

*Unemployment*

When it comes to the question of what are the remedial works which governments can engage in, believe me, sir, none of them are of a type more likely to provide employment in abnormal times than those works which municipal governments do carry out. And when work is provided of a constructive nature in a municipality it has the advantage of providing employment where the unemployed live. It is not necessary in these cases to uproot people and send them elsewhere to find employment. It is a fact that the unemployment existing in Canada today has its most acute form in the large urban municipalities. I mentioned my own city of Toronto where the unemployed today exceed 50,000.

But, sir, municipalities are, of all levels of government, least able to cope with the problem. They are closest to the problem, but they are least able to deal with it—they have such a limited tax base. Many of the unemployed who are flocking into the cities today and there swelling the numbers of unemployed are people who are not normally residents of the particular municipality. It is a fact, and it is not a new fact, that when unemployment arises in Canada on any substantial scale the unemployed in large numbers trek to the larger urban centres.

Now, sir, there is virtually nothing within the broad scope of policy of municipal government that can affect the rise or fall in the numbers of unemployed. Municipalities, if they have the financial resources, can provide work in certain cases; but those great realms of governmental policy which do affect the conditions out of which unemployment or prosperity may arise are far beyond the competence of the municipalities under our division of governmental jurisdiction in Canada. Therefore in a situation of this kind we who devote ourselves to public responsibility at the federal level might just as well accept the fact that if this problem is going to be grappled with at the governmental level the senior governments must find a way of either assisting municipalities or relieving them.

The Canadian Federation of Mayors and Municipalities in its submission of a few months ago made these important statements: . . . national or regional figures indicating the percentage of the working population without employment do not necessarily reflect the situation in a particular municipality.

Then later:

. . . there is a compelling necessity to develop a program of unemployment relief assistance that can be brought into operation when unemployment reaches abnormal proportions on a local or regional basis even though it is apparently normal from an over-all nationwide point of view. It is clear that an adequate unemployment assistance program cannot be financed through the limited and relatively inflexible resources of a municipality.

The responsibility must therefore devolve upon the federal government which has a variety of revenue resources at its command and which, increasingly, is commanding an even larger proportion of all government revenues.

What of the responsibility of the provincial and federal governments? In my submission to the house this is a problem where the responsibility primarily rests upon the dominion government; and it rests there, apart from other considerations, for three reasons. First, the federal government has the required tax resources, the ultimate tax resources in Canada. Second, the realms of policy out of which unemployment conditions arise on a national scale—for this is a national unemployment problem—are federal and national. Third, the federal government, if it will scan the record, has already admitted responsibility.

We recall that but a few months ago the federal government was proclaiming loudly, proclaiming from the housetops, its assertion of priority in the fields of direct taxation. The house will not have forgotten the assertions on this subject by Mr. Abbott a year ago, when minister of finance. The country will not have forgotten the wordy contest that began on the part of the Prime Minister (Mr. St. Laurent) last September, and died away significantly soon thereafter, at the outset of which the Prime Minister was supporting the contention of Mr. Abbott of a year ago that the federal government has priority in these fields of taxation.

Therefore the hon. member for Spadina (Mr. Croll) was perfectly right and completely logical when he said that, having that priority over sources of revenue, the dominion government must recognize at the same time a priority in responsibility with reference to the unemployed. In his speech on March 2 the hon. member for Spadina provided the most complete and telling answer to that partisan outburst in the house last Wednesday, March 16, on the part of the hon. member for Rosedale (Mr. Henry). I ask the hon. member for Rosedale to read the speech of his more experienced and more logical colleague, the hon. member for Spadina. There he will find a complete answer to himself and others who are like-minded.

It was significant that the hon. member for Rosedale carefully eschewed any questions that any members in the house sought to ask him. Look at page 2097 of *Hansard* and you will see the efforts that were made to persuade the hon. member for Rosedale to submit to questions on the subject, and how carefully he insisted that he would not answer questions. The reason is quite obvious. A poor case would not admit of