

*Unemployment Relief—Federal Responsibility*

Mr. HEAPS: If it is thirty per cent, it would appear that there is not much difference between what is paid now by the federal government and what was paid a few years ago.

Mr. ROGERS: There is, because the total amount expended was greater some years ago.

Mr. HEAPS: Earlier?

Mr. ROGERS: Some years ago, when the expenditures for relief ran far in excess of what they are to-day.

Mr. HEAPS: Do I understand the minister to say that to-day the government is paying a greater share than was paid four or five years ago?

Mr. ROGERS: I should say it is not greater than in 1933, but greater than what the government was paying in the latter part of 1934. Certainly that would be so after August, 1934, when the old system of the dominion government paying thirty-three and a third per cent of the total cost was superseded by the present system of grants in aid. For example, the dominion contribution in November, 1935 to the province of Ontario represented twenty per cent of the total cost of relief in that province. We are paying much more now than we did in 1934 and in most of 1935.

Mr. HEAPS: I want to find out if the proportion now borne by the municipalities is greater than it was in 1934.

Mr. ROGERS: It is really not possible to answer that question, as I have not those figures here. My hon. friend is also aware that the percentage borne by the municipalities varies not only within the provinces but as between the provinces.

Mr. TUSTIN: How do they arrive at the amount of the grants in aid? Is that worked out on a percentage basis in connection with each province?

Mr. ROGERS: The amount is based upon an estimate of what will be required for the forthcoming year. A lump sum is allocated by this parliament to the various provinces on the basis of those unemployed, qualified by the financial position of the province. It is not possible to reduce that to the terms of an algebraic formula, but looking back over the years I believe we would be justified in saying that the allocation among the provinces has been fair and reasonable, having regard to the problem itself and the financial position of the several provinces.

If we did not have recourse to the income tax to raise the money required by the dominion government taking over the entire

[Mr. Rogers.]

cost of relief, we would have to consider the sales tax. I think it will be agreed that here again we would be burdening that group of moderate wage earners who represent, so to speak, the working force of the country as a whole. Not only that, but with an increase in the sales tax we would be providing another deterrent to a revival of the building industry.

I do not propose to develop these points any further. I have brought them out simply as an illustration of the difficulties that would confront the dominion government in assuming the entire financial responsibility for relief within the present structure of the constitution. I use those words deliberately because it has been agreed generally, both by the preceding administration and the present government, that so far as present constitutional responsibility is concerned, the primary responsibility lies with the municipalities, while the responsibility in a secondary sense lies with the provincial governments. The dominion government goes in to assist the province when the problem has reached the point where it is beyond provincial resources. I do not suggest that an improvised method of dealing with the situation has been wholly satisfactory. We are doing our utmost to improve it from time to time, and the agreements now before the provinces are designed for that purpose. I believe that when these agreements are fully understood and accepted by the provinces, we shall be able to remove some, at any rate, of the abuses which now exist in the administration of relief.

But there is also another reason why it would be most unwise for the dominion government at this time, as suggested in this resolution, to assume the entire responsibility for relief. That reason lies in the fact that the relief problem at present is not wholly an unemployment problem. Relief lists in all provinces have been heavily charged with charity cases and unemployables. That, I am quite sure, is within the knowledge of any member of the house who has had close acquaintance with the development of relief during recent years. It is clear, therefore, that as the relief problem is contracted, this constant element of unemployables becomes relatively greater in the total. It is greater to-day than it was a year ago. It was greater then than it was the year before that. So this proposal means in effect that the dominion government at this time is asked not only to take over unemployment relief but also to take over from the provinces the care of unemployables. Now, if the dominion government had not already accepted some