. As I stated the Minister of the Interior (Mr. Crerar) and the Minister of Labour (Mr. Rogers) the other day gave a heartless reply to the municipalities.

Look at what the United States senate has done to solve the unemployment problem. I referred yesterday to what it did in 1927 under a senate committee there, and the report that was made at that time. Our own senate last year made 555 amendments to our social and unemployment insurance bill, and yet it did nothing to help relieve unemployment in the past 12 years. This Bill No. 19 is fifteen years too late in getting started here. The government ten years ago refused to adopt the policy which we are now asking them to adopt on the third reading of this measure. I can see no object in the present policy of the government in this bill. The unemployment insurance bill that was passed by this house last year is tied up in the courts awaiting a decision while the unemployed are calling for jobs. This unemployment commission can make rules and regulations and make agreements with provinces and corporations outside the control of parliament altogether. That is what Lord Hewart called the new despotism. Where is the liberty of the subject to be if these matters are taken out of the hands of parliament and handed over to a commission which is given powers over the heads of the law courts in this country?

What does this bill say about business? The commission can make agreements with corporations. What corporations? Are they going to make agreements with some of the corporations on which the chairman of the commission is a member of the board, such as the Sun Life, the Bell Telephone and many other companies, including some companies in New York. Are they going to make agreements with these companies? The bill in its present state is an interference with business and with corporate direction of property in this country. It is a most amateur performance and in its present form it will not aid employment because of the restrictions which it is going to place on industry, which should be unfettered if it is going to help give employment. We are giving this commission the right to make agreements with companies