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A SURVEY OF UNEMPLOYMENT RELIEF IN CANADA

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P R E F A C E

The problem of unemployment relief has recently become of national importance to Canada. The rapid industrialization of Canada in the past few decades and the attendant increase in population have brought Canada face to face with the periodic mass unemployment characteristic of the modern industrial system. It has been attempted here to trace the development of the relief program in Canada and while the study does not by any means exhaust the subject it has been undertaken with a view towards the emphasis of certain salient features and points have grown directly out of the Canadian situation.

The Canadian policy towards unemployment relief has always been, and to a large extent still is, characterized by its experimental and emergency nature. This is quite evident when the programs of the years 1930-1934 are considered and the vacillation and revisal of policy is observed. We have gone from Public Works to Direct Relief and in the year 1934, not covered in this report, there was experienced another policy. At this time the sum of \$40,000,000 was voted by the Dominion Government for the construction of federal public works throughout the country.(1)

The government has continued to add new elements and a new emphasis from time to time changes the direction of relief policy. Unemployment insurance has been introduced, inflation has been bandied with and suggestions and changes continue to follow upon one another. The final word cannot by any means be said (regarding unemployment relief) and it is with the intention

primarily to clarify certain aspects of the Canadian problem and to thereby develop a constructive approach that this study is undertaken.

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C H A P T E R I.

HISTORICAL SURVEY OF THE RELIEF PROBLEM IN CANADA

Unemployment is commonly defined as the state of a worker who is capable and willing to work but cannot find employment because of general economic conditions or maladjustment within plant or industry. Irregular and seasonal employment, under-employment, may also be included in a broader interpretation of unemployment and voluntary unemployment due to strike, a natural ineptitude for work, or a physical incapacity for labour are other angles of the problem but these latter types of unemployment do not have a direct bearing on the problem that we are about to consider.

The unemployment crisis which the world faces at the present time is primarily a reflection of the depressed condition of our economic structure. It is an inseparable part of the fluctuations which have come to be accepted as a necessary evil of the capitalist system. It is a problem that has grown out of the industrial system with its characteristic division of labour and the interdependence of man and man for the means of livelihood.

The modern worker, subjected as he is to recurring periods of unemployment, be they due to technological, seasonal

or cyclical factors, is seldom in a position to maintain himself or his dependants throughout a period of protracted unemployment. Wherever or upon whom the responsibility for the labourers' wants may lie, humane, modern society acts upon the general principle that so long as there is sufficient for all no individual shall perish from starvation or exposure. Until very recently in the history of the modern world, society as a whole accepted the responsibility in theory but little else. When a grave emergency arose it muddled through by a haphazard combination of public, private and personal efforts, met each occasion as it arose and made little preparation for the next. It may be said in this connection that unemployment relief as considered here refers not only to those measures which are directly designed to provide the basic physical needs of those out of employment but of the constructive efforts made to provide some form of relief for unemployment either directly or indirectly. These may include the provision of substitute employment, the shortening of the period of employment, the steps taken to regularize employment, and in a general sense all the efforts made to create favorable economic conditions.

We are here concerned with the growth of this problem in Canada and the development of method and policy in response to the demands thus placed upon society. While it is nothing short of a truism that the unemployed are always with us we are more

concerned here with the relief problems that arise out of periodic mass unemployment. The problem has not been one of very long standing in Canada but its roots lie in all along the path of Canadian economic development and for this reason the following paragraphs are devoted to a survey of the relief problems in Canada's earlier days.

Of the earlier history of Canada there is little instance of the conduct of public welfare. This is partly due to the lack of recognition of social problems but the more genuine explanation is to be found in the conditions of the times. Among the earliest Canadian settlers there could certainly be no unemployment. To work from dawn to dark was scarcely sufficient to wrest a living from the virgin soil. Until the British Conquest in 1763, agriculture, fur trapping and lumbering were the typical pursuits of the settlers. Crop failure and famine might stare them in the face but unemployment, never. From time to time crisis had occurred in the fur-trade, the fishing, and lumber industries, and also among the few merchants of the towns, but the difficulties arose primarily from bad weather conditions, wars with the English and the Indians, and were generally accepted as the natural vicissitudes of a pioneer country.

The fur-trade was the most important single commercial enterprise in the colony of New-France. ⁽¹⁾ It was subject to severe fluctuations for several reasons, the most important being

(1) See H.A. Innis. Select Documents in Canadian Economic History Vol. I--1447-1483, Toronto 1929, P. 271.

that by nature it was luxury trade and the demand for furs was unstable. The Indians and the weather combined to make the supply of furs an unknown variable and the distance from markets and poor transportation increased the hazards of the industry. In as much as the business of the towns inevitably revolved about this important industry its constant fluctuations were a severe tax upon the new colony's economic structure. Immigration at this time was gradual and had not yet become the problem of the post-conquest period. While at this time the relief of destitution resulting from unemployment or any other cause was not of major importance, it is of interest in the development of relief tactics. The Roman Catholic Church was an institution of great power in these early Canadian days and theirs was the responsibility of the relief of destitution. The heroic work of the Jesuit priests among the early settlers was of prime importance in the relief of the uncertain economic conditions that beset them. This assumption of charitable activities by the church in the early days of Canada has had an important bearing in the development of relief policy in Canada although more particularly in the province of Quebec.

The colony fared badly during the period of conquest and when the British assumed the government of Quebec in 1760 social and economic disorganization presented a grave situation. The following documents in the Canadian archives illustrate what is probably a typical instance of the social problems that arose

in those difficult times and the charitable measures taken by
 (2)
 the new administrators of the colony.

Letter from The Canadian Archives. Q. 1 4-5
 Quebec 28. Jan.1761.

"The misery and distress to which the Canadians of the Quebec Government are reduced is beyond my power to describe, to think of it is really shocking to humanity. It affords the King's British Subjects an opportunity of exerting that charity and Benevolence inseparable from the Sentiments which the dictates of religion and the freedom of our laws inspire. The officers and merchants have made a collection of near six hundred pounds sterling and the soldiers have insisted on giving one day's provision in a month for the support of the most wretched; Without these aids many must have perished and still I dread a famine unless the supply of corn which I have solicited from the Upper Government can be furnished us, that part of the colony suffered little in comparison to this and Mr. Gage makes me hope for relief."

Ja. Murray.

It is probable that unemployment was only one of the many problems besetting General Murray but undoubtedly it contributed to the general distress. The difficulty here was one of scarcity and disorganization while in modern times we suffer want in the midst of plenty—the interesting feature is not a comparison between economic conditions but the familiar measures taken in the relief of the destitute.

The Colony of New France was no more under British administration than Canada entered upon a new and energetic period

(2) Innis, Canadian Economic Documents, Vol. I, 1447-1483,
 Toronto 1929, P. 472.

(3)
of development. Innis writes: "Several factors were responsible for the contrast between the economic development of the French and English periods - The wide range of the English market for various commodities and the aggressiveness of the English merchants who depended in part on the efficiencies of English manufactures counted for much. The shock of new methods and the greater ease with which knowledge was disseminated especially with the marked improvement of communications to the south did much to favour increased production. The influence of the British classes or the government was an important factor. The fur-trade became relatively less important with the development of other products, and, with the wide range of British trade and British shipping, fluctuations were less severe with a consequent advantage to Great Britain and to the colony."

Canada prospered under British Rule and while its growth was somewhat dwarfed in comparison to the activity to the south progress was steady and economic conditions relatively easy. The coming of the Loyalists marked the beginning of Canada's struggle with what was to be a problem of major importance for decades. Immigration, while regarded as essential to a new undeveloped country, brought with it the problems of overcrowding at the ports of entry; temporary maladjustments of the immigrant to his new environment, whether agricultural or indust-

(3) Innis, Ibid P. 431.

rial; and the general incapacity of the immigrant to finance himself during his first years in the new country.

There is doubtless a distinction to be drawn between the Loyalist and the average immigrant of the times but the problem they created was essentially similar. The Loyalists had had experience in the New World but most of them were penniless and destitute. The situation called for official action and such was accorded. It is generally estimated that approximately 30,000 souls found their way from the rebellious colonies to the Canadian provinces. They settled chiefly in the Maritimes, the Eastern Townships and Upper Canada. Records of the treatment accorded these people shows an interesting parallel to some of the relief measures taken in modern times. In a despatch of 1775 addressed to Governor Legge from Whitehall the following references were made for provision for their needs.

"It is therefore the King's pleasure that the Execution of the plan for the Disposal of Lands by Sale, directed in His Majesty's Instructions to you of the 3rd. Feb. 1774 be for the presented suspended and that you do make gratuitious grants to all persons who may be driven to you to seek shelter in Nova Scotia from the Tyranny and oppression that prevails in those Colonies where Rebellion has set up its Standard.

-----To this end. It is His Majesty's pleasure that you do occasionally and as circumstances shall require it purchase proper Quantities and Assortments of provisions and cause the same to be issued to such Refugees who are really objects of Charity taking care that the daily allowance to any one person does not exceed value 6d. Sterling and that the issue be properly checked and controlled." (4)

(4) See Innis. Ibid P. 180-181.

The essence of this treatment of the Loyalist refugees is the acceptance of the responsibility of the public officials for the welfare of the unfortunate. This tradition has continued in the Maritime Provinces and has resulted in a poor law development paralleling the English Poor Law.

The coming of the Loyalists and the gradual impingement of the British institutions and customs in the land of the French offered a new stimulus to immigration and by the close of the Napoleonic Wars the stream of immigration from the British Isles was widening into a river.

The Provinces of Upper and Lower Canada had been established in 1791 at the agitation of the first influx of English colonies but by 1840 political and economic conditions warranted reunion. Not the least of the forces in favour of reunion were the economic ones. It was a period of political unrest and economic stagnation and there is no doubt that at this time Canada did have an unemployment problem. It is a curious anomaly that such should exist simultaneously with a labour shortage but this peculiarity is explained in the light of the immigration policy of the times.

Following the Napoleonic Wars great numbers of emigrants from the British Isles came to North America. For the greater part they were victims of poverty and distress, hand workers whose trades had been wiped out by the introduction of machinery.

Many of them had trades for which there was no opening in Canada, few were farmers or capable of the difficult life of the pioneer. Above all they were totally unacquainted with conditions in Canada and for the most part were quite unprepared to cope with the hardships that beset them during their first days in the new land. Canada while having no acute unemployment problems of her own had one thus forced upon her that was an outgrowth of a problem abroad, in the form of destitute immigrants landed upon her shores.

The greater part of these immigrants arrived in British North America through the ports of Lower Canada. Thus the continuous arrival of penniless immigrants who shortly became a charge upon Quebec communities was a real grievance to the inhabitants of the province. Not only did they occasion a serious strain on the charitable institutions of the province but more than often they were the occasion of spreading contagious diseases throughout the community. (5)

The following description of conditions thus occasioned in Canada was included in Lord Durham's Report.

"A pauper emigrant on his arrival in this province is generally either with nothing or with a very small sum in his pocket, entertaining the most erroneous ideas as to his prospects here, expecting immediate and constant employment at ample wages, entirely ignorant of the nature of the country and of the place where labour is most in demand and of the best means by which to

(5) See Lucas, Lord Durham's Report. Oxford 1912 p. 104-5.

obtain employment. He has landed from his ship and from his apathy and want of energy, has loitered about the wharfs, waiting for the offer of employment; and if he obtained employment he calculated upon its permanency, and found himself at the beginning of the winter in this part of the country, discharged and without provision for the wants of a Canadian winter. In this way emigrants have often accumulated in Quebec at the end of the summer encumbered it with indigent inhabitants and formed the most onerous burden then on the charitable funds of the community." and the following-

"The inhabitants of Quebec and Montreal are subject to constant appeals from persons who arrive here and linger about in a state of total destitution"⁽⁶⁾

In order to solve the problem of the destitute and idle immigrant, measures had to be taken to adjust the individual to his new environment. In many cases the immigrant had to be transported to his destination in Upper Canada. In the meantime public and private charity had to assume responsibility for his welfare.

In 1819 a Quebec Emigrants Society was formed for the relief of Emigrants on arrival and from time to time the Quebec legislature voted money for the same purpose. Two acts were passed at the suggestion of the Imperial Government. The Quarantine Act was passed in 1832 to establish an effectual quarantine

(6) Lucas Ibid. pp. 255-256.

and shortly after a temporary Act was passed which "levied a tax upon immigrants of 5s a head and the proceeds of the tax were divided into fourths, between the Quebec Emigrant Hospital, the Montreal General Hospital and the Emigrant Society at Quebec and the Emigrant Society at Montreal the object being to forward destitute emigrants on arrival to their destination!"⁽⁷⁾

This instance of an attempt to force the whole body of immigrants as a class to share the expense of providing for their less fortunate members is an early instance of an attempt to place the responsibility for relief upon the class most likely to require it. This philosophy has found its way into modern methods of unemployment relief and is incorporated into many of the schemes for unemployment insurance.

The Immigration problem is rife with questions that cannot be discussed here but the growing relation that has developed between immigration and unemployment and relief is apparent. Among other things it is suggestive of the problems of the transient and the organization of the labour market and mobility of labour. This cursory description merely serves to indicate a stage in the development of a relief problem that is still with us. The relation that has established itself between immigration and unemployment becomes more important with the growing industrialization of Canada. Whether the situation has become one of a labour shortage and temporary maladjustments or whether there

(7) Lucas - Ibid. I.P. 194-5.

now exists a surplus of immigrants is a moot question of these times.

During these early days it was clearly demonstrated that an abundance of free land is not a cure-all for the problem of labour and unemployment. There are many skilled artisans who cannot adjust themselves to an agricultural life and hence their presence creates a problem within the economic life of the country. It happened however in those days that the situation was somewhat eased by the emigration of labour especially during periods of slackness and depression to the United States. This practise acted in the nature of a safety valve when conditions threatened to become desperate and while it was much disparaged at the time it helped to solve many of the relief problems of early Canada. It is highly probable that the closing of this door in later years has been reflected in the increased severity of the unemployment relief problem.

Following the Act of Union in 1840 Canada set upon an era of new development. The flow of British Capital increased immigration continued and expansion proceeded. Agriculture and the lumbering industry enjoyed a preference in the British Market but a sudden reversal of policy thrust Canada into a period of financial panic and unemployment in 1849. Canada had not yet reached what might be termed a high degree of industrialization - the typical Canadian in these pre-Confederation days was certainly

not a factory worker and while economic fluctuations might occur the country had not to take care of the hordes of unemployed that are the result of depression in highly industrialized countries. Nevertheless Canada was a comparatively heavy borrower of capital and could not avoid a reflection in her economic life of the fluctuations abroad. There is little evidence of much public concern over the relief of unemployment during this period. It may be assumed that social organizations in Canada had reached a more or less relatively stable condition and was thus in a position to meet the problems of social welfare according to the standards of the nineteenth century. Efforts made at relief by public authorities were for the most part indirect. The feeling had been growing in Canada since the union that her retarded development was due to a dependence upon the Mother Country for capital and markets with the added result that any depression abroad was immediately reflected in Canadian conditions. This spirit of independence was instrumental in the Reciprocity Act of 1854 which was partly an attempt to free Canadian industries from their slavish attachment to conditions abroad and encourage economic activity at home. The Government at this time was beginning to encourage railroad construction and while in no sense a relief measure it served much the same purpose as do that of the public works projects of today and absorbed many workers especially those of the immigrant class.

With confederation Canada set upon another era of her

industrial history. Reciprocity had ended but for a time war conditions in the South had helped to keep conditions active in Canada. Following the close of the War in the United States price deflation was inevitable and Canadian industries were forced into a period of contraction. Expansion had been rapid and the Factory system can really be said to have got underway in the early seventies only to be driven into a real depression in the late seventies. The government was thus driven to take some alleviatory measures. Out of this situation developed the National policy and protection. This is the first of many instances in Canadian economic history when protection was offered as a measure by which unemployment might be relieved. This was by no means a direct relief measure but it is an example of the governments activity in respect to the relief of unemployment.

Following on the Seventies, Canada's progress was gradual. The Manitoba deflation and the bank failures left scars upon our economic history, but at the same time it was during this period that the foundations were laid for a great period of expansion.

In 1885 the Dominion Government ceased to provide free inland transportation for immigrants and three years later assisted ocean passages were discontinued. The Canadian Pacific Railway was completed in 1885 and one can see a direct correlation between the lagging of the national interest in immigration and the completion of a major public work. It is to be noticed that,

throughout the periods of greatest expansion work is afforded to just that type of labour which occasions the greatest problem of unemployment and its resultant relief in hard times. The building of large scale public and private works such as railroads, highways, and new towns afford employment to the unskilled immigrant worker who is so often bereft of family and of private resources in this country and is thus thrown upon the mercy of charity when he meets with adverse circumstances.

With the twentieth century came the long awaited period of industrial expansion in Canada. Manufacturers sprang up everywhere and British and American capital combined to develop the potentialities of Canadian industry. Immigration increased and the urbanization of population definitely showed that industry rather than the land was becoming the main attraction to the rural as well as immigrant worker. Out of this wave of prosperity emerged the first real crises of industrial unemployment during the years 1907-1909. At this time we see the beginnings of a real effort on the part of public authority to deal with the problem of unemployment relief. These instances lie chiefly in the province of Ontario as is to be expected in view of the comparatively high degree of industrialization in this province.

In practically all of the larger towns and cities there were formed special committees made up of public officers and private citizens for the purpose of relief. The following

(8)
 cities are reported in the Labour Gazette as having provided relief works for the unemployed: Montreal, Ottawa, Kingston, Toronto, Hamilton, Brantford, Woodstock, London, Chatham, Brandon, Regina and Calgary. In several cities relief officers were appointed and individual societies co-operated for the purpose of giving relief and administering public funds. Public works projects included the construction of sewers, snow removal, excavations and most typical-work in the municipal stone quarries. Private and public charity supplemented one another but relief was dispensed in most cases in a haphazard manner under purely temporary arrangements. With the coming of better times relief societies were disbanded, the public relief works terminated and general relief abandoned.

Another interesting development at this time was the campaign on the part of organized labour, particularly the Trades and Labour Congress against the over supplying of the Canadian labour market with workmen from Great Britain. (9) It was commonly observed where relief was being dispensed that the majority of recipients were homeless and friend less immigrants of recent arrival. The Dominion Government, due to the pressure of Labour agitation as well as from a desire to reduce the burden of unemployment relief which the municipalities were forced to carry, introduced new regulations making it necessary for immigrants to have a certain sum of money or else friends who would agree to take care of them before they could gain admittance to Canada.

(8) Labour Gazette Vol.Ix p. 736 also Vol.VII p.958.

(9) See Adm Shortt.Canada and Its Provinces.Vol. III p. 203.

At this time also the Ontario government appointed a few part time employment agents and made one of the first constructive approaches towards the relief of unemployment. The beginnings of an expanding sense of responsibility for the relief of unemployment can be seen. In 1904 the Department of Labour was reorganized in the Dominion Government under the control of the Minister of Labour holding no other portfolio thus giving further instance of a growing appreciation of Labour problems.

The outbreak of the war found Canada again in the midst of hard times. Distress was widespread particularly in the west and charitable organizations were over-taxed with relief problems. It was felt at this time that war conditions were responsible for the depressed condition of industry but it is highly probable that the war merely aggravated existing tendencies. In 1913 the great period of industrial expansion came definitely to a close. The labour market was consequently flooded and relief funds became general in the cities. In the West where the situation was particularly bad, some of the provincial governments gave aid to the municipalities to assist in the provisions for relief during the winter months.

Feeling became rather general that the Dominion Government should assume some of the responsibility for the care of the unemployed particularly as it was held that the immigration policy and the cessation of railway buildings were directly responsible

for much distress among the working classes. It was further charged that the municipalities should not be penalized on account of conditions that were beyond their power to correct. In response to the immigration issue the Immigration Department announced in 1914 that all immigrants who had been residents of Canada for less than three years and became public charges were liable for deportation. This rather cold-blooded treatment was, of course impractical and quite unjust from a humane point of view. It was never rigidly enforced and served merely to discourage immigrants from applying for relief. It is probable that the governments' attitude was merely an attempt to dodge the issue. The Dominion at the time was too concerned with the problems of war finance to take an active part in relief work and moreover looked upon the manufacture of war supplies and active service soon to take up the slack in employment.

It is interesting to note at this time the growing interest in a national front from which to attack unemployment and relief. It was no doubt, in part a reflection of the spirit of nationalism developed so highly during the war and it has had its influence on future policy. The Canadian Patriotic Fund, a national organization formed in 1914 on the initiative of the Governor-General primarily for the relief of the dependents of volunteers, also supervised in some instances the distribution of funds collected especially for the relief of unemployment caused by the War.

There was considerable interest at this time on the

part of public authorities as regards unemployment and relief. (10)
 The Department of Labour of the Dominion Government had begun a departmental inquiry on unemployment in 1914. The Ontario Government appointed a Royal Commission to study and report on "all matters relating to the employment of Labour" and light was shed upon relief problems in the course of this research.

The Report of the Commission devotes a short chapter of the provisions for relief. With regard to the organization of charitable relief, the Report states. "Relief to those in need is undertaken by the Province, municipalities and private benevolence. No central control exists, and no authority is charged with the duty of studying the best methods of relief and prevention measures nor is there any authority which gives direction and leadership in the vast yearly expenditures of time money and effort for charitable ends. Our present methods of charitable relief do not aid in preventing unemployment and do unfortunately help to create unemployables" (11)

The Commission recommended the establishment of a Department of Charities with the end in view of co-ordinating and standardizing charitable and more especially relief work. It stressed the necessity of preventive work and suggested that the division between public and private charity lay in the assumption by the former of the responsibility for the maintenance of life, and the reversion to private charity of the supplementary and constructive welfare work. Unemployment insurance for Ontario

(10) See B.M. Stewart. The Employment Service of Can. Kingston 1819, p.6.
 (11) Report of Ontario Commission on Unemployment, Toronto, 1916, p. 83.

was considered officially for the first time and the Report recommends that the Government give financial assistance to Unions paying unemployment benefits. It was also recommended that employers seek to regularize their working staffs; that Public Works should be planned in advance and whenever possible undertaken during a depression; and that a vigorous program of assisted land settlement be instituted. The Commission was strongly impressed during its investigations with the almost complete lack of organization of the labour market and felt that much could be done to relieve unemployment were there an adequate system of Employment bureaux to keep a constant check on local and distant conditions. Hence an important section of the Report was devoted to the Establishment of a system of Employment bureaux within the Province of Ontario.

This last problem had been attacked by several municipalities during these years with the result that a number of Civic Employment Bureaux had been established. This however, was only a step in the integrated and comprehensive system which the Report suggested.

The unemployment situation cleared up gradually as the war progressed and in a relatively short time the situation was completely reversed and the country was threatened by a labour shortage. The problems that accompanied the war were sufficient to impede any broad constructive approach to the problem of adequate provision for unemployment but at the same time the war did focus

attention upon one of the difficulties—the lack of organization in the labour market. The imperative demand for labour during the latter years of the war had shown the need for some means of organization. The need was even more apparent at the close of the war when the impending release of the soldiers threatened to create a serious problem unless some provision was made to reinstate them in the industrial field. In several of the provinces some steps had been taken to provide for these contingencies by the establishment of employment bureaux. Following the report of the Ontario Royal Commission on Unemployment the province of Ontario set up the Trade and Labour Department and one of its duties was to maintain employment bureaux in the centers of population. As early as 1910 Quebec had provided for provincial employment offices which were established in Montreal, Quebec and Sherbrooke. In Saskatchewan and Alberta provincial employment offices were established during the war period and in British Columbia the new provincial department of labour was authorized to establish employment bureaux in the chief centers of population.

In order to formulate a national employment policy and to standardize the work of the provincial agencies the Dominion Government passed in 1918, "An Act to Aid and encourage the Organization of Employment Agencies". The Dominion Government had no desire to interfere with provincial methods but only to co-ordinate them and assist in the further expansion of the system particularly in the Maritimes where no employment bureaux had as

yet been established. It was also intended that by means of a co-ordinated system, statistical information should be compiled and distributed. By this act the minister of Labour was commissioned to make arrangements with the several provinces as regards the administration of these officers and the sharing on an equal basis the costs of maintenance. The Dominion Government also agreed to assume the expense of the Employment Service Branch of the Department of Labour in Ottawa, and clearing houses for information in Halifax and Winnipeg.

There emerged from the employment situation of the war years three important considerations that were to have an intimate bearing upon future policy in respect to unemployment relief. The first of these was the realization that unemployment was frequently a local problem and that a constructive solution of this type of unemployment entailed a transfer of labour to unaffected districts rather than the local provision of charitable relief. Secondly and in conjunction with the transfer of labour it was clear that no progress could be made towards correction or relief without an adequate knowledge of employment conditions including wages, hours and extent of unemployment in order that some scientific determination could be made concerning to what extent and within what limits relief activities are necessary. Finally there developed during the war a desire for some form of national responsibility and leadership in dealing with a problem so intimately a part of national life. The War had wrought a

spirit of unity among the provinces such as no other force had yet been able to accomplish. It was not likely that the provinces would soon forget the value of the lesson in leadership, responsibility, and united action that they had learned during the War.

The immediate post-war years were fraught with a peculiar spirit of optimism and expansion among the victorious nations but the short lived boom was brought to an inglorious finish in the sudden collapse of economic conditions in the late fall of 1920. Employment figures fell with amazing rapidity and the existence of an acute unemployment situation was soon apparent. To add to the unemployment occasioned by industrial conditions demobilization contributed a further number of idle men.

The Dominion Government through the Department of Soldiers' Civil Re-establishment had assumed the responsibility for the welfare and rehabilitation of returned men. ⁽¹²⁾ Its activities were particularly strenuous after the Armistice and continued to be so in the post-war depression. It was but a short step from the Dominion governments activities in regard to the unemployment of returned men to the assumption of a measure of responsibility for all those unable to maintain themselves due to economic conditions. Public sympathy was strongly in favour of Dominion action, and the government, recognizing a national emergency, agreed to take action on the basis that the prevailing

(12) The Hon. H.S. Boland. Annals of the American Academy; The Returned Soldier, May 1923, p. 267-72.

unemployment was in a large measure consequent upon the war.

The policy of the Dominion Government was announced in a memorandum of December 24th, 1920, ⁽¹³⁾ copies of which were sent to the Premiers of the several Provinces and to the Mayors of each municipality wherein, Employment offices had been established under the Employment Co-ordination Act. The Government urged that wherever possible the situation should be met by provision of work rather than direct relief. It agreed however, to refund to municipalities one third of the expenses incurred in the direct relief of unemployment and it was expected that the provincial governments should also contribute one third. The organization determining where relief should go and the distribution of the same were left to the municipalities. The local offices of the Employment Service of Canada were to be used as a registry for those in receipt of relief and they were required to provide for each recipient a certificate stating ⁽¹⁴⁾ that work was not available. The government voted \$500,000 for this purpose and thirty-one communities in six provinces took advantage of it. At the same time the Dominion Government was accepting full responsibility for handicapped ex-service men out of employment and to this end spent about \$1,200,000. The assistance to the municipalities was continued only throughout the winter months but a few extensions were allowed where conditions were particularly severe. The following year conditions warranted a continuation of relief activities but of a new kind and criticism

(13) Labour Gazette, G Vol. XXI, p. 681.

(14) See B.M. Stewart. The Annals of the American Academy, May 1923. P. 286-293.

of this public dole was instrumental in the introduction of a new policy in the fall of 1921. Throughout the summer efforts were made by the Dominion to encourage the municipalities to make some definite plans with regard to public works as a means of providing employment during the winter of 1921-22.

In October 5th, 1921, the Minister of Labour, in a statement to the press outlined the government's new policy of unemployment relief. This was put into effect on October 7th, 1921, by an Order-in-Council. ⁽¹⁵⁾ The most important feature of the government's new position was the desire to assist in the creating of employment and where this was not possible to share in the direct relief costs. The program provided that where the municipalities should provide employment through public works during the winter season the Dominion Government would share equally with the Provincial Government, the additional expense that should arise through not undertaking the work in the usual season under normal conditions. In the case of direct relief the government should continue to refund one third of the cost to the municipalities providing the Provincial Government would do likewise.

The MacKenzie King Government which assumed office early in 1922 introduced a few changes in the relief policy by an Order-in-Council (P.C. 191). ⁽¹⁶⁾ The contributions with regard to direct relief remained the same but the Government pursued a slightly more generous course with regard to public works. In

(15) Labour Gazette, Vol. XXI, p. 44.

(16) B.M. Stewart-Annals of the American Academy, May 1923-pp.286-293.

this instance the Government assumed one half the excess cost of municipal works and the provinces continued to contribute on the basis of one third. The Dominion Government also agreed to share equally with the Provinces the expenses of relief in unorganized rural districts. At the same time the Dominion Government agreed to bear one half the costs of relief extended to ex-service men. This program was to continue until the end of the fiscal year but the period was later extended until April 30th, and later in the case of some of the western municipalities. Thereafter the Dominion ceased to participate in relief costs except in cases of returned soldiers or where special organizations had been formed to meet unusual conditions in certain municipalities.

In the public accounts are entered the following items as regards unemployment relief expenditures. (17)

<u>Year Ending</u>		<u>For</u>
March 31, 1921	\$343,036.55	Emergency Relief
March 31, 1922	\$500,000.00	Unemployment Relief
March 31, 1923	\$944,877.83	" "
March 31, 1924	<u>4,273.83</u>	" "

In Table I are listed the provincial grants "for Labour to Unemployed" and in Table II the Grants made to the municipalities during the first year of Dominion assistance. Unfortunately statistics for the following years were not obtainable. While there is no doubt that the figures do not present a complete

(17) See Sessional Papers, Public Accounts Years, 1921, 1922, 1923, 1924.

T A B L E #1.

Financial Statistics of Provincial Governments in Canada.
(a)
Grants for Laborer to Unemployed.

Year ending March 31st.	Totals	P.E.I.	N.S.	N.B.	QUE.	ONT.	MAN.	SASK.	ALTA.	B.C.
1921	245,790	-	-	-	-	-	78,952	19,526	-	147,312
1922	442,537	-	-	-	-	-	151,719	46,304	-	244,515
1923	120,407	-	-	3,222	10,000	1,616	63,543	-	-	42,025
1924	55,104	-	-	-	-	-	55,104	-	-	55,104
1925	317,945	-	-	-	-	103,489	47,602	-	22,713	144,141

(a) Financial Statistics of Provincial Governments in Canada,
1921,1922,1923,1924. Dominion Bureau of Statistics.

T A B L E II.

(19)

Dominion Grants to Municipalities for Unemployment Relief.

Payments from Dec. 1920 to Mar. 31, 1921. Grand Total #341,831.00

<u>NOVA SCOTIA</u>		<u>QUEBEC</u>		<u>MANITOBA</u>	
Amherst,	\$ 831	Montreal	\$ 5,216	Winnipeg	\$ 51,003
				St. James	882
				Total	<u>\$ 51,885</u>
<u>SASKATCHEWAN</u>		<u>BRITISH COLUMBIA</u>		<u>ONTARIO</u>	
Regina	\$ 10,540	Vancouver	\$ 82,533	Toronto	\$ 134,128
Moose Jaw	7,505	Victoria	1,133	Peterborough	1,316
Saskatoon	1,482	New Westminster	,112	Owen Sound	225
		West Kildon	316	Etobicoke	814
		Burnaby	140	Oshawa	911
		Nelson	106	Paris	38
		Prince Rupert	1,937	Brantford	817
		York	2,444	Wakerville	41
		Cumberland	26	Scarboro	266
		Dist. of S. Van-		Hamilton	30,938
		couver	5,519	St. Catharines	588
				Chatham	25
Total	<u>\$ 19,527</u>	Total	<u>\$ 94,266</u>	Total	<u>\$ 170,107</u>

(19) See Labour Gazette. Vol. XXI. P. 999

indication of public expenditure they are of some significance. It will be seen by comparison to relief expenditures in 1930-34 that the burden of expense was comparatively light. (18) Unemployment was probably not as prevalent then as later and may account in some part for the difference. But it is also true that public relief was not as well organized nor as extensive. The municipalities and especially private charity bore by far the greater burden of the costs and were moreover in a better position to do so. War prosperity had created many fortunes and thus provided private charities with a reservoir from which they were enabled to draw considerable funds. It is impossible to trace the extent of private charity but it was by no means idle at this time. The ordinary facilities for dealing with the unemployed were greatly expanded and amplified by individual effort.

The employment situation was much brighter in 1923 than in the two previous years but although Dominion assistance was discontinued it will be seen by reference to Table I that the provinces continued to enter relief expenses upon their books for several years following.

The years 1921-24 had created several precedents in the treatment of unemployment relief. Of major importance was the acceptance of a partial responsibility for relief measures by the Dominion Government. Another important feature was the attempt to provide relief through a "program" of public works

(18) See Chapters V to VIII.

rather than a dole system. There was available at this time sufficient statistical information to permit some logical development of tactics. The institution of a plan with which to face the unemployment situation was a partial development of the 1922-23 relief program and while it was hardly a pre-considered, well ordered, and comprehensive plan it was a step in this direction. Relief authorities had gained experience in the practical administration of a relief program. The provision of employment on public works projects, the spreading of work through rotation, the supervision of both direct and indirect relief marked the beginning of an entirely new and methodical approach to the relief problem.

--Conclusion--

It has been the intention in this brief outline of relief history to trace the development of the relief problem in Canada. The relief question has not been treated from the limited angle of direct relief alone but an attempt has been made to include the measures which were designed directly and indirectly to relieve unemployment. This was done in an effort to clarify the immediate problems that have arisen out of the relief question.

The Canadian Problem is essentially unique and to a large extent Canada must work out its own solution. The experience of other nations may be instructive but can never serve as a prototype for Canada when basic conditions differ so widely.

The relief problems considered in these earlier pages of this history are far removed from the relief problems of today, yet there developed in those times definite trends that are still present in the Canadian relief policy. From this study may be summed up some of the more important basic conditions with which the present and future development of relief policy must contend.

(1) During the period of French Domination in Canada the Roman Catholic Church was firmly established. The Church, as was its custom assumed among its many duties the dispensation of charity and remains to this day an important source of charitable relief.

(2) Under British rule the Canadian provinces were content to leave many details of government to their British Administrators with the result that responsibility in times of crises was borne by the authorities abroad. This accounts partially for the lack of the early development of any true Canadian traditions with reference to charitable relief. British influence also accounts for the partial adoption in Canada of British methods of poor relief, viz. The Poor Laws in the Maritime Provinces. At the same time it is interesting to note the extent to which Canada has resisted the adoption of typical British procedure.

(3) Relief problems have been from the early days closely associated with immigration problems. The destitute immigrant without money, friends or family is one of the most common objects of relief in hard times.

(4) Geographical conditions have emphasized the localization of unemployment and relief. This fact has worked in two directions. It has had a strong influence in placing the onus of employment relief upon local authorities and also it has impeded the development of a national approach to the problem and its logical solution - increased mobility of labour.

(5) Finally it must be remembered that the existence of a real relief problem in Canada is of recent date. Pioneer conditions in Canada did not require that the relief of unemployment be undertaken with any great amount of logic of foresight. The rapid industrial development of Canada in the twentieth century brought with it the recurrent disease of unemployment but the approach to the problem remained essentially experimental and unordered. The abundance of free land still suggested a panacea for unemployment and for a long time blinded official eyes to the true nature of the problem. It was not until national action entered the field of relief that a conception of definite policy began to crystalize from out the confusion of the past.

C H A P T E R IITHE RESPONSIBILITY OF UNEMPLOYMENT RELIEF.

The evolution of relief policy that we have outlined in the foregoing chapter intimates a parallel development in the theory of responsibility. Difficulty arises however when responsibility must be traced from the time when it existed but vaguely in the social conscience to the point where in practice and in the letter of the law it has become two different things.

The Roman Catholic Church, the first institution of a charitable or philanthropic nature to be established in Canada shouldered the chief responsibility for the relief of the poor in the early days of Canadian History. Other ecclesiastical and private bodies continued to dispense charity throughout the early colonial period up to the present day. In times of great hardship the British authorities could be depended upon to render assistance. In these respects however it must be remembered that unemployment relief, per se, was not segregated from ordinary charity or "Poor relief" and hence the general provisions regarding poor relief must be accepted in place of direct reference to unemployment relief until such time as a definite line is drawn between them.

Modern Canada emerged as a political unity at the time of Confederation and the legal basis for the present responsibility lies in the British North America Act of 1867. At the

time of Confederation Canada had hardly emerged from pioneer conditions, industrial organization was backward and unemployment was both relatively and absolutely negligible. It is not to be expected therefore that there should be found in its constitution any direct reference to the relief problem. In Section 92 of the Act under the distribution of legislative powers the provinces were given exclusive powers concerning, "the establishment, maintenance and managements of Hospitals, Asylums, Charities, and Eleemosynary Institutions in and for the provinces" and "generally all matters of a merely local or private nature in the Province" and finally "Municipal Institutions within the Province." The Dominion Parliament was empowered within the general provisions of the act "to make laws for the Peace, Order and Good Government of Canada." In these provisions can be found the legal basis for such public responsibility as may exist in the provision of unemployment relief in the Dominion of Canada.

Upon this basis, in later years, it was generally assumed when unemployment became acute that the responsibility for its relief lay with the provinces. The provinces however had adhered to the English tradition of municipal responsibility with the result that the several provinces had devolved the responsibility upon the municipalities. Through their Municipal Acts they had empowered their respective municipalities to act in the field of poor relief. Each of the provincial legislatures

of Ontario, Quebec, Manitoba, Saskatchewan, Alberta, and British Columbia have enacted laws permitting the municipalities to contribute to the support of the poor. The following clauses from the Municipal Act of Ontario may be regarded as typical of this type of provincial legislation. By-laws may be passed by the Councils of all municipalities.

"For the granting of aid to any charitable institution or out of door relief to the poor."

"For aiding in maintaining any indigent inhabitant or person found in the municipality, at a house of refuge, hospital, or institution for the deaf, dumb or blind, or other public institutions of like character. (1)

It is to be noted that this type of legislation is purely permissive in character, the municipalities are under no obligation to provide relief for the poor and the individual has no claim upon the municipality for relief. It is expressly stated in the Property and Civil Rights Act that "nothing in this section shall extend to any of the laws of England respecting maintenance of the poor."⁽²⁾ This completely absolves the municipality from the legal responsibility under the principle of the English Poor Laws.

The Maritime Provinces have, however, adopted the principle of the English Poor Laws in their legislation. New Brunswick Statute Law includes the "Act respecting Settlement of the Poor,"⁽³⁾ which states "a legal settlement in any parish of

(1) Revised Statutes of Ontario. 1927, C.233, Sec.396.

(2) R.S.O. 1927, C. 101, Sec. 2.

(3) C.S.N.B. 1903. C. 102, Sec. 1.

this Province shall be required so as to subject and oblige such parish to relieve and support the persons gaining the same in case they become poor and stand in need of relief." Nova Scotia has similar principles embodied in the Poor Relief Act. ⁽⁴⁾

Although compulsory municipal responsibility has no legal recognition in the other provinces a "de facto" recognition of responsibility has evolved in the development and support of charitable institutions (eg. Houses of Refuge) by the municipalities. Further evidence of compulsory treatment of poverty is to be seen in the commitment of Houses of Refuge of Beggars and Vagrants. ⁽⁵⁾ This development is particularly characteristic of Ontario but has occurred to some extent in the municipalities of the Western Provinces. Quebec has been somewhat retarded along these lines due chiefly to the influence of the Roman Catholic church and the desire of the public authorities to avoid interference with this institution. Municipal responsibility for unemployment relief was given a rather definite recognition during the 1907-9 depression when the practice of affording relief to the unemployed became widespread among the larger towns and cities of the Dominion.

As has been seen, the responsibility as regards Charitable and Relief Matters which the British North American Act gave to the province, they in turn passed on to the municipalities. The province while thus absolving itself from the legal responsibility has yet retained a certain "de facto" responsibility.

(4) N.S.L. 1895, C. 36, S.1.

(5) See H. Strong. Public Welfare Administration in Canada, Chicago 1930, pp. 114-153.

The provinces have retained a hold upon private and municipal charities through subsidies and the practice has generally acquired a permanent significance.

This consideration of the legal aspects of the problem sheds little light until we turn to the development of actual practice. It was not until Canada found itself in the grip of its first major industrial depression that unemployment relief per se became the object of special treatment. During 1907-1910 the municipalities were unemployment was acute attacked the problem from a new point of view and the period was marked by an expanding and more definite sense of responsibility on their part. It was finally recognized that unemployment relief was essentially of a different category to the ordinary poor relief. It was also evident that the situation having outgrown private charity required some form of public action.

In the years following, with the increasing industrialization, the relief problem became more acute during hard times and the municipalities found their responsibilities increasing beyond their capacities to deal with the problem. While their activities and expenses increased the conception of their own responsibility had narrowed and there was a definite movement abroad to spread responsibility over a larger area.

In 1914-15 a distinct change is seen in relief policy with the entrance of the provinces in the field. The provinces had in the past contributed to the support of public and private

charities but in general had made no special provisions for the relief of unemployment. In 1914 and the years following the provinces assumed a partial responsibility for the relief of unemployment and their work supplemented that of municipal and private relief. The increasing interest of provincial authorities was demonstrated in the financial assistance accorded many of the municipalities, the appointment of Royal Commissions to consider the whole question of unemployment and relief, the creation of Departments of Labour within several of the provinces and the establishment of provincial employment bureaux in co-operation with the municipalities.

The provincial governments recognized the presence of unemployment relief among their regular affairs merely as a temporary measure, but foreseeing its implications did not welcome it. The opinion that the Dominion should extend actual service in such times of crises was growing stronger and in 1921 resulted in the Dominion Government taking an active part in the field of unemployment relief. Previous to this time the Dominion's responsibility had gone no further than a concern for the general welfare of the Canadian people and the promotion of favorable economic conditions. Restrictive rulings as to immigration were generally put in force by the federal government when unemployment became severe and the Dominion Government further sought to pour oil on troubled waters through the upward alteration in the tariff structure.

In 1921, however, the Dominion Government was forced to participate directly in a nation wide crusade against unemployment and to pursue a relief program. It was partly due to the feeling that the unemployment situation in 1921 was a result of post-war conditions and therefore a national responsibility, that the Dominion Government took action at this time but it is also true that the trend in the relief responsibility was in this direction and post-war sentiments merely served to strengthen this existing tendency.

It was stated quite clearly at the beginning that "Unemployment relief has been and must necessarily continue to be a municipal responsibility and in the second instance the responsibility of the Provinces"⁽⁶⁾ The Dominion Government looked upon unemployment relief as a temporary expedient but the precedent of government participation had been set and it was three years before the government could close its unemployment relief account. Legally the Dominion Government had disclaimed all responsibility for unemployment relief but by its action it had forfeited the right to absolution. The trend in unemployment relief as in many other economic and political fields was toward the centralization of responsibility and direction, and it was extremely doubtful from 1921 that the Dominion Government could ever again hide behind the curtain of legal irresponsibility.

(6) See Labour Gazette. Vol. XXI p. 1281. Statement of the Minister of Labour, Oct. 5th, 1921.

This had indeed proved to be the case. In 1930 when unemployment began to increase alarmingly the Dominion Government immediately undertook to initiate a relief program. The chief responsibility for leadership and direction was thus assumed by the Dominion Government and furthermore it was on a scale never before attempted. The Dominion Government still insisted upon regarding unemployment as "primarily a municipal and provincial responsibility"⁽⁷⁾ yet it became so involved in the whole question of relief that any such statement of its position represented just so many empty words.

What had, in effect, evolved, was a three fold responsibility with the municipality, province, and Dominion each assuming a share of it. The Dominion Government had assumed the key position as regards general relief policy with the province and municipality, falling in behind. The question was no longer where the responsibility should lie but how and to what extent the responsibility should be divided among the three political units.

(7) P.C. 2246 Sept. 26th, 1930.

CHAPTER IIIMETHODS

The relief of the poor has had a long and varied history in Canada as well as elsewhere and some indication of the evolutionary development of relief policies and methods has already been given in Chapter I. As one writer has said: "In recent centuries the increase of a money economy has made people dependent upon an impersonal medium of exchange, rather than upon one another. This has been hastened by rapid social and economic changes such as the growth of population, the division of labour, large cities, and class distinctions, together with the displacement of workers by machinery extensive inter-as well as intra-national migrations, the loss of control-over the means of production by a large proportion of the population (the wage earners) and the commercialization of agriculture by production for a specialized market rather than for home consumption. Consequently as the social structure undergoes changes, new practices and attitudes arise with respect to both the giving and receiving of aid. Charity becomes formal and impersonal!"⁽¹⁾

This statement may be very aptly applied to the conditions that have developed in Canada through the years. The

(1) Hiller. Principles of Sociology. New York. pp. 178-179.

kindly assistance extended to the destitute in the pre-industrialized era has undergone radical changes and institutional charity has largely taken its place. For a time relief for unemployment was dispensed according to the dictates of ordinary charity. The treatment was alleviatory and rarely constructive, at the most it consisted of a charitable dole or the commitment to some institution offering food and shelter.

To-day we employ methods that are broadly classified in two fields - direct and indirect relief. Direct Relief is in essence poor relief, it is straight charity and is the oldest form of humane relief that has been accorded the unemployed. It may consist only of the bare necessities of life, but where an expanded sense of responsibility of society for the individual has been obtained direct relief is often extended in order to maintain the individual in a respectable standard of living. Direct relief has been usually dispensed in kind but to-day there has developed a tendency to reduce its charitable aspects by some other means of distribution.

In Canada, as we have seen, relief for unemployment or other reasons was generally dispensed by private charity with public authorities entering the field only in times of an acute need. Individuals, service clubs, churches, trade unions and organized charitable institutions all have shared the relief of unemployment with the result that within a single community there has been a decided lack of standards and unity of methods. Relief

has usually been distributed on a minimum basis and whether this has been interpreted to include merely food, clothing, shelter or other provisions has been a matter of opinion and even where, as in the Maritime Provinces the giving of relief has been the responsibility of the municipality, the rules and regulations have been subject to great variety.

There have been and still are numerous objections to the so-called direct relief of unemployment. It has been accused of stifling initiative, and of pauperizing the individual. Where total unemployment is made a pre-condition for relief there is a premium placed upon idleness and yet the necessity of some eligibility rule usually obviates this regulation. It is also difficult under these conditions to make any distinction between deserving and undeserving applicants. Further the physical, mental and moral influences that surround the recipient of direct relief can hardly be considered beneficial to society. Unfortunately the giving of direct relief often becomes an end in itself and any scheme which does not in its ultimate analysis affect the character and which does not hopefully work for improvement is an incubus to social progress.

It has so happened that the emphasis in the relief problem in Canada has turned gradually from the palliative approach towards a more constructive policy. The new social philosophy requires that measures other than direct charity be undertaken to provide for the unemployed. The most obvious and surest cure for unemployment is employment, and it is on this basis that a new

approach has been made towards unemployment relief.

--Public Works--

Public Works are not necessarily in the class of relief projects but where they are organized into a definite program with the intention of applying such a program to the slack periods of business activity their value in mitigating unemployment places them in the class of relief measures. Such a program of public work includes not only the works projects commonly associated with this idea--road construction, schools, parks and local improvements but also the placing of government orders for supplies for the Department of National defense, Railways and Canals and the like, and the capital expenditures of semi-public corporations such as power, telephone and transportation and similar utility services. The value of public works projects in the struggle against unemployment was recognized at the first session of the International Labour organization in 1919. It was recommended that "each member of the International Labour Organization co-ordinate the execution of all work undertaken under public authority with a view to reserving such work as far as practicable for periods of unemployment and for districts most affected by it."⁽²⁾ Canada, as a member of the organization had this recommendation brought to her notice but has never acted upon it definitely. Public Works as a relief measure have been encouraged by public authorities in Canada but only when the

(2) See Annals of the American Academy, March 1933, pp.53-65.

stress of depression was upon them as in 1907 and 1921.

One of the features of a public works program that recommends it is the principle of maintaining wages, hours, and all working conditions at a fair level. The project must be essentially on the business basis—the elements of charity are completely lacking.

The Public Works proposal while by no means a panacea for unemployment has its possibilities. Many difficulties lie in the way of the general application of such a plan and not the least in the inauguration of a long range planning by the typically short-sighted public officials of elective governments. Added to this are the practical exigencies of finance and the demand for public works which would move in opposition to the basic principles of the scheme.

There are ways, of course by which those difficulties may be overcome but the burden of proof lies yet with the introduction of a thorough organized plan as far as Canada is concerned.

--Relief Works--

Relief Works as a means of providing unemployment relief are the most familiar form of gratuitous relief. They have been employed in Canada from very early times and on a rather extensive scale since 1907. The snow-shoveling, rock-crushing, street-mending and sewer-building projects that are launched with the appearance of winter unemployment, and with added zest in times of economic depression, are familiar aspects

of this form of relief. The worker is sometimes paid a wage but often he works out his relief and is paid in kind. The works are usually hastily improvised and may or may not be on a sound economic basis. There is seldom opportunity for any work save unskilled labour and for this reason they are often not looked upon with favor, by many workers who are not of this class. There is not usually much attempt to make such work continuous because of the time the projects are employed it is often necessary to spread employment by the rotation of shifts. Municipalities in Canada have frequently instituted relief works and in many cases they have proved successful. Organized labour has however raised objection to them in fear of their deleterious effect on wages, the competition occasioned with regularly employed labour, and the exploitation of the worker.

---Land Settlement---

Schemes of land settlement as we have seen have occupied a large space on the Canadian economic horizon since colonial days. As a pioneer country one of the most difficult problems was to settle the immigrants on the land. The difficulties occasioned by their presence in the eastern ports of entry is somewhat similar to the numbers of unemployed who periodically appear in the industrial centers and it is not surprising that a similar solution is often suggested. The "back to the land movement" gathers momentum in each trough of the business cycle only to sink into oblivion on the crests. Individuals and

families are urged to return to the land and settle upon the great tracts of unoccupied land in the West and North of Canada.

The idea had never been broadly applied as a relief scheme because of its inherent difficulties. The notion that agricultural labour is the simplest and most elementary means to make a living is a mistaken one, and the modern industrial day labourer, who constitutes a large factor in the unemployment problem, is frequently overwhelmed by the problems of pioneer farming.

It is, moreover, difficult to launch such a scheme at a time when agriculture is as badly if not worse off than any of the other industries, for unless the settlement is made ostensibly on a subsistence basis it is met with objections from the agriculturalists. Objections have also been raised that such settlement is not made with a view to permanent colonization and therefore creates an unstable condition in the economic organization. The scheme has been and can be applied successfully to a number of individuals and has thus justified its presence in a small way among the usual relief activities.

--Unemployment Insurance--

Insurance against unemployment is yet another means of relief. For all the schemes that have been suggested and

practised in other parts of the world there has not yet been instituted a truly Canadian scheme. A small number of Canadian workers have participated in company schemes of unemployment due to the connections with parent companies in the United States and a very few of the unions have paid some form of unemployment relief but the number covered under these systems is very small. There has been, however, an increasing interest in unemployment insurance in the last few decades. Representations were made to the Ontario Royal Commission on Unemployment in 1915 in favour of compulsory governmental insurance. The Commission was not in favour of the idea due primarily to the lack of statistical data upon which the necessary actuarial calculations might be made. It was recommended, however, that the Ontario Government extend assistance (to the extent of twenty per cent of sums expended) to associations of working-men that undertook to provide unemployment benefits for their members. Nothing concrete ever came of these proposals.

The Trades and Labour Congress of Canada went on record in 1921 in favour of a state employment insurance derived on the basis of an assessment upon industry similar to the Provincial Workmans compensation acts of the provinces and since that time the Congress has never ceased to urge upon the country some form of unemployment insurance. With all Canadian experience with unemployment insurance has been very limited and largely confined to the expression of a desire for it.⁽⁴⁾

(4) on page 47.

-- Relief Through Industry--

Canadian industry cannot be omitted in the consideration of unemployment relief for here too efforts are made to provide relief for workers subjected to unemployment. Not only do they frequently participate in a charitable sense but through their own initiative and at the suggestion of public authority they have frequently approached the relief problem from a constructive point of view. These methods adopted have included the spreading of work to provide part time employment and the improvisation of jobs or repair work and manufacture for stock. It has proved quite impossible however for industry to assume responsibility for the unemployed for these emergency measures. As a depression progresses industry has all it can do to keep its own head above water and many of these philanthropic programs are doomed to a short life. The effect of these policies/^{as} regards relief of unemployment has probably had an important influence on relief organization but its extent has never been actually investigated

(4) from preceding page.

Since the above was written Mr. Bennett's government has introduced a system of National Unemployment Insurance for Canada. (January 1935). At the moment the plan is in its embryo stage and is designed to cover for the present only a small section of Canadian workers. The system is based on a triple division of contributions-worker industry and state. Continuous unemployment for 30 days is the statutory condition upon which benefits will be paid, the maximum benefit being \$1.00 per day, \$6.00 per week for unemployed adult man. The worker is eligible for benefits after 40 weekly contributions have been made during a period not exceeding two years. The benefits are exhausted by an aggregate of 78 days per year of benefit paid. (For further details see Labour Gazette Feb. 1935, pp. 135-139.)

in Canada. It has doubtless been an expedient ally of the general relief program despite the limitations to its application.

The assistance given by public authorities to private industry in time of economic depression might also be mentioned in this connection. The governments have at times made loans or granted subsidies to private corporations during a depression with the intention of maintaining employment in certain industries. This it will be seen, on consideration of the Relief Programs of 1930-1934 was the intention in the loans and grants made to the railways and the Nova Scotia Coal Mines.

The relief of unemployment in Canada is thus presented in the many forms that experiment and experience have evolved. It is in the light of this background that the following analysis is made of the unemployment relief situation in the years 1930-1934 the first time in the history of Canada that an organized, nation-wide, frontal attack was made in the direction of Unemployment Relief.

C H A P T E R IV.UNEMPLOYMENT IN CANADA 1929-1934.

The history of unemployment and relief had until 1929 formed an increasing but not very extensive chapter in Canadian history and it was left to the years 1930-1934 to prove that unemployment relief had become a major issue of prime national importance. Under these circumstances it is useful to attempt to discover to what extent unemployment had obtained in order to appreciate the public and private relief programs of these years.

It should be understood that all estimates as to the number of unemployed in Canada throughout these years must be somewhat in the nature of a guess. There are available in Canada no continuous statistics of unemployment. Whatever figure one arrives at must be based upon statistics that are presented by the following: (1) The Index of Employment published by the Dominion Bureau of Statistics. (2) Unemployment as reported by the Trade Unions. (3) The Reports of the Employment Service of Canada. Two of these, it will be noticed, present employment rather than unemployment figures. The Trade Union figures apply only to a select group which cannot be accepted as typical of the whole Canadian working force. It cannot be said that any one or all three give a complete picture of

unemployment in Canada. Their chief value lies in the fact that they illustrate trends and when equated with definite statistics of unemployment such as those of the 1931 Census, ⁽¹⁾ they may be used as a basis for the approximation of unemployment figures.

At this time it appears worthwhile to discuss a few aspects of the unemployment situation which it might be well to bear in mind in considering the estimates to follow. Unemployment is generally defined as the state of one who is willing and able to work but unable to find a job. In other words it is the condition of one who is seeking work and it is the relation between the number of jobs available and the number seeking work that constitutes unemployment. It is quite possible to have a falling employment index without an increase in unemployment figures if compensating factors such as, emigration, the raising of the school leaving age, or a back to the land movement are operative. This is one of the dangers of using an employment index to indicate unemployment. At the present time it is justifiable partly on the grounds of necessity to discount these considerations. Emigration has probably been checked to the point where it is scarcely operative, but the back to land movement and the question of the school leaving age have had effects which the employment index does not indicate.

Several attempts have been made to estimate the extent of unemployment in Canada during the past few years and they have given rise to much academic and political discussion.

(1) See Monthly Review. Bank of Nova Scotia. Toronto, April, 1934.

Their value has been appraised in very contradictory terms but while the accuracy may be questioned, they are sufficient for certain purposes. Table 3 indicates the Index of Employment of the Dominion Bureau of Statistics as reported by months 1929-1930. It is this index which is employed in a variety of statistical methods from which the majority of unemployment figures are reached. The trend of employment from the peak in August 1929 to the low in April 1933, is clearly illustrated. Just how this was reflected in unemployment figures is shown according to Professor Cassidy's figures in Table 4. In Table 5 are the figures for unemployment disclosed by the Census of June 1st, 1931.

T A B L E V.

Unemployment at Recorded in
Census of June 1st, 1931. (2)

Total No. of Wage Earners	2,566.001	100%
No. at Work	2,094.333	c.82
No. not at Work	471.668	c.18
No. having no Job	435.252	c.17

Professor Cassidy's figures were published before the Census had been made public and it can now be seen that they were a reasonably close approximation. On June 1st, 1931, the Census figures reveal that 435.252 workers were without jobs. Professor Cassidy's figure for this date was 476.688—it appears that an error of approximately 10% obtains for this date.

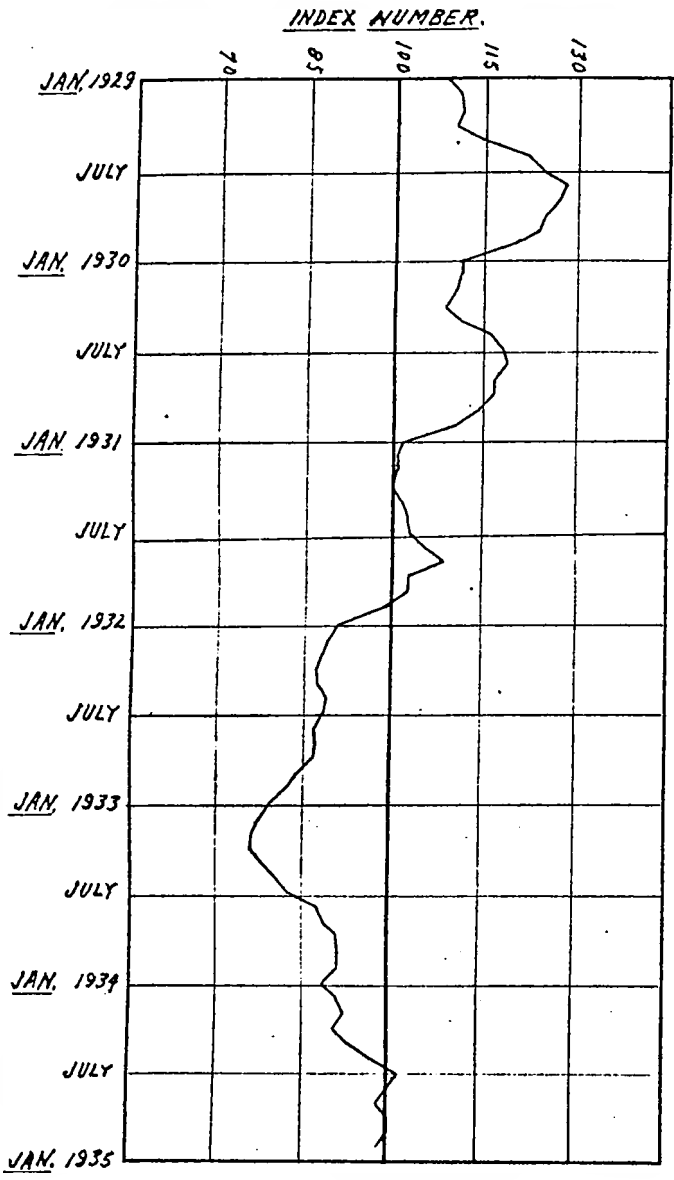
(2) Canada Year Book 1933.

x See also Chart No.1.

CHART I.

INDEX OF EMPLOYMENT IN CANADIAN INDUSTRIES.

1926 = 100.



(1)

TABLE III. INDEX NUMBER OF EMPLOYMENT IN CANADIAN INDUSTRIES

<u>Month</u> <u>Ending</u>	<u>1929</u>	<u>1930</u>	<u>1931</u>	<u>1932</u>	<u>1933</u>	<u>1934.</u>
Jan.	109.1	111.2	101.7	91.6	78.5	88.6
Feb.	110.5	111.6	100.7	89.7	77.0	91.4
Mar.	111.4	110.2	100.2	88.7	76.9	92.7
April	110.4	107.8	99.7	87.5	76.0	91.3
May	116.2	111.4	102.2	87.5	77.6	92.0
June	122.2	116.5	103.6	89.1	80.7	96.6
July	124.7	118.9	103.8	88.7	84.5	101.0
Aug.	127.8	118.8	105.2	86.3	87.1	99.9
Sept.	126.8	116.6	107.1	86.0	88.5	98.8
Oct.	125.6	116.2	103.9	86.7	90.4	100.0
Nov.	124.6	112.9	103.0	84.7	91.3	100.2
Dec.	119.1	108.5	99.1	83.2	91.8	99.2

(1) See Monthly Review of Business Statistics December, 1930
1931, 1932, 1933, 1934.

TABLE IV. UNEMPLOYMENT ESTIMATES OF PROFESSOR H.M. CASSIDY
AND PROFESSOR G.E. JACKSON FOR CANADA 1929-1932. (2)

	<u>1929</u>	<u>1930</u>	<u>1931</u>	<u>1932</u>
Jan.	289.891	303.223	479.900	677.377
Feb.	272.787	300.873	500.354	708.694
Mar.	262.941	328.154	513.599	726.594
April	281.635	370.063	526.689	
May	199.450	314.910	493.603	
June	114.337	243.424	476.688	
July	90.158	211.578	495.504	
Aug.	38.633	219.323	467.559	
Sept.	57.284	258.217	492.719	
Oct.	78.848	270.239	495.317	
Nov.	97.440	325.147	494.679	
Dec.	182.620	395.869	577.473	

(2) See Proceedings of Canadian Political Science Association,
1932.

It will be seen by reference to Table 3, that employment in Canada did not reach its lowest point until nearly two years after this date when on April 1st, 1933, the Index stood at 76.0. This represents a decline of 26.6% from the index of June 1st, 1931, and it is taken into account that the Census of that date numbers the unemployed at 435,257, the number must have increased exceedingly if it were to keep pace with the falling index number. It is not unlikely that the numbers of unemployed wage earners at this time exceeded 700,000.

The incidence of unemployment is by no means completely illustrated by the census or the Index of employment because these leave us with little indication of the amount of part-time employment or reduction in incomes due to the cuts, in the hours of work and rate of wages. In as much as this study is undertaken to shed light upon the relief problem, these are factors which should be considered.

Further reports of the census indicate that while 471,668 wage earners were not at work on June 1st, 1931; 952,425 had been out of work for some time previous to the census. The average period of unemployment during the previous year for these was 23.8 weeks and finally 37%⁽³⁾ of the jobless had been without work for almost half a year.

Some interesting facts come to light when figures

(3) The Canadian Economy and Its Problems--Edited by H.A. Innis, A.F.W. Pluntre. Toronto 1934, p. 112.

for decrease in income, are compared with the decrease in employment as in Table 6. It is clear that the deflation of wages has not only kept pace with unemployment but has over taken it and while the cost of living has also fallen, it has certainly not decreased in the same proportion as the shrinkage of income indicated here.

Another aspect of unemployment that should be considered in relation to relief problems is the extent to which the various industries have been effected. It will be seen by reference to Table 7, that the greatest decrease has occurred in the construction and allied industries, and this in the face of the relief works undertaken by the government. The localization of unemployment problems by statistics such as these is of great importance to the development of a constructive relief program.

In conclusion it may be said that it has not been attempted here to give a complete picture of the unemployment situation in Canada but rather to illustrate the magnitude of the relief problem which this unemployment has brought about. At one time there has been well over one quarter of the wage earners of Canada unemployed and a great many more under-employed. It is only in rare instances that a working man can earn or save enough to care for himself and his family throughout such protracted periods of unemployment. Their distress becomes increasingly greater as depression progresses and society is forced to carry the burden of their welfare.

T A B L E VII.

INDEX NUMBERS OF EMPLOYMENT BY INDUSTRIES
CANADA, 1929.

Manufacturing	100.0	93.1	81.4	72.1	69.1
Animal Products Edible	100.0	96.9	90.3	89.8	93.0
Leather and Products	100.0	94.3	94.5	95.0	97.2
Plant Products - Edible	100.0	101.9	95.0	91.1	89.4
Textile Products	100.0	94.4	91.0	90.5	89.7
Tobacco, Distilled & Malt Liquors	100.0	100.2	93.2	93.0	90.5
Lumber Products	100.0	87.9	69.8	55.1	52.1
Pulp and Paper	100.0	97.9	86.6	78.9	76.9
Rubber & Products	100.0	84.2	70.8	61.1	57.3
Chemicals & Allied Products	100.0	100.9	98.1	93.1	92.8
Clay, Glass and Stone	100.0	96.4	80.6	57.5	44.1
Electrical Apparatus	100.0	109.3	94.4	78.3	62.7
Iron and Steel Products	100.0	86.3	68.6	53.8	48.8
Non-Ferrous Metals	100.0	97.4	83.9	63.9	63.3
Non-Metallic Minerals	100.0	103.2	90.4	86.4	87.8
Electric Current	100.0	102.5	98.8	90.4	85.4
Logging	100.0	85.9	47.8	33.9	52.9
Mining	100.0	98.1	89.7	82.6	81.2
Transportation	100.0	95.4	87.3	77.2	72.0
Communications	100.0	99.3	86.8	77.5	69.6
Construction (4)	100.0	100.1	101.3	66.3	57.5
Services	100.0	101.0	95.7	87.2	81.9
Trade	100.0	100.2	97.9	92.0	88.8

(4) Includes Employment on Relief Works.

T A B L E VI.

Totals of Salaries, and Wages, and Percentages of Manufacturing.
Steam and Electric Railways, Mining, Telephones and Telegraphs, (1)
by Industrial Divisions.

	<u>1929</u>	<u>1930</u>	<u>1931</u>	<u>1932</u>	<u>%</u> <u>1929</u>	<u>%</u> <u>1930</u>	<u>%</u> <u>1931</u>	<u>%</u> <u>1932</u>
Salaries & Wages	\$1,271,376	\$1,162,658	000's omitted. \$986,577	\$798,316	100	91.5	77.6	62.8
No. of employees	1,013	942	818	723	100	93.0	80.7	71.4

(1) Dominion Bureau of Statistics. See A.S. Whitely. Workers
During the Depression. The Canadian Economy and Its
Problems, Toronto, 1934. p. 112.

The Dominion-wide organization of relief which has struggled with the unemployment relief problem in Canada during the years 1929-1934 will form the basis of the next section of this study.

C H A P T E R V.THE UNEMPLOYMENT RELIEF ACT, 1930.

The crisis in unemployment which was developing rapidly in the early months of 1930 was instrumental in initiating by the Dominion Government a plan for unemployment relief on a scale never before attempted. Some conception of the conditions and experiments which formed the background for the ensuing program of unemployment relief has been given in the historical survey of the first chapter and their influence is evident in this, the latest problem. The condition of unemployment was still characterized as one of emergency but almost immediately the onus of responsibility was directed towards and accepted by the National Government.

By reference to Tables 3 and 4 in the preceding chapter it is clear that employment conditions in 1930 were showing a perceptible worsening over those of 1929. Relief for the unemployed became a political issue and coupled directly with reform of the tariff along Nationalist lines it was of sufficient proportions to effect the political victory of Mr. Bennett on July 28th, 1930. Agitation for relief had become strong enough to call forth a "Special session of the new parliament to deal with unemployment relief" in September of 1930. Mr. Bennett's campaign promises, were this fulfilled and the stage was set for action. Most important of the measures to be considered were the appropriation of funds for Unemployment Relief and a modifica-

tion of the tariff structure.

The Government presented the major part of its program in respect to unemployment relief in the form of the Unemployment Relief Act, 1930. ⁽¹⁾ (Chapter 1, Statutes of Canada 2d. Session) The Act was passed on September 23rd, 1930, and two days later an Order-in-Council, (P.C.-2246) vested the administration of the Act in the Minister of Labor and appointed an advisory committee. A series of Regulations setting forth the principles to be followed in the Administration of the Act was also contained in the Order.

"Under these regulations the Minister was authorized to enter into agreements with the several provinces for the expenditure of the \$20,000,000 appropriated under the Act, by contributing to Municipal and Provincial expenditures for public works and undertakings to provide employment, and to supplement the expenditures of the Municipal and Provincial authorities for direct relief where no employment could be arranged. Out of this fund \$4,000,000 was set aside to provide for the payment to municipalities of one-third of their expenditures for direct relief where suitable work could not be provided for the unemployed or for one-half of the relief given by the Provincial authorities in un-
(2)
organized districts.

(1) See Appendix A for Text of Act.

(2) Unemployment Relief Act, 1930, Ottawa, 1931, p.4.
Report of the Dominion Director of Unemployment Relief.

With regard to public works the Municipalities were to assume one-half of the expenditures, the Provincial and Dominion Governments sharing equally the remaining cost. Exceptions were made when this arrangement should incur too heavy a burden upon a municipality. Further stipulations were made as regards fair wages and an eight hour day in all agreements involving the expenditure of Dominion Funds.

Throughout the duration of the Act, Orders-in-Council authorized grants to agencies not stipulated in the Regulations. These included the following:-

(1) An agreement with the Canadian Pacific Railway Company and the Canadian National Railway Company to pay interest at the rate of five per cent per annum for a period of eighteen months on the sum, approximately \$25,000,000 for the performance of certain works in order to alleviate unemployment.

(2) An agreement with the Province of Saskatchewan to provide not more than \$500,000 for relief of distress in the draught area providing the Province expended a like amount. (3)

(3) The Item of Saskatchewan Relief Commission will appear in the tables of Relief expenditures in the following chapters. Saskatchewan has probably suffered more acutely than any other province during the last four years. (See-The Depression in Rural Saskatchewan.G.E. Bretnell The Canadian Economy and its Problems. Toronto, 1934.) Probably 85% of the population in Saskatchewan is devoted to agricultural activity -- concentrated on wheat production. To be faced with the tremendous drop in world wheat prices was catastrophe enough for the Saskatchewan farmer but the continued exposure to drought and locust resulted in complete destitution of large numbers of farmers and their families. The province was quite unable to provide for these unfortunate people and the Saskatchewan Relief Commission was formed to deal with conditions. It is thus that the item appears in the accounts and the funds allotted to the Commission were spent in many ways to relieve the acute distress of the drought

(3) Order in Council P.C. 2582 provided for the transfer of \$500,000 from the Unemployment Relief Fund to the Grade Crossing Fund.

(4) An agreement with the Canadian National Railways and the Dominion Steel and Coal Company to the effect that the three parties should share equally in the additional cost of purchasing Nova Scotia Coal for the railways. The Dominion Share was not to exceed \$50,000.

(5) Agreements covering subsequent minor allotments to province where the original grant was insufficient.

The Provinces were required to submit for the approval of the Minister of Labor memoranda setting forth the public works and undertakings to be carried on by the provinces and municipalities to which the Dominion should agree to contribute.

The whole program illustrates clearly that it was the intention to provide work as a means of alleviating the unemployment rather than to maintain the idle on some form of dole.

Table 8 lists the amounts allotted and spent by the Dominion Government in pursuance of its relief policy as laid

(3) continued from page 58.

areas. This included direct relief, hospital and medical attention food and clothing, transportation of settlers and their goods and chattels from the dried out areas - provision of food for livestock, farm implements and the costs of meeting many other exigencies that arose from the unfortunate circumstances.

TABLE VIII. Dominion Allotments and Expenditures Unemployment Relief Act, 1930.
Total Cost of Dominion, Provincial and Municipal Expenditures and Railway.
Expenditures on Public Works.

PROVINCE ETC.	Allotment. (1)	Public Works. (2)	Direct Relief. (3)	TOTAL	Total Cost of Public Works.
Prince Edward Island	\$ 90,000	\$ 90,000.00	\$ 5,199.45	\$ 95,199.45	\$ 200,000
Nova Scotia	700,000	699,022.09	95,439.50	794,461.59	2,319,636
New Brunswick	500,000	499,990.37	3,699.50	503,689.87	1,362,474
Quebec	2,850,000	2,765,102.11	704,854.07	3,469,956.18	10,199,300
Ontario	3,850,000	3,850,000.00	842,650.50	4,692,650.50	15,665,921
Manitoba	900,000	871,704.79	761,366.27	1,633,071.06	2,490,585
Saskatchewan	1,000,000	964,407.86	454,189.92	1,418,597.78	1,988,963
Saskatchewan (Drought Area)	500,000	500,000.00		500,000.00	849,100
Alberta	900,000	899,261.88	387,760.08	1,287,021.96	2,750,663
British Columbia	1,100,000	1,090,076.52	286,827.09	1,376,903.61	2,718,320
Yukon	20,000	19,998.29		19,998.29	20,000
National Parks	37,000	36,996.37		36,996.37	37,000
Banking Nova Scotia Coal	50,000	41,718.22		41,718.22	150,000
Grade Crossing Fund	500,000	500,000.00		500,000.00	2,445,312
Canadian Pacific Railway Co.	863,550	863,550.00		863,550.00	11,514,000
Canadian National Railway	882,412	882,412.35		882,412.35	14,119,405
Direct Relief Administration	4,000,000				
	100,000			43,061.97	
TOTAL	\$ 18,842,962	\$ 14,574,240.85	\$ 3,541,986.38	\$ 18,159,289.20	\$ 68,730,647

- (1) Report of Dominion Director of Unemployment Relief March 16, 1931 - Ottawa 1931, p.7.
- (2) Dominion Disbursements under the Unemployment Relief Act, 1930 as at March 31st, 1933 - Report of Dominion Commissioner of Unemployment Relief March 31, 1933 - Ottawa 1933, p.24.
- (3) The Labour Gazette, Aug. 1931, p. 900.

down by the Unemployment Relief Act 1930. To the \$14,500,000. odd expended by the Dominion must be added Provincial, Municipal and Railways contributions indicating a total of approximately \$70,800,000 upon works projects. By this means, 7,318,571⁽⁴⁾ man days of work had been provided up to September 30th, 1931. The Act had been in operation since October 1st, 1930 and during this time sufficient work had been provided to keep approximately 26,138 men at continuous work under regular working conditions. According to the latest report 331,953 individuals were given work and hence each one worked on the average of 26 days. The cost of providing work was in the vicinity of \$9.50 per man per day. While this includes the cost of materials employed, but at the same time gives no indication of workers indirectly afforded employment⁽⁵⁾ or of the utility or necessity of such works projects as were undertaken, it gives some indication of the expense to which public authorities were put to provide employment under the Act.

The efforts of public authorities to counteract unemployment while undoubtedly taking up some of the slack were not sufficient to reverse the downward trend in employment conditions as is seen by reference to Tables 3 and 4 - Chapter III.

The results of the program of Direct Relief are more

(4) See Table 9.

(5) It has been variously estimated by Mr. J.M. Keynes and others that from two and one half to four men, are provided with employment through the direct employment of one man or a public works project.

TABLE IX. UNEMPLOYMENT RELIEF ACT 1930. EMPLOYMENT AFFORDED TO SEPTEMBER, 30th, 1931.

PROVINCES ETC.	(2) Individuals given Employment	Number of man-days work given
Prince Edward Island	\$ 2,195	\$ 19,389
Nova Scotia	33,457	532,121
New Brunswick	21,097	289,900
Quebec	89,006	1,225,100
Ontario	43,000	2,384,000
Manitoba	36,107	392,971
Saskatchewan	29,418	630,154
Alberta	23,957	407,160
British Columbia	34,724	756,186
Yukon	.150	2,096
Canadian National Railway	7,775	243,296
Canadian Pacific Railway	11,069	376,439
Banking Nova Scotia Coal (3)		65,759
TOTALS	\$ 331,953	\$ 7,318,571

(1) Labour Gazette, October, 1931, p.1108

(2) These figures do not include repeaters, i.e. no one individual is counted more than once.

(3) The number of individuals given employment is not available.

difficult to trace. The Dominion Government spent over \$3,500,000 to this end, and assuming the Provincial and Municipal contributions were made on the basis agreed upon the total Public expenditures for Direct Relief must have been around \$10,500,000. This figure gives no weight to the administration costs or direct relief costs which were assumed entirely by the municipalities. The variance in municipal reports as to standards employed both as to administrations and records makes it almost impossible to draw any accurate picture of direct relief at this time. Private agencies upon which there was little or no check had also entered this field further complicating the situation.

It may be assumed however that the Canadian Public contracted an unemployment relief bill of at least \$80,000,000. during the functioning of the Unemployment Relief Act of 1930. Withal the experience was a useful one and the results were sufficiently satisfactory to warrant a further extension of the policy upon the expiration of the Act.

C H A P T E R VI.THE UNEMPLOYMENT RELIEF ACT, 1931.

Under the Unemployment Relief Act of 1930 no grants were made by the Dominion after March 31st, 1931. Work projects undertaken by virtue of the Act continued to provide employment for some months after the Act had formerly lapsed and the municipal and provincial authorities continued their relief activities partly with the assistance that had already been provided and partly on their own initiative.

Unemployment, far from being arrested by government policy continued to grow apace. During the summer of 1931 an attempt was made on the part of the provincial governments to make a survey of the unemployment situation. While the results were quite unsatisfactory from a statistical point of view, due to the lack of any standard procedure, they were sufficient to indicate that unemployment was assuming alarming proportions. At the same time the volume of unemployment was being recorded in the Census returns but these results were not available until the following year. There is little doubt, however, that they had cast their shadow before.

At the same time the Provincial Governments had been requested to consult with the municipalities within their respective jurisdictions, in order to work out a program of

provincial and municipal public works. A conference had been held during the summer by some fifty mayors of Ontario municipalities to urge upon the government certain policies as regards unemployment relief that had suggested themselves during the administration of the Act of 1930. Their recommendations included the request that the Dominion Government assume one third of all direct relief costs beginning July 1st, 1931. They urged the Dominion Government to take immediate action in the field of public works and emphasized the selection of such public works as would provide the greatest amount of hand labour. One of the chief grievances under the Act of 1930 was also aired with the results that the Conference demanded the Dominion Government to make some provision for the relief of the transient unemployed. They further requested that some attempts should be made to institute a back to the land movement and at the same time that more stringent immigration regulation should be established. ⁽¹⁾

The outcome was, in short, that the Dominion Government presented a much more comprehensive plan for unemployment Relief at the summer session of 1931. ⁽²⁾ Mr. Bennett requested, and was granted a "Carte blanche" as regards all matters of unemployment relief. The keystone of the government's policy was to continue to be employment on public works rather than

(1) Sec. The Globe, Toronto, August 3rd, 1931.

(2) See Appendix B. for Text of Unemployment Relief Act, 1931.

a dole and steps were taken to provide a most extensive program of relief works. In the words of Mr. Bennett, at the time, there would be "Work for those who are willing to work---- relief for that class to whom work in the ordinary acceptance of the term may not be provided and those who have no opportunity at all under the circumstances in which they walk to find employment of any kind."

The text of the Act will be found in Appendix B. By comparison with the Relief Act of 1930 the most significant change is seen in the absence of any limit as to the expenditures of the government in the relief of unemployment. The General Regulations⁽³⁾ issued under the Act by Orders in Council initiate several changes over the policy of the Act of 1930. The proportion of provincial and municipal expenditures on direct relief to be assumed by the Dominion Government was to be determined by mutual agreement rather than on the basis of set percentages. Similarly Dominion allotments for the pursuance of public works projects were to be made on the basis of agreement rather than established percentages. Otherwise provision as to administration, wages, and hours of work on works projects remained essentially the same.

The government was thus given, in effect a free hand as regards unemployment relief and set about to attack unemployment on a broad front.

In addition to the measures adopted in 1930 the Dominion Government undertook an extensive program of federal works bearing

(3) P.C. 2043, Aug. 18th, 1931.

the entire cost. Construction of the Trans-Canada and Provincial highways was also given encouragement partly in answer to the demand that something be done to provide for the transient unemployed. A further development in relief policy is seen in the loans on advances made to certain of the provinces, namely, Manitoba, Saskatchewan, Alberta and British Columbia to assist in the financing of maturing obligations which they were unable at the moment to meet, and also to assist in the speedy execution of relief measures. These loans were made under Section C of the Unemployment and Farm Relief Act 1931 and on March 1st, 1932, the following loans were outstanding:-

	(4)
Manitoba	\$3,775,684.14
Saskatchewan	16,802,496.18
Alberta	4,624,729.16
British Columbia	5,664,366.19

The percentages payable by the Dominion under the agreements as regards municipal and provincial direct relief costs were 33 1/3% and 50% respectively in all cases. Dominion contributions toward municipal public works projects were fixed at 25% for the five eastern provinces and 50% for the western provinces. Fifty percent of all provincial expenditures on public works was also contributed by the Dominion Government. Provincial highways were placed in a class by themselves, the 50% contribution holding for the four western provinces and Prince Edward Island while the remaining provinces made agreements on the basis of a 40% Dominion allotment. The Dominion

(4) Report of the Dominion Director of Unemployment Relief.
pp.IV-V, Mar.1st,1932.

further agreed to share one half of the expense involving any work on the Trans-Canada highway.

Subsequent acts ratifying the provincial Dominion agreements were passed by the legislatures of all the provinces and agreements were drawn up with the municipalities.

The total cost of the public works and undertaking which were partly subsidized by the Dominion Government was approximately \$81,000,000 and the Dominions share of this amounted to about \$37,000,000. Under the Continuance Act of 1932, an additional \$14,778,000 was spent on public works.⁽⁵⁾ In addition the Federal program of relief works which totalled \$5,300,000 must be taken into consideration whereupon it appears that under the relief legislation of 1931,1932 \$101,000,000 was expended in order to provide work for the unemployed.

By September 1st, 1932⁽⁶⁾ at which date records were fairly complete some 13,150,000 man days of work had been provided to 597,000 individuals. Each individual received therefore on an average 23 days of work and to keep these individuals at work the Governments were spending at least \$7.50 per man per day. Enough work had been provided to give about 47,140 individuals continuous employment at average working hours over this period.

The total costs of public relief, both direct and that provided through public works probably amounted during the year 1931-1932 to approximately \$120,000,000 exclusive of provincial and municipal administrative costs. The Dominion

(5) See Labour Gazette Vol.XXXIII p.1300, and also Table X.
 (6) See Labour Gazette Vol.XXXIII p.1300, and also Table XI.

T A B L E X.

Dominion Disbursements Under the Unemployment and Farm Relief Act 1931, and the Continuance
(1)
Act 1932 as at March 31st, 1934.

Province etc.	Public Works and Undertakings	Direct Relief	Total
Prince Edward Island	\$132,130.36	\$4,041.23	\$136,171.59
Nova Scotia	959,814.81	124,466.32	1,084,281.13
New Brunswick	720,692.33	48,290.39	768,982.72
Quebec	4,368,516.45	1,134,379.84	5,502,896.29
Ontario	8,619,184.66	2,500,627.20	11,119,811.86
Manitoba	2,608,737.75	757,147.25	3,365,885.00
Saskatchewan	2,688,060.80	285,073.58	2,973,134.38
Saskatchewan Relief Commission	1,689,216.64	3,693,754.66	5,372,971.30
Alberta	2,560,210.79	500,363.71	3,060,574.50
British Columbia	2,883,704.48	1,070,916.81	3,954,621.29
	\$27,230,269.07	\$10,109,060.99	\$37,339,330.06
Dept. of Public Works	1,726,732.64		1,726,732.64
Dept. of National Defense	70,941.06		70,941.06
Dept. of Interior (inc. Yukon)	876,125.73		876,125.73
Dept. of Railways and Cannals	1,772,725.74		1,772,725.74
Dept. of Justice	83,180.55		83,180.55
Dept. of Agriculture	6,999.76		6,999.76
National Battiefields Commission	24,809.05		24,809.05
Board Railway Commissioners	500,000.00		500,000.00
Canadian Pacific Railway	209,196.98		209,196.98
Transportation of Unemployed Administration	45,065.90		45,065.90
	85,203.51		85,203.51
Totals	\$32,546,046.51	\$10,109,060.99	\$42,740,311.01

(1) Report of the Dominion Commissioner of Unemployment Relief, March 31st, 1934, Ottawa 1934-p.26.

T A B L E X I.

(1)

Employment afforded in Canada Under Employment and Farm Relief Act, 1931 to End of April, 1932.

Province, etc.

Prince Edward Island	\$6,255.	\$69,533.
Nova Scotia	33,627	431,844.
New Brunswick	29,739	425,109
Quebec	119,725	1,758,693
Ontario (2)	115,000	4,500,000
Manitoba	51,149	731,961
Farm Placement	1,602	77,673
Saskatchewan	12,557	609,933
Farm Placement	7,937	594,016
Alberta	38,082	547,865
British Columbia	37,199	1,190,180
Yukon	150	1,295
Dept. of Agriculture	101	3,177
Dept. of National Defense	597	13,264
National Battlefields Commission	142	5,670
Dept. of Railways and Canals	4,143	45,562
Dept. of Public Works	6,157	183,279
Dept. of the Interior (Parks Branch)	4,518	273,821
Canadian Pacific Railway. Relaying Steel	4,280	76,693
Totals	\$472,940.	\$11,539,568.

(1) The Labour Gazette, June 1932. p. 683.

(2) Ontario figures subject to revision.

Governments share of this was \$42,740,000. Table 10 tabulates these disbursements of the Dominion Governments.

The expenditures on works projects by the Dominion Government have increased some \$8,000,000 over the year previous and despite the increased emphasis on public works direct relief costs have also measurably increased. The Dominion Government was clearly assuming a larger share of total relief costs in the Dominion. It is to be noted that the Continuance Act of 1932 extended the life of the Unemployment Relief Act of 1931 for two months, that is until May 1st, 1932 and this has some bearing on the larger totals.

The result of these efforts to provide employment directly or indirectly, as reflected in the index of unemployment or in Professor Cassidy's estimates, (See Tables 3 and 4, Chapter III) was not encouraging. The index of unemployment continued to fall and Professor Cassidy's estimates indicate that there was throughout this period an unemployment constant of at least 494,000. Professor Cassidy has been arbitrarily credited with an error of about 10% but with the figure reduced to 494,600 the ability of the government to provide continuous employment for 47,000 individuals indicates by comparison how futile the public works program had become in attempting to control the situation.

C H A P T E R VII.THE UNEMPLOYMENT RELIEF ACT. 1932.

It was clear upon the expiration of the Unemployment Relief Act of 1931 that the governments could no longer keep up the continued drain on their resources. With this in mind the Prime Minister requested the Premiers of the respective provinces to confer with him in April of 1932.⁽¹⁾ The Dominion Government still maintained its old position in regard to provincial responsibility, but at the same time it was assuming the initiative as regards a new departure of relief policy. At this time the provincial and municipal grievances were once more considered and the old question of the unemployed transient came up for discussion. But a new problem had also arisen; provinces and municipalities could no longer support financially the relief program in its present form and unless the Dominion government was willing to adopt a more generous policy in this respect they were ready to call a halt. This, of course, the Dominion Government was not prepared to do.

Out of the conference developed the principles upon which the new relief program was to function.⁽²⁾ In the first place the extensive works program was to be definitely dropped and the construction of public works was to be limited to the completion of those already begun and to those deemed genuinely

(1) See Labour Gazette Vol. XXII, p. 378.

(2) For Text of Act of 1932, see Appendix C.

necessary. It had become a case not only of curtailing expenditure but also of preventing the further squandering of public funds upon works projects of which the utility and economy was decidedly open to question. One other fact was also taken into consideration—it was becoming a task for even the most fertile local brains to think up further embellishments for their communities and without work projects there could be no works program.

Direct relief was thus to become the backbone of the relief structure. The costs were to be apportioned under the old three-way agreement which in most cases included equal contributions by Dominion, province, and municipality. In case of the inability of any municipality to assume one third of the costs, special agreements were made between the province and the Dominion to assume a larger share.

The old grievance of the responsibility for the transient unemployed which had been a thorn in the side of the provinces and municipalities since the relief problem was inaugurated was the object of a new departure in policy. This problem was met in part by the establishment of the so-called Labour Camps. These were designed chiefly to accommodate the destitute homeless individual and here in return for his labour he was provided with food and shelter and a small daily stipend. The Labour Camps were established chiefly in National Parks, on the Trans-Canada Highway and in conjunction with some provincial

projects. In the last two cases the Dominion Government shared the expense with the province. Later in the year the Dominion agreed to pay 100% of the cost of maintaining the single homeless persons of the four Western provinces in similar camps providing the cost did not exceed 40¢ per person per day.

The government, it may be seen, was unwilling to commit itself wholly to direct relief and in addition to the Labour Camps another plan of attack was devised. In this case it was a scheme of Land settlement for the purpose of providing an opportunity to those who wished to return to the land but had not the means to do so. Something of this kind had been done before on the part of the Government and the railways who had encouraged unemployed families who were possessed of sufficient capital and experience to return to the land. Up to September 20th, 1932, 9,443 families had been induced to return to the land and positions as farm hands had been found for some 20,000 single men—the provinces had further supplemented this scheme. (3) It was now deemed worthwhile to attempt to subsidize the settlement of selected families with sufficient experience and inclination to work the land. This was essentially a relief measure, but the intention was to secure a fair amount of permanent settlement. The agreements covering the land settlement program were to run for two years and in them the Dominion Government contracted to assume one third of the cost settlement providing the cost per

family did not exceed \$600.00. The program was to be administered by committees within the several provinces and it was stipulated that wherever possible public lands were to be used for settlement. Of the \$600. not less than \$100. was to be reserved for the second year of settlement.

The Dominion Government continued its policy of loans to the four Western Provinces in order to enable them to meet their obligations and to pursue their relief programs. These loans were secured by Treasury Bills of the several provinces and on March 31st, 1933 amounted to the following:-

Manitoba	\$6,349,707.75
Saskatchewan	12,418,679.84
Alberta	5,359,781.43
British Columbia	5,290,758.18 (4)

A new feature of the 1932 Relief Act was the Guarantees made by the Government to the several Canadian banks respecting advances made by them to several agencies including the Wheat Pools, the Province of Manitoba Savings Office, the Beauharnois Light, Heat and Power Company, and the Government of Newfoundland. This was done under the authority of Section 2, (b) and (c) of the Relief Act of 1932.

It will be seen by reference to Table 12 to what extent the Dominion Government contributed to Relief operations in 1932. The expenditures on public works projects were drastically reduced but the cost of direct relief had more than doubled. Employment on a wage basis was negligible for the greater part

(4) Report of Dominion Commissioner of Unemployment Relief
March 31st, 1933- p. 8-9.

T A B L E XII..

(1)

Dominion Disbursements Under Relief Act 1932 as at March 31st, 1934.

Province	Direct Relief	Relief (2) other than Direct Relief	Total
Prince Edward Island	\$19,798.44	\$5,328.24	\$25,126.68
Nova Scotia	437,834.85	98,228.31	526,063.16
New Brunswick	222,074.33		222,074.33
Quebec	3,889,369.28	88,235.17	3,977,604.35
Ontario	6,920,617.55	889,697.00	7,810,314.55
Manitoba	1,445,683.29	295,685.20	1,741,368.49
Saskatchewan	958,039.45	174,224.61	1,132,264.06
Saskatchewan Relief Comm.	879,454.41	3,580,464.90	4,459,919.11
Alberta	827,855.92	447,623.32	1,275,479.24
British Columbia	2,146,903.18	1,079,623.73	3,226,526.91
Total	<u>\$17,747,630.70</u>	<u>\$6,659,110.28</u>	<u>\$24,406,740.98</u>
Dept of Public Works		6,904.43	6,904.43
Dept. of National Defense		423,166.50	423,166.50
Dept. of Interior (inc. Yukon)		655,221.06	655,221.06
Dept. of Agriculture		3,000.00	3,000.00
Dept. of Labour		3,243.78	3,243.78
Transportation of Unemployed Administration		11,513.46	11,513.46
Total	<u>\$17,747,630.70</u>	<u>\$7,762,159.51</u>	<u>\$25,577,366.35</u>

(1) The Relief Act 1933. Ottawa 1934. p-27.

(2) Includes relief settlement --works projects and camps etc.,
relief to single homeless persons.

of the expenditures in the second column represent relief on a subsistence basis. Not more than 124,000 man-days of work were provided on a wage basis on works projects to which the Dominion contributed from May, 1932, up to and including February, 1933. In the Labour Camps where subsistence Relief was afforded some 5,280,000 man-days of labour were accounted for at an approximate cost of \$4,503,000. A monthly average of some 26,000 individuals were thereby supported.⁽⁵⁾ The cost per man was approximately 85¢. Where these work camps were established on a subsistence basis it was expressly the policy of the government to pursue only such public works as would anticipate some future need and current works were left to be conducted on a wage basis. Only works with a relatively low cost of material and maintenance were considered. This work consisted chiefly of construction of landing fields on the Trans-Canada Airways, and repairs on historic monuments such as the fortifications at Quebec and Halifax and reforestation projects. The Provinces and the Dominion shared equally the costs of transportation of the workers to the camps on the basis of a special rate of 1½¢ per mile which was arranged with the Canadian Passenger Association. The workers paid the cost of their own transportation on leaving the camp at a rate of 2¢ per mile.

The relief settlement for this year resulted in the provision for a total expenditure of \$4,157,125 of which the Dominion paid \$1,385,674 by which some 7000 families were to be provided for.

(5) Figures from the Report of the Commissioner of Unemployment Relief covering the months, May, 1932, - Feb. 1933 inclusive. They are probably incomplete and hence the calculations entail some inaccuracies.

The plan however, was to run for two years and at the date of the report only 1500 families had been settled on the land.

The direct relief bill was clearly the most important item on the Relief accounts for 1932-1933. During the ten months covered by the report \$40,586,000 was spent by Municipal, Provincial, and the Dominion Governments to provide direct relief. ⁽⁶⁾ This would mean that in twelve months the governments spent about \$48,703,200 in this end. During this time 943,900 individuals (monthly average) are accounted for as receiving relief. The amount of relief accorded in each case is indeterminable and any figures representing the average relief received by each person would result in a statistical abstraction. It is also probable that these figures give a rather sketchy picture of the extent of direct relief for it is inevitable that many omissions should be made in compiling the figures.

By reference to Table 14 it will be seen that through 1932-1933, the number of Canadian people on direct relief was steadily mounting and the employment index was correspondingly dropping. By February 1933, 1,396,000 individuals or approximately 14% of the population had been accounted for as having received some relief during the past month. By March 31st, 1934 when reports on the Relief program of 1932-1933 were more nearly complete it was clear that the Dominion Government had dispensed some \$25,500,000 towards all forms of relief. The total Dominion wide public

(6) See Table 13.

T A B L E XIII.

Monthly Total Expenditures (Approximate) on Direct Relief and Relief on Subsistence
Basis in Canada. May 1932—Feb. 1933. (1)

Month	Direct Relief	Relief on Subsistence
May 1932	\$2,210,939.00	\$217,546.00
June	2,351,016.00	267,233.00
July	2,485,339.00	286,917.00
August	2,903,392.00	256,506.00
September	3,320,230.00	223,676.00
October	3,873,748.00	234,770.00
November	5,319,573.00	552,304.00
December	6,029,147.00	812,624.00
January, 1933	5,866,571.00	879,792.00
February	6,230,200.00	987,626.00

(1) Report of Dominion Commissioner of Unemployment March 31, 1933.

T A B L E . . . X I V .

Number of Individuals Receiving Direct Relief. (May 1932 - February, 1934.) (1)
And Number Receiving Subsistence Relief. (May 1932 - Feb. 1934) in Canada.

Month	Direct Relief	Subsistence Relief.
May 1932	597,000.	12,244.
June	624,000.	13,612
July	697,000	12,883
Aug.	732,000	13,804
Sept.	795,000	12,404
Oct.	871,000	12,886
Nov.	1,118,000	37,035
Dec.	1,243,000	44,539
Jan. 1933	1,366,000	48,037
Feb.	1,396,000	52,116
March		
April	1,520,000	53,982
May	1,338,000	52,702
June	1,138,000	51,912
July	1,041,000	55,262
Aug.	972,000	45,849
Sept.	964,000	51,465
Oct.	1,080,000	60,718
Nov.	1,122,000	68,618
Dec.	1,226,000	65,979
Jan. 1934	1,284,000	85,670
Feb.	1,271,000	74,603

(1) See 1933 and 1934 Reports of Director of Unemployment Relief.

expenditures must have been in the vicinity of \$75,000,000. It is evident that in the face of increasing unemployment and the cumulative effects upon relief costs which were beginning to result from the exhaustion of savings and credit of the workless that the governments had adopted a policy that fiscally, at least, was an improvement over that of 1931-1932.

Employment was still falling at the expiration of the 1932 Relief Act and the cessation of government works projects had certainly not helped the situation. The cost of the relief program had been reduced but in respect to numbers its magnitude had been increased. It was thus wedded to a policy of direct relief authorities prepared to meet the gravest situation that had yet confronted them.

C H A P T E R VIII.THE RELIEF ACT-1933.

The Relief Act of 1932 had proved reasonably satisfactory in that it appeared that the least expensive form of relief had been found. Under existing conditions and with the strain on both public and private funds increasing the value of further innovations in the relief program was doubtful.

(1)
During the Dominion-Provincial Conference on unemployment and relief in January, 1933, the opinion was expressed that relief should be continued on the same basis as the previous year. The provinces and municipalities urged however that the Dominion assume a larger proportion of relief costs. It had become apparent during the past year that the administration of direct relief was sadly lacking in both uniformity and standards as between localities and it was recommended at the conference that some steps be taken to remedy this situation. A suggestion was made to the effect that the government's share of direct relief expenses should take the form of so much per capita per diem within certain limits in order to eliminate the disagreements among province, municipality and the Dominion as to the validity of direct relief accounts. Public works were not urged as a general policy but the Dominion Government was asked to foster them whenever possible. The precarious

(1) See Labour Gazette Vol. XXXIII - p. 305.

financial position into which several of the provinces had fallen elicited the suggestion that some method of collecting uniform statistical information relating to public finance should be devised and handled through the Dominion Bureau of Statistics.

The Relief Act, 1933, thus became the Relief Act of 1932 modified to a very slight extent, ^(a) The amount of Direct Relief paid by the Dominion Government was limited to \$20,000,000 and the general tone of the Act was changed slightly in order to shift a little of the responsibility back to the provinces. The relief program thus continued along essentially the same lines as the previous year with a continuation and expansion of the Labour Camps which were now established in all the provinces save Prince Edward Island where the problem of the single homeless man was not acute. These projects were carried out by the Department of National Defense, the Department of the Interior, and in conjunction with several of the provinces. They consisted chiefly of repair work, road building, forestation work, and the maintenance of the work camps themselves.

Table 15 contains the expenditures of the Dominion Government towards unemployment relief under the Relief Act of 1933. The expenditures on public works continued to be relatively small while direct relief and subsistence relief are the major items and show an increase over the previous year. Employment figures

(2) See Appendix D. For Text of Unemployment Relief Act, 1933.

T A B L E XV.

DOMINION DISBURSEMENTS UNDER THE RELIEF ACT, 1933. (3)

Province	Public Works	Direct Relief (1)	Subsistence (2) Relief	
Prince Edward Island		\$ 18,475.68		\$ 18,475.68
Nova Scotia	\$ 260,860.73	563,925.25	\$ 175,960.79	1,000,746.77
New Brunswick	206,125.71	226,354.07	71,926.18	504,405.96
Quebec	172,137.71	2,771,370.70	1,755.13	2,945,303.54
Ontario	326,517.13	7,806,580.88	227,969.89	8,360,887.90
Manitoba	78,454.55	2,107,101.421.		2,185,555.97
Saskatchewan		2,073,284.221.		2,073,284.22
Alberta	2,215.62	1,105,207.101.		1,107,923.02
British Columbia		2,600,642.101.		2,600,642.10
Dept. of National Defense			5,787,658.25	
Dept. of the Interior			1,125,813.32	
Dept. of Trade & Commerce				43,507.68
Transportation				15,849.64
Yukon				55,000.00
Interest on Steel Rails Rolled				22,998.81
Miscellaneous				71,146.30
Administration				82,105.79
Totals	<u>\$1,046,311.75</u>	<u>\$ 19,386,179.06</u>	<u>\$ 7,391,143.56</u>	<u>\$ 28,004,243.59</u>

(1) Including Relief given to single homeless persons.

(2) Including work on Trans-Canada Highway, Board Camps' Settlers Camps Trans-Canada
Includes some workers on a wage basis.

(3) Report of the Auditor General. For year ending March 31st, 1934. Ottawa, 1934.

appear to have reached a record low in March and April of 1933 and at this time 1,527,000 individuals (See Table 3, Chapter 4) were officially recorded as having received some form of relief and nearly 54,000 were working out relief on a subsistence basis. It is to be noticed that the peak in relief expenses does not correspond with the peak in the number of individuals on relief and this is indicative of the cumulative effect that continued unemployment had had on the resources of those in need of relief. (3) The Dominion Government continued at this time to assume the total cost of supporting the single homeless unemployed in the Western Provinces and to this end spent \$1,800,000.

The approximate total cost of projects whereby relief was dispensed on a subsistence basis was \$14,695,000 and on this basis 13,939,000 man-days of work were provided at a cost of about \$1.05 per day. (4)

The total cost to the Dominion Government of direct relief and relief to single homeless persons was \$19,386,179 while the provincial estimates covering eleven months total about \$65,000,000 (see Table 16) This would make the total cost for a year of this type of relief approximately \$82,000,000. The Dominion-Provincial agreements regarding the cost of direct relief were generally on the same basis as the previous year, but due to the increasing number of municipalities about to founder on financial rocks the Provinces and Dominion in many

(3) See Charts A.B.C. & D. pages

(4) Report of Dominion Commissioner of Unemployment Relief, March 31, 1934. April to Feb.--11 months only.

DOMINION OF CANADA. MAY, 1932 TO FEBRUARY, 1934.

CHART A—INDIVIDUALS RECEIVING DIRECT RELIEF, PER MONTH.

CHART B—COST OF DIRECT RELIEF, PER MONTH.

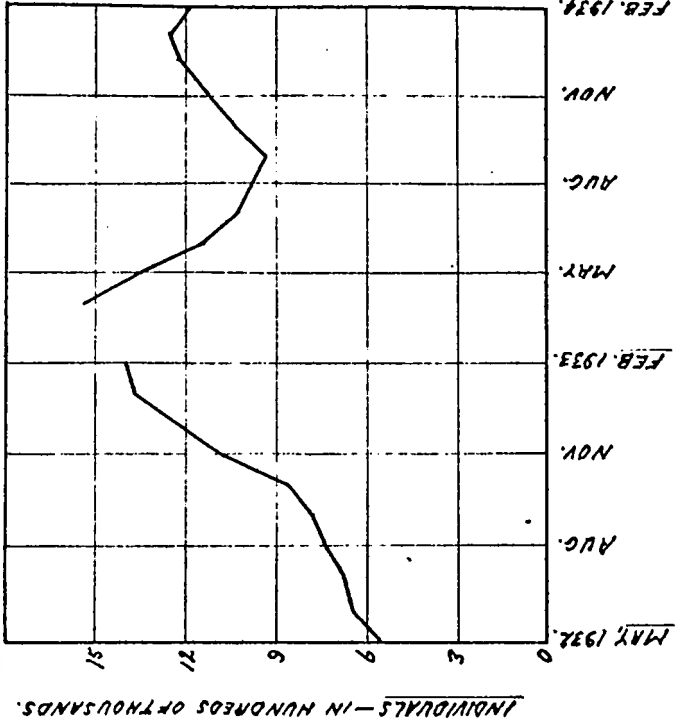


CHART A.

CHART 2.

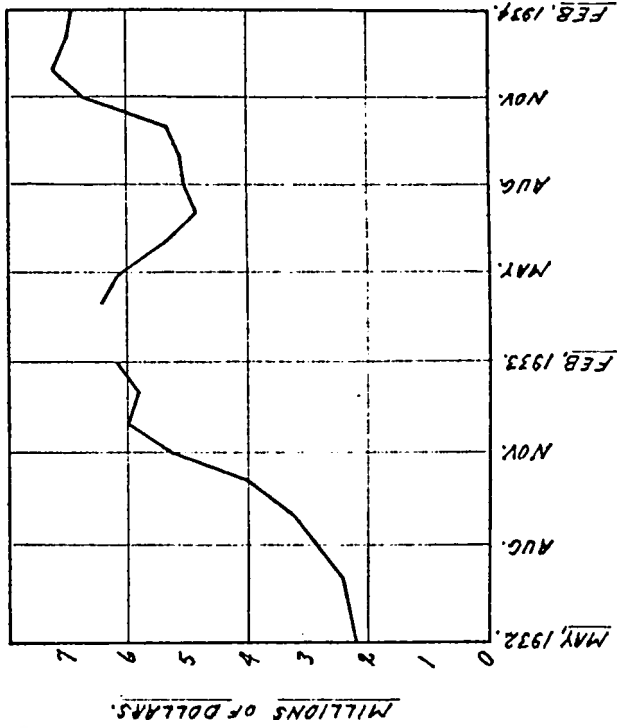


CHART B.

DOMINION OF CANADA, MAY, 1932 TO FEBRUARY, 1934.

CHART C INDIVIDUALS ON SUBSISTENCE RELIEF, PER MONTH.

CHART D COST OF SUBSISTENCE RELIEF, PER MONTH.

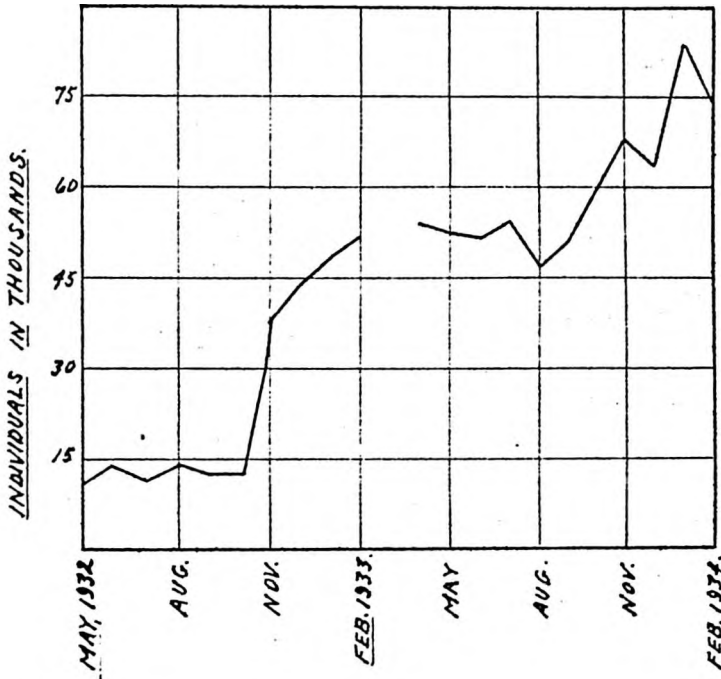


CHART C.

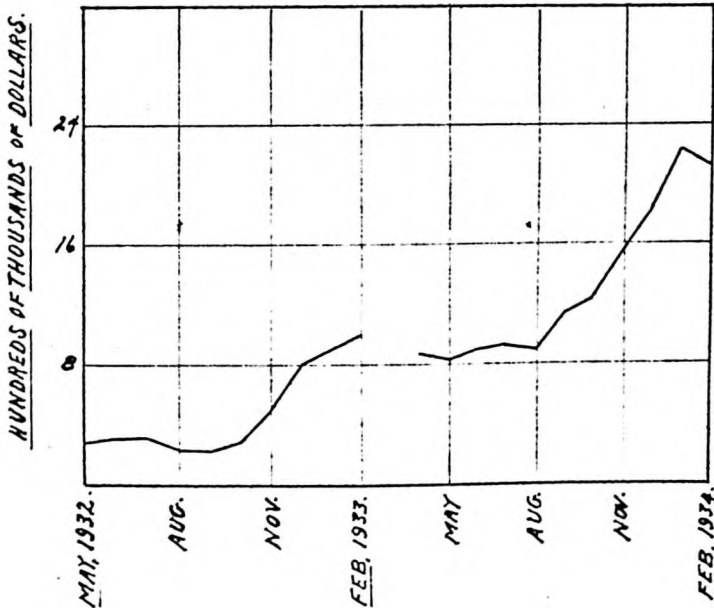


CHART D.

CHART 3.

T A B L E X V I

(1)

Monthly Total Expenditures (Approximate) on Direct Relief and Relief on Subsistence Basis

Month	Direct Relief	Relief on Subsistence Basis.
April 1933	\$ 6,465,598.00	\$ 880,565.00
May	6,014,439.00	846,215.00
June	5,311,429.00	899,403.00
July	4,914,723.00	923,218.00
Aug.	5,032,418.00	905,841.00
Sept.	5,035,884.00	1,160,341.00
Oct.	5,450,922.00	1,280,050.00
Nov.	6,875,884.00	1,554,199.00
Dec.	7,203,317.00	1,890,103.00
Jan. 1934	6,681,438.00	2,229,293.00
Feb.	6,958,850.00	2,127,106.00

(1) Report of Dominion Commissioner of Unemployment Relief. March, 31st,
1934, Ottawa, 1934.

cases had to assume a larger share. In some cases, however, where conditions warranted, the Dominion decreased its contributions. The Land settlement program which had been initiated in 1932 through the two-year agreements between the provinces and Dominion providing for a Dominion non-recoverable expenditure of one-third of an amount not to exceed \$600.^{per family} had by March 31st, 1934, accounted for the settlement on the land of 2,836 families at a cost to the Dominion of \$261,646.

The Dominion Government had also continued its loans to the four Western Provinces for the purpose of financing maturing obligations and the expedient prosecution of relief measures. The net loans outstanding for the four Western Provinces on March 31st, 1934, were as follows:-

Manitoba	\$10,086,774.34
Saskatchewan	23,986,557.51
Alberta	10,050,524.31
British Columbia	7,383,918.76

The Guarantees of the Relief Act of 1932 were supplemented by further Guarantees in 1933. These included the guarantee of Treasury Bills of British Columbia and Manitoba issued in connection with the payment of obligations of the Province in New York; the repayment of bank advances to the Algoma Steel Corporation, the Dominion Steel and Coal Corporation, the Canadian Pacific Railway, the Canadian Co-operative Wheat Producers Ltd., the Western Wheat pools, and the Beauharnois Light, Heat and Power were further guaranteed.

The Dominion Government continued to assume a share of

transportation expenses of unemployed workers on the basis of the previous year and to support other minor costs in the interest of relief.

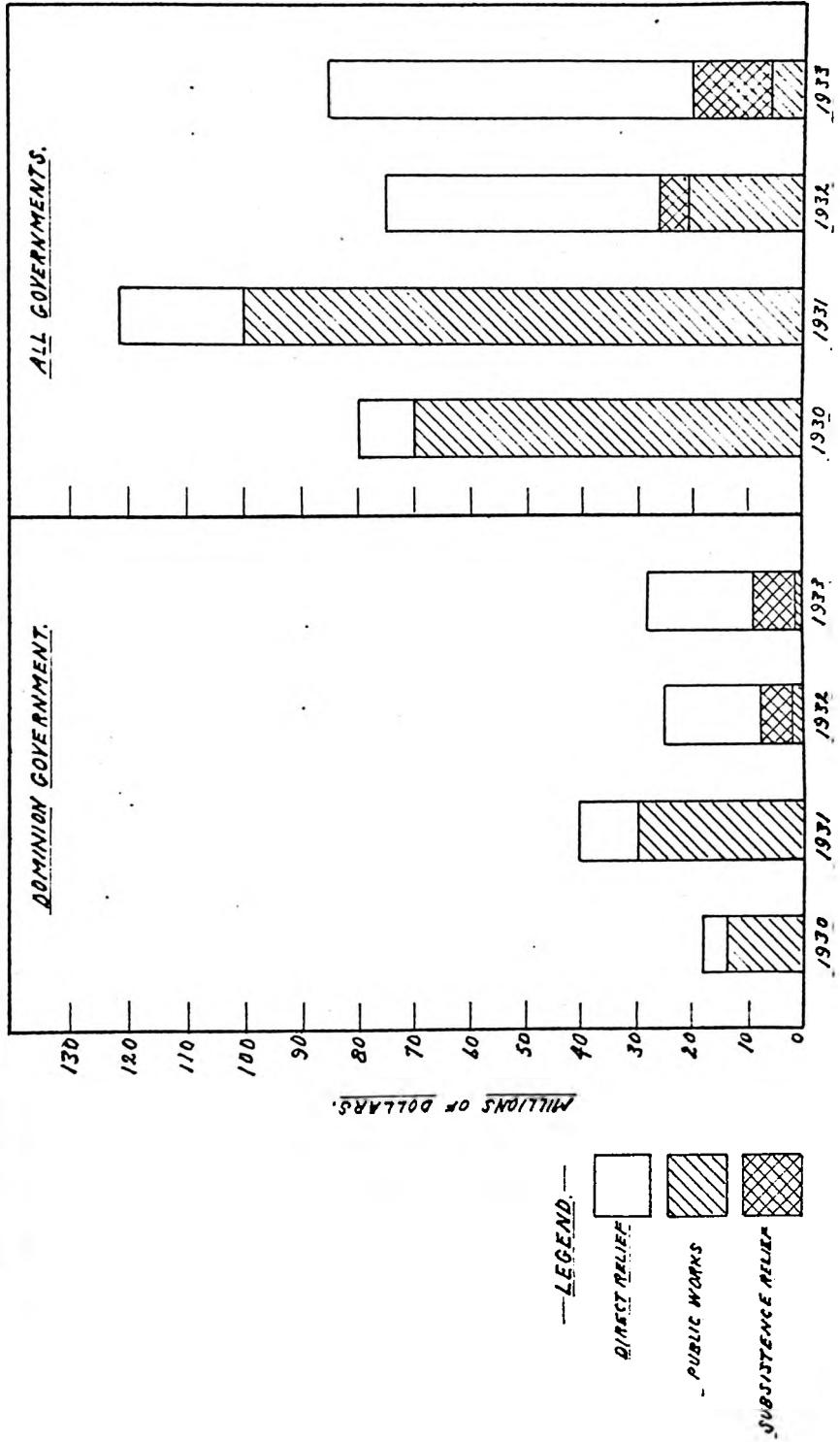
The total cost to the Dominion Government of relief under the 1933 Act was approximately \$28,000,000 (see Table 15) so the total cost to Dominion, Provincial and Municipal Governments must have been at least \$85,000,000. In as much as there was no radical change of policy over the preceding year, it may be assumed that the increase in expenditure was occasioned by an increase in distress. For two years the governments had been endeavouring to bring relief expenditures within bounds and at the same time cope efficiently with the problem of unemployment. At the expiration of the Act of 1933 conditions had begun to show some improvement, pressure on the financial structure of the country became a little less severe and the relief situation became slightly easier. It was anticipated that the country might look forward to a less rigid dependence on direct relief.

In these four years at least \$350,000,000⁽⁵⁾ had been spent by public authorities towards the relief of unemployment and there is no telling to what extent private charity had footed the bill. What has been the result of this extensive program it is rather difficult to judge from so short a point of view, but an attempt will be made to analyse its more immediate aspects in the following chapter.

(5) See Chart 4, p. 70(a)

CHART 4.

COMPARATIVE EXPENDITURES ON UNEMPLOYMENT RELIEF IN CANADA, 1930-1933.



CHAPTER IX.CONCLUSIONS

In looking back over four years of relief activity in Canada one is impressed most strongly by its emergency character. The unemployment crisis was, in both public and private eyes, a contingency likely to be of brief duration. The Dominion Government wrote into each Relief Act its creed as regards unemployment relief i.e. that it was essentially an emergency problem and that the responsibility was primarily a provincial or municipal one; and the provincial and municipal governments echoed this attitude. The most essential task was to alleviate the suffering and provide for the needs of those who were victims of the economic depression and it was primarily on this basis that the relief program was administered.

By reference to Table 20, (at the end of this chapter) it will be seen that several governments of Canada had by 1935 spent some 563 millions of dollars in the relief program of the years 1930-34. The Dominion Government undertook the responsibility of the leadership throughout these years and it is interesting to note that nearly 50% of the total costs were borne by the federal treasury. The total amounts spent on the several items on the relief accounts are also given and are of interest in light of the following discussion of the principle features of the relief program during the last four years.

--Public Works--

When the authorities were first confronted with the distress arising from unemployment they sought to correct it by what was logically the best thing to do --by creating more employment. As a result the extensive public works program of the years 1931 and 1932 was undertaken by Dominion provinces and municipalities. It became clear as time went on, however, that the program of public work was but a drop in the bucket and that the costs were out of all proportion to the benefit received. It had seemed but a relatively simple corrective to follow the general idea of Mr. J.M. Keynes's proposals ⁽¹⁾ but the peculiarities of the Canadian economic and political structure were not readily amenable to this form of attack even had it been undertaken in a more orthodox manner.

One of the most dangerous aspects of the program was the utter lack of any genuine foresight and planning. To embark pellmell upon a public works program and spend \$100,000,000 thereby, could but spell disaster. More especially was this so when there was no competent experienced body that could efficiently administer or supervise work on such a large scale. Through the medium of municipal, provincial and federal bodies, public works were got under way with the main consideration being to start the wheels turning. It was unavoidable that inefficiencies, extravagance, and even corruption should creep into this system. The task of adequate checking was out of the question

(1) See J.M. Keynes--The Means to Recovery--London, 1933.

and as a result a free rein was allowed to public spending. Throughout this orgy of public construction, over ambitious municipalities undertook works whose present or future need is questionable, which was waste; only too often the most important consideration was the volume of hand labour that might be created rather than the most efficient modern methods that might be employed, which was uneconomic; and finally public authorities were led into the over-development of what might be called public luxuries, parks and gardens, which was extravagance.

It has been said of Canadian economic development that one of its weakest points has been the over-expansion of public works and in this respect the relief works program has but added to the already heavy burden of debt incurred in this field. At any rate it was more than the financial structure of the country could carry, the banks began to call a halt and the public works program collapsed.

--Subsistence Relief Works--

When it became apparent that public works on the current scale were no longer practicable the government was forced into the other alternative, direct relief. There were, however, certain obstacles in the way of a straight dole system of relief. Canada, chiefly as a result of the heavy immigration of the years preceding the depression and the highly seasonal character of her industries, had, within her boundaries a great

number of workers who could lay claim to no permanent residence and no particular trade. There was little point in doling out food relief to these individuals unless some provision could be made for their living quarters. Again, there had arisen the problem as to whom should bear the cost of such relief—the municipalities, on general principles, refusing to accept the responsibility of relief to anyone save one who could fulfil residence requirements. The random migrations of these workers in search of relief or employment constituted a real problem for relief authorities. In the first place it was impossible to keep track of them, no one knew when or where they were likely to turn up next and when they did appear they were most likely to concentrate in some municipality which was unprepared materially to meet the situation. Political and social unrest thrived among these unhappy wandering unemployed and whenever they met in sufficient numbers there was bound to be some kind of public disturbance. The government no doubt welcomed the opportunity to control this inflammable mass of discontented workers and at the same time keep them out of the cities. From a moral point of view this practice was in danger of producing serious consequences and it was a problem that demanded special attention.

Concentration camps for the single destitute unemployed had been instituted elsewhere in the world during the course of the depression and had clearly filled a gap in the relief programs of other countries. The plan of providing for the single

homeless unemployed by concentrating them in units and, in return for their labour supplying them with food, clothing, shelter, and a small amount of cash fitted admirably into the revised relief program. The stigma of charity was thus removed and in the orderly discipline of the camp community the worker found an environment greatly superior to his aimless wanderings. In places of idleness he had work to employ his hands and mind and in many respects the unwelcome tendencies that were developing among this class of unemployed were arrested. The worker had by the third year of the depression given up the idea that there was a job for him if he could but find it and was ready to resign himself to this kind of work until times were better.

The selection of the projects to be undertaken on the basis of subsistence relief works presented somewhat a problem for the authorities but in as much as it is often the case that those works whose social value is the greatest are often the last to be undertaken due to their inability to make a good return on the capital involved, there should have been many opportunities for what might be termed subsidized labour. As it was, reforestation, land reclamation, and national parks provided ample occasion for the labour camps. The Trans-Canada Airways and the Trans-Canada Highways while not feasible from a strictly economic or immediate point of view, yet presented the possibilities of future value.

It was, however, necessary to reckon with Labour, even watchful and suspicious of exploitation in a program such

as this and the projects thus undertaken had to be kept within well defined bounds. Canadian Labour was not overly enthusiastic and even at times raised strenuous objections, while outwardly protecting its own interests, but it realized the value of this scheme, and generally co-operated with the government in its efforts to initiate this phase of relief policy.

The cost of providing this form of relief, being one of the reasons for its initiation, was of concern to the authorities. As has been seen it was worked out on a comparatively satisfactory basis, all costs concerned not having exceeded a dollar per day per man when the camps were well under way. It must be remembered that under these circumstances the workers had all their basic needs provided for in comparison to the direct relief dispensed in municipalities which frequently left to other agencies the cost of rent, medical attention and amusement.

The whole program was subject to a more regular and standardized administration than other forms of relief particularly in respect to those units administered by the Federal departments, such as the Department of National Defense which was especially well qualified to cope with the situation.

It would appear that the Labour Camps had justified their part in a sound relief policy. It is generally agreed that a fair policy of working out relief is preferable to the dole but at the same time work for work's sake is not enough. Organized, disciplined labour is characteristic of the modern industrial

system and it so happens that the majority of worthwhile projects to-day necessitate this type of labour, whether they be in the City or in the great open spaces, if they are to be done efficiently and economically. From either a moral or physical point of view the worker is better off in this environment than in the role of a wandering vagabond, for here he may contribute to the future social welfare of his country and at the same time maintain his own self respect and ability to work. If Canada is to continue to have its labour force characterized by a high degree of transiency and seasonal occupation and at the same time to be subject to the chronic depression of industry the labour camps should continue to be an important element in unemployment relief policy.

--Relief Settlement--

There is usually a great deal said and written during an industrial depression about a back to the land movement. A man, it is claimed, can maintain himself by his own efforts on the land and when the industrial system has failed him he can wrest at least subsistence from the soil. This argument came up for due consideration by Canadian relief authorities and formed the basis for another plan for action. It was not gainsaid however that experience was not a necessary adjunct to farming for it was realized that nothing would be more disastrous than a wholesale attempt to transplant, indiscriminately a great body of unemployed labourers to the land. One of the peculiarities however, of Canadian labour lies in the fact that a great number

of its working forces are recent recruits from the agricultural occupations. To many of these an opportunity to return to the land, if only temporarily, and to maintain themselves by their own labour was highly preferable to continued dependence upon direct relief.

The object in mind was not to establish the unemployed upon a series of paying farms in the midst of an already acute situation in agriculture of overproduction and low prices nor yet a plan to provide for permanent settlement. It was chiefly an attempt to adopt another part of relief policy to certain peculiarities in the unemployment situation. There was land available in quantity and there were also individuals available with the will but not the means to return to the land. The cost of land settlement was little more per family than the direct relief costs would have been had the family remained in the city. There was no lack of idle farm land which could be turned over for this purpose and while not the highest quality it was not beyond redemption, there was thus reason to believe that a working plan might emerge from this combination of vacant land and unemployment. The project was of course limited in scope and of necessity had to be administered on an individualistic basis but it had its possibilities.

The results of this policy cannot yet be foreseen but it would appear that up to-date the plan has worked satisfactorily. It is even anticipated that some of the settlements will emerge on a permanent and paying basis. The most important

aspect is however that a truly Canadian solution has been applied to a real Canadian problem and while its success cannot be assured the theory back of the practice marks a forward step in the solution of sociological and economic difficulties. This is, it is true a very, minor part of relief policy but is only through the recognition of these problems both great and small in the social order and the attempt to apply to them a logical solution that the whole question may be dealt with successfully.

--Direct Relief--

During the first year or two of the depression direct relief was instituted as but a minor part of the general relief program. A certain amount of poor relief is necessary at all times and it was hoped that except in cases where the economic depression had aggravated the condition of the indigent poor, there would be little need of an expanded program of direct relief. The municipalities were left free to dispense direct relief in their old way and were further enabled to call upon Provincial and Dominion funds if the necessity arose. It became clear, however, that in spite of all the efforts to counteract unemployment through public works, direct relief cost continued to rise and in time eclipsed all the other efforts to deal with unemployment. It was with the best of intentions that the authorities had endeavoured to create work for the unemployed but the number clamouring for relief continued to mount and from both a practical and financial point of view the public works program was shelved.

The responsibility for poor relief rests, as has been shown in Chapter II, in the hands of the municipalities, but, except in the Maritime provinces, there was no law forcing them to assume it. In the majority of municipalities, however, direct relief was dispensed in some form by public or private agencies, or both. It was upon these, as being the only agents sufficiently familiar with the problem to handle the situation intelligently that the greatest burden of dispensing relief fell. In the tremendous expansion of these relief agencies that was necessary to cope with the demand for direct relief lay no mean problem.

Some idea of the number and variety of these bodies throughout the Dominion may be realized by Professor Cassidy's research into those of a single province. ⁽²⁾ It is thus practically impossible to speak of a Dominion wide direct relief policy without having recourse to generalities.

The Dominion stated its position in regard to direct relief when it agreed to contribute by agreement toward the cost of "food, fuel, clothing and shelter, or the equivalent thereof" in municipalities and provinces on the basis of a certain percentage. The actual details pertaining to the kind and amount of direct relief were left wholly to the municipality, or the province in the case of unorganized districts, except for the fact that at least 60% of the relief should be dispensed in the form of food.

(2) See H.M. Cassidy: "Unemployment and Relief in Ontario." Toronto, 1932.

The regulations set up by the municipalities varied greatly but the eligibility rule was common to all. It invariably hinged upon residence, but the length of residence which qualified an individual for relief differed in the many localities. As for non-residents--the so-called transients--they were usually given temporary relief and asked to move on. In some places they were dependent on private charity for their needs. In many localities the individual was required to work out relief or at least demonstrate his willingness to do so. As time went on this ruling became a dead letter for the opportunities for work became exhausted and furthermore it was impossible to refuse a man's family relief because of his indisposition to conform to regulations.

It was not until the Relief Act of 1932 when direct relief became of major importance that any attempt was made to collect comprehensive statistics of direct relief conditions and this situation held also for most of the provinces. It is for this reason that the following remarks apply chiefly to direct relief in the years 1932 and 1933.

The agreements that were drawn up between the several provinces provided for the three-way division of expenditures in the case of municipalities (Dominion, Province and Municipality), and the two-way division (Dominion-Provincial) in the case of direct relief costs in unorganized districts. Administration costs were not shared by the Dominion nor were any of the "extras" such as medical relief which lay without the "food, fuel, clothing

and shelter" classification.

The administration of relief within the several provinces has varied widely. In general, it may be said that the larger municipalities administered their relief according to their own inclination, and relief in the smaller political units was placed under provincial direction. The province, however maintained some supervision all over the relief activities to which it was in any way a party.

Due to the differences in administration practice, direct relief was administered through different departments of the several provincial legislatures. In some cases it was under the jurisdiction of more than one department. This was the case in Alberta where the larger cities were under the supervision of the Department of Labour, while the smaller units were under the Department of Municipal Affairs. In British Columbia and Saskatchewan the Department of Labour administered relief while in Manitoba, Quebec, and New Brunswick the Department of Public Works was in charge. In Ontario a special Unemployment Relief Department was established to administer relief. It can easily be seen what wide differences in practices could exist under the diverse provisions for administration.

As far as the provinces were concerned, direct relief was primarily a municipal responsibility--they were merely giving assistance in an emergency and in most cases left the municipalities to seek their own solutions within reasonable limits. Several

of the provinces drew up maximum allowances beyond which they would not share the cost of relief. British Columbia and Nova Scotia set the maximum monthly food allowance at \$20.00 with other expenditures not to exceed 40% of this. ⁽³⁾ Alberta and Manitoba also limited food to \$20.00 a month. In Ontario the province stipulated that at least 60% of the total bill must be for food and definite limits were placed on other items in the relief accounts.

All the provinces agreed to share in the cost of food and fuel; but clothing was not accepted as a basis for contribution other than in exceptional cases. The expense of medical attention and supplies was shared only by the provinces of Alberta and Ontario (The Dominion Government bore no share of this expense whatsoever).

The question of rents probably received the greatest variety of treatment of any of the relief items. The provinces and the Dominion had agreed to share this expense with the municipality but the extent to which they did so varied greatly. Ontario finally decided that rents should be paid on a basis of 150% of the taxes and shared accordingly. Other provinces stipulated that rents should be paid only in the face of eviction and then on a certain percentage of the assessed value of the property. Utilities within limits were provided under the shelter clause.

(3) This and all the estimates which follow refer to a family of five.

Relief was dispensed by the municipalities each according to its own system with due regard to limitations of provincial and Dominion agreements. In some localities relief was given in kind while in others a system of orders on merchants or vouchers was used. Cash relief was not given in any save exceptional cases. In general, however, there has been a tendency to approach a cash system in order to give as much leeway as was within reason to relief recipients. This policy developed as a result of experience with relief dispensation as regards the satisfaction and general attitude of those on relief.

Relief schedules were drawn up mainly as a guide in most of the provinces and there was little attempt to enforce hard and fast rulings. An indication of the type of relief schedules adopted in municipalities is seen in Table 17. The fundamental yardstick of the amount of relief necessary was "need". It was a case ultimately of dealing with the individual and the extent of relief had to be settled on this basis. The scientific minimum budget of adequate relief was of little use in this event. As a rule it was stipulated that relief should be worked out where possible but this did not prove practicable in many cases.

In rural districts food and fuel could often be partially produced by the individual and hence the relief schedules here did not need to be as generous as those in the larger cities. Table 17 gives typical relief schedules that were in force in several of the larger cities throughout the Dominion On January 1,

T A B L E XVII

Relief Schedules for Family of Five (Maximum) in Force in Several Canadian Cities on
(1)
January 1st, 1934.

CITY	Total	% Food	% Fuel	% Shelter inc. Gas, Light, Rent, etc.
Moncton	\$ 30.75	61%	13%	26%
Montreal	39.48	55.4	14.2	21.4
Winnipeg	51.50	42.5	16.5	38.1
Hamilton	40.00	60.	15.	25.
Regina	47.10	48.5	18.5	33.
Calgary	52.65	60.	40.	inc-
Vancouver	34.75	58.	10.2	31.8

(1) Relief Schedules in Canada Winter 1934. Canadian Council on Child and Family Welfare Compilation, Ottawa, 1934.

1934. As they are all winter schedules the amount of relief is somewhat larger than that which would prevail at other seasons when the cost of living is not as high.

Some interesting facts are brought to light in Table 18, which indicates in what manner the direct relief to which the Dominion contributed was worked out. Food was the major item in all cases save Prince Edward Island where cash relief was given, but in several cases the percentage devoted to food decreased in 1933 in favour of an increased expenditure in other directions. This is indicative of at least two things-- a growing willingness to make more generous provision for the unemployed and the necessity to do so as the deepening depression sweeps away the slim resources of the workless.

Much has been said concerning malingering and fraud among those on relief. There is no doubt that the pauperizing influence of relief has resulted in serious implications but it is also true that these are often overrated. One relief officer expressed the belief that 80% of those to whom he was dispensing relief were honest and deserving. This suggests the problem of adequate supervision and inspection. In the early days of direct relief this was considered an unnecessary administrative expense but when it became necessary to cut down relief expenses a system of supervision was strangely enough frequently the means. In Hamilton, the introduction of an efficient supervisory staff resulted in the first week with the removal of 400 families from the relief system, who due to ignorance or design were imposing upon the relief system.

(4)

(4) Information supplied by Mr. A.P. Kappelle, Hamilton Relief officer.

T A B L E XVIII.

Classification of Direct Relief Expenditures to which Dominion has Contributed.

Province	Fuel %	Food %	Clothing %	Shelter %	Cash %	Misc. %	
Prince Edward Is.	1932	6.20	5.37	.05	-	88.38	-
	1933	9.65	39.57	-	-	50.78	-
Nova Scotia	1932	3.08	95.98	.94	-		
	1933	8.03	89.05	2.91	.01		
New Brunswick	1932	7.34	77.06	10.22	5.38		
	1933	7.41	82.88	2.76	6.95		
Quebec	1932	10.15	70.38	4.42	6.96	8.07	.02
	1933	8.70	63.84	6.23	11.66	9.56	.01
Ontario	1932	8.56	75.09	7.31	9.04		
	1933	8.74	67.07	7.75	16.34	.20	
Manitoba	1932	10.92	55.74	5.61	27.73	.23	
	1933	10.26	54.70	6.53	28.51	-	
Saskatchewan	1932	11.03	73.50	1.75	13.49		
	1933	25.04	49.99	17.20	7.76	.01	
Alberta	1932	3.92	67.99	4.06	24.93		
	1933	4.76	67.21	3.77	24.26		
British Columbia	1932	1.84	48.14	2.20	4.56	43.26	
	1933	2.74	48.40	4.78	8.92	36.16	

Figures for 1932 from Report of Dominion Director of Unemployment Relief, March 31, 1933.
 Figures for 1933 from Report of Dominion Director of Unemployment Relief, March 31, 1934.

financial need for this type of work and it became increasingly apparent as the experience in handling relief problems grew.

The bare costs of direct relief have been discussed above but of another part of the cost of direct relief there is little information available. Administrative costs of provinces and more especially municipalities have remained in the background. Estimates from 3% to 10% have been suggested for municipalities and there is reason to believe they may have been larger in some cases. Inexperience and overlapping have probably accounted for a part of this expense but under any circumstances the administering of direct relief is an expensive business if it is to be done thoroughly and adequately, and if an efficient system is to be maintained money must be spent in this direction.

The administration problem has its roots in the unwieldy organization that developed in order to meet the emergency of dispensing direct relief on a scale hitherto not conceived. In the majority of the provinces there was little or no centralization of authority to supply the necessary guidance and standards and the mushroom growths of relief agencies were forced to develop policies in respect to exigencies as they presented themselves. Inevitably there were overlappings and inefficiencies and opportunities for fraud, but out of the trial and error methods of the first few years, there emerged a growing tendency toward a definite policy. The questions of the purchase of supplies, wholesale or retail; relief vouchers or cash payments, investigation, supervision and social work arose and were settled only by time and experience.

In Ontario, for instance, an advisory Committee on Direct Relief was appointed in 1932 to investigate administrative methods in the matter of direct relief and draw up proposals to bring order out of the general melee of relief practices. This policy was also adopted in several of the other provinces in an attempt to improve the administration standards. As the problems to be faced have become more clearly understood efforts have been directed toward a more co-ordinated plan of attack and while an efficient smoothly functioning relief system has not yet been devised, progress has been made in this direction.

The efficacy of the relief system is not measured in the last resort by costs, standards of efficiency and so on, but rather by what may be described less concretely as social consequences.

By reference to Table 6 in Chapter IV it will be seen that wages and salaries in four major industrial divisions shrank some \$188,000,000 in a single year. The total expenditures for direct relief for the fiscal year ending March 31st, 1933 were probably no more than \$27,000,000. Even with adjustment for a decrease in the cost of living it is quite clear that the relief program could in no way make up for the loss of income in these industries alone. It is thus clear that the efficacy of the relief program measured by this standard is not very convincing. It is not the intention to contend that the success or failure of this

relief program should be measured on this basis for it is clearly a preposterous one, but merely to illustrate that the answer to this question must be sought in other directions.

In a sense then the value of a relief program may only be measured to the extent it has preserved the social structure and allowed it to pursue the even tenor of its ways. The present and future implications of economic distress are not directly measurable and statistics such as may serve to illustrate them are often obscured by trends which, for the moment, conceal the course of events. Some idea of the effect of the economic depression and relief policies may be surmised by reference to Table 19. In general it may be said that these figures approximate the correlations worked out by Miss Thomas ⁽⁵⁾ some years ago. The death rate indicates a positive relation with economic conditions and may be partially explained due to the lessened exposure of the working class to hazardous employment and the many pitfalls of accident and disease that attend the worker at his job, and also to the lower birth-rate. We may also assume that relief policies have at least been sufficient to sustain life for certainly they have caused no rise in the death rate.

The birth rate giving indication of its typical lag also follows the economic trend. This is no doubt due to economic pressure on the family budget, and the extended use of birth control and also due to the decrease in the marriage rate during this period. The noticeable decrease in the marriage rate has been one of most serious effects of the economic depression.

(5) See D. Thomas: Unemployment and the Business Cycle. New York, 1927.

T A B L E X I X .

Vital and Criminal Statistics Dominion of Canada (1929-1933).

	1929	1930	1931	1932	1933
Crude Death Rate (1)	11.3	10.7	10.1	9.9	9.6
Birth Rate (1.&2)	23.5	23.9	23.2	22.5	20.0
{ Illegitimate Births (2)	7, 138	8,059	8,365	8,460	8,405
{ % of Live Births	3.01	3.31	3.48	3.59	3.78
Marriage Rate (1)	7.3	7.0	6.4	6.0	6.0
Convictions for All Criminal Offences (3)	3.59	410	424	402	411
Convictions for Crimes against Property without Violence (3)	176	186	209	201	209
Juvenile Convictions for all Crimes (4)	5,106	5,653	5,311	5,096	5,144
Suicide Rate (3)	8	10	10		

- (1) per 1000 population
 (2) exclusive of still births
 (3) per 100,000 of population
 (4) totals.

It has directly affected the birth rate and in the future this will have an important bearing on age distribution and composition of the population which, when its equilibrium is upset often occasions political and social problems. For the present it may be said that it has been partly instrumental in the increase of illegitimacy, to say nothing of the mental physical and moral effects upon many of the population who have been forced into unnatural celibacy. In this connection it may be mentioned that regulations have been made in many localities forbidding the marriage of any individuals on relief. This intrusion of public authorities into the domain of private life has been keenly resented by those on relief and has given rise to much discontent. While it is true that marriage among relief recipients should not be encouraged it is certainly open to question whether the public authorities are justified in seeking to regulate the lives of private individuals to this extent. The increase in the suicide rate is also indicative of an abnormal current in the social order. Convictions for crimes against property without violence have shown a decided increase but the general crime rate does not indicate any radical change.

General morbidity rates are not readily available but it appears that the health of the Canadian people has not suffered any immediate deleterious effects during these years. Professor Cassidy states by the authority of Dr. L.A. Pequegnat, Deputy Medical Officer of Health in Toronto, that there appeared to be a slight increase in the number of children of school age appearing malnourished or anemic in 1931 as compared to 1929. (6)

(6) on next page.

In Hamilton Dr. Davey, Medical Officer, expressed the opinion in 1933 that general health conditions were equal, if not superior to those of past years. ⁽⁷⁾ This cannot of course be accepted as conclusive evidence but it is at least encouraging. It is true, however, that a lag in this respect might well be anticipated and the effect of economic depression and relief conditions may not become apparent for several years. For the present it may be said that no extremely dangerous trends can be seen in these figures and the most serious situation appears to be in the birth and marriage rates.

On the question of morale we have little information save generalizations and the reports of social workers who have worked among the unemployed. It is evident, however, that this problem is one of growing importance. Relief conditions may have been sufficient to provide the physical necessities of the unemployed worker but they have failed to preserve his spirit and his pride. Relief may have presented a royal road to a few but to the majority to be in receipt of relief is no less than a tragedy.

--Public Finance--

A discussion of the effects of the unemployment relief policy of the past four years would be incomplete without a consideration of its implication as regards public finance.

(6) See H.H. Cassidy- "Unemployment and Relief in Ontario."
Toronto, 1932, p. 248.

(7) Information supplied by Mr. A.P. Kappelle, Relief Officer, Hamilton.

The financing of unemployment relief has brought Canada face to face with one of its most serious problems. Economic depressions commonly wreck havoc with public finance because they are usually characterized by the necessity of increasing expenditures in the face of shrinking income. The Canadian tax system is moreover characterized by a high degree of inflexibility and in a sense (8) aggravates the difficulty rather than adjusts itself to it. The public debt was sufficient to cause some concern before the economic depression set in and the extensive amount of financing necessary to meet relief as well as the other expenditures gave rise to serious consequences.

The development of a country such as Canada involves a relatively large accumulation of debt because it is only through the development of transportation and public utilities that the resources of its great expenses can be exploited. These are aspects peculiar to the Canadian economy which have made the financing of relief so difficult. In the case of the public works program this obstacle was in some measure responsible for its failure. Under the present financial organization the country was supporting as great a burden of public works expense as it could stand and the time soon came when the additional expense of more public works threatened collapse.

The expenditures on unemployment relief were divided among the three authorities, Dominion, Provincial and Municipal.

(8) Business Year Book 1934.

The Dominion expenditures on unemployment relief were generally treated as items of an emergency nature and charged to capital account. This, in part, accounts for the increase in the Net Debt of the Dominion of Canada given in the following figures which give the increase in the net debt as on March 31st, of the following years.

1931	\$83,347,978
1932	114,237,236
1933	220,623,544 (9)
1934	140,061,500

These figures also include the current account deficit and the Canadian National Railways Deficit, so the total cannot be wholly attributed to unemployment relief.

The provincial governments also followed the practice of charging unemployment relief to capital account with the result that the total net debt of the provinces increased proportionately. In 1931 most of the provinces had begun to show deficits on current accounts and this became general during the next three years. This, in addition to the relief expenses, did anything but strengthen their financial position. During the fiscal years of 1933 the provinces increased their net debt by \$73,178,502⁽¹⁰⁾ due largely to the capitalization of relief expenditures.

Municipal governments, again, charged substantial parts of their relief expenditures to capital account but there are not available recent statistics in this respect. During the

(9) Business Year Book 1934.

(10) A.E. Ames & Co., Limited. Pamphlet on Comparative Condensed Statements of Dominion of Canada and the Provinces.

fiscal years of 1930 the bonded indebtedness of Canadian Municipalities increased some \$58,871,399, but at this time relief expenditures can hardly be said to have got underway and in the following years the debt must have increased enormously.

This large increase in public debt, had moreover to be taken care of at a time when the financial situation was most disturbed--foreign markets were practically closed to Canadian issues and it is to the credit of the Dominion and the Provinces that the period has been passed through without default. It must at the same time be remembered, however, that had the Dominion not come to the rescue of the four Western provinces the story might have been somewhat different.

Of the municipalities the situation cannot be said to be as favourable. The number of bankrupt municipalities (170) defaulted in the years 1931-34 involving debentures to the amount of 141 million dollars or 11 percent of the entire municipal indebtedness of Canada ⁽¹¹⁾ has assumed large proportions and might possibly have been for the stringent retrenchment forced upon them by the banks.

Relief costs contributed muchly to this state of affairs although it was no doubt aggravated by the past extravagances of public authorities.

The cost of relief, while constitutionally a charge upon the municipality, was partly assumed by the Dominion and partly by the Provincial governments under the conditions outlined in previous chapters. One of the most pertinent absurdities of the

(11) Hamilton Review -Editorial - March 16th, 1935.

discussion as to who should bear the onus of relief comes to the fore in consideration of the finance of relief. It is quite clear that those communities which face the most serious unemployment situation are just those which are least able to raise the funds to meet relief costs. In a community where no one is working, no one is earning money and no one can pay taxes which plainly leaves the city treasury holding the bag, and an empty one at that. Under any circumstances, it is true that the rigid character of municipal revenues makes it very difficult to adjust them to increased expenditures with the result that the iniquitous practice of charging everything to capital account plays havoc with municipal finance.

The unemployment relief bill of the past four years has put a mortgage on the future of at least \$500,000,000⁽¹²⁾ to date and with this in mind, it is open to question whether this practice of charging relief costs to capital account should continue. It is hardly to be hoped that this debt will be retired by the time another such emergency has rolled around and the situation may quite easily develop into a vicious circle. It is obvious that in the future some provision must be made in advance for the provision of unemployment relief if there is to be any prospect of setting the financing of unemployment relief on a sound basis.

The relief program of the past four years has seen the country through the worst of the economic depression and after

(12) See Table 20.

T A B L E XX.

Unemployment and Farm Relief Expenditures in Canada, 1930-1935.
 Hamilton Spectator, March 9th, 1935.

RELIEF AND PUBLIC WORKS:

(1)	
Dominion.....	\$ 61,000,000.
Provincial & Municipal.....	130,000,000.
Railways.....	25,000,000.

DIRECT RELIEF:

Dominion, Provincial & Municipal.....	220,500,000.
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CARE OF HOMELESS BY

Provinces.....	6,000,000.
Relief In Dried out Areas.....	7,000,000.
Relief Settlement	1,500,000.
Aid to War Time Pensioners.....	12,719,900.

LOANS AND GUARANTEES

To Provinces.....	78,625,117.
(2)	
To Private Corporations.....	2,447,222

\$ 563,692,239.

(1) Includes \$40,000,000 public works program approved in 1931.

(2) Includes loans only.

all it was designed to do little more than that. Its results as far as social welfare is concerned are difficult to measure but its importance to future relief tactics cannot be over estimated. Surely out of the wealth of experience gained in the last four years should emerge a true comprehension of the magnitude of the problem and a measure of preparedness for future national catastrophes of this nature.

C H A P T E R X.A TENTATIVE PROGRAM FOR UNEMPLOYMENT RELIEF.

The time has now come in Canada for a constructive and coherent approach towards unemployment relief. Any plausible solution that is applied to the problem cannot fail but take into account the elements of the situation that are typically Canadian and that demand in turn a special treatment devised to meet them. These, as have been demonstrated in the past chapters include the problem of responsibility, the peculiarities of Canadian economic development which involves the question of the transient and agricultural worker, the lack of organization in the labour market, the regulation of public finance, and the nature of political organization. The plan that is suggested here is not concerned with any radical change of political or economic practice but rather one which is designed as far as possible to fit into the present Canadian system upon the assumption that there is not likely to be any extreme modification of the Canadian economic and political structure in the immediate future. Social changes cannot be effected without some repercussions in the economic and political field, it is true, but the trend within a democracy appears to be one that works slowly within the existing skeleton of law and order, and it is probable that the most feasible plan is one that does not neglect this consideration.

--Responsibility--

The problem of legal responsibility is not one that may be disposed of easily. That unemployment relief is a social responsibility cannot be gainsaid but the legal aspect presents a difficult problem. The means in which the question has worked itself out in the past four years suggests a more or less logical solution. In practise, the responsibility for the initiative has been assumed by the national government with the willing co-operation of the provinces and the municipalities. The three way division of costs has supplied the basis for the practical solution of responsibility and may well continue to do so.

Legislation passed within the "law, order and good government" clause to establish the machinery necessary to handle the relief program as outlined below would appear to lie within the competence of the Dominion Government. From this point of view an amendment of the British North America Act does not seem necessary to place unemployment relief on a permanent and logical basis. Rather is necessary the permanent and co-ordinated organization of existing machinery.

-- Organization of Administrative Machinery--

There is need in Canada for a body in the nature of a national economic advisory council--a semi-permanent body made up of individuals with training along the lines of political, social and economic observation, who, through continuous observation and study should acquaint themselves with the economic and social

development of Canada, enquire as to trends, and act in an advisory capacity as regards impending economic developments. This body it is suggested, should be made up of a permanent membership appointed in the same manner as the Judges of the Supreme Court and an equal number of members appointed for a term of years by the Governor-General-in-Council. These should be chosen so as to give equal representation to political economic and social interests. By means of existing avenues of information and those that may yet be devised this body would draw up its recommendations and plan to action and act in co-operation with the Departments of Trade and Commerce of the several provinces in which similar bodies of an advisory nature would be established to deal with problems of a local nature and pertinent to the provinces themselves. It is with an eye to the whole aspect of Canadian economy that conditions of employment and relief should command the attention of this body along with its other duties. It should suggest when and where the weakest points in industry lie, indicate the necessity for contraction or expansion, and it is in this body that would be found the inspiration for a coherent, national, approach to the relief problem. This body is not to be involved in the actual administration of relief--it is suggested in response to what appears to be a general need in which its relation to unemployment and relief is only a part.

In the Department of Labour of the Dominion Government

is to be found the focal point of the machinery of unemployment relief. Through this body a system of national unemployment insurance is to be set up and administered through the Employment System of Canada. With a system of unemployment insurance underway the Employment Service will shortly acquire experience and information that will be invaluable in the treatment of unemployment relief. Unemployment insurance as now adopted by the Dominion Government does not and cannot cover all Canadian workers. At the same time it is to be anticipated that benefits may from time to time be exhausted by individual workers and hence the provision for another type of relief is necessary.

There should therefore be established within the Department of labour a "bureau of unemployment relief" which in co-operation with the economic advisory council and the Employment Service of Canada should direct and supervise a general relief program. This "bureau" would serve in a three fold capacity. It would serve as a record office, as regards information and statistics pertinent to the relief problem. It would also have advisory functions and the power to enforce certain general relief measures and to draw up broad regulations for Dominion wide application. The public works policy of the Dominion Government in so far as it served as a relief measure would also be directed from this bureau. Within the several provinces there should be a duplication of this latter structure within the departments of labour to simplify the problems of the Dominion Government and in order that the province might retain

its constitutional direction over local institutions and deal with problems which are of a strictly provincial concern.

--Public Works--

With the assistance of the national economic advisory council the general plan for unemployment relief and its administration would be worked out. Unemployment insurance would of course have its place in the plan but in as much as steps have already been taken to establish this in Canada it will not be considered as a suggestion here. In addition to the inclusion of unemployment insurance in the general plan attention would be given to the creation and orderly unfolding of a program of public works. This entails the outline of a scheme with an eye to the future--the postponement in good times of certain types of public works that may be undertaken with good reason when the economic outlook is not so promising. It also implies that due consideration be given to construction of public works in general with a precaution towards the over development in any one line. It is to be expected that public works instituted under this general plan will be undertaken with a greater regard to social well-being, that there will be less building of expensive post-offices and railroads and more interest in housing and allied problems. It is in this latter field that preparedness and foresight in planning is particularly necessary.

---Labour Camps---

In addition to public works, arrangements should be made where, if necessary, recourse may be had to a form of relief similar to the Labour Camps described above. This is of importance to such as agricultural workers and others for whom a place may not be found in the public works program. This also entails long range planning similar to that in regard to public works.

---Land Settlement---

Land settlement as within Canada and by Canadians should also be given a place in the relief program and provision should be made in advance for the selection of lands for this purpose.

---Direct Relief---

It is difficult to conceive of any plan of unemployment relief that entirely obviates the necessity of direct relief. Unemployment benefits may become exhausted, public works, labour camps, or land settlement may either exhaust their own possibilities or fail to provide for many individuals who cannot adapt themselves to these schemes. For these some form of direct relief is necessary but it should indeed be a last resort as a general plan.

Direct relief more than any other form of relief must be administered on a local basis but the whole system need not necessarily be lacking in standards and regulations on this ground.

On the basis of finance the Dominion Department may demand certain standards of administration, supervision, and provisions below which direct relief should not fall. These stipulations would include that at least food, clothing, shelter and medical attention and supplies be supplied. Within each province more stringent rulings might be made with regard to conditions therein and the municipalities while being given some freedom in their relief policy would be forced to conform to certain standards. It would seem that this system would provide the necessary unity and at the same time allow for the variety which is inevitable in a country of such vast geographic and industrial differences as Canada.

---Finance---

The costs relating to this plan of unemployment relief are variable as to time and place and chargeable to any one or all of several political bodies. Strictly federal projects should be borne by the Dominion it is clear, but of provincial and municipal charges the decision is not so certain. With regard to ordinary public works of municipalities or provinces the costs should be borne directly by the respective bodies but in certain instances of works more especially held in reserve as relief measures the cost may well be shared in the two way or three way method of the past four years. The participation of the Dominion Government in this class of work would supply the means of the necessary control and direction

of the public works plan. It is further a consideration in the light of the present tax system that the Dominion Government should shoulder a portion of this expense because they, of all the taxing agents in the country have greatest recourse to the national wealth.

A logical and well ordered plan of unemployment relief including unemployment insurance should remove much of the financial burden which the emergency nature of the present system casts upon the municipalities. They should therefore in the advent of an unemployment crises find themselves better able to finance direct relief costs. It is not unreasonable to expect under these circumstances that they should assume at least one third of relief costs.

The administration costs in respect to public works and allied projects would be assumed by the Dominion and provincial bodies and it is probable that these would not entail a great expense. With regard to direct relief it is clear that the local units are best adapted to the administration of relief therein and should be able to bear such costs as might arise in this field. Some provision for general supervision and control of direct relief policies would be maintained by the Dominion Government and the costs of this service would be borne accordingly by the Dominion Government.

One fact appears that is preeminent in the finance of public relief--it is that the practise of charging all relief

expenditures to capital account must cease. In the advent of a definite plan it becomes possible to provide in advance for relief costs through the building up of reserves in good times. This practise serves as a deterrent for unwarranted public expenditures when the wind blows ill. The principle should be incorporated into this plan to the extent that at least through a combination of current and reserve income the whole plan could be adequately financed when the occasion arose.

---Private Agencies---

All private agencies ^{in this} of study, (through the limitations of time and space ^{has been said} ~~has said~~ altogether too little, but they cannot be accorded the injustice of total omission. The private agency has its own field during both the ups and downs of business activity and cannot be expected to shoulder unemployment relief as well. They perform many valuable services at all times and should continue to do so. As regards unemployment relief their field seems to lie in those problems of social welfare which cannot be measured in material terms. Recreational and educational activities--the social life of the worker is probably more adequately assisted by private than by public authorities and herein lies the most productive field of private charity. The more experimental aspects of social welfare lie also in their hands and there are many activities which if they could be proven and established by private agencies would shortly be incorporated into the general plan.

It has not been attempted in this study to work out a plan that will function easily and automatically but rather to suggest certain measures which, if applied intelligently and altruistically may well fit into the Canadian situation. It is not to be anticipated that the evil of unemployment can be removed entirely but surely the next best thing is a humane and intelligent treatment of the relief problem.

A P P E N D I X "A"

An Act for the granting of aid for the Relief of Unemployment.

)(Assented to 22nd, September, 1930.)

Preamble. Whereas unemployment, which is primarily a provincial and municipal responsibility, has become so general throughout Canada as to constitute a matter of national concern, and whereas it is desirable that assistance should be rendered by the Government of Canada towards the relief of such unemployment: Therefore, His Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:-

Short Title 1. This Act may be cited as THE UNEMPLOYMENT RELIEF ACT, 1930.

Grant of \$20,000,000 2. For the relief of unemployment, a sum not exceeding twenty million dollars is hereby appropriated and may be paid out of the Consolidated Revenue Fund of Canada for such purposes and under such terms and conditions as may be approved by the Governor in Council.

Purposes to which grant may be applied. 3. Without restricting the generality of the terms of the next preceding section hereof, and notwithstanding the provisions of any statute, the said sum of twenty million dollars may be expended in constructing, extending or improving public works and undertakings, railways, highways, bridges and canals, harbours and wharves; assisting in defraying the cost of distribution of products of the field, farm, forest, sea, lake, river and mine; granting aid to provinces and municipalities in any public work they may undertake for relieving unemployment and reimbursing expenditures made by provinces and municipalities in connection with unemployment, and generally in any way that will assist in providing useful and suitable work for the unemployed.

Report to Parliament. 4. A report shall be laid before Parliament within fifteen days after the opening of the next session thereof, containing a full and correct statement of the monies expended under this Act and the purposes to which they have been applied.

Unexpended portion to lapse. 5. Any portion of the said sum of twenty million dollars, remaining unexpended or unappropriated for the purposes of this Act on the thirty-first day of March, 1931, shall thereupon lapse.

A P P E N D I X "B"

An Act to confer certain powers upon the Governor in Council in respect to unemployment and farm relief, and the maintenance of peace, order and good government in Canada.

(Assented to 3rd August, 1931.)

Preamble Whereas by reason of the continuing world wide economic depression there exists in many parts of Canada a serious state of unemployment and distress; and whereas the partial failure of the wheat crop of Western Canada has intensified the adverse economic conditions theretofore prevailing; and whereas it is in the national interest that Parliament should support and supplement the relief measures of the provinces and other bodies in such ways as the Governor in Council may deem expedient, and for that purpose should vest in the Governor in Council the powers necessary to insure the speedy and unhampered prosecution of all relief measures and the maintenance of peace, order and good government in Canada; Now therefore His Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:-

Short Title 1. This Act may be cited as THE UNEMPLOYMENT AND FARM RELIEF ACT, 1931.

Payments authorized. 2. There may be paid out of the Consolidated Revenue Fund such moneys as the Governor in Council in his discretion may deem expedient to expend for relieving distress, providing employment and maintaining within the competence of Parliament peace, order and good government throughout Canada.

Powers of Governor in Council. 3. Without restricting the generality of the terms of the next preceding section hereof, and notwithstanding the provisions of any statute or law, the Governor in Council may,

(a) Provide for the construction, extension or improvement of public works, buildings, undertakings, railways, highways subways, bridges and canals, harbours and wharves, and any other works and undertakings of any nature or kind whatsoever;

(b) Assist in defraying the cost of the production, sale and distribution of the products of the field, farm, forest, sea, river and mine;

(c) Assist Provinces, cities, towns, municipalities, and other bodies or associations, by loaning moneys thereto or guaranteeing repayment of moneys thereby, or in such other manner as may be deemed necessary or advisable;

(d) Take all such other measures as may be deemed necessary or advisable for carrying out the provisions of this Act;

Appendix "B" continued.

And, And, for the purposes aforesaid, may expend such money from the Consolidated Revenue Fund as may be required.

Orders and regulations. 4. The Governor in Council shall have full power to make all such orders and regulations as may be deemed necessary or desirable for relieving distress, providing employment and within the competence of Parliament, maintaining peace, order and good government throughout Canada.

Enforcement of orders and regulations. 5. All orders and regulations of the Governor in Council shall have the force of law and shall be enforced in such manner and by such court officers and authorities as the Governor in Council may prescribe, and may be varied, extended or revoked by any subsequent order or regulation; but if any order or regulation is varied, extended or revoked, neither the previous operation thereof nor anything duly done thereunder shall be affected thereby, nor shall any right, privilege obligation or liability acquired, accrued, accruing or incurred thereunder be affected by any such variation, extension or revocation.

Fines and penalties. 6. The Governor in Council may prescribe penalties that may be imposed for violation of the orders and regulations made under the authority of this Act, but no such penalty shall exceed a fine of one thousand dollars or imprisonment for a term of more than three years, or both fine and imprisonment, and may also prescribe whether such penalty shall be imposed upon summary conviction or upon indictment.

Report to Parliament. 7. A report shall be laid before Parliament within fifteen days after the expiration of this Act, containing a full and correct statement of the moneys expended under this Act and the purposes to which they have been applied, together with copies of all orders and regulations of the Governor in Council made under the provisions thereof.

Duration of Act. 8. This Act shall expire on the first day of March, 1932.

A P P E N D I X "C"

An Act Respecting Relief Measures.

(Assented to 13th May, 1932)

Preamble

Whereas by reason of the prolonged world wide economic depression, recovery to a more normal economic condition has been retarded in the Dominion of Canada; and whereas the Provinces require assistance in carrying out necessary relief measures and to meet financial conditions as the same may arise; and whereas it is in the national interest that Parliament should support and supplement the relief measures of the Provinces and grant them financial assistance in such manner and to such extent as the Governor in Council may deem expedient; and whereas it is necessary to make special provisions to deal with the situation in the National Parks of Canada and in the drought stricken areas of the Province of Saskatchewan; and whereas for these and similar purposes the powers necessary to insure the speedy and unhampered prosecution of such relief measures and the maintenance of the credit of the Dominion and the provinces thereof should be vested in the Governor in Council; Now, therefore, His Majesty by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:-

Short
Title

1. This Act may be cited as THE RELIEF ACT, 1932.

Agree-
ments
with
provin-
ces
author-
ized.

2. The Governor in Council may, on such terms and conditions as may be agreed upon, and notwithstanding the provisions of any statute or law,/-

- (a) Enter into agreements with any of the Provinces respecting relief measures therein;
- (b) Grant financial assistance to any Province by way of loan, advance, guarantee or otherwise.
- (c) Take all such measures as in his discretion may be deemed necessary or advisable to protect the credit and financial position of the Dominion or any Province thereof.
- (d) Loan or advance money to, or guarantee the payment of money by any public body, corporation or undertaking.

Powers
of Gov-
ernor in
Council.

3. Without restricting the generality of the terms of the next preceding section hereof and notwithstanding the provisions of any statute or law, the Governor in Council may

- (a) Provided for special relief, works and undertakings, in the National Parks of Canada, and for the continuance

Appendix "C" Continued.

during such period as may be necessary and advisable of the relief measures heretofore undertaken and now being carried on at the cost of Canada in the drought stricken areas of Saskatchewan by the Saskatchewan Relief Commission;

(b) Assist in defraying the cost of the sale and distribution of the products of field, farm, forest, sea, river and mine;

(c) Take all such other measures as may be deemed necessary or advisable for carrying out the provisions of this Act;

Payments
out of
Consolidated
Revenue
Fund.

4. The Governor in Council may pay out of the Consolidated Revenue Fund such moneys as may be necessary for all or any of the purposes of this Act.

Orders
and regu-
lations

5. The Governor in Council shall have full power to make all such orders and regulations as may be deemed necessary or desirable to carry out the purposes and intentions of this Act.

Enforce-
ment of
orders
and
regul-
ations.

6. All orders and regulations of the Governor in Council made hereunder shall have the force of law and may be varied, extended or revoked by any subsequent order or regulation; but if any order or regulation is varied, extended or revoked, neither the previous operation thereof nor anything duly done thereunder shall be affected thereby, nor shall any right, privilege, obligation or liability acquired, accrued, accruing or incurred thereunder be affected by any such variation, extension or revocation.

Orders
and regu-
lations
laid be-
fore
Parlia-
ment.

7. All orders in council and regulations made under the provisions of this Act shall be laid before the House of Commons forthwith after the making thereof if Parliament is then sitting, or if not, said orders in council or regulations or in abstract thereof disclosing their essential provisions shall be published in the next following issue of the Canada Gazette.

Report
to Par-
liament.

8. A report shall be laid before Parliament within fifteen days after the expiration of this Act, or if Parliament is not then in session, shall be published and made available for distribution by the Department of Labour, containing a full and correct statement of the moneys expended, guarantees given and obligations contracted under this Act.

Appendix "C" continued.

Duration
of Act.

9. This Act shall expire on the thirty-first day of March, 1933, and any obligation or liability incurred or created under the authority of this Act prior to the thirty-first day of March, 1933, may be paid and discharged out of the Consolidated Revenue Fund notwithstanding the expiration of this Act on the said date.

A P P E N D I X "D"

An Act respecting Relief Measures.

(Assented to 30th March, 1933.)

Preamble Whereas by reason of the prolonged world wide economic depression, recovery to a more normal economic condition has been retarded in the Dominion of Canada; and whereas the Provinces may require assistance in carrying out necessary relief measures and to meet financial conditions as the same may arise; and whereas in such event it is in the national interest that Parliament should support and supplement the relief measures of the Provinces and grant them financial assistance in such manner and to such extent as the Governor in Council may deem expedient; and whereas it is necessary to make special provisions to deal with the situation in the National Parks of Canada and elsewhere; and whereas for these and similar purposes the powers necessary to insure the speedy and unhampered prosecution of such relief measures and the maintenance of the credit of the Dominion and the Provinces thereof should be vested in the Governor in Council; Now therefore, His Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:-

1922
c.36

Short
Title

1. The Act may be cited as THE RELIEF ACT, 1933.

Agree-
ments
with
Prov-
inces.

2. Notwithstanding the provisions of any statute or law the Governor in Council may,--

Loans
to Prov-
inces
and
others.

(a) Upon such terms and conditions as may be agreed upon,-- enter into agreements with any of the provinces respecting relief measures therein; grant financial assistance to any province by way of loan, advance, guarantee or otherwise; loan or advance money to or guarantee the payment of money by any public body, corporation or undertaking; and in respect of such loans, advances and guarantees, may accept such security, enter into such agreements and generally do all such things as the Governor in Council may deem necessary and expedient in the public interest;

Maintain
peace,
order
and good
govern-
ment Pro-
tect fin-
cial cre-
dit.

(b) When Parliament is not in session, to take all such measures as in his discretion may be deemed necessary or order advisable to maintain, within the competence of Parliament, and good peace, order and good government throughout Canada; and at all times to take all such measures as in his discretion may be deemed necessary or advisable to protect and maintain the credit and financial position of the Dominion or any Province thereof.

Appendix "D" continued.

- Further powers of Governor in Council
3. Without restricting the generality of the terms of the next preceding section hereof and notwithstanding the provisions of any statute or law, the Governor in Council may
- (a) Provide for special relief, works and undertakings in the National Parks of Canada and elsewhere;
 - (b) Assist in defraying the cost of the sale and distribution of the products, of field, farm, forest, sea, river, and mine;
 - (c) Take all such other measures as may be deemed necessary or advisable for carrying out the provisions of this Act.
- Payments for direct relief not to exceed \$20,000,000
4. The Governor in Council may pay out of the Consolidated Revenue Fund such moneys as may be necessary for all or any of the purposes of this Act, but the amount paid for direct relief for the fiscal year ending the 31st day of March, 1934, shall not exceed the sum of twenty million dollars.
- Orders and regulations
5. The Governor in Council shall have full power to make all such orders and regulations as may be deemed necessary or desirable to carry out the purposes and intention of this Act.
- Enforcement of orders and regulations
6. All orders and regulations of the Governor in Council made hereunder shall have the force of law and may be varied, extended or revoked by any subsequent order or regulation; but if any order or regulation is varied, extended or revoked neither the previous operation thereof nor anything duly done thereunder shall be affected thereby, nor shall any right, privilege, obligation or liability acquired, accrued, accruing or incurred thereunder be affected by any such variation, extension or revocation.
- Orders and Regulations.
7. All orders in Council and regulations made under the provisions of this Act shall be laid before the House of Commons forthwith after the making thereof if Parliament is then sitting, or if not; said orders in Council or regulations or an abstract thereof disclosing their essential provisions shall be published in the next following issue of the Canada Gazette.
- Report to Parliament
8. A report shall be laid before Parliament within fifteen days after the expiration of this Act, or if Parliament is not then in session, shall be published and made available for distribution by the Department of Labour, containing a full and correct statement of the moneys expended, guarantees given and obligations contracted under this Act.
- Duration of Act.
9. This Act shall expire on the thirty-first days of March, 1934, and any obligation or liability incurred or created under the authority of this Act prior to the thirty-first days of March 1934, may be paid and discharged out of the Consolidated Revenue Fund notwithstanding the expiration of this Act on the said date.

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