

*Unemployment*

icipal governments as having an immediate relation with the dominion government, is a serious and fundamental barrier to success in the unemployment relief program.

I do not know how far the government feel that the municipalities can carry the burden of the unemployable. There are two phases of that particular branch of the problem which must be considered. The first is that the municipalities, as such are not able to meet the ordinary needs of the people. The social service problems which have been developed as a part of the functions of municipal government are far beyond the revenue powers of municipal administration. But more than that, out of the existing depression a large number of people have developed into unemployable public charges, and this condition has brought the totals up to far greater numbers than were ever contemplated when the assumption was established that, through levies on its own taxpayers, the municipal government should maintain those in destitution who were resident within a city. I know that the problem of health service in many cities has been carried on only because in a spirit of charity medical doctors have given professional services for which they have not been paid. If there is to be no cooperation between the dominion government and municipal governments throughout the dominion, then it does seem to me that municipal governments are facing a very serious position, and one which they should not have to continue to face. I do not suppose it is the intention of the government to throw into a condition of destitution and starvation those who are now dependent upon municipalities, and if through the municipalities and out of the limited funds to be made available by parliament some arrangement is not made now for the care of these people it will practically mean receiverships for municipalities from one end of Canada to the other. The real problem comes down to this: When men in municipal governments are faced with the choice of paying interest on their bonds and meeting their debt charges, or appropriating their available funds to taking care of the destitute in their respective areas, they are going to choose on the side of humanity. That means default; it means receiverships, and, has already meant receiverships in two hundred and fifty-three municipalities across the dominion. The situation is not one to be blinked at; it is not one the responsibility for which may be ignored, and it does not seem to me that the bill anticipates the action which must be taken on this problem before the year is out.

[Mr. McGeer.]

Mr. MACKENZIE KING: May I say to my hon. friend that I do not think he is justified in saying that there is no cooperation between the dominion and the municipalities. I should like to remind him that in the past winter the present administration increased by seventy-five per cent for four months the grants to the provinces to be passed on to the municipalities.

Mr. McGEER: But it was not.

Mr. MACKENZIE KING: It should have been, if it was not.

Mr. McGEER: Hear, hear.

Mr. MACKENZIE KING: That action was in the nature of cooperation between the dominion government and the municipalities while preserving the relationship which under our constitutional requirements all governments are bound to recognize.

Mr. McGEER: I believe every municipality in Canada appreciates what the government did in that regard, and the admonition to the provinces to pass on the benefits of the increased grant, but notwithstanding that admonition, some of the provinces did not pass it on. I do not think any of them passed on the full amount. I know that while in British Columbia the province was fairly generous with the municipalities, at the same time it pointed out that as a provincial government their load was far more than they could carry. Of course the natural tendency of the provincial government is to balance its budget and let municipal governments take care of themselves. Already we have two hundred and fifty-three municipalities in default, and we are now threatened with a situation in Montreal, Windsor, Calgary, Moose Jaw, Victoria and other cities which is going to spread. Whether under the constitution or under the practice which has grown out of it, the fact remains that each municipal government is a definite part of the political executive of the dominion. The municipalities are administering the affairs of more than half the total population of the dominion and have under their jurisdiction an enormous portion of the total accumulated wealth of the Canadian people. That whole structure is in jeopardy.

But more than that, and quite apart from the financial angle, does the government think that in connection with the problems of education, the advancement of health measures, the development of effective superannuation allowances, mothers' pensions and a great many other social services, which are now part and parcel of our administrative