

which is not worth anything. If Alberta gets away with it, Saskatchewan and Manitoba will follow. True, there may be a whirlwind to be harvested; true, the result will be disastrous for the people of that province; but do not forget that it will be disastrous also for the rest of Canada. If you investigate the record of the Canadian National Railways and the Canadian Pacific Railway for the last seven years you will find that the falling off in their earnings is largely due to the falling off in the earnings of the Western Provinces. The sooner we face the situation the better. As I say, Sir John Aird and Mr. Wilson and other men in high positions in the financial world are advocating the solution I have mentioned.

Unemployment is a disease, and once you get it no doctor can cure you. Furthermore, it affects everybody else. I congratulate the Government of the honourable the leader upon its action in increasing the grants for unemployment relief when it came into office. Yet the city of Winnipeg last year—I want the honourable the leader of the Government to know this—paid out more money for unemployment relief than it paid out the year before. In 1935 the city of Winnipeg paid out \$3,900,000 odd for relief: last year, with all the improvement in industry, with all the improvement in trade, with all the expenditure on improvements, the actual cash paid out by the city of Winnipeg was more than \$4,000,000.

The Government has done two or three things with respect to unemployment. In what I am about to say I do not want the honourable leader to think I am criticizing the Government. The unemployment problem is too serious to permit of a mere remark being construed as criticism. What has the Government done with regard to unemployment? It has appointed a commission. This commission has found that eleven per cent of the unemployed are unemployable, fifteen per cent are over age, others are disqualified for other reasons, and only forty-eight per cent are employable. What else has the Government done? It has said to the banks, as the right honourable the leader of the Opposition mentioned, "We will guarantee your loans up to \$50,000,000 for home improvement." But if you have the same kind of title that is required under the new scheme you can go into any bank in Winnipeg and get all the money you want for the purpose of improving your property. About \$1,000,000 has been paid out, but that does not solve the problem.

Let me tell you where the problem exists in the city of Winnipeg. In large part it

Hon. Mr. HAIG.

consists in the fact that many of the unemployed are people who normally would be engaged in the building trade or some of its branches. I suggest that if you build a house in any city eighty per cent of the cost of that building goes into labour. There is a shortage of houses in Winnipeg; there is a greater demand for houses than ever before in the history of that city. The same is true of apartments. The report of one of our largest real estate firms bears this out. Two, three or four families are occupying one house. Perhaps you will pardon a personal reference. My daughter teaches in a district where there is very heavy unemployment, and sometimes she has in her classes six or eight children who live in one house. Sometimes they represent as many as five families who are living together because they cannot afford to rent better accommodation. Why are new houses not being built for these people? The rents are reasonable. I will tell you why. Under the unemployment relief scheme the cost of relief is placed on the properties in our cities. Ninety per cent of the taxes of the city of Winnipeg are raised on property, and if you build a house there to-day half the rent goes to the city in taxes.

Hon. Mr. LYNCH-STAUTON: All of it in many cases.

Hon. Mr. HAIG: I am talking about a reasonable house in a reasonable neighbourhood. What investor will put his money into a property half the revenue of which is going into taxes before he gets anything himself? If you want to solve the problem of unemployment, relieve the municipalities. I am convinced that in this way the cost to the Government will be reduced by reason of the fact that the people who are now on relief will get jobs and go back to work.

Honourable senators know what is happening to-day. Men who for years have worked six or eight months in the summer season, thus earning enough to live on for the rest of the year, now quit work on the 30th of November and go on relief on the 1st of December. They walk out one door, where they have been employed, and walk in another to go on relief. They say, "Why should we not have relief as well as the other fellow?" It is almost impossible to get domestic servants in Winnipeg, yet there are 1,500 single women on relief. They say: "Why should we go into domestic service? If we go on relief we shall not have to do anything and we shall live as well as anybody else." Why should 5,000 single young men remain out of work in Winnipeg? Well, it is much more agreeable to sit around on unemployment relief than to work. Try it.