

Mr. GORDON: If I caught the hon. member correctly, he said the unemployed were destitute.

Mr. REID: No. They registered as being destitute, having no funds and no work. The municipalities in the first instance have had to bear the financial burden, they have had to go to the bank and borrow money for relief purposes, at from 6 to 6½ per cent; then they had to wait until the provincial and dominion governments reimbursed them. That was an extra load they were asked to carry. Last year the tax collections in the municipalities decreased very considerably, due in great measure to unemployment, and many properties have been and will be sold by the municipalities to pay for arrears of taxes. I am speaking particularly of British Columbia. Many people who a year ago were not asking for relief are to-day in this position. They have used their resources and are looking for work or assistance. The strain of the last few years has brought many municipalities to the verge of bankruptcy. They would not be in this distressful condition had it not been for the undue burden placed upon them by the unemployed seeking relief. But the serious point to which I wish to direct the attention of the minister is that in British Columbia the banks have now assumed a dictatorial attitude towards the municipalities notifying them that they must balance their budgets or not one cent will be advanced by the banks for relief purposes. One municipality whose ordinary program of unemployment relief work was \$40,000 has been told by the bank to cut it down to \$22,000. I think the government would be well-advised to note this attitude of the banks, because it is only going to increase the burden of the municipalities.

Mr. GARLAND (Bow River): Was not this government told by the banks to balance its budget?

Mr. REID: I think the banks have taken even a stronger attitude with the municipalities than they have with this government. I do not think that even this government has balanced its budget if you take into account what is intended to be spent to relieve the destitute.

At a meeting recently of the executive of the Union of British Columbia Municipalities they passed a resolution dealing with the unemployment question. I will not quote the whole resolution, but I think these paragraphs should be brought to the attention of the minister:

Federal intervention to check dictatorial methods of banks toward British Columbia municipalities was urged at a meeting of the

executive of the Union of British Columbia municipalities in the city hall here to-day. . . . The executive went on record as opposed to the federal government's direct relief policy, but in event of its adoption urged that it be financed on a fifty-fifty basis by the federal and provincial governments. Municipalities, it was said, have no taxation powers to provide for unemployment relief this year.

Banks instead of shouldering their portion of the national burden of unemployment are actually making more money to-day than ever before by soaking governments and municipalities higher rates of interest. . . . If it was not for unemployment and social service costs, all municipalities would be able to balance their budgets this year.

I might point out that the municipalities in British Columbia are carrying the highest bonded indebtedness per capita of any municipalities in the dominion. I do not say whether that is good or not, but the per capita is something like \$252.

Mr. GORDON: What is the reason for that?

Mr. REID: In a young province like British Columbia roads had to be built and various improvements made for the settlers; all this has necessitated heavy expenditures, and of course there has been also a heavy outlay for improved motor highways and for educational purposes.

Mr. GORDON: British Columbia is an older province than Saskatchewan or Alberta, by many years.

Mr. REID: I am not going into the merits or demerits of the bonded indebtedness. I am merely stating that the per capita bonded indebtedness of the British Columbia municipalities is the highest in the dominion. For instance, in New Brunswick it is only \$50.38, as against \$251.98 in British Columbia. It is now being urged that the dominion and provincial governments assume 100 per cent of direct relief. Many municipalities are unable to take care of the unemployed who are already registered.

Mr. GORDON: Are we not doing that now?

Mr. REID: My information is "no." If you are doing it I shall receive the information with great pleasure.

Mr. GORDON: Well, if we have been doing it, it won't help you much apparently.

Mr. REID: I should like to know that you have, because my information is to the contrary. Some of the municipalities have been clamouring for cheques for direct relief.

Mr. GORDON: I have reference to the provincial direct relief.