

report of the national employment commission, referring to the situation in respect of grants in aid as the commission saw it on taking office:

A system of aid, to which the dominion contributed, which had developed without adequate regard for the causes of the distress relieved and with insufficient safeguards, and which in consequence tended to discourage rather than encourage reemployment.

In any event this system of grants in aid was established, and under the legislation of the former administration the dominion contributed on a percentage basis; thirty-three and a third per cent was provided by the province, the municipality and the federal government respectively. In August, 1934, when the administration which the hon. member for Broadview supported was in power, the system was changed and the grants in aid were cut down to a monthly sum of \$600,000. This was in effect between August 1, 1934, and November 30, 1935, while the former administration was in office. In other words, during that period the grant in aid was decreased in percentage from thirty-three and a third to 21·11 per cent. I ask the hon. member for Broadview and the hon. member for Danforth (Mr. Harris), both of whom were in the house at that time, why they kept such a discreet silence when the percentage of relief was decreased? Why did they not criticize the administration for reducing the percentage of relief as I have indicated? The other two hon. members, representing St. Paul's (Mr. Ross) and Greenwood (Mr. Massey), were not then in the house; they were only budding politicians; but surely the hon. members for Danforth and Broadview could have risen in their places and protested against the decrease. I am not prepared to criticize the former administration for having inaugurated that reduction, because I think they found that a percentage grant of relief is not in the interest of the taxpayer, that it encourages an excess of municipal expenditures and has caused many municipalities to become insolvent. But in any event these hon. members were silent.

Mr. HARRIS: Will the hon. member permit a question?

Mr. FACTOR: Yes.

Mr. HARRIS: What portion of the moneys paid out for direct relief at the time he mentions were revealed in the tax rate or in the taxes collected by the city of Toronto in the year to which he refers, which I believe was 1933?

Mr. FACTOR: I have those figures, and if the hon. member will permit me I will refer to them later.

Mr. HARRIS: The hon. member knows that there was nothing in the tax rate, and that now there are two millions of dollars paid in taxes.

Mr. FACTOR: I appreciate the question, and I will answer it when I come to it.

Mr. HARRIS: That explains the silence.

Mr. FACTOR: In 1935 the present administration came into power, and what happened? The grants in aid to the province were increased to seventy-five per cent and the monthly grants increased to \$1,050,000. In other words the percentage was increased from 21·11 to 31·91. I do not recall hearing the hon. members for Broadview and Danforth give any measure of praise to this administration for increasing the grant in aid from twenty-one to thirty-one per cent. There was an indiscreet silence at that time.

In April 1936 conditions undoubtedly had improved, and the grants in aid were reduced to \$892,000. There were successive adjustments from April 1936 to June 1937, when the grants amounted roughly to about \$600,000 a month, or thirty-two per cent of the total. In July 1937 they were reduced to \$480,000, and remained at this amount till September, 1937, then amounting to thirty-eight per cent of the total; and in October 1937 the amount was reduced to \$465,000, to continue to the end of the fiscal year, March 31.

I wish to quote a few figures to indicate how fairly and adequately the federal administration tried to deal with the provinces. Since the government came into office the dominion grants in aid to all the provinces, as of December 31, 1937, amounted to \$59,404,798. Of this amount Ontario has received \$19,941,750, or 33·6 per cent. The population of Ontario, according to the bureau of statistics estimates for the year 1937, is 33·4 of the population of the dominion. I believe hon. members will agree with me that that was a fair allocation of the grants in aid. Further, of the total number in receipt of material aid in the dominion in January 1937, twenty-nine per cent were in Ontario; in January 1938 the percentage in Ontario of the dominion total dropped to 22·6. From January 1937 to January 1938 the reduction of the numbers in Ontario in receipt of material aid was 32·4; in the same period the reduction for the dominion, apart from the drought areas, was 23·6 per cent, and for the dominion including the drought areas, 13·6 per cent. In January 1937 the percentage of Ontario's population on material aid was 9·2; in January 1938 the percentage had dropped to 6·2. The percentage of the population in receipt of material aid, apart from the drought area, was, in January 1937, 9·1, and in