

THE ROAD TO RECEIVERSHIP:
UNEMPLOYMENT AND RELIEF IN BURNABY, NORTH VANCOUVER CITY
AND DISTRICT AND WEST VANCOUVER, 1929 - 1933

by

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ABSTRACT

The poor and destitute have traditionally been the responsibility of municipalities in Canada. This responsibility became an anachronism with the mass, industrial unemployment of the 1930's. Lacking the resources to provide relief alone, municipalities became dependent on help from the senior governments. Annual Relief Acts of the dominion government gave assistance, but stressed always municipal and provincial responsibility for relief. For the municipalities each new Act demanded both administrative and financial changes which had to be complied with in order to receive the badly needed help. Of all the three levels of government the municipalities bore the brunt of the unemployment problem of the 1930's. Local councils were in daily contact with the unemployed and their plight. Responsibility rested with them. Yet their inflexible and diminishing revenues did not allow them to take the initiative in solving the problem of unemployment.

In British Columbia the problems of transients and of Vancouver City have absorbed most attention. Unknown or ignored is the impact of the depression years on the surrounding suburbs. In 1930 Vancouver's bedroom suburbs were Burnaby, North Vancouver City, North Vancouver District and West Vancouver. In the winter of 1932 to 1933, in the depth of the depression, the first three defaulted on bond payments and were taken over by a provincially appointed commissioner. West Vancouver in contrast retained solvency and hence local responsibility and control.

The Dominion Acts were not designed to counteract the disparities between provinces and municipalities either in the incidence of unemployment or in their ability to cope with it. Burnaby, North Vancouver City and North Vancouver District were predominantly working class suburbs, many of whose residents and taxpayers lost their jobs. West Vancouver, by contrast, was a consciously middle class, residential suburb whose residents were much less susceptible to unemployment. As suburbs, unlike a city, have no major industries to compensate for non-payment of taxes by their residents, this basic occupational difference led to bankruptcy in Burnaby and North Vancouver City and District.

The history of the attempts of these suburban councils to provide relief for the growing numbers of unemployed between 1929 and 1933 not only contrasts the difficulties of providing relief in working class and middle class suburbs, but also illustrates the problems that arose from insistence on municipal responsibility for relief. Daily contact with the growing numbers of unemployed and the obvious inadequacy of municipal and even provincial revenues convinced municipal officials in British Columbia that the dominion government should take control and assume responsibility for unemployment relief. They were not merely 'passing the buck'. The world wide nature of the depression supported their contention that unemployment was not a local problem with a local solution. Neither the provincial nor dominion governments would accept primary responsibility for relief. Only in the municipalities

which went bankrupt was a senior government forced to assume responsibility and take control.

Primary sources have formed the basis of this thesis. Municipal minutes and records and local newspapers provided the information on the municipalities during this period. Collections of the papers of S.F.Tolmie, T.D.Pattullo and J.W.Jones in conjunction with newspaper reports and government documents provided most of the information on the response of the British Columbia government. Similarly material on the Dominion's response was derived from R.B.Bennett's papers, from the House of Commons Debates, government documents and from newspaper reports.

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CHAPTER I

EARLY RESPONSES TO UNEMPLOYMENT, 1929 TO SEPTEMBER 1930

It is the duty of every city, town and district municipality to make suitable provision for its poor and destitute.

B.C. Municipal Act, Section 639.

By December 1929, Burnaby, North Vancouver City and District and West Vancouver all considered unemployment so serious that they could no longer provide relief without assistance. They joined Vancouver in urging the Prime Minister of Canada to call a conference of all levels of government to deal with the unemployment problem.¹ It was not until October 1930, however, that any dominion assistance was given. Mackenzie King refused to recognize the seriousness of the problem. The accepted constitutional division of responsibility provided him with a reason for not acting. So the municipalities, with minimal help from the British Columbia Government, provided relief until R. B. Bennett's new Conservative government enacted the Unemployment Relief Act in October 1930.

Conditions already existing in Burnaby, North Vancouver City and District and West Vancouver, indeed in all municipalities, would

¹ Corporation of the District of Burnaby, Minute Book, 30 December 1929 (hereafter cited as Burnaby Minutes); Corporation of the City of North Vancouver, Minute Book, 6 January 1930 (hereafter cited as North Vancouver City Minutes); Corporation of the District of North Vancouver, Minute Book, 2 January 1930 (hereafter cited as North Vancouver Minutes); Corporation of the District of West Vancouver, Minute Book, 30 December 1929 (hereafter cited as West Vancouver Minutes).

determine both the numbers likely to become unemployed and the ability of the municipality to provide them with relief. These conditions - the occupational structure, their debt loads, the stability of their revenues and the attitudes of the councils - would determine the likelihood of eventual default. No subsequent dominion or provincial policies counteracted their impact.

Under the British North America Act, the provinces were assigned constitutional responsibility for "municipal institutions", for "the establishment, maintenance and management of hospitals, asylums, charities and eleemosynary institutions" and for "generally all matters of a merely local or private nature in the Provinces".² There was no mention of health and welfare, other social services, or unemployment relief in the Act as the social environment at confederation neither needed nor had the opportunity for widespread social services. The family, the church or the local community had traditionally dealt with the problems of unemployment and destitution.³ It was clear, however, that the general field of social services was to belong to the provinces.⁴

Following the tradition of the English Poor Law, British Columbia

2 British North America Act, Section 92, Nos. 7, 8 and 16. Eleemosynary institutions are institutions supported by alms, devoted to charity.

3 W. Eggleston, The Road to Nationhood: A Chronicle of Dominion Provincial Relations, Toronto, Oxford University Press, 1946 (hereafter cited as Eggleston, The Road to Nationhood), p. 64.

4 H. M. Cassidy, Social Security and Reconstruction in Canada, Toronto, Ryerson, 1943, p. 20.

passed on to the municipalities the duty of caring for the poor and destitute.⁵ Before the climax in the 1930's of cyclical unemployment, municipal governments had usually been quite able to deal with the genuinely destitute and relatively small numbers of unemployables within their boundaries. As the depression of the thirties deepened, however, more and more civic leaders and thinking people insisted that the nation-wide nature of unemployment required that the dominion government admit responsibility for and take control of the mushrooming relief problem. The only solution seemed to lie in a redistribution of responsibility under the B.N.A. Act, a proposition which neither W. L. Mackenzie King nor R. B. Bennett would accept until the late thirties. For them, the B.N.A. Act provided a rationale for non-interference in the affairs of other levels of government. Bennett admitted that assistance was needed, and after October 1930, gave it. Overall co-ordination and control were, however, eschewed.

The stands taken by Mackenzie King and Bennett were constitutionally unimpeachable. Provinces were responsible for social services under the B.N.A. Act. Furthermore, Privy Council decisions since 1885 had been against dominion interference in local matters. Provincial autonomy had been favoured over the strong federal government envisaged by John A. MacDonal. The provinces had now assumed increased responsibilities without any proportionate increase in taxation powers

5 British Columbia, Laws and Statutes, Municipal Act, consolidated for convenience only, 1932, Victoria, King's Printer, Section 639.

or income.⁶ The issue of responsibility as it related to unemployment relief was not a simple one. Questions about the nature of Canadian federalism, the distribution of power under the B.N.A. Act, the interpretation of residual powers and the process of amendment all influenced the stand of any one person. Neither Mackenzie King nor R. B. Bennett chose to argue that the residual powers of the Dominion would allow them to take full responsibility for relief. Bennett did take advantage of the Dominion's residual power to maintain "peace, order and good government" in the 1931 Unemployment and Farm Relief Act. It was, however, to prevent the spread of "pernicious political doctrines" - Communism - not to deal with the depression.⁷ Yet, Lord Haldane's judicial decisions had suggested that the Dominion could use this power in time of "extra-ordinary national peril beyond provincial competency".⁸ The mass unemployment did not to Bennett constitute such a situation.

6 The provinces and municipalities had since Confederation carried the loads of increased education costs, expensive highway systems and a wide range of public welfare burdens on a revenue system based only on direct taxation and relatively small (10%) subsidies from the Dominion. By 1930, Eggleston states, they were in a "thoroughly false and precarious position. It needed only the onset of an economic depression to demonstrate this in a dramatic fashion. Industrial deflation and widespread unemployment would at one and the same time a) increase their costs for social welfare tremendously, and b) strike hard at the core of their narrow revenue system, by deflating land and property values and rendering many owners incapable of meeting their tax dues". Eggleston, The Road to Nationhood, p. 76.

7 Canada, Parliament, House of Commons, Official Report of Debates, 29 July 1931, p. 4278 (hereafter referred to as Canada Debates).

8 W.P.M.Kennedy, Essays in Constitutional Law, London, Oxford University Press, 1934, pp. 91-92.

Legal opinion and legislative precedent both existed, by the 1930's, for dominion involvement in social legislation.⁹ During the post war depression in 1920 the Conservative government had voted \$500,000 as an emergency contribution to the relief of the unemployed. The following year, Mackenzie King's government granted one third of the costs of both direct relief and public works set up to relieve unemployment.¹⁰ Municipal responsibility was, however, always insisted on. Similarly in 1927, King had initiated an old age pension scheme which authorized the awarding of grants-in-aid to co-operating provinces. This use of grants-in-aid together with insistence on final municipal responsibility enabled the Dominion to side-step the responsibility question and avoid constitutional controversy over such legislation.

Just as some provinces were harder hit than others by the depression, so were some municipalities. Single enterprise towns were especially vulnerable, as were suburban municipalities. Economically part of an

9 W. P. Kennedy, for instance affirmed in 1934 that the general residuum was to belong to the dominion legislature, not to the provinces, and that it was intended to cover all subject matters which "in time might become of national importance". This interpretation would definitely have covered the unemployment of the thirties, although Privy Council decisions were rendered on the words of the Act, not the supposed intentions of its makers. W. P. Kennedy, Essays in Constitutional Law, London, Oxford University Press, 1934, p. 84.

10 Cited in Canada, Department of Labour, Report of the Deputy Minister for the Year ending March 31, 1931, p. 7 (hereafter cited as Canada, Department of Labour, Report).

urban area, but arbitrarily separated by political boundaries, the latter contained few industries to spread and stabilize the tax base. In addition, their population usually comprised a disproportionate number of young families with children in school.¹¹ The problem was aggravated where a suburb was made up largely of working class people, highly susceptible to unemployment. Such was the situation in Burnaby, North Vancouver City and North Vancouver District. Whereas general histories of B.C. have made known the plight of Vancouver in these years, with the transients, hunger marches, occupations, sit-ins and jungles, ignored or unknown is the fact that many surrounding municipalities were hit as hard or harder.¹² While Vancouver's transient problem was highly visible, in the suburbs there were few such individuals. Most of the suburban unemployed were family breadwinners.

During the boom years of the late twenties, Vancouver City's population had nearly doubled from 126,000 in 1925 to 220,000 in 1929. The city had expanded, absorbing the suburbs of Point Grey and South

11 For the special case of suburban municipalities in the 1930's see: Horace L. Brittain, Local Government in Canada, Toronto, Ryerson, 1959, p. 38; Carl Goldenberg, Municipal Finance in Canada, Study prepared for the Royal Commission on Dominion Provincial Relations, Ottawa, King's Printer, 1939.

12 By 1932, for instance, 22% of Burnaby's population compared to 12% of Vancouver's was reported as being on relief. "Confidential Report on Unemployment and Relief in Western Canada", 1932, R. B. Bennett Papers, Vol. 781, Microfilm reel #381 (hereafter cited as "Confidential Report", 1932, Bennett Papers).

Vancouver in 1929 and spilling over into the small but rapidly growing bedroom suburbs on its peripheries. These suburbs, Burnaby, North Vancouver City and District and West Vancouver, with few industries of their own provided working and middle class housing for people whose jobs were in Vancouver. Further east, New Westminster provided work for some Burnaby residents, but drew mainly from the lightly populated and more rural suburbs of Coquitlam, Port Coquitlam, Surrey and Richmond.

Burnaby, stretching east from the Vancouver boundary, early established a reputation as a working class suburb. In the words of a 1926 visitor it had

great possibilities compared with other suburbs
Proximity to the centre of the city, also to many industries such as refineries, canneries, mills etc., established along Burrard Inlet gives it a prior claim particularly on the working class who can, at reasonable cost, establish homes which, owing to lower taxes can be easily maintained.¹³

Throughout the twenties and even during the early thirties, Burnaby grew more rapidly than any other Greater Vancouver municipality.

Housing starts averaged one a day and the population increased from 12,883 to 25,564 between 1921 and 1931.¹⁴

13 Letter to the editor, Burnaby Broadcast, 2 September 1926, p. 2.

14 British Columbia, Royal Commission on Provincial-Municipal Relations, Report of the Commissioner, Victoria, King's Printer, 1933, p. 121 (hereafter cited as B.C., Commission on Provincial-Municipal Relations). Low taxes were probably the most important factor in explaining both the working class nature of the suburb and the continued growth of housing at a time when most areas experienced a decline. In 1927, for instance, a \$2,000 house in Burnaby on property assessed at \$400 would have paid \$20 in taxes. In South Vancouver a similar property would have cost \$70 in taxes and in Vancouver \$32.20. Only North Vancouver was lower at \$16.80.

The opening of a bridge at Second Narrows connecting the North Shore to Vancouver and Burnaby in 1925 gave impetus to the growth of the three North Shore municipalities. North Vancouver District's population increased from 2,950 in 1921 to 4,788 in 1931, and West Vancouver's from 2,434 to 4,786, while that of North Vancouver City increased only from 7,652 to 8,510.¹⁵ The bridge had been built at a cost of around \$2,100,000, toward which North Vancouver City and District had contributed \$800,000 cash, borrowed \$100,000 from the Harbour Board and guaranteed bonds for approximately \$700,000.¹⁶ It did attract some industries to North Vancouver City, not merely water-oriented as in the past, but also firms, such as gravel companies, who were dependent on road links to their major markets in Vancouver. Industrial growth was, however, not in the volume the City had expected and ceased, when in late 1930 the bridge was hit by a barge. It remained idle until 1933, while governments and companies bickered about its future and industries and shops dependent on the linkage went bankrupt. Bankrupt, too, went the Burrard Inlet and Tunnel Bridge Company whose bonds North Vancouver City and District had guaranteed.

While North Vancouver City and District, like Burnaby, attracted mainly working class residents, West Vancouver developed from a summer resort area into an exclusively residential and consciously upper middle class

15 B.C., Commission on Provincial-Municipal Relations, pp. 120-121.

16 The Royal Bank, Vancouver, to R. B. Bennett, n.d. 1932, Bennett Papers, Vol. 626, #308.

community.¹⁷ The basic difference in the occupational status of their populations was to prove crucial in determining the impact of the depression years on these municipalities. "There is", concluded the writers of the 1931 Census Monograph on Unemployment, "a class differentiation between the employed and the unemployed created in part by extraneous forces." "Industry", they continued, "discards not individuals but occupations, creating a growing body of workers who have nothing to depend on but casual employment" or unemployment relief.¹⁸

If there was a class differentiation between the employed and the unemployed, there was equally a class differentiation between municipalities. Burnaby and North Vancouver City and District faced the depression with populations comprised largely of just those occupations which would be first discarded in the market place: skilled, semi-skilled and unskilled workers.¹⁹ Such workers comprised over 60% of Burnaby's and North Vancouver's working population compared to 40% of West Vancouver's. Conversely over 30% of the latter's population were involved in professional, managerial and commercial

17 P. S. Walden, "A History of West Vancouver", unpublished M.A. Thesis, U.B.C., 1947, p. 44.

18 Canada, Dominion Bureau of Statistics, Seventh Census of Canada, 1931, Volume VII, Monograph on Unemployment, pp. 19-20.

19 See Table One, Appendix, "Incidence of Unemployment among Occupational Classes of male employees".

jobs compared to 17.2% in North Vancouver and 12.1% in Burnaby.²⁰

The occupational structure determined not only the numbers susceptible to unemployment, but also the stability of municipal revenues.²¹ Where there were few industries and taxpayers were unemployed or under-employed tax collections would necessarily be low. Land taxes were the major source of revenue available to the municipalities. As unemployment rose and with it the numbers needing relief, higher millrates had to be struck to balance the budget. The numbers willing or able to afford to pay higher and higher taxes, however, dropped and receipts from land revenues decreased accordingly.²²

20 A broad breakdown of occupations for these municipalities shows:

	Professional, Managerial & Commercial	Service	Unskilled	Skilled & Semi-skilled
Burnaby	12.1%	18.7%	23.0%	40.3%
North Vancouver	17.2	19.8	25.9	35.1
West Vancouver	30.8	27.7	8.7	31.8

Percentages are based on the occupations listed in the 1929 Wrigleys Directory. Categories are taken from L. C. Marsh, Canadians In and Out of Work, Toronto, Oxford University Press, 1940. For a more detailed analysis see Table Two, Appendix.

21 B.C., Commission on Provincial-Municipal Relations, p. 87. Commissioner Goldenberg here states that revenues in areas inhabited mainly by industrial workers whose incomes are seriously affected by unemployment when economic activity declines experience much greater instability of revenues than a "wealthy residential suburb".

22 Receipts from Land Taxes, 1929-1933.

	Burnaby	North Van. City	North Van. District	West Vancouver
1929	653,720	334,468	202,612	186,740
1930	624,640	327,058	196,678	180,209
1931	600,216	357,060	194,991	171,449
1932	519,501	283,332	197,266	167,837
1933	508,155	243,561	147,560	173,334

Source: B.C., Report of the Inspector of Municipalities, 1929-1933.

Tax arrears naturally increased. In 1930 the total of unpaid taxes was equivalent to 30% of taxes levied in Burnaby, 34% in North Vancouver City, 52% in West Vancouver and 80% in North Vancouver District. By 1933 these had increased to 72% (\$577,086), 64% (\$227,893), 60% (\$116,175) and 144% (\$416,969) respectively.²³

It was legal for councils to tax improvements up to 50% but until 1930 none of these municipalities did so. Annually, the Inspector of Municipalities had warned that failure to tax improvements placed too heavy a load on those holding unimproved land, forcing reversions in bad times.²⁴ The taxation of improvements was, however, an unpopular move that few elected councils were willing to take. Subsequent events and writing on municipal problems have borne out the wisdom of his warning. Of the six municipalities which defaulted on their debts in the thirties, Prince Rupert, Burnaby and Merritt continued to exempt improvements until 1932, the District of North Vancouver until 1931 and the City of North Vancouver until 1930. C. Goldenberg, writing for the Commission on Provincial-Municipal Relations in British Columbia, concluded that on fiscal grounds alone the exemption of improvements was unsatisfactory because land was a highly unstable base for taxation, being subject to both inflation and rapid deflation.²⁵

23 Ibid., 1930 and 1931, Tax Arrears as a percentage of Taxes Levied. Percentages include arrears from previous and current years. See also, Table III, "Arrears of Taxes, 1925 - 1935", Appendix.

24 See, for instance, Ibid., 1930, p. 31..

25. B.C. Commission on Provincial-Municipal Relations, p. 68. The British Columbia, Royal Commission on Municipal Taxation, 1933, came to a similar conclusion, p. 31.

Lands did revert to the municipalities as the Inspector had warned and at an alarming rate. In the early years it was the empty lands, bought often as speculation during the boom years, that went up for tax sale. Improved properties, mostly people's homes, soon followed. The value of tax sale lands held by Burnaby increased from \$883,868 in 1929 to \$1,183,488 in 1933.²⁶ In the latter year alone 1,590 parcels, of which 333 were "improved", reverted to the municipality.²⁷ The 990.93 acres involved represented for that one year 4.6% of the total land area of the municipality. The pattern in North Vancouver City

26 Value of Tax Sale Lands, 1930-1935:

	Burnaby	North Van. City	North Van. District	West Vancouver
1930	938,418	506,410	441,072	210,017
1931	1,044,915	615,717	579,007	157,333
1932	1,173,787	723,692	727,160	31,332
1933	1,183,488	734,296	713,135	116,650
1934	1,329,837	876,907	843,072	165,527
1935	1,121,620	1,154,869	991,200	175,477

Source: B.C., Report of the Inspector of Municipalities, 1929-1935.

27 B.C., Royal Commission on Municipal Taxation, Report, Victoria, King's Printer, 1933, pp. 33, 40-47. Equivalent figures for the other municipalities were:

	Burnaby	N.V. City	N.V. District	West Vancouver
Total of Vacant & Improved Properties	1,590	756	2,004	248
Area in Acres	990.93	103.8	2,667.43	403.23
Percentage of Total Area	4.6%	3.0%	5.5%	1.6%
Assessed Value	\$982,230	\$527,623	\$490,870	\$153,933
Improved Parcels	333	100	104	18

and District was similar, while in West Vancouver the sale of reverted lands to the British Pacific Properties Ltd. in 1932 drastically reduced holdings by four fifths.²⁸

Apart from land and improvements taxes municipal revenues came from a limited number of sources defined by the Municipal Act. These included trade licenses, miscellaneous taxes, such as a road tax, dog tax, poll tax, vehicle tax, special fees and rentals, government grants and profits from municipally owned utilities.²⁹ Revenues from all but utilities dropped in the four municipalities between 1930 and 1933 after which some improved.³⁰

Despite falling income from these usual sources, municipalities needed higher revenues throughout the thirties to provide for debenture debts, sinking funds and the added burden of unemployment relief.³¹ After October 1930, dominion and provincial contributions to relief boosted revenues so that they did increase annually, but income seldom matched expenditures. Burnaby and North Vancouver City showed large

28 Four thousand acres were purchased for \$1,075,000 of which \$1,000,000 was to be spent on public works and improvements to be handed over to the municipality. Seventy-five thousand dollars in cash was to be paid in a series of installments. West Vancouver News, 6 November 1931, p. 1.

29 B.C., Commission on Provincial-Municipal Relations, p. 48.

30 B.C., Report of the Inspector of Municipalities, 1929-1935. In both West Vancouver and North Vancouver City profits from the ferry systems did increase because of the extra traffic thrown on them by the breakdown of the Second Narrows Bridge.

31 B.C., Royal Commission on Municipal Taxation, p. 52.

deficits each year between 1930 and 1933 and from 1931 failed to provide fully for their sinking funds. North Vancouver District was in debt to the bank even further than was allowed under the Municipal Act. On strict instructions that no assistance could be given unless the budget was balanced,³² they succeeded in 1932 in showing an excess of revenues over expenditures and in providing for their sinking fund. West Vancouver's revenues and expenditures were balanced most years and their sinking funds provided for.³³

Current unemployment relief payments were not the sole reason for deficit spending and lack of provision for sinking funds. Overexpansion in the 1920's had left some municipalities with a legacy of debt which severely limited their ability to deal with unemployment and relief. Throughout B.C., municipalities had incurred debts on the basis of inflated assessments. New subdivisions were opened up and local improvements made in anticipation of population increases much greater than those which occurred.³⁴ One town planner writing in 1931 suggested that, while Vancouver occupied one of the smallest areas of any of the larger Western cities, in the surrounding municipalities subdivisions had been planned and streets dedicated sufficient to serve a population equal to one half that of the dominion or ten times that of the

32 North Vancouver District Minutes, 6 August 1930.

33 B.C., Report of the Inspector of Municipalities, Table IX and Table IV, 1930-1933.

34 B.C., Royal Commission on Municipal Taxation, p. 41.

province.³⁵ Such overexpansion was considered by experts as a major factor in municipal defaults. The cost of converting raw land into building land and providing roads, sidewalks, water mains and other facilities was estimated at about \$989 per improved lot in a level area.³⁶ Average lot price in Greater Vancouver, hardly a level area, was then around \$400.³⁷

Despite population increases, densities in all four municipalities remained low. Small populations spread over a large area, all requiring some municipal services, strained government finances. In 1930 Burnaby, with the same area as Vancouver City, had 1.01 people per acre compared to the City's 8.82. North Vancouver District and West Vancouver had only 0.095 and 0.19 people per acre, and North Vancouver City a relatively dense 2.71.³⁸ Had settlement been localized, the provision of services would not have been so expensive. It was, however, spread out over the municipalities in small clusters. In Burnaby, for instance, there were three widely separated areas. Development had been haphazard and illogical. There was no road directly joining the southern and northern parts of the suburbs.

35 A. G. Dalzell, "Why cities go broke", Journal of the Planning Institute of Canada, February 1930, pp. 11-13.

36 Ibid.

37 Burnaby Broadcast, 28 November 1929.

38 B.C., Report of the Inspector of Municipalities, 1930.

Large areas were unoccupied.³⁹ Such overexpansion involved heavy communications and water servicing costs which by 1930 represented a large proportion of most municipalities' debts. Burnaby's debt position was not as serious as that of many other municipalities: her total debt (\$3,303,394) and per capita debt (\$152.00) compared favourably with B.C.'s average municipal debt (\$260.00). In West Vancouver too the per capita debt was low (\$122.00), whereas in North Vancouver City and District investment in the Second Narrows Bridge was added to expansion costs creating a huge per capita debt of nearly \$500.00.⁴⁰

The relative burden of the debt varied, ~~to~~ from 18% of total expenditures in West Vancouver and Burnaby to over 24% in North Vancouver City and over 30% in the District. In comparison to the average 19.5% weight of such fixed charges in B.C. municipalities the North Vancouver suburbs were in a particularly tight financial position even before the full impact of the depression was felt.⁴¹ Municipalities were not free to incur debt unceasingly. Their borrowing power was limited by the provision in the Municipal Act that the aggregate of debts, except for

39 Horace L. Brittain, Report on the Investigation and Survey of the Organization of the Corporation of Burnaby, Broadcast Press, Burnaby, 1932, p. 1 (hereafter cited as Brittain, Report on Burnaby).

40 B.C., Report of the Inspector of Municipalities, 1930. Grand total debt divided by population. North Vancouver's debt was \$4,399,550; North Vancouver District's \$2,198,830.

41 Ibid.. Expenditures for Interest on Debentures, Sinking Fund, Installment of Principal on Debentures and Interest on temporary loans listed in Table IX as a percentage of the Total Expenditure. This results in an underestimation, as fixed charges on sinking fund and interest payments for schools and utilities are not included.

local improvements and school purposes, might not exceed 20% of the value of land, improvements and municipally owned utilities.⁴² This limit had been reached in 1930 by the three North Shore municipalities.⁴³ Subsequent loans would therefore be contingent on refunding past debts. Indeed, the previous year North Vancouver District's bankers had warned that tax receipts would be an estimated \$30,000 short. Expenditures had to be limited to prevent a \$20,000 increase in the bank debt "which cannot be".⁴⁴ Burnaby, in contrast, had exhausted only half its borrowing potential. North Vancouver City and District entered the thirties in an impossible financial situation. Their populations were predominantly working class, and like Burnaby's, highly susceptible to unemployment. Furthermore their investment gamble in the poorly constructed Second Narrows Bridge plus over optimistic expansion during the 1920's had increased their debts so that over one quarter of their revenues were committed.

Provision of relief was not a new experience for municipalities in these months before any dominion assistance was given. They had traditionally been responsible for the poor and destitute and were

⁴² B.C., Municipal Act, 1932, Section 249.

⁴³ Approximate borrowing power in 1930 were:

Burnaby: \$4,718,989; NVC: \$2,567,952; NVD: \$1,810,630; WV: \$1,331,468.

Approximate debts, as used in the calculation of amounts permissible under the Municipal Act were:

Burnaby: \$2,414,505; NVC: \$2,616,891; NVD: \$1,952,117; WV: \$1,343,109.

⁴⁴ North Vancouver District, Minutes of Special Meeting with the Bank, 6 August 1929.

used to dealing with the social welfare costs of widows with children, unemployables, pensioners and the crippled. During the early twenties they had taken part in the cost sharing relief programme of the dominion government. Burnaby, as well as Vancouver and New Westminster had at that time been unable to contribute, so that the provincial government had provided the municipal third.⁴⁵ Nor did unemployment disappear with the return of prosperity in the later twenties. As in Vancouver, there were always some poor and destitute in Burnaby, and the seasonal nature of many residents' jobs threw them back on the municipality in winter months. During January of 1927 about 65 unemployed Burnaby residents were absorbed on by-law road construction⁴⁶ and the next month council requested, unsuccessfully, that the provincial government share the burden of relief.⁴⁷ In 1928 Council found that their twelve month appropriation for relief was expended before even six months had expired.⁴⁸

Between 1927 and 1929 Burnaby's annual relief budget had doubled from \$10,000 to \$20,000. Unemployment seemed to Council sufficiently serious and persistent to warrant the appointment of a full time relief officer to take over the relief duties previously performed by

45 P. Phillips, No Power Greater: A Century of Labour in British Columbia, Vancouver, B.C. Federation of Labour, 1967, p. 87.

46 Burnaby Broadcast, 28 January 1927, p. 3.

47 Ibid., 24 February 1929, p. 4.

48 Ibid., 21 February 1929, p. 2.

the Chief of Police.⁴⁹ By late 1929 the numbers of unemployed were growing rapidly: registered unemployed increased from 193 to 256 between October and November.⁵⁰ The monthly relief bill increased equally alarmingly in North Vancouver City from \$230.00 in June to \$800.00 in December.⁵¹ Police there were instructed to check new residents "with a view to keeping out those . . . more likely to become a charge on public funds".⁵² A small amount of work was provided clearing city lots, tearing up old wooden sidewalks and on the roads.⁵³ North Vancouver District, fearing a large deficit, began laying off staff, setting a pattern of dismissals that would characterize both the City's and the District's attempts to curtail expenditures during the early thirties.⁵⁴

In December 1929, Burnaby informed Vancouver that they "would be willing to join in any steps they might take at this time to have the

49 Ibid., 28 March 1929, p. 3. The total budget in 1929 was \$4,280,670. Councillors were undecided about the exact nature of a Relief Officer's job. During the discussion over his appointment three different perceptions were evident. One councillor favoured the appointment of a lady as better able than a man to handle relief matters. A second councillor thought the appointment of any such person unnecessary as the position could be covered by the probation officer as the two matters of destitution and delinquency were related and often found in the same family. A third councillor saw the job of relief officer as that of acting essentially as a labour bureau.

50 Burnaby Minutes, 21 October 1929; 4 November 1929.

51 North Vancouver City Minutes, 2 July 1929; 6 January 1930.

52 Ibid., 5 August 1929.

53 Ibid., 18 November 1929.

54 North Vancouver District Minutes, 6 August 1929.

matter of unemployment treated three ways by the federal, provincial and municipal governments".⁵⁵ Requests to Ottawa for aid and for a meeting to discuss the problem brought no response.⁵⁶ Again, following the December 17 raid on the Vancouver relief office and the parades and arrests of the destitute, that city urged the Prime Minister to call a conference of the representatives of all levels of government to deal with the problem. This resolution was endorsed by all four suburbs. Unemployment, they maintained, was no longer a local problem, but was rather a world wide phenomenon and therefore of national concern.⁵⁷ Again, there was no response. Repeatedly throughout the thirties municipal leaders tried to make the governments admit some responsibility for unemployment relief. So far, the Dominion refused even to assist.

The civic elections in the New Year of 1930 brought into office men who would face problems more pressing and less soluble than at any other period in the history of municipal governments. In Burnaby, the new council was headed by a long time British Columbian labour leader and socialist, William A. Pritchard. An ex-editor of the Western Clarion and one of those imprisoned following the Winnipeg General Strike, Pritchard joined the council in 1929. In 1930 he became reeve

55 Burnaby Minutes, 18 November 1929.

56 Vancouver Province, 10 December 1929, p. 7; 19 December 1929 (hereafter cited as Province).

57 See footnote no. 1.

of this working class suburb on the brink of a depression. As a known socialist and labour sympathizer, Pritchard was watched warily on one hand by Conservative politicians and expectantly on the other by the unemployed who hoped for fair treatment.⁵⁸

In Burnaby the whole council had to stand for re-election annually, a system which offered little continuity at a time when it was needed. While personnel on council changed somewhat each year between 1930 and 1932, each council reflected the nature of the suburb with three workers and four service or professional people as councillors and Pritchard as reeve. The ward system led at times to decisions aimed at placating electors rather than at the good of the community as a whole. For instance, when relief was first voted by council in early 1930, the same amount was given to each ward regardless of the numbers unemployed. Furthermore, the ward system accentuated the physical division between North and South Burnaby, a division which was accompanied by competition and rivalry. With eight members of council, four from the south and four from the north, half with labour and half with professional backgrounds, four-four splits were often a problem. Pritchard had at times to manoeuvre carefully to have matters passed which he considered were for the good of the community as a whole. He earned as a result the reputation of being a

⁵⁸ Pritchard had already come into contact with Senator Gideon Robertson when the latter was Minister of Labour during the Winnipeg General Strike. He suspected that the Senator still disliked him intensely as a result.

dictatorial ruler. Often he did consult staff rather than council on important matters. He was convinced that action by consensus or manipulation was necessary in those years.⁵⁹ All councillors did support Pritchard in his fight to make the other governments accept that the problem of unemployment was not a local one. All agreed too that as many people as possible should receive as much relief as possible. Pritchard's election as President of the Union of British Columbia Municipalities in 1931 provided him with an even wider platform for his message. He became Chairman of the Union's Unemployment Committee and as such became the Union's spokesman and expert on the constitutional aspects of relief.⁶⁰

During 1929 and 1930 the Mayor of North Vancouver City was George H. Morden, manager of the local paper, the North Shore Press. In 1931 he was replaced by E. H. Bridgman, manager of a real estate firm. Policies of the council changed very little with changes of personnel throughout this period. When elected as mayor, Bridgman was already a very experienced municipal politician with twelve years as chairman of the finance committee of the North Vancouver City Council. In addition, he had been President of the U.B.C.M. in 1917, 1928, and 1929, and was considered an authority on municipal finance.⁶¹ His leadership of a

59 Canada Debates, 23 February 1932, p. 518; W. A. Pritchard, interview at Simon Fraser University, August 1973.

60 Province, 1 March 1932, pp. 2, 4; Municipal News, August 1932.

61 Municipal News, November 1929, p. 8.

municipality which could not meet its financial obligations did not prevent his being made Deputy Minister of Municipal Affairs in 1935.

In 1930, prior to election as mayor, Bridgman had contested the provincial seat in the North Vancouver by-election, running as a Liberal against Conservative co-city councillor Jack Loutet.⁶² The latter won and remained as councillor and MLA during 1930 and 1931. In those times when a friendly voice was very useful in Victoria this helped the City. There was little change in the council between 1929 and 1933 apart from Bridgman's accession as mayor. Other councillors included four owners of businesses, a salesman and Jack Loutet, real estate agent turned MLA.

Local politics in North Vancouver District were almost as chaotic as the finances. Reeve J. H. Fromme, who had been reeve for eight years, was succeeded in 1931 by W. H. Woods, who was in turn replaced by J. M. Bryan in 1932. Bryan was an ex-Liberal MLA and editor of the more liberal North Shore paper, The Review. In the totally new council which took office with Bryan were included an engineer, a smelterman and a service station proprietor. They replaced a council of small businessmen.

West Vancouver council, in contrast, remained virtually the same throughout the early thirties under the leadership of Joseph Leyland,

⁶² The 1930 by-election was a rather incestuous affair within the City council. Loutet had contested the Conservative candidacy with the then mayor, Morden.

a Conservative.⁶³ The council, made up largely of businessmen, ran the municipality on the assumption that it was similar to a rather small business, and, because their revenues were more stable than the other three suburbs, were successful. Their policy was invariably one of co-operation with Tolmie's government, their one protest being that as an exclusively residential area they should receive some special consideration.

By the time these councils took office in January 1930, action was necessary to cope with the rapidly growing numbers of unemployed. One of the first acts of the Burnaby council under newly elected Reeve Pritchard, was to authorize the expenditure of \$500 in each of the seven wards as a temporary measure to give work to over 250 unemployed.⁶⁴ Wages were to be \$3.00 per day and the number of days' work given was to depend on marital status and the number of dependents.⁶⁵ Pritchard informed the provincial government of the growing problem, and in March that government agreed to spend \$5,000 to relieve unemployment by giving work on the Lougheed Highway, a provincial highway running through Burnaby. This work did not absorb all the unemployed and so

63 Leyland had spent his younger days as a bookkeeper in the Manitoba law office of Arthur Meighen. He subsequently ran as a Reconstructionist for H. H. Stevens in 1935. Lion's Gate Times, 50th Anniversary Issue, 1912-1962, p. 9.

64 Burnaby Minutes, 4 November 1929.

65 Ibid., 23 January 1930, 27 January 1930. This compared very favourably to the \$2.00 per day for married men and \$1.00 for single men by Vancouver City Council.

two months later council allotted \$1,000 to each of the seven wards.⁶⁶

Still there were more unemployed than work available, so a gang was organized to cut wood. This "make work" effort, like many such programmes during the thirties, proved to be an expensive undertaking. The cord-wood, which was cut, hauled and piled by 120 men during June and July, ended up costing the municipality \$7.50 per cord before delivery. It was subsequently sold to the School Board at \$5.50 per cord, but was found on delivery to be too large for the school furnaces. It had to be recut. Council had hoped that the money from the sale would pay the men's wages.⁶⁷

By July, Burnaby officials were becoming alarmed. If they continued to provide for the unemployed, they estimated that it would cost the ratepayers \$70,000 by the end of 1930.⁶⁸ A delegation to Victoria was informed by Tolmie that the Province would take no further action until the outcome of the dominion election was known. From Ottawa there was no indication of assistance although Conservative MLA for Burnaby-New Westminster, W. G. McQuarrie, assured council he was distinctly dissatisfied with Mackenzie King's refusal to give the municipalities and provinces any financial aid for relief.⁶⁹ Unemployment was not, however, contingent on election results.

66 Ibid., 16 June 1930.

67 Burnaby Broadcast, 10 July 1930, 7 August 1930, 19 June 1930, p. 1.

68 Ibid., 17 July 1930, p. 2.

69 Ibid., 13 March 1930, p. 1.

Burnaby had by the end of August spent \$24,595 on unemployment relief and the numbers continued to rise. Yet there and throughout the whole country there was no accurate knowledge of the numbers involved. Convinced that such knowledge was a pre-requisite for effective action, Pritchard authorized the taking of an unemployment census in Burnaby. All men and women over 16 without work and those on temporary relief were asked to register. The results showed that 653 people were out of work. Of these 427 were married with 647 children under 16. Around 4.3% of the population over 15 was out of work and around 5% workless or dependent on someone out of work.⁷⁰ Most of the unemployed had lived in Burnaby well over a year, a situation quite different from neighbouring Vancouver City, into which transients from all over Canada were pouring daily on the freights. "If we had only our own people to look after", complained one Vancouver alderman, "the problem would amount to very little indeed."⁷¹ But the suburbs had only their own people to look after and the problem was more than they could handle. North Vancouver District estimated that 90% of their 160 on relief were homeowners and most of the others long time residents. Almost all were married. Faced with the prospect of a substantial deficit even without relief payments, the council informed Tolmie's government that they could not cope. Assistance was requested.

70 Ibid., 28 August 1930, p. 1. See Table IV, Appendix, "Burnaby Census of the Unemployed, 1930".

71 Province, 5 August 1930, p. 1.

The Government promised work for local men on a new provincial Marine Highway, but the jobs did not begin for several months.⁷²

North Vancouver City and District councils both restricted relief expenditures. In February the City council set aside \$500.00 to "provide suitable work for relief cases where the head of the family is an able bodied man". Council would not, however, accept any responsibility for paying the rent or making other housing arrangements for those on relief.⁷³ Indeed, their desire to minimize relief expenditures led them to recommend in July that, where public relief had been granted to families and the head subsequently obtained work for the city as a day labourer, \$1.00 should be deducted from all wages until the full amount of relief had been repaid.⁷⁴ In September, with 200 unemployed they allocated a further \$500.00 for relief.

West Vancouver, in contrast, had only twenty unemployed by August 1930. The council there, too, seemed to believe that the situation was serious, for they joined with the other councils in calling for government assistance and insisted to the Province that all contractors for work within their municipal limits give employment to local labour because of the unemployment situation.⁷⁵

Between November 1929 and September 1930, municipalities throughout

72 North Vancouver District Minutes, 9 September 1930.

73 North Vancouver City Minutes, 10 February 1930.

74 Ibid., 7 July 1930.

75 West Vancouver Minutes, 27 January 1930.

British Columbia, and especially Vancouver and the surrounding suburbs, repeatedly urged provincial and dominion authorities to take action to solve the unemployment problem. A January meeting of Vancouver, Burnaby and the three North Shore municipalities with labour leaders had passed twenty-three resolutions calling for early action and co-operation between governments and public bodies in providing work to meet the needs of the people.⁷⁶ During the same month, municipal leaders from throughout Western Canada met in Winnipeg to discuss unemployment. Mayor Webb and his council, who sponsored the meeting, were adamant that unemployment was a concern of the dominion government and in this they had general support.⁷⁷ The major requests arising out of the meeting were for a renewal of the cost-sharing programme of 1921 and for an early dominion-wide conference on unemployment.⁷⁸ Mackenzie King and the Minister of Labour, Peter Heenan, however, contended that the provinces had rejected such assistance at the 1927 Dominion-Provincial Conference. Furthermore, they believed that the calling of a national unemployment conference would exaggerate its importance in the public mind and perhaps accentuate the problem.⁷⁹

In the Dominion session that opened in February 1930, Prime Minister

76 Province, 18 January 1930, p. 24; 15 January 1930, p. 21; 16 January 1930, p. 3.

77 Ibid., 28 January 1930, p. 24.

78 Ibid., 30 January 1930, p. 22.

79 Ibid., 31 January 1930, p. 4.

Mackenzie King showed no increased awareness of the extent of unemployment. The Governor-General's speech painted a glowing account of 1929 as the "most productive year in the history of Canada". The only hint of any recession was in the suggestion that the Dominion was already recovering from seasonal slackness evident at the end of the year.⁸⁰ King admitted that unprecedented prosperity had been temporarily affected, "to a slight degree", by three circumstances: the bad harvest, the unmarketed wheat crop and the collapse of speculative values on the stock exchange. The latter, he assured the House, did not affect the soundness of business in the country. "It is in no way a factor which has contributed to any permanent set back."⁸¹ Certainly, admitting the arrival of a great depression is seldom good politics or economics, but Mackenzie King, not unlike other leaders, seems to have convinced himself that the problem was only temporary.⁸² He refused to admit the end of a prosperity which he believed his government had been instrumental in creating. Employment, he insisted, was still at a higher level than in any other year on record and unemployment was much worse in the United States than in Canada.⁸³ The unemployment that did exist was constitutionally a municipal and provincial problem. Re-iterating the essentially laissez-faire stand

80 Canada Debates, 20 February 1930, p. 2.

81 Ibid., 24 February 1930, p. 34.

82 H. B. Neatby, William Lyon Mackenzie King, 1924-1932: The Lonely Years, Toronto, University of Toronto Press, 1963, p. 305.

83 Canada Debates, 24 February 1930, p. 34.

which he had taken in the 1920's, Mackenzie King maintained that it became a municipal problem when the individual, family, community, society or groups of societies within a community could not cope. When it grew beyond the ability of municipalities to cope, it became a provincial problem. Only when a province was totally incapable of dealing with it would he regard it as "very rightly a federal problem".⁸⁴ This stage, he was convinced, had not been reached.

If Mackenzie King was truly or politically blind to the growing problem, R. B. Bennett and his Conservatives soon realized that they could obtain political mileage from the issue and from the Prime Minister's reluctance to admit that a problem existed. Bennett took King severely to task for not indicating the problems that would face the country in the months ahead. "Do you mean to say", he further questioned regarding relief, that "the Dominion government should make no contribution to provide assistance to the provinces and municipalities in matters of this kind?"⁸⁵

That was exactly what Mackenzie King meant. If the need became as great as it had been during the days of the re-establishment of veterans, he promised his government would help. Until then, it was to remain a provincial and municipal responsibility. Had Mackenzie King left it at that, all might have been well for him. Two months later, however, "goaded by the opposition, tired, cranky and overwhelmed

⁸⁴ Ibid., p. 38.

⁸⁵ Ibid., 20 February 1930, p. 18.

by a crisis which he had not grasped and could not control",⁸⁶ King again suggested provincial governments should not approach the Dominion until their own financial stability was in danger. He had not, he asserted, had any such requests. Furthermore, while he

might be prepared to go to a certain length, possibly in meeting one or two of the Western provinces that have progressive premiers at the head of the governments . . . I would not give a single cent to any Tory government.

To cries of "shame", "shame", he went on with soon-to-be-famous words:

while these governments are situated as they are today with policies diametrically opposed to those of this⁸⁷ government, I would not give them a five cent piece.

Why King appeared so blind, not only to the growth of unemployment but also to the political impact such a loss of control could have, is puzzling. He knew that people were out of work in greater numbers than usual, but he was sure that it was only a temporary problem. Neither he nor anyone else knew how many were unemployed. They could only guess. Mackenzie King chose to interpret the talk of an emergency as greatly exaggerated.⁸⁸ Most municipal leaders, closer to the problem, disagreed. If an estimate made by W. A. Pritchard following

86 Bruce Hutchison, The Great Canadian: A Candid Portrait of Mackenzie King: His Works, his Times and his Nation, New York, Longmans, Green, 1953, p. 64.

87 Canada Debates, 3 April 1930, p. 1228.

88 Neatby, Mackenzie King, pp. 315-316.

Burnaby's unemployment census was correct, everyone was guilty of underestimating rather than overestimating the problem. Extrapolating from the one in twenty out of work in Burnaby, he suggested that the number in Canada was likely to be closer to 475,000 than the frequently mentioned figure of 200,000.⁸⁹ Whatever the actual number, the problem was that no one had any real idea of what it was. If Mackenzie King was to claim responsibility for the prosperity of the late twenties as he had done, then to admit that a serious reversal had occurred would have seemed an admission of the failure of his policies. This he would not admit.

King's stand in insisting throughout the parliamentary session of 1930 on municipal and provincial responsibility for relief was little different from that which Bennett would subsequently take. At this stage, it was to Bennett's advantage to admit that the problem was of sufficient magnitude to require federal assistance. At no stage would either Bennett or King question the constitutional division of powers regarding provision of relief. Money would be given, but responsibility was to remain with the municipalities and their provinces.

Early in the 1930 session, H. Heaps, Progressive member for North Winnipeg, challenged King's picture of constitutional responsibility. The Prime Minister's order of first municipal, then provincial and then dominion responsibility for unemployment should be reversed, he

89 Vancouver Sun, 7 August 1930, p. 8 (hereafter cited as Sun).

suggested, for the very simple and obvious reason "that no

municipality creates any unemployment problem. Unemployment is created by conditions over which the municipality has no control whatever.⁹⁰ They are merely the victims of circumstances.

This was a stand taken again and again by municipalities throughout the thirties, with little success. Heaps continued by attacking King's use of figures of employment instead of unemployment to indicate the labour situation. Among his colleagues in the labour movement, he asserted, there was agreement that they were facing "one of the worst unemployment situations . . . that we have ever had to handle".⁹¹

Awareness of the magnitude of unemployment in the first half of 1930 was highest among municipal leaders, people like Woodsworth and Heaps, and other socialists and labour leaders close to the people already suffering. Such leaders contended that it was not a local municipal problem and should not have been treated as such. To them, change in the constitutional division of responsibility for relief of unemployment was necessary. To both Bennett and King, constitutional change in this area was not to be considered. Bennett strongly believed that Canada's constitution was not made to be amended. A re-adjustment of provincial powers in relation to dominion powers would be futile, he maintained, because it would involve the destruction of the very

90 Canada Debates, 24 February 1930, p. 55.

91 Ibid., p. 57.

foundation of the constitution.⁹²

King called the dominion election for August 30, 1930. He was determined to campaign on three issues: the record of the government of its sound administration and saving the country from bankruptcy; Dunning's budget; and the choice of delegates for the Imperial Conference. He expected to win.⁹³ Unemployment was a political godsend for Bennett. He countered King's caution with the promise of action. He would call a Special Session on Unemployment, blast his way into world markets and emphasize Canada first, then the Empire in economic matters. King soon found it impossible to fight the campaign on his own terms. When he went West, where there were already over 100,000 unemployed, his attitude to unemployment changed. For the first time he admitted that it was not solely a provincial or municipal responsibility and promised to assist any provincial government that could not cope.⁹⁴

The provincial premiers were not keen to help King in his campaign. Only Quebec and Prince Edward Island had Liberal premiers at the time of the election and the latter did not enter the campaign until late. The Progressive premiers of Manitoba and Alberta remained neutral and the five Conservative premiers, outraged by King's "five cent" speech,

92 Canadian Problems as Seen by Twenty Outstanding Men of Canada, Toronto, Oxford University Press, 1933, p. 28.

93 Neatby, Mackenzie King, p. 327.

94 J. M. Beck, ed., Pendulum of Power, Ontario, Prentice-Hall, 1968, p. 194.

campaigned actively against him. King's protests of having been misunderstood were to no avail. His "five cents" were to haunt him throughout the campaign.

In British Columbia, King defended himself by asserting that, when he had said he would not give a five cent piece to any Tory government, his remarks had referred to the situation at that time when "not a single government had asked for assistance". Controversy arose because S. F. Tolmie claimed that he had indeed requested assistance at that time. Following the Winnipeg unemployment conference he had sent Mackenzie King a telegram endorsing its resolutions and requesting dominion co-operation.⁹⁵ The roots of the controversy lay in the wording of that telegram. It seemed to apply only to the case of ex-servicement and not to the unemployed in general⁹⁶ and this had been the way Mackenzie King had chosen to interpret it. Certainly, as the Liberal M.P., Ian Mackenzie, suggested during the campaign, had Tolmie really believed that unemployment was a serious matter he could have placed a resolution on the question before the provincial house.⁹⁷ This was not done. In fact, during the 1930 provincial session only one question relating to unemployment had been asked, despite the fact

95 Victoria Daily Colonist, 13 July 1931, p. 1.

96 S. F. Tolmie to W. L. Mackenzie King, 22 February 1930, Tolmie Papers.

97 Tolmie Papers, Speeches File.

that in several municipalities large sums were being put aside to relieve unemployment and despite the requests as early as January from both Vancouver and Burnaby for assistance in meeting relief costs.⁹⁸

The only action that the British Columbia Government had taken regarding unemployment was the commencement of a large programme of highway construction, which included the work mentioned in Burnaby. The scheme had, however, been initiated in 1929 and its purpose was then described as being to relieve the strain that the great increase in auto traffic had placed on existing road facilities and to assist tourism and industry.⁹⁹ Subsequently it became expedient to claim foresight or at least the wisdom of speedy action and the programme was described as having been designed "to improve the roads to find profitable employment for a number of idle men".¹⁰⁰

In fact, having decided on the road works before large scale relief provision became necessary, the provincial government was soon able to obtain labour at a cheaper rate than budgeted for. During 1930 wages were set in accordance with the Dominion Fair Wages Act, but subsequently "subsistence allowances" were considerably lower. By 1932, it is not surprising that P. Philip (Deputy Minister of Labour) could claim that the maintenance cost of roads had been brought below

98 I. D. Parker, "Simon Fraser Tolmie and the B.C. Conservative Party, 1916-1933", unpublished M.A. Thesis, University of Victoria, 1970, p. 86.

99 Tolmie Papers, Public Works File, 1930.

100 Ibid., Address to the Conservative Association Annual Meeting, November 1931.

the average of the previous ten years.¹⁰¹

Awareness of the growing problem thus seems to have been only slightly higher among the members of the British Columbia Government than at the dominion level in the period prior to the 1930 dominion election. Members of government had attended several conferences about unemployment, a fact which, the Annual Report of the Department of Labour suggested in retrospect, was an indication that their government was fully alive to the question.¹⁰² No action beyond the acceleration of the already planned road works, had, however, been taken. Tolmie and his government were totally unprepared for the depression. Furthermore, as Martin Robin has pointed out, the strong business orientation of the party and cabinet made them "ideologically and politically unsuited to cope with a society in ferment".¹⁰³ Both W. C. Shelley, Tolmie's first Minister of Finance and his successor were antagonistic toward what they saw as a rising tide of paternalistic legislation.¹⁰⁴

During the summer it became difficult not to see that the situation was indeed critical. The freights from the East brought hundreds of men into Vancouver, until by autumn there were around 7,000 men on relief in the City. The municipalities met together more and more often

101 P. Philip to S. F. Tolmie, 8 October 1932, Tolmie Papers.

102 B.C., Department of Labour, Report, 1930, p. E9.

103 Martin Robin, The Rush for Spoils: The Company Province, Toronto, McClelland and Stewart, 1972, pp. 236-237.

104 Ibid..

and gradually they seemed to be noticed. On June 9th Mayor Malkin of Vancouver presided over a meeting of municipal leaders with T. Bracken, Premier of Manitoba, W. A. MacKenzie, B.C. Minister of Labour, and the General Supervisor of the Provincial Employment Service in B.C.. The resolutions of this conference, which requested financial aid for the municipalities to cope with unemployment, while rather tame, do suggest that others were becoming aware of the problem faced by municipalities.¹⁰⁵ However, the dissolution of the House in Ottawa at the end of May and the setting of the election date for July 28, had given Tolmie and his government a reason for not taking action until the outcome of the election and the policy of the new government in Ottawa were known.

Tolmie and his government were not in good shape to face the problems of a depression. Already, the government which he had led to victory in 1929 with the greatest majority since 1916 was facing declining public support. The "tenuous party unity, so recently established", was beginning to fray.¹⁰⁶ Just when co-operation, communication and good morale were going to be most needed these qualities were ebbing. Even within the cabinet tensions and antagonisms were building up.

The dominion election campaign between the end of May and July 28th featured for the first time in Canadian history the leading politicians

105 Canadian Annual Review, 1930, p. 198.

106 Parker, "Tolmie", p. 60.

addressing the country over a nation-wide radio network. To the emotionalism of the issue of unemployment was added the "empty ranting and raving" emotionalism of radio speeches.¹⁰⁷ Bennett's promises of trade and tariff policies to cure unemployment and to blast a way into world markets blasted their way at least into the minds of Canadian electors. The Conservative Party won their most decisive victory since MacDonald's day, with 137 out of 245 seats.¹⁰⁸

Bennett stated during the election campaign that he was convinced that the problem of unemployment had ceased to be

a local one and that it had assumed national proportions. It will be the duty of my party to see that employment is provided for those of our people who are able to work I will not permit this country with my voice or vote to ever become committed to the dole system . . . there are great national works which may be undertaken in times of stress and strain as they have been in other countries in other times. They will be undertaken.¹⁰⁹

After months of carrying the problem of unemployment relief alone, after months of unsuccessfully requesting assistance from Ottawa and Victoria, the municipalities seemed now to have an ally in control in Ottawa. At least this millionaire lawyer had admitted that the problem was larger than they could possibly cope with alone. It remained for the municipalities to wait and see what would be done.

107 Frank Underhill, cited in J. M. Beck, ed., Pendulum of Power, p. 193.

108 J. M. Beck, ed., Pendulum of Power, p. 201.

109 Canadian Annual Review, 1930, p. 102.

CHAPTER II

THE UNEMPLOYMENT RELIEF ACT, 1930:

SEPTEMBER 1930 TO JULY 1931

The measure . . . is palliative in its very nature . . . to deal with an acute present problem.

R. B. Bennett

R. B. Bennett's solution to the unemployment problem, The Unemployment Relief Act of 1930, was in his own words only a "palliative", a temporary measure. Unemployment was still not considered serious enough to warrant extraordinary efforts. The emergency session treated unemployment as an emergency and produced only a temporary response. The Special Session, which was called by R. B. Bennett five weeks after his election to deal "with the exceptional economic conditions and the resultant unemployment", produced two measures aimed at alleviating the situation. The Unemployment Relief Act provided for twenty million dollars from consolidated revenue to promote work for the unemployed. This money was to deal with the "acute present problem".¹ The Act created no permanent machinery, however, for dealing with that problem. Tariff reform, on the other hand, was to provide a remedy. Together, Bennett asserted, they would go far to relieve the situation.²

1 Canada Debates, 10 September 1930, p. 63.

2 H. B. Neatby, The Politics of Chaos, Toronto, Macmillan, p. 57. Bennett estimated, according to Neatby, that this tariff increase, the sharpest since MacDonald's 1879 tariff changes, would in short time create jobs for some 25,000 unemployed and in the long run solve the unemployment problem.

Two basic premises underlay the first measure. Firstly, the provision of relief was explicitly recognized as a provincial and municipal problem. The Dominion would not "in any sense deal with these problems directly".³ They were merely "giving assistance to enable those charged with responsibility more adequately to discharge their duties".⁴ Secondly, the measure was to provide "employment for wages and not for doles".⁵ "Our people", Bennett was sure, "being self reliant and vigorous, desire an opportunity to work, rather than the giving of charity."⁶ The expenditure of \$20,000,000 on public works and aid to provinces and municipalities was to "assist in providing useful work for the unemployed".⁷

There was, however, no specification either in the Act, or during the Special Session, about the mechanics of the Act, about how the money would be spent or distributed. Neither municipal councils, nor any unemployed following the debates, could obtain any idea of how exactly this money would assist them. When questioned, Bennett informed the House that the administration of the Act was to be of "such a non-political character that each particular claim will be

3 Canada Debates, 10 September 1930, p. 64.

4 Ibid., 12 September 1930, p. 141.

5 Ibid., 10 September 1930, p. 66.

6 Ibid., 8 September 1930, p. 6.

7 Ibid., 10 September 1930, p. 66.

dealt with on its merit without regard to any other considerations".⁸ When pressed further to specify exactly what this meant, he explained that the Department of Labour was to administer the Act and the Minister of Labour, subject to Order in Council, was to determine the extent to which relief should be granted. Beyond that, Bennett emphasized again and again, the Dominion would not assume responsibility for the work of municipal and provincial organizations or "engage in that form of relief which primarily it is the duty of the provinces or municipalities to undertake". Neither would the government interfere where provincial funds were being used to provide employment, "because under our constitution the provinces and the municipalities themselves determine what action they shall take".⁹

There was no indication of how much each province or municipality would receive, nor of the proportion that the Dominion might be willing to contribute to works undertaken. Local councils questioning Ottawa were told to wait and see what arrangement would be made.¹⁰ One suggestion during the Debates was that the Government might cover the interest on works which would otherwise not have been started for several years, and pay one third of direct relief costs. It was hardly an overgenerous contribution. Reeve Pritchard of Burnaby and Mayor Bridgman of North Vancouver City had supported the principle of a one

8 Canada Debates, 10 September 1930, p. 66.

9 Ibid., p. 67.

10 H. Hereford to W. A. Pritchard, 30 October 1930, Burnaby Archives.

third contribution to relief by each government¹¹ as the minimal amount that would enable municipalities to cope adequately with the situation.¹² Pritchard had warned that, if the governments did not assume a reasonable share of the burden, they would soon find themselves called upon to administer several bankrupt communities.¹³ When Bennett was asked what would happen when municipalities had exhausted their legal borrowing power (which was very nearly the case in North Vancouver) he evaded giving an answer. He did give assurances, however, that regulations would be sufficiently expansive "at least not to leave the municipalities bankrupt" if they concluded they could no longer contribute.¹⁴ This unfortunately proved too optimistic.

Because so very few people realized that this depression would be much worse than previous fluctuations in the economy, it did not seem necessary to question the fundamental causes or even to design permanent measures to deal with unemployment. J. S. Woodsworth tried unsuccessfully to have a special House Committee or Commission set up to study the situation in detail. Bennett, however, discouraged any basic questioning. They were dealing, he considered, with "a condition, not a theory" and therefore were not concerned "with great causes of unemployment".¹⁵

11 Province, 5 August 1930, p. 1.

12 Sun, 5 August 1930, p. 1.

13 Ibid..

14 Canada Debates, 12 September 1930, pp. 154-155.

15 Ibid., 10 September 1930, p. 61.

The emergency session, pervaded by such an attitude, produced, not surprisingly, only emergency measures.

Most opposition to the Act during the Debates centered on the lack of specifics on how and where the money would be spent. Criticism of the tariff measure was more fundamental, as many believed it would prove detrimental rather than beneficial. Although a few answers were received to questions about the mechanics of the Act, none could afford not to support such a bill at a time when unemployment was now obviously a major problem. On 22 September 1930, the Unemployment Relief Act became law.

In the provinces officials tried to estimate the numbers of unemployed and the increase that could be expected in the coming winter. No machinery existed at this time to enable a reliable count to be taken of the numbers out of work.¹⁶ Nor was there any operational definition of what constituted unemployment. Not surprisingly, the estimates of the provinces were reached by different methods. Of the figures used to determine the distribution of money under the Unemployment Relief Act, some like those of British Columbia, were

¹⁶ There were no national or even provincial statistics on unemployment until late in the 1930's. Three measures gave some, but by no means a complete, idea of the situation:

- i Reports of the numbers unemployed in trade unions;
- ii Applications for work at the Employment Service of Canada offices across the county;
- iii D.B.S. data showed the numbers employed, not unemployed. After 1931, there were detailed Census figures available on unemployment on the day of the Census and during the previous twelve months, but these were of more comparative and historical value than they were useful for practical application to the situation at the time.

based on a provincial survey, already three months out of date. Others were given by labour offices and branches of the Employment Service Council of Canada, which showed only those voluntarily registered as needing work.

In most cases, those making the estimates had minimal knowledge of either the numbers unemployed or of the cost of giving them work in the approaching winter. The "survey" on which Bennett's knowledge of unemployment in British Columbia rested was based on the work of district engineers throughout the Province. In August 1930, they reported, for instance, that there were fifteen men currently employed on public works in North Vancouver (with no mention of whether this referred to the City, District or both), that no further funds would be needed to relieve acute unemployment, and that if funds were supplied only \$4,000 would be needed to employ the ten men for three months.¹⁷ Other sources suggest that there were at that time at least 200 unemployed in the City and 134 out of work in the District.¹⁸ Only in Burnaby, where an unemployment census had been taken in August, had the number of unemployed been methodically counted, and even there the number was probably higher than the 657 found. Burnaby's situation was reported as growing worse with no prospects of improvement in sight.¹⁹

17 Report of the Chief Engineer, B.C., 6 August 1930, R. B. Bennett Papers, Vol. 783, #383.

18 N. Lougheed to S. F. Tolmie, 21 August 1930, S. F. Tolmie Papers.

19 Ibid.

On the basis of reports such as these, R. B. Bennett informed the House on September 10 1930 that there were approximately 117,930 unemployed across Canada and that this was expected to rise to around 177,485. British Columbia was reported as having 7,692 unemployed with 14,700 expected in the winter months.²⁰ On the basis of these figures it was decided how much money should be allotted to each province to provide work for the unemployed.

In British Columbia S. F. Tolmie's government awaited news of the Dominion's plans. Questioning mayors and reeves, hopeful that the Province might initiate some programme of works, were encouraged by Tolmie's evident sympathy and by the mention of winter works programmes, but he refused to map any definite programme until he had seen the dominion plans.²¹ While Tolmie had reported to Bennett on the eve of the dominion election that the situation in British Columbia was "not yet critical",²² by September it was obviously very critical. The new legislation promised assistance which Tolmie's government was eager to receive. On October 14th, British Columbia signed the Unemployment Relief Act, 1930, and was allotted \$900,000 of the \$20,000,000. The

20 Canada Debates, 10 September 1930, p. 63. Figures for other provinces were:

Alberta	5,155	expected to increase to	6,650
Saskatchewan	7,692	"	14,700
Manitoba	6,950	"	8,201
Ontario	49,367	"	82,214
Quebec	41,367	"	49,920
New Brunswick	500	"	2,850 (less than Burnaby)
Nova Scotia	800	"	2,350

21 Province, 9 August 1930, p. 1..

22 S. F. Tolmie to R. B. Bennett, 19 July 1930, Tolmie Papers.

following March a further \$200,000 was received.²³

An Executive Committee on Unemployment Relief, comprising the Hon. W. A. MacKenzie (Minister of Labour), Hon. R. W. Bruhn (Minister of Public Works) and the Hon. S. L. Howe (Provincial Secretary), was appointed to administer unemployment relief for the Province. J. W. Jones, Minister of Finance, was later added to the committee.²⁴ In the words of the Minister of Public Works, administration of the Act in British Columbia was marked "by great smoothness and lack of friction or difficulty". The Dominion dealt exclusively with the Province, and made no attempt to dictate the locality of work or the subdivision of appropriations. All municipalities were treated on an equal basis.²⁵ The doctrine of provincial and municipal responsibility was not only preached, but observed, by the dominion government. They did not under this Act interfere with how the province or municipalities spent relief monies. The Agreement of October 14 between British Columbia and the Dominion specified only a 25% contribution to municipal relief from these governments. This did not include the cost of materials, which was estimated to be at least equal to that of labour in most construction

23 Other provinces received: Saskatchewan, \$1,000,000; Alberta, \$900,000; Manitoba, \$900,000; Ontario, \$3,850,000; Quebec, \$2,850,000; New Brunswick, \$500,000; Nova Scotia, \$700,000 and Prince Edward Island, \$90,000.

24 Canada, Department of Labour, Report of the Deputy Minister, 1930, p. E13.

25 Public Works Department, Summary of Unemployment Relief, n.d. [circa 1933], Tolmie Papers.

works. Nor did it include any administration or overhead costs. Assigned thus 50% of labour costs on unemployment works and all material and overhead costs, the fulfillment of Pritchard's prediction of bankrupt municipalities loomed closer.

In early October, B.C. municipalities were requested to submit a proposal for the relief of any unemployment in their municipality by the construction, improvement or extension of those public works toward which the municipality would be prepared to contribute.²⁶ Assistance was thus contingent on the municipalities' being able to raise their share. If they were not in a position to do so, they could not join the scheme. Sixty-four of the seventy-five B.C. municipalities took part.²⁷

Within three days of receiving the Province's request, Burnaby Council submitted a \$195,000 works programme and requested reimbursement of one third of the amounts already expended between January and September that year in providing work for the unemployed.²⁸ The Province agreed to a \$54,000 programme and the Minister of Public Works assured municipal officials that the signing of this first contract would not prevent Burnaby from receiving such additional aid as might be necessary to carry out the full \$195,000 programme. Even

26 Circular from the Department of Public Works to all B.C. municipalities, 3 October 1930, Burnaby Archives.

27 Speech Material, Unemployment File, Tolmie Papers.

28 Burnaby Broadcast, 16 October 1930, p. 6.

their current 803 unemployed, Pritchard believed, could not be provided for adequately under the planned programme.²⁹

Works executed under the Unemployment Relief Act, 1930, in these municipalities were seldom merely make-work projects. Most municipalities had both construction and maintenance work that could be done. In Burnaby, the \$54,000 received from the other governments as their initial grant was divided between maintenance work in the seven wards, work on a Lakeside drive giving access to Burnaby Lake, and the preparation of that lake for a rowing club and work on various parks around Burnaby.³⁰

Councils were obliged under the Act to match the contribution of the other governments. Burnaby had little trouble in doing this as by-laws already existed for sewer, water and road work projects. A \$127,000 road by-law had just been passed to unify Burnaby by opening a north-south road between the two previously separate areas of the suburb.³¹ In addition a \$80,000 by-law had been passed early in the

29 Burnaby Clerk to P. Philip, 24 October 1930, Burnaby Archives. If the total \$195,000 programme had gone toward wages for the 803 unemployed they would have received an average of only \$6.00 per month for the 6 months covered by the Act. Even if matched by the municipality they would have received only \$12.00, had all the money gone into wages.

30 By-law #1012, February 26, 1930; Burnaby Minutes, 3 November 1930.

31 Previously to go from North to South Burnaby, a trip into Vancouver first had been necessary, as no north-south through roads existed.

year for sewer work, but work had been held up at least four months by a not untypical four-four split in council over whether the pipes should be of cast iron or steel.³² Together these by-laws enabled Burnaby to match their proposed \$195,000 programme.

Both North Vancouver City and District had, in contrast, to submit by-laws to raise their 50% of relief costs. In the District, by-laws for \$15,000 waterworks' improvement and \$20,000 roads' improvement were submitted and passed by the voters.³³ These once again pushed the District, already carrying a debt of \$480 per capita, to the edge of their borrowing limit. Only \$11,000 was received initially from the other governments and hopes that the passage of the \$20,000 road by-law would bring further monies dimmed when a meagre \$5,000 extra was sent.³⁴ Faced with an increase from an estimated 80 unemployed when the Act was first passed to a reported 700 at the time of its expiry, rigid economy became the watchword of the District council.³⁵ Salaries of staff and the reeve and council were reduced and some staff were laid off, even though this might have thrown them ultimately onto the relief rolls.³⁶ Tax collections during 1930 were only 59% of

32 Burnaby Broadcast, 24 July 1930, p. 1; 16 October 1930, p. 1.

33 By-law #828 and #829; North Shore Press, 4 November, 25 November 1930, p. 1.

34 Ibid., 19 December 1930, p. 1.

35 Report of the District Engineer, 11 August 1931, Tolmie Papers.

36 North Shore Press, 13 January 1931, p. 1.

assessments and by the end of the year the District had a \$197,000 overdraft with their bankers. In 1931 an improvements tax was levied for the first time in a desperate but unsuccessful attempt to raise revenues.³⁷

Neighbouring North Vancouver City's situation was similar. By the end of 1930 there was a \$130,000 overdraft, so council raised the improvement tax from 10% to 15%. Council tried for months to reduce all civic employees' salaries by 10%, but did not succeed until a year later, because the ferry workers, who were on a yearly contract, refused to agree.³⁸ Council also considered only employing regular staff for three to four days a week, and in July 1931 their outside staff volunteered to work only five days a week to help the City's financial situation.³⁹ As in the District, money was saved by eliminating staff positions and superannuating employees at an earlier age than usual. The City council was, however, more successful in their requests for assistance from senior governments than the District. Council planned a \$50,000 works programme of clearing, grubbing and grading boulevards and applied for \$30,000 toward this under the

37 In March 1931, for instance, \$5,200 was saved by reducing municipal hall salaries by \$2,150, police department by \$1,868 and school board expenditures by \$1,400. Two men in the police department were laid off. North Shore Press, 13 March 1931, p. 1.

38 North Vancouver City Minutes, 14 April 1931.

39 North Shore Press, 7 July 1931, p. 1.

Unemployment Relief Act.⁴⁰ They received \$22,000 from the other governments to provide work for the 260 unemployed.⁴¹ By November there were 400 unemployed and it was obvious the money was totally inadequate. To raise the municipal half and in the hope of further government support, City council prepared \$75,000 worth of by-laws for water and road works.⁴² Helped evidently by the "good offices" of their councillor and M.L.A., J. Loutet, the City was given a further \$20,000 before the Act expired.⁴³

West Vancouver's position must have been the envy of all B.C. municipalities. Certainly there were unemployed to care for, but fewer than elsewhere. Furthermore, despite falling revenues the council had managed to produce an excess of revenues over expenditure in 1930 of \$6,013.88. Council applied for and received \$15,000 to give West Vancouver's thirty-five workless men full time employment trenching a watermain and clearing up school grounds and parks.⁴⁴ A \$165,000 waterworks' by-law easily covered their proportion of relief expenditures.⁴⁵

40 North Vancouver City Minutes, 20 October 1930.

41 Ibid., 28 October 1930.

42 Ibid., 1 December 1930. By-law #1248 provided for raising \$50,000 for street work, By-law #1249, \$25,000 for waterworks.

43 Ibid., 28 April 1931.

44 West Vancouver Minutes, October 20 1930.

45 Ibid., 12 June 1931, West Vancouver By-law #449.

Despite their comparatively easy situation, even West Vancouver council was not happy with the distribution of costs under the Unemployment Relief Act. For every dollar they or any council managed to obtain from the two other authorities they had to provide one dollar themselves as well as the overhead and material costs. The receipt of further grants was thus something of a pyrrhic victory. Reeve Leyland echoed the concern of all municipalities when, after receiving a second grant, he complained that the

method adopted by the government was wholly impracticable. As an example, our last government grant was a small one of \$5,000 requiring that \$10,000 be spent in labour. However, the use of labour always presupposes the purchasing of materials . . . and the cost of the material usually approximates the amount spent for labour. In other words, in order that we might obtain a grant of \$2,500 from the Federal Government and an equal amount from the Provincial Government, the taxpayers of West Vancouver were called upon to provide \$20,000 of labour and material. Should the government adopt this same method of contributing to relief in the future, many municipalities with modest revenues would be unable to take advantage of the contributions offered.⁴⁶

Not only was the burden of 50% of labour plus all material and overhead costs heavy on all municipalities, but it acted to the disadvantage of the unemployed. Amounts given municipalities seem to have related more to ability to provide their proportion than to the numbers needing work - hardly an "equal basis" as claimed by provincial officials. Thus, in a municipality like North Vancouver District, which

⁴⁶ Memo from West Vancouver Council to Mayor L. D. Taylor, Vancouver, cited in the West Vancouver News, 12 June 1931.

was unable to provide a large sum to cover their share, the unemployed suffered. Average per capita amounts given by senior governments toward relief varied from \$133.00 in West Vancouver, to \$61.00 in North Vancouver City and Burnaby to as low as \$23.00 in North Vancouver District.⁴⁷ There was no process of equalization in the machinery of the Act between rich and poor municipalities.

During the period of the Act, from September 1930 to June 1931, the numbers of unemployed increased sharply: in Burnaby from around 756 to over 2,100; from 260 to 680 in North Vancouver City; from 160 in North Vancouver District to possibly as high as 700; and from 35 in West Vancouver to around 150.⁴⁸ The total amounts received under this first Act - Burnaby \$129,000, North Vancouver City \$42,000, North Vancouver District \$16,000 and West Vancouver \$20,000 - were not closely related to the numbers without work.⁴⁹ Inevitably the relief policies pursued by municipalities varied.

Municipal relief policies had to comply with the regulations of

⁴⁷ This average represents the total amount given by the senior governments divided by the largest number of unemployed registered during the period of the Act. It is a very crude measure as it takes no account of the amount municipalities contributed to relief. By doubling the numbers above, a crude idea of the average amount per man over the period of the Act could be obtained.

⁴⁸ From council minutes and the local press. There seems to have been a tendency in the press and even in the taking of local minutes to avoid mentioning the numbers of unemployed.

⁴⁹ Nowhere could I find a reliable record of these agreements. Figures are made up from reports in minutes and the local press. Tom Reid, M.P. for New Westminster, gave somewhat different figures in May 1931 for which I can find no evidence elsewhere, but will include for comparison: Burnaby \$158,000; North Vancouver City \$54,000; North Vancouver District \$22,000; West Vancouver \$22,000. North Shore Press, 5 May 1931, p. 1.

the Unemployment Relief Act, but were mostly determined by the amount of money available and the attitudes of the local councils. The Act stipulated that fair wages should be paid and that hours of work should not exceed those set out in the Fair Wages and Eight Hour Day Act, 1930, and the fair wages policy of the Government of Canada.⁵⁰ There was to be no discrimination on political grounds in the hiring of relief workers. In British Columbia the fair wage was defined by the Government as \$4.00 a day for common labour, with higher rates for skilled workers.⁵¹ Although it was assumed that at least a four day week would be worked,⁵² there was no concrete indication that this should be so. Thus it was here that major variations occurred. Faced with growing numbers needing work and with inadequate funds, municipal councils had to decide how often work should be given and who should receive priority.

The most efficient course was followed in Vancouver. About 12% of the registered unemployed were given steady work, the balance receiving none and living presumably on direct relief. Burnaby's policy was to give every registered unemployed person at least some work. Reeve Pritchard and his council considered that alleviation of distress as much as possible was more important than obtaining value for money

50 Report of the Dominion Director of Unemployment Relief, Unemployment Relief Act, 1930, p. 17.

51 Schedule of Wage Rates, Province of British Columbia, Unemployment Relief Act, 1930, circulated to all municipalities, Burnaby Archives.

52 Burnaby Broadcast, November 27, 1930, p. 2.

spent.⁵³ Council had originally planned to provide four days' work per week for married men, but by December the 467 of the 803 registered unemployed who were married were working an average of only eight days per month and the single men as little as three. The rate of pay began at \$4.00 per day as prescribed. This, council well realized, fell very short of the intention of the Relief Act, in that not even bare necessities could be provided.⁵⁴ Needy cases were given extra work where possible, and for the month before Christmas council arranged for married men to work five days a week. As the money was used up, the average number of days worked per month dropped to six for married men and three or less for the single. In April 1931, a delegate of the newly formed Burnaby Worker's Protective Association informed council that, as 80% of the unemployed were taxpayers, his local had advocated not paying their taxes unless they were assured that Burnaby was matching the dominion and provincial contributions. They were reassured that Burnaby had had to do so to receive the grants at all. Saving the money for taxes seemed hopeless anyway as men were finding it impossible, the delegate declared, to live on the wages being received.⁵⁵

It was very difficult to support a wife and children on \$24.00 a month in early 1931. Prices had not yet dropped as low as they would

53 Ibid., 4 December 1930, p. 1.

54 Loc. cit..

55 Ibid., 23 April 1931, p. 1.

in 1932,⁵⁶ yet even in that year H. Cassidy calculated that \$6.00 to \$7.00 a week was the minimum amount necessary to provide a well balanced diet for a family of five.⁵⁷ Married men in Burnaby on \$24.00 to \$32.00 a month were hardly getting enough to provide food for their families, let alone pay their rent or taxes or buy fuel and clothing.

In North Vancouver City some fared better at first. Married men were given preference on unemployment relief work. By December only 215 of the 400 registered unemployed had been given any work, but most of these were married. One hundred and thirty-six single men had received no work at all, known cases of destitution being granted direct relief until they could be put to work.⁵⁸ Those single men who did work received a relatively generous six days per month while married men were given two to three days' a week. By April 1931, however, increased numbers and a rapidly diminishing supply of money reduced married men to six days' per month and council attempted to

56 Index Number of Prices (1929 equals 100):

	Retail Prices	Cost of Living
1929	100.0	100.0
1930	99.3	94.3
1931	89.7	84.4
1932	81.5	78.1
1933	77.7	76.2
1934	78.7	77.2

L. Richter, ed., Canada's Unemployment Problem, Toronto, Macmillan, 1939, p. 44.

57 Cited in Michael Bliss, ed., The Wretched of Canada; Letters to R. B. Bennett, University of Toronto Press, 1971, p. xiv.

58 North Shore Press, 2 December 1930, p. 1; North Vancouver City Minutes, 1 December 1930.

eliminate single men completely from work projects.⁵⁹

Obviously, the Government's insistence on a \$4.00 a day wage could not ensure that all the unemployed would receive a fair wage when there was not enough money to employ them steadily. Thus, in Burnaby all received a few days' while in North Vancouver City only some received adequate work. In North Vancouver District the small amount of money was spread as fairly as possible, while in West Vancouver the unemployed seem to have been considered part of the works department and given at least ten days' per month.⁶⁰

If government assistance fell short of providing adequately for the needs of the unemployed in some municipalities, most communities complemented that help in these early years with money, food, clothing and sometimes work. In West Vancouver, where work given seems to have been adequate, community assistance to the unemployed was minimal during this period. This probably stemmed from what seems to have been a general reluctance to admit that unemployment existed at all in that suburb.⁶¹ In the North Vancouvers and in Burnaby the situation was

59 North Shore Press, 21 April 1931, p. 4; North Vancouver City Minutes, 20 April 1931.

60 This Reeve Leyland considered to be "a most moderate rate of pay", West Vancouver News, 19 June 1931, p. 1.

61 West Vancouver News, 19 September 1930, p. 1. The editor, for instance, while calling for support for the water by-law which was to provide work for the local unemployed felt it necessary to point out that the condition, while "not very evident on the surface, unfortunately does exist and it is useless to hide or bilk the fact".

more desperate. Relief departments made it known that they needed any old clothing or shoes that could be spared.⁶² Pupils were asked to bring unwanted clothing to school,⁶³ and local community groups formed to provide clothing depots.⁶⁴ The supply of spare and old clothing did not, however, last long. After three months of existence the North Shore Press relief depot closed down because of lack of contributions.⁶⁵

Permanent soup kitchens, so much a feature of Vancouver and probably all large cities during the thirties, never existed in these suburbs.⁶⁶ In Burnaby a local but anonymous delicatessen owner did offer free soup to needy families two days a week, but not for a long period. Christmas time brought a flurry of contributions of food for the unemployed in Christmas cheer funds, Christmas hamper collections, etc.. Over Christmas 1930, Burnaby's relief officer delivered around four hundred hampers to families not receiving even the six to eight days' relief work a month.⁶⁷ Dances, concerts, legion ladies' and Canadian Daughters' whist sessions all raised extra monies to help provide relief.

Attempts to stimulate local trade by "Prosperity Weeks", "Buy at

62 See for instance, North Shore Press, 4 April 1931, p. 9; 3 October 1931, p. 1.

63 Burnaby Broadcast, 30 October 1930, p. 1.

64 Ibid., 6 November 1930; North Shore Press, 21 November, p. 10.

65 North Shore Press, 2 January 1931, p. 5.

66 It is difficult to tell how many people from the suburbs would have visited soup kitchens in Vancouver City or New Westminster.

67 Burnaby Broadcast, 18 December 1930, p. 2.

Home", "Boost North Shore Trade" campaigns and numerous others were common though probably not very effective. In December 1930, groups in Vancouver initiated a "One Million Days' Work" campaign in an attempt to find jobs within the community for the unemployed. On the North Shore representatives of over seventy organizations met to initiate their own "50,000 Days' Work" campaign.⁶⁸ An office was set up and information, jobs and money collected and turned over to the City and District relief offices for distribution. Men were to receive 50 cents an hour, women 35 cents. The description of the campaign as "purely and simply a community effort to alleviate the unemployment condition so people can tide themselves over till conditions improve" is indicative of the attitude prevailing at this time.⁶⁹ Most people still believed that the mass unemployment was a temporary fluctuation, more intense than ever before but soon to disappear. The campaign produced 47 days' work for men and 22 for women along with \$228 in cash during its first month, but then it gradually petered out for lack of contributions.⁷⁰ Perhaps people began to realize that there was no quick solution to the problem.

Faced with often inadequate assistance from the municipalities and other governments and well meaning but minimal help from the local

68 North Shore Press, 21 November 1930, p. 1; 5 December 1930, p. 1; 9 December 1930, p. 1.

69 Ibid., 5 December 1930, p. 1.

70 Ibid., 23 December 1930; 6 January 1931, p. 1.

communities, the unemployed began to organize in an attempt to help themselves. In early March 1931, the Burnaby Worker's Protective Association was formed, as were similar organizations in other communities.⁷¹ Burnaby council allowed them to use City Hall for meetings and the unemployed expressed general appreciation for council's handling of relief. Major complaints were associated with the distribution of the work. Delegates of the Association regularly attended council with suggestions of fairer ways to handle relief work. Feasible demands were carried out and copies of all demands were sent by Reeve Pritchard to both Victoria and Ottawa. Most of the council was sympathetic to the unemployed, although one councillor, annoyed at their persistent demands, exploded on one occasion, asserting that "No man is coming here and telling me what I have to do. I refuse to take any orders from the unemployed".⁷²

Possible tension between the unemployed and council was minimized by the establishment of a joint committee of unemployed delegates and the council relief committee which met every Saturday morning to discuss grievances and policy.⁷³ Council's sympathetic attitude to the unemployed extended to allowing the use of City Hall for their meetings. When some citizens complained that "certain propaganda" was resulting

71 Burnaby Broadcast, 5 March 1930, p. 1.

72 Ibid., 30 April 1931, p. 2.

73 Ibid., 30 April 1931, p. 2; interviews with Mr. W. A. Pritchard, Simon Fraser University, August 1973.

from these meetings, one councillor suggested discussion should be limited to workers' problems. To most of the other councillors the notion of restricting freedom of speech was abhorrent. They agreed with Pritchard that discussion was better in the open than underground.⁷⁴

In North Vancouver City the response of the council to the same problem was the very opposite. When the newly formed North Vancouver Unemployed Association requested the use of City Hall for their meetings they were informed:

it is not the policy of the Council to grant the use of the City chambers for the purpose of a general meeting. Executive meetings of organizations working in the public interest such as the Red Cross, V.O.N. and Board of Trade are permitted.⁷⁵

Evidently, organization of the unemployed was not considered by the North Vancouver City council to be "in the public interest".

Around July 1931, most groups of the unemployed throughout the lower mainland became local branches of the National Unemployed Worker's Association, a group organized by the Worker's Unity League and affiliated to the Communist Party of Canada. Demands differed only a little from previously, and council responses remained essentially unchanged. That similar demands were made in most municipalities at any particular time suggests some degree of overall control and policy direction, but local issues were never ignored. Demands for fair wages,

74 Burnaby Broadcast, 21 May 1931, p. 2.

75 North Vancouver City Minutes, 9 March 1931.

better conditions for unemployed women, the release of "class war prisoners" and protection of the unemployed against eviction were coupled with complaints against a particular foreman or requests for transport to a local work site. The intrusion of the larger body in local affairs was not, however, always welcomed, particularly where the values of a local group differed from those of the organization as a whole. Thus, in West Vancouver, the local branch of the N.U.W.A. publicly repudiated as "untrue and unwarranted by unanimous vote" an article which had appeared in the Unemployed Worker, the organ of the N.U.W.A., entitled "West Vancouver Bourgeoisie Knows Who's Who".

Ten dollars rent was the price asked for the Orange Hall in West Vancouver when the unemployed applied for it, although, the I.L.P. can have it for \$4.

The prohibitive figure is an indication of the fear and hatred of the West Vancouver Babbitry of the militant organization of workers.

West Vancouver has a reputation for being a residential area for retired colonels, civil servants, bankers and similar riff-raff with a sprinkling of the upper strata of the working classes.

There are, however, a considerable number of unemployed workers. In order to fight the cutting off of relief, they felt it was necessary to organize. Hence the need of a hall to hold a meeting.

The Independent Labour Party is on a par with other bourgeois organizations in that salubrious suburb. The unemployed without a guarantee of being perfectly innocuous are barred from the halls. The bosses know their friends.

The unemployed workers in West Vancouver must not allow this discrimination to intimidate them. That is one of the things that can be expected. Halls or no halls the organization must be built up and militant action taken to compel the council to grant adequate relief. The fight will go on.⁷⁶

76 Cited in West Vancouver News, 19 June 1931, p. 5.

The rhetoric was evidently embarrassing to the local branch of the N.U.W.A., although, as they took no steps to form a separate organization, perhaps not as embarrassing as they hoped council might believe.

At times, the Communist affiliations of the National Unemployed Worker's Association were resented. In October 1931, the Burnaby branch split up for this reason. After several months they re-organized and by May 1932 even the Ex-Servicemen's Unemployed Association and the Working Ex-Servicemen's League had joined with the N.U.W.A. as the Burnaby Worker's Council.

The most common complaints of the associations of the unemployed during this period centered on the number of days' work given and the fairness of distribution. In Burnaby discontent arose particularly from the division of the unemployed into two distinct groups. Most of those needing work were employed with the grants received from the provincial and dominion governments. About 300 unemployed, however, worked permanently on the sewer by-law work which represented Burnaby's contribution. These men were given steady work for four or five days a week and were covered in addition by wage contracts made with outside civic staff, which in this case involved an extra 25 cents per day for labourers working down sewers. In essence they were municipal employees.

This dual system of relief works was understandably not considered fair by those unemployed receiving only a few days' work a week. They

pressed council for more equal distribution of relief work and in late April demanded that the money raised to match government grants be spent in the same way.⁷⁷ Council agreed to this, but Reeve Pritchard was absent from the meeting. On his return he used his power as reeve to refer back the resolution. Here was the dilemma facing municipalities with regard to relief works. There were only two ways in which council could match government grants, Pritchard pointed out:

- a) By making expenditure a charge on current revenue, which would be inconceivable, as up to the present time we have had to provide some \$130,000 from one budget, in short a 13 mill addition to the current tax rate.
- b) By raising finances through bond flotations as capital expenditure on definite necessary Municipal Public Works.⁷⁸

As the latter was the only possible method, Pritchard believed that such public works financed by bond flotations and backed by the credit of the municipality had to be carried out in the most efficient and economic manner possible. Because government aid was such an unknown quantity, he maintained that it provided an impracticable basis for planning works for submission to the ratepayers. Furthermore, he claimed that the policy

which it is sought to have adopted, will have the effect of placing all permanent employees in precisely the same position as industry have placed its employees. The carrying out of municipal works on this basis would be tantamount to admitting

77 Burnaby Council Minutes, 27 April 1931.

78 Ibid., May 11 1931.

that the unemployment problem was basically a municipal one, which is exactly the position industrialists have been endeavouring to jockey cities and municipalities for the better part of a century.⁷⁹

Pritchard adamantly refused to be jockeyed into such a position, the antithesis of his fight for recognition that unemployment was not a municipal responsibility. Burnaby unemployed remained in two groups, the one with virtually all the benefits of municipal staff, the others getting work for as many days a month as it was available: the 300 men sharing the municipal grant which equalled 50% of the labour costs, while 1700 men shared the \$54,000 from the other governments.⁸⁰

The local unemployed were not the only ones unhappy with the additional benefits of this first group. Questions arose as to whether the governments would contribute to the extra twenty-five cents a day that the labourers down sewers were receiving.⁸¹ It was suggested that Pritchard's personality favoured the worker and that hundreds were streaming into Burnaby to receive the higher rates.⁸² The extra twenty-five cents, however, actually applied to only the few men covered by the contract made with the employees, a contract which Pritchard refused to break. After discussion with provincial government

79 Burnaby Council Minutes, 27 April 1931.

80 Burnaby Broadcast, 28 May 1931, p. 4.

81 Deputy Minister of Labour, Ottawa, to W. A. Pritchard, 11 November 1930, Burnaby Archives.

82 Interview with W. A. Pritchard.

representatives the administration of relief in Burnaby was announced to be satisfactory by the provincial Minister of Works.⁸³ There is no evidence of men streaming into Burnaby to get relief. Residential requirements would have made them ineligible.

The mechanics of relief provision varied from municipality to municipality. Burnaby's relief officer, who was first appointed in 1929, looked after registration of the unemployed, provision of relief orders and mothers' pensions. During 1930 the staff of the relief office was increased by the addition of four assistants. Those requiring work had to register at the relief office. Registrations were then taken by the Superintendent of Works who was meant to assure a fair distribution of works.⁸⁴ The numerous accusations of unfair distribution, often unfounded, led to a new system of registration in April 1931. Every person registering was given a duplicate card and a roll was kept giving names, registration and particulars of all the work already given.⁸⁵ A committee, which seems to have involved the whole council, dealt with "Health, Relief and Telephones" on a bi-weekly basis. Increasingly, however, relief policy seems to have been determined in the main council meetings.

The relief departments in North Vancouver City and District were headed by the city clerks and in West Vancouver by the chief constable.

83 Burnaby Broadcast, 4 December 1930, p. 5.

84 Ibid., 26 February 1932, p. 2.

85 Ibid., 9 April 1931, p. 1.

In North Vancouver City, too, the police department worked closely with officials, especially in "difficult" relief cases.⁸⁶ The idea that destitution was in some way related to criminal activities was solidly entrenched in many minds, influencing the way relief was handled.⁸⁷ While there was work available the visit to the relief office cannot have been too degrading. But once direct relief - the dole - became the only means of support the shame and degradation of a visit to an office permeated by such an attitude was so strong that the memory persists with many until today.⁸⁸

Under this first Act, however, men were at least given work and paid in cash, albeit only for six to eight days a month. This provided a meagre \$24.00 to \$32.00 a month for men with families, and less for single men. Married men at least remained the breadwinners and workers of the household and were given preference on relief work in most municipalities.⁸⁹ By May 1931, however, councils applying for further grants were informed that the funds granted the Province by the Dominion

86 North Vancouver City Minutes, 5 January 1930.

87 See footnote no. 49, Chapter I.

88 See for instance, Barry Broadfoot, The Ten Lost Years, Chapter Seven, "On Relief"; and James H. Gray, The Winter Years, Toronto, Macmillan, 1966.

89 For the plight of the single men see: Marion Lane, "Unemployment during the depression: the problem of the single unemployed transient in British Columbia, 1930-1938", unpublished B.A. Essay, U.B.C., 1966.

were exhausted.⁹⁰ The summer brought no downward trend in the growing numbers of unemployed, but no longer was there dominion or provincial money to assist in providing work for them. Nor did there seem to be any inclination among leaders in Ottawa or Victoria to take action. Not until two months after the extended expiry date of the Unemployment Relief Act would new relief legislation be passed. Meanwhile, the unemployed had to be cared for. In some municipalities the money for works was not totally exhausted: the remainder was stretched out over the next months. For the others, with budgets impaired by their hefty contributions to relief works, direct relief became the only way of providing for their poor and destitute.

Direct relief was as abhorrent to those without work and to municipal leaders as Bennett had professed it to be to him when he had offered the Unemployment Relief Act as providing employment and avoiding the dole.⁹¹ "Unalterably opposed" as most councils were "to any action which could be considered as the inauguration of an unscientific and unsystematic dole system", they had no alternative but to provide direct relief.⁹² In no position financially to initiate works, they depended on any help the other governments might choose to give them. All that was offered during this period was a one third

90 Burnaby Minutes, 1 June 1931.

91 Canada Debates, 8 September 1930, p. 6; 10 September 1930, p. 66.

92 Resolution from Conference of Mayors and Reeves of the Lower Mainland, to R. B. Bennett, 25 June 1931, Bennett Papers, Vol. 796, #392.

contribution to the dole by the two other governments. Direct relief was the major means of support for the unemployed until October 1931, when works under a new Act were finally begun.

The cost of direct relief was heavy both in financial and human terms. By August there were 2293 unemployed in Burnaby, 936 of whom were considered in need of relief. The \$6,015.00 spent that month averaged \$6.40 per person. A month later 2153 unemployed were sharing a meagre \$12,206, around \$5.00 each. As Burnaby's population was around 24,000, nearly one in ten citizens were requiring some direct relief, or, reckoning four to a family, one family in three.⁹³

Whereas cash had been paid for unemployment relief work, those on direct relief received grocery orders which had to be used at a specific store. People could no longer choose where to shop, nor even what they wanted to buy.⁹⁴

In North Vancouver, only families "in dire need" were eligible for direct relief. In August around 680 people shared \$2,675 in relief.⁹⁵ With council determined to secure their money's worth, men were required to work out their direct relief. Only food was allowed on relief orders, to the dismay of the North Vancouver Unemployed Association, who wondered how rent, light, fuel, taxes, clothing and school supplies were to be paid for. The work, they protested, was

93 Burnaby Broadcast, 8 October 1931, p. 1.

94 Ibid., 29 October 1931, p. 1.

95 North Vancouver City Minutes, 21 September 1931.

conducted under "slave conditions" and they demanded that at least they might receive cash rather than grocery orders for their work.⁹⁶ Council rejected their request, so a strike was organized by the local National Unemployed Worker's Association to obtain cash payment. The relief work was picketed by local unemployed, helped by the "comrades" from Vancouver. A small clash occurred when the foreman, who started to open his toolbox, was prevented from doing so by workers.⁹⁷ Local officials blamed the disturbance on the workers from Vancouver who, they said, had gone to the North Shore specifically to cause trouble.⁹⁸ One constable was fired for not preventing the fight and the matter was dismissed. For the unemployed it was a victory. Work was still demanded in return for relief, but the council conceded the request for cash payment. Single men were given \$2.00 a day and married men \$2.80. It was resolved, however, that persons who had received relief before September 1st would be required to repay the city for relief received up to \$12.00 per week when they were able to work.⁹⁹

Tension mounted amongst the unemployed, the ratepayers and councils as all awaited some government action, which would, they hoped, do away with direct relief and deal with the ever growing unemployment problem. The National Unemployed Worker's Associations pressed councils to do all in their power to take some action with the

96 North Vancouver City Minutes, 8 September 1931.

97 The Unemployed Worker, 19 September 1931, p. 1.

98 North Shore Press, 25 September 1931, p. 7.

99 Ibid., 15 September 1931, p. 1.

other governments to provide work. They demanded wages of \$4.00 a day with four days' work a week for married men with dependents, two days' for those without and for single men. But there was no work.

In Burnaby, a mass demonstration of the N.U.W.A. called for submission of a \$250,000 local by-law to provide work at union rates. Council split on a motion to submit the by-law, and then rejected it. Pritchard strongly opposed the by-law, stating that it was not Burnaby's duty to blaze the way for higher authorities.¹⁰⁰ To have done so would have been to negate what he had been fighting for - dominion recognition that it was not a local but a national problem. He did, however, send a copy of the unemployed's demands to R. B. Bennett and pointed out that the "poor and destitute" clause could not

be taken to mean that it is the duty of the municipality to make suitable provision, even when assisted by the Provincial and Federal Governments, for the distress prevailing among its residents, when this distress is caused by universal financial and industrial depression over which municipalities have no control and which is so severe that at least one third of the working population is affected.

Again, he warned that municipal bankruptcy would follow, thereby creating a more serious situation. The solution to the problem, he maintained,

is a matter for the government of the day; and is the gravest problem with which it is faced. . . . [A] solution can and must be found . . . in order to prevent

100 Burnaby Broadcast, 20 August, 1931, p. 1.

a large proportion of the national population from falling into irrevocable decadence; to permit safe and constitutional administration to continue and progress and to avoid those 101 regrettable outbursts which sooner or later produce anarchy.

In North Vancouver City debate on the economic situation and the problems facing the municipality produced a more radical solution.

Alderman Anderson resolved:

That this council request the Dominion Government to establish complete government ownership of labour, transportation and national resources and industrial machinery within Canada and to administer and operate same equitably in the interests of all people of Canada.¹⁰²

It is indicative of the desperation felt by municipal councils at this time, not that the motion was presented by the one socialist councillor, but that in a fairly conservative council it passed two to three.¹⁰³

Mayor Bridgman, who had been away when the motion was passed, instructed the town clerk not to forward the resolution to Ottawa. Certainly, more and more people, as they witnessed the increase of poverty and destitution in these years, came to the conclusion that there was something radically wrong with the capitalist system. It was not, however, a view that would impress Bennett or provincial authorities only too susceptible to "red menace" talk. The resolution was never sent to Ottawa, although debate back and forth on its merits and

101 W. A. Pritchard to R. B. Bennett, 22 July 1931, Bennett Papers, Vol. 796, #392.

102 North Vancouver City Minutes, 1 June 1931.

103 North Shore Press, 2 June 1931, p. 1.

demerits continued for some time.

In North Vancouver District tension and dissatisfaction in this period of no government policy took the form of questioning the ability of the local council to govern. A July meeting of ratepayers called on the council to resign because of their inability to carry the municipality out of its difficulties.¹⁰⁴ The reeve allowed no debate on the subject. The resolution was later described as unrepresentative of ratepayers as a whole and the matter was dropped.¹⁰⁵

Under these difficult conditions, municipal leaders met more and more frequently to discuss their common problems, grievances and ideas of solutions. Previous communication between municipal councils had been limited to exchanging resolutions for endorsement and the annual meetings of the Union of B.C. Municipalities. Now reeves, mayors and councillors, especially of the lower mainland area, met almost weekly. They had two major questions. Why had the money allotted to British Columbia under the Unemployment Relief Act run out so quickly? and, what action would either, preferably both, governments take so that further works' programmes could be initiated? Furthermore, most were convinced that the problem had become too great to be considered a municipal responsibility at all.

Why, demanded suspicious and resentful municipal leaders, echoed by the press, had the unorganized areas of the Province received such

104 North Shore Press, 26 June 1931, p. 3.

105 North Vancouver District Minutes, 8 July 1931.

a large proportion of dominion and provincial relief monies?¹⁰⁶ Their question was pertinent. While only 0.5% of British Columbia was organized, 75% of its population resided in municipalities. Under the Unemployment Relief Act agreement, British Columbia and the Dominion each paid 50% of unemployment relief work costs in the unorganized areas, while in the municipalities they contributed 25% each. Despite the population distribution, municipalities received only a little over half of the dominion money allotted to British Columbia.¹⁰⁷

The B.C. Department of Labour reported that, as at June 1931, the two governments had contributed \$591,062 to municipal works compared with \$509,316 to work in unorganized areas.¹⁰⁸ These investments matched by the municipal share had provided 528,900 man days' work for those in municipalities and 221,970 man days' work in the rest of the Province. But unemployment was concentrated largely in the lower mainland and in scattered single enterprise towns.

106 Sun, 10 December 1930, Tolmie Papers, Newspaper File.

107 The Report of the Unemployment Relief Act, 1930, shows for the period up to March 19, 1931:

Works Done by	Dominion % Contribution	Amount payable by Dominion
B.C. Municipalities	25%	\$471,199.00
Province	40%	6,000,00
Unorganized Areas	50%	<u>394,134.50</u>
		<u>871,333,50</u>

108 B.C., Department of Labour, Report, 1931, p. E13.

Approximately 24,000 were reported as unemployed in British Columbia, but only 5,500 of these were from unorganized areas. Had the provincial authorities been taking the unemployed from the municipalities to work on the roads being built in unorganized areas, this disproportionate allotment of money might have been explained, but there was no such policy articulated under the 1930 Act.¹⁰⁹

The Province did arrange work on both the Trans Canada highway and provincial arterial routes for the unemployed in municipalities through which they passed, which helped alleviate the municipal burden somewhat. Provincial relief works clearly cost more with fewer men receiving employment in return than on municipal works.

From indignation over past injustice, municipal leaders turned to concern about the future handling of relief. On June 5 a meeting of lower mainland reeves and mayors warned that unemployment

had reached such proportions as to become of grave national concern and . . . the present method of handling the situation would, if continued, result in the municipal districts and cities becoming insolvent.¹¹⁰

They requested that the provincial and dominion authorities take the necessary steps to ascertain the causes of the complete collapse of national industry. Pursuing a hint that relief might not be necessary in the summer, they warned that it would have to be continued during

109 Ibid., p. E14.

110 Burnaby Broadcast, 11 June 1931, p. 1.

the following months and throughout the year.¹¹¹ Falling tax returns showed that ratepayers were feeling the pinch and future by-laws would probably not be favourably received, they considered.¹¹² In future work plans they demanded that the senior governments provide all the money for labour, leaving the municipalities only equipment costs.¹¹³

A week later at a meeting of municipal leaders with Senator Robertson, the Federal Minister of Labour, Pritchard, now vice-president of the Union of B.C. Municipalities, was appointed to present arguments respecting constitutional responsibility for relief. Once again he stressed that, when responsibility for the poor and destitute had been assigned to the municipalities, there had been no experience of world-wide economic depression. The British North America Act and the provincial Municipal Act had been drafted at a time when only the unemployables would have fallen under municipal care, not the thousands discarded by industry.¹¹⁴ They requested that the dominion government assume full responsibility for relief.

Robertson would not accept the U.B.C.M.'s claim that the entire burden of relief should be a dominion responsibility. He offered instead only co-operative action between all levels of government.

111 Resolutions from June 5 meeting of mayors and reeves to R. B. Bennett, 10 June 1931, Bennett Papers, Vol. 796, #392.

112 Municipal News, July 1931, p. 12.

113 Burnaby Broadcast, 11 June 1931, p. 1.

114 Resolutions, June 5, Bennett Papers, Vol. 796, #392.

To R. B. Bennett he reported that most municipalities had said they could not continue relief on the existing basis.¹¹⁵ Then two days later he suggested that the majority of B.C. municipalities would renew their efforts to look after their own citizens if the transients could be taken care of. He summed up the situation in British Columbia as "apart from the transient problem . . . no worse than has been realized for months passed" and suggested that a dominion-provincial conference in two months' would give "ample time to prepare for next winter's necessities".¹¹⁶ Though a true enough picture of Vancouver's position, this was a gross misrepresentation of the position of most B.C. municipalities, where there were few transients and many local unemployed. On the strength of such reports the Dominion took no action.

Nor could the provincial government act. Their financial resources were depleted. In the 1931 budget, 86% of the yearly provincial revenues was committed without taking account of relief costs.¹¹⁷ Under the Unemployment Relief Act they had had to borrow \$900,000 by special warrant to raise their share,¹¹⁸ and a further \$450,000 to cover the dominion share of municipal costs, which they would not meet

115 G. Robertson to R. B. Bennett, 17 June 1931, Bennett Papers, Vol. 778, #380.

116 Ibid.; G. Robertson to R. B. Bennett, 19 June 1931, ibid..

117 Budget Address, 5 March 1931, in J. W. Jones Papers, p. 32.

118 OIC #122, October 14 1930; OIC #1337, November 11 1930, Pattullo Papers.

until each agreement had been completed.¹¹⁹ The Province thus paid interest on their loan to cover the Dominion's share.

Often it was months before the Province was re-imbursed for the Dominion's portion. The cumbersome machinery in Ottawa which involved at least five steps and four signatures before payments could be made to the provinces made delays inevitable there.¹²⁰ Delays occurred, too, at the British Columbia end. In December, after the Act had been in effect for three months, Robertson complained that no accounts, approved or otherwise, had been received in Ottawa for disbursements under the Act.¹²¹ Inefficiency was endemic among the provincial

119 Special Warrant, 11 December 1930 and 13 December 1930, ibid..

120 A Progress Report from the Office of the Dominion Director of Unemployment Relief, 10 December 1930, illustrates the complex method of dealing with certificates of expenditure submitted by the provinces.

All statements rendered by Provinces are made in triplicate On receipt in the Unemployment Relief Branch statements of expenditures are checked with agreements and records and if not correct become the subject of correspondence with the Province concerned. When necessary adjustments have been made and the accountant has certified that the expenditure involved is justifiable recommendation to council is made for the authorization of payment. When passed in council requisition is made on the Department of Finance, signed by the accountant, the Director of Unemployment Relief and the Deputy Minister of Labour for issuance of a cheque covering the payment authorized by the O.I.C.. In due course the cheque is forwarded from the Finance Department to the Auditor General who pre-audits the expenditure and counter signs the cheque which thereafter comes to the Unemployment Relief Branch. Then it is forwarded to the Province concerned. If the Province has not certified that it has already made payment of its due proportion to the municipality, the municipality involved is notified of the payment being made to the province at the same time as the cheque is forwarded.

121 G. Robertson to S. F. Tolmie, 20 December 1930, Bennett Papers, Vol. 796, #392.

departments where virtually no extra staff were engaged to deal with the administration of relief.

Despite these setbacks, administration in British Columbia ran smoothly until the money ran out in May. Then, the Province could do no more than keep in touch with Ottawa, hoping some action would come from there. At the end of July a registration programme of all unemployed in the Province was initiated. By the end of October there were 62,000 registered unemployed.¹²²

Not until the end of June did Bennett admit that further dominion action was necessary to cope with unemployment. Parliament had re-assembled in March, at which time the opening address had reported a "marked improvement in the domestic situation through the strengthening of established industries". Where this ray of light was must have been a mystery to most listeners. He now suggested that while the Unemployment Relief Act grant "could not immediately have checked unemployment arising from causes of which you have full knowledge yet its careful administration . . . has resulted in the institution of a nation-wide programme of public undertakings".¹²³ Bennett showed great reluctance to talk about unemployment at all. He evaded questions in the House about Government policy.¹²⁴ The Act was extended to last another two

122 History of Unemployment Relief, October 1930 to December 1937, Winch Collection, MacInnis Papers.

123 Canada Debates, 2nd March 1931, p. 2.

124 Canadian Annual Review, 1930, pp. 71-72.

months, although few, if any, new works were begun. Bennett hoped that with the arrival of summer unemployment would disappear as it had always done in the past. But the unemployment of the 1930's was not seasonal.

A major reason for his unwillingness to discuss unemployment, beyond a possible embarrassment at having vainly promised to end it, was the \$80,000,000 deficit experienced that year. Bennett wanted to balance his budget. Another grant to relief would certainly have prevented this. There was no question of deficit spending or inflation. Retrenchment, careful economy and an increase in sales and income taxes plus minor tariff changes were to effect economy.¹²⁵

The ostrich put its head in the sand, but it was decidedly jittery. Woodsworth suggested more than once that with the \$20,000,000 gone and more and more men riding the rods, there would be riots if something were not done to feed the unemployed and the farmers. He was called to order by Manion, Minister of Railways, for inciting riot by repeatedly suggesting it would occur.¹²⁶

Manion too, however, began to worry, suggesting to Bennett that they might "hesitate too long and have serious riots verging on revolution in which life may be taken . . . a terrible catastrophe as

125 H. Blair Neatby, William Lyon Mackenzie King, p. 356.

126 Canada Debates, 15 April 1931, p. 621.

hungry men can hardly be blamed for refusing to starve quietly".¹²⁷

Gideon Robertson, who was obsessed about communists ever since his previous experience as Minister of Labour during the Winnipeg General Strike, began to suggest to the Prime Minister that the reds might get to work among the transients.¹²⁸ S. F. Tolmie helped re-inforce these fears by writing that the "reds in Vancouver are already talking about a revolution" and that there was direct evidence that their instructions were received from communist organizations in Russia and the United States.¹²⁹ Finally, on June 30 1931, Bennett admitted that the problem was serious. Nothing could be done, however, he maintained, until the provincial governments had prepared and submitted an assessment of their financial requirements. The next day he suddenly introduced the Unemployment and Farm Relief Act, 1931.¹³⁰

The Unemployment Relief Act of 1930 had explicitly recognized unemployment as "primarily a provincial and municipal responsibility".¹³¹

127 R. J. Manion to R. B. Bennett, 1 July 1931, cited in Neatby, Mackenzie King, p. 366.

128 Burnaby's Reeve Pritchard, who had been one of those imprisoned following the Winnipeg General Strike, suspected that some of the unfavourable treatment of Burnaby stemmed from Robertson's dislike and distrust of him because of his "role" in the Strike.

129 S. F. Tolmie to G. Robertson, 19 June 1931, Tolmie Papers.

130 Canada Debates, 30 June 1931; 1 July 1931.

131 Ibid., 10 September 1930, p. 66.

This responsibility weighed heavily on the municipalities who were called upon to provide 50% of labour and all material and overhead costs for unemployment relief works executed under the Act. At least they had been able to provide work rather than the dole for their unemployed for most of the period. The Act, while guaranteeing a \$4 a day wage, had not guaranteed how many days work a month the unemployed should receive. Often they received just, but only just, enough to live on.

British Columbia received \$1,100,000 under this Act. The municipalities received little more than half of this, although 75% of the population and of the unemployed were municipal residents. In future schemes, municipal leaders warned again and again they would have to receive more assistance or the Province would find itself administering bankrupt municipalities. The duty of the municipality to care for its poor and destitute, argued Reeve Pritchard and others, could not be taken to apply when the distress was caused by universal financial and industrial depression over which municipalities have not control.¹³² More than a mere "palliative" was required to deal with the problem.

132 Burnaby Broadcast, 23 July 1931, p. 3.

CHAPTER III

THE UNEMPLOYMENT AND FARM RELIEF ACT, 1931:

AUGUST 1931 TO APRIL 1932

"Someone in Ottawa or Victoria is lying."

W. A. Pritchard

Another palliative was all that Bennett's second relief Act offered. The Unemployment and Farm Relief Act of 1931 set no limit on relief expenditures throughout Canada: it specified no machinery for the provision of relief. Bennett had delayed in introducing the Act, and delays typified every aspect of its execution.

Until introducing this Act on 1 July 1931, R. B. Bennett had carefully avoided discussion of the unemployment problem. Now, however, he admitted that the Government was facing "perhaps the greatest national calamity that has ever overtaken the country".¹ To deal with this rediscovered calamity a blank cheque was requested of Parliament, not only to provide for unemployment works and relief and to help market primary resources and farm goods, but in addition to help maintain peace, order and good government in Canada.² W. L. Mackenzie King and most of his party objected strongly to the blanket powers of the bill. King maintained that Parliament was being asked to surrender

1 Canada Debates, 1 July 1931, p. 3246.

2 Ibid., 27 July 1931, p. 4177. This latter clause reflected Bennett's growing fear of communists and revolution, a fear which extended too to socialists and even to any unemployed who organized to make demands on the government: H. B. Neatby, The Politics of Chaos, 1972, p. 63.

its constitutional rights and responsibilities on matters of vital importance so that the government could legislate by Order in Council. An amendment to limit the overall amount of relief contribution was, however, unsuccessful.³ The Unemployment and Farm Relief Act received royal assent on 3 August 1931. It was to remain effective until March 1932.

Once again the Dominion took no overall responsibility for relief. "Obviously", asserted Bennett,

the Dominion will not and should not endeavour to discharge the constitutional obligations of the Provinces. To do so would be to subordinate the provincial legislatures to the federal power. Primary responsibility rests with the provinces and municipalities but the Dominion will, dealing through the provinces, grant such assistance as will enable the provinces and municipalities without undue strain to meet the emergency conditions.⁴

On August 19, British Columbia became the first province to ratify the Act. As yet no machinery for its execution had been articulated. Delays were inevitable. The agreement gave indication neither of the amount British Columbia would receive nor of the proportion that the Dominion would contribute to municipalities, except that the latter would "not exceed 50% . . . unless by reason of the financial conditions of the municipality . . . a greater proportion . . . is specifically authorized by Order in Council".⁵ Such matters became the subject of

3 Canada Debates, 1 August 1931, p. 4487.

4 Sun, 18 August 1931, Tolmie Papers, Newspaper file.

5 "Unemployment and Farm Relief Act Agreement with British Columbia", Patullo Papers, Twigg Commission File.

negotiations between the municipality, the Province and the Dominion to the detriment of healthy political relationships and inhibition of speedy action.

In June 1931 the Dominion had agreed to share responsibility for the transients and single unemployed with the Province. Tolmie had been under pressure, both from Vancouver residents and dominion officials, to get men out of the growing "jungles" of Vancouver and to work, preferably away from populated centres. He planned a \$6,000,000 province-wide road work programme to cater for these unemployed, and between April and August sought dominion support for it. By mid-August, numerous telegrams, many of which were ambiguous, and several conferences with H. H. Stevens, M.P., and Senator Robertson convinced the Government that their plan had been accepted.⁶ Robertson himself had specifically stated that he had given "conclusive authority to proceed with road works".⁷ Construction of 237 work camps near proposed sites throughout the province had already begun and was nearly complete, so road work was started.

[The division of responsibility for the single unemployed between the Province and the Dominion relieved Vancouver and other centres with a large transient problem or a high percentage of single men.] In the whole of Burnaby and the North Shore, however, there were no more than

⁶ Jones Papers, Summary of Correspondence regarding Provincial Works Programme, 19 June 1931 to 17 October 1931; Tolmie Papers, Correspondence, April 1931 to August 1931, Box 12.

⁷ G. Robertson to S. F. Tolmie, 29 August 1931, Tolmie Papers.

twenty-five transients. Furthermore, these suburban councils were antagonistic, at this stage, to the idea of sending their single unemployed, the sons of local residents, to work camps.⁸ Throughout the period of the Act the municipalities were never relieved of responsibility for single men.

In the flurry of building work camps and devising highway programmes to absorb the single and transient unemployed the problem of the municipalities seems to have been conveniently ignored, despite the fact that the provincial registration underway on August 17 showed 70.3% of the unemployed to be municipal residents.⁹ Whereas work on the large provincial works programme began in mid-August, municipalities were not authorized to begin works until October 1. Councils were asked in late August to furnish proposed work programmes, but, because no concrete agreements existed between the Dominion and the Province, they were given no indication of what proportion of costs they might be expected to bear. All they were informed was that wages would no longer be paid. A "subsistence allowance" of \$2.00 to \$2.75 per day with an 80 cent allowance for each dependent would replace wages.¹⁰

8 See, for instance, Burnaby Minutes, 17 August 1931. When later in the period of this Act single men did apply to go to camps, they were informed that arrangements had been made only for residents of Vancouver and New Westminster.

9 Daily Record, Registration of the Unemployed, 17 August 1931, Tolmie Papers.

10 Circular to all Municipalities from the Department of Public Works, Victoria, 22 August 1931.

This was almost half the "fair wage" of \$4.00 of the previous Act, and, resolved Burnaby councillors, insufficient for men performing manual labour.¹¹

Having no indication as to the amount other governments would contribute to the new works programmes, councils were in a difficult situation. Residents who had passed by-laws to cover relief works under the previous Act would be unwilling, possibly unable, to bear further taxation.¹² Certainly, no by-law could be contemplated until councils were sure of the assistance they would receive.¹³ Yet, they were being asked to submit a works' programme without this knowledge.¹⁴ Burnaby and West Vancouver councils informed the Province that, until the governments indicated what share they would carry, they could suggest no programme. Both requested that the governments bear all labour costs, leaving the municipalities responsibility for overhead, material and rental costs only.¹⁵ This cost division was supported by the Union of B.C. Municipalities.¹⁶

Not until mid-September was it clear how much the other governments would contribute to relief works under this Act. Early that month,

11 Burnaby Minutes, 27 August 1931.

12 See, for instance, West Vancouver News, 4 September 1931, p. 1.

13 Burnaby Minutes, 27 August 1931.

14 Circular to all Municipalities, 22 August 1931.

15 Burnaby Minutes, 27 August 1931; West Vancouver News, 4 September 1931, p. 1.

16 Sun, 17 September 1931, p. 1.

U.B.C.M. delegates, impatient at the delay, travelled to Victoria to stress the need for immediate action. Pritchard pressed Tolmie to take a stand on the contribution his government would make. The premier would not commit himself. "You are asking us", he replied,

as your 'higher up' to say what we will do without hearing from our 'higher up' what they will do. You are asking us to do just what you do not want to do yourselves.¹⁷

Tolmie's attempts to find out what his "higher ups" were planning had been no more successful. A series of ambiguous and confusing questions and answers between him and G. Robertson had illuminated no-one.¹⁸ Finally on September 14, Bennett informed Tolmie that

in addition to responsibility for purely federal undertakings the Dominion had agreed to contribute one half the cost of approved relief undertakings in British Columbia's cities and towns and to loan your Province the other half.

Bennett made it quite clear that such assistance should not be too readily assumed by the Province or municipalities. "There appears", he warned

to be some misunderstanding regarding the relative responsibility of the Dominion and Provinces for relief measures. . . . May I again point out that any efforts on the part of the Dominion to undertake the Direction of purely provincial or municipal undertakings could be in derogation of the constitutional rights of the province.¹⁹

17 Vancouver Star, 3 September 1931, Tolmie Papers, Newspaper File.

18 S. F. Tolmie to G. Robertson, 27 August 1931; 28 August 1931; G. Robertson to S. F. Tolmie, 29 August 1931; 1 September 1931, Jones Papers.

19 R. B. Bennett to S. F. Tolmie, 4 September 1931, Patullo Papers.

Provincial officials were still unsure whether the Dominion would contribute 50% of labour only or materials as well. Until this was clear they would not decide on their contribution or authorize the start of municipal projects. For another six days wires flew back and forth between Ottawa and Victoria while Tolmie tried to determine the Dominion's position. Finally it seemed clear that the Dominion would contribute to labour only, although this was later reversed to include materials up to 35% of the total cost. The Province agreed to give 25% of labour costs only. The combined 75% contribution by the senior governments to labour costs did not satisfy municipal officials who "respectfully" pointed out that certain municipalities were unable to finance agreements on that basis.²⁰ Once established, however, relative contributions remained unchanged.

With the assistance they would receive specified, municipal leaders submitted proposed works' programmes. Despite Bennett's assurance that the Dominion would not interfere in provincial and municipal matters, Ottawa's approval of municipal plans was required. The \$22,500 and \$122,500 plans of West Vancouver and North Vancouver District were quickly approved by telegram.²¹ A few days later Robertson met with municipal leaders in Vancouver and cut down North Vancouver City's planned programme from \$224,500 to \$125,000 and Burnaby's plan from

20 Municipal News, October 1931, p. 3.

21 G. Robertson to P. Philip, 19 September 1931, Jones Papers.

\$750,000 to \$400,000.²² This was still considered particularly large by British Columbia's chief engineer.²³

Municipal works finally began on October 1, six weeks later than the provincial road scheme. Councils were advised that they would have to carry the costs for the first thirty days until the Province had received and scrutinized vouchers for work done,²⁴ so loans were arranged with the banks to cover relief wages for this period. The thirty days came and went. Communications between the governments worsened. Provincial officials remained unsure of exactly how the financing would work under this new Act. Their questions and suggestions to Ottawa brought only repeated demands for detailed information on provincial and municipal projects. Ottawa claimed this information had never been received by them:²⁵ provincial authorities had considered it unnecessary because of the approvals they had been given on proposed plans.²⁶

22 Burnaby Broadcast, 24 September 1931, p. 1.

23 P. Philip to J. W. Jones, 23 October 1931, Jones Papers.

24 Sun, 15 November 1930, Tolmie Papers, Newspaper File.

25 R. B. Bennett to S. F. Tolmie, 7 October 1931, Jones Papers.

26 P. Philip to J. W. Jones, 23 October 1931, Jones Papers. This letter suggests that the schedules had not been sent, not only because they believed the programmes had been accepted, but also because the provincial government was "carrying through this enormous programme of work without additional expense in the way of overhead and as a consequence departmental officials have been very greatly overworked". If this is true, that no new staff were hired to deal with the massive problem of relief, it would help explain the incredible inefficiency of the Tolmie government in dealing with it.

On October 17, Robertson ordered that no new projects be started until all the schedules were approved by Ottawa.²⁷ Frustrated, Tolmie responded that his government was

acting as your agents on behalf of the municipalities to take care of large numbers of unemployed citizens, transients, single men etc.. The municipalities are demanding action, requesting immediate assistance both as to financing and placing men to work.²⁸

Bennett refused to make any financial arrangements until all work schedules had been approved in detail. This was something of a departure from his insistence a month earlier that the Dominion would not direct relief works.

The provincial government was facing pressure on every front. Their financial position was poor, and expected revenues had not materialized.²⁹ The municipalities were pressing for the money with which to carry out their works' programmes, and Ottawa did not seem to be co-operating. Furthermore, whisperings of extravagance had reached the East. "Quite a bit of gossip" was reported to be "going around in financial circles in the East" about the Province. The Minister of Finance was warned that it would be wise to create a "reactionary

27 G. Robertson to R. Bruhn, 17 October 1931, Jones Papers.

28 S. F. Tolmie to R. B. Bennett, 17 October 1931, ibid..

29 I. D. Parker, "Simon Fraser Tolmie and the British Columbia Conservative Party, 1916-1933", unpublished M.A. Thesis, University of Victoria, 1970, p. 91.

feeling" by the exercise of strict economy.³⁰ Then, Bennett informed Jones that the Province's requirements for relief were entirely beyond his government's expectations and could not be considered.³¹

Faced with this blow to his cherished works' programme, Tolmie determined to send Jones to Ottawa in late October. Perhaps all the misunderstandings exacerbated by long distance communications could be sorted out. Instead, all rumours of extravagance were confirmed in the eyes of the dominion government. Bennett was ill, so Jones conferred with Stevens and Robertson in an atmosphere tense "with occasional outbursts of temper mixed with the conversations". British Columbia was strongly criticized for extravagance and especially for the dilatory manner of the Public Works Department in dealing with schedules and estimates of cost.³² Dominion officials claimed that British Columbia's relief lists were padded with men not needing relief.³³

Jones's presence in Ottawa, rather than solving British Columbia's financial problems, brought to the dominion government's attention just how much had been spent on the roadworks' programme and convinced them

30 P. B. Fowler, Manager of the Canadian Bank of Commerce to J. W. Jones, 14 October 1931, Jones Paper.

31 R. B. Bennett to J. W. Jones, 16 October 1931, ibid..

32 J. W. Jones to S. F. Tolmie, 30 October 1931, Tolmie Papers.

33 J. W. Jones to S. F. Tolmie, 30 October 1931, Tolmie Papers. R. Bruhn, who joined Jones in Ottawa, admitted that the majority of men engaged on provincial works were drawn from rural districts by the Public Works Department and in a large number of cases were not entitled to relief employment as they were not in distress or great need. H. Hereford to M. McGeough, 12 November 1931, ibid..

that "extravagant and unjustified expenditures have recently been made, the extent of which was unknown and unobtainable until the last three days".³⁴ The Province, it transpired, had already spent over \$3,000,000 on their works' programme quite apart from any municipal commitments. Dominion officials now maintained that authorization of the road works' scheme had been only tentative. They expressed utter disbelief at the Province's having managed to spend a million dollars per month since work began in August. The provincial government's actions were "both unethical and serious" and showed little conception or appreciation of the fact that such things had to be paid for, complained Robertson. The newly appointed B.C. Assistant to the Dominion Director of Unemployment Relief, M. H. McGeough, was instructed to inform Tolmie that "every cow goes dry sometime".³⁵

Jones had taken to Ottawa municipal schedules approved by the Province and also by Robertson earlier totalling \$3,250,000. Robertson and Stevens cut this total to \$2,275,713 despite the fact that all municipal programmes were not yet included.³⁶ The \$6,000,000 provincial works' programme was similarly cut to \$3,580,000, three million of which was already spent.³⁷

34 M. McGeough to S. F. Tolmie, 1 November 1931, ibid..

35 G. Robertson to S. F. Tolmie, 1 November 1931, ibid.; G. Robertson to M. McGeough, 30 October 1931, Pattullo Papers.

36 S. F. Tolmie to G. Robertson, 31 October 1931, Tolmie Papers.

37 G. Robertson to M. McGeough, 12 November 1931, ibid..

Near panic followed in British Columbia. Jones suggested all provincial work be stopped, and Tolmie, again desperate, wrote to Bennett warning him of the crisis that would follow if the men left the camps and invaded the cities.³⁸ Provincial works were stopped and the dominion government blamed. Ottawa refused to accept the blame and emphatically declined "to supersede either the provinces or the municipalities in discharging their respective constitutional obligations while earnestly desiring to aid both in this emergency".³⁹

The municipal projects already agreed to remained unchanged and were allowed to continue. Works executed under this Act were similar to those under the previous one. Sewers, drainage, roadworks and park and schoolground improvements predominated. Again, an eight hour maximum day was stipulated, though provincial or municipal authorities were allowed to "fix rates of wages to be paid provided that such rates be fair and reasonable".⁴⁰ The B.C. government's schedule of "subsistence allowances" started at \$2.00 a day.

Reeve Pritchard of Burnaby believed greater efficiency would accrue if fair wages and not this low subsistence allowance were paid. Approval was received from G. Robertson to pay instead 40 cents an hour for five days a week.⁴¹ This meant \$3.20 per day rather than \$2.00 and

38 S. F. Tolmie to G. Robertson, 31 October 1931, Tolmie Papers.

39 G. Robertson to S. F. Tolmie, 1 November 1931, Pattullo Papers.

40 Report of the Dominion Director of Unemployment Relief, 1931, pp. 3, 57.

41 Burnaby Broadcast, 24 September 1931, p. 1; Unemployed Worker, 26 December 1931, p. 2.

\$16.00 a week rather than \$12.00 for a man on the minimum rate with no dependents. This seemed a good arrangement. Only the Conservative M.L.A. for Burnaby thought it too generous. There was, he reported to Tolmie, a lot of dissatisfaction about the rate. "We have", he wrote,

here in Burnaby a Labour council and they are telling the workmen they will pay 40 cents an hour while the government pays only 35 cents on their works. The same rate should be paid all over.⁴²

Forty cents was being paid in some other municipalities. North Vancouver City Council supported Burnaby's move and also paid 40 cents an hour, setting the number of days and other rates "in line with surrounding municipalities."⁴³ Men were given five days a week, and, after some pressure, were allowed to make up on Saturdays work lost on account of rainy days. By December, however, money began to run low in both Burnaby and North Vancouver City and the maximum work for a man with a family was set at fifteen days a month.⁴⁴ This gave an income of around \$48.00 a month which compared unfavourably with the \$64.00 maximum in North Vancouver District.⁴⁵ West Vancouver Council, having noticed a "difference of opinion in the various municipalities around Vancouver in regard to rates of pay to be given in connection with unemployment

42 N. R. Rutledge, M.L.A., to S. F. Tolmie, 10 October 1931, Tolmie Papers.

43 North Vancouver City Minutes, 28 September 1931.

44 Ibid., 14 December 1931; Unemployed Worker, 26 December 1931, p. 2.

45 North Vancouver District Minutes, 2 February 1932.

relief" decided to adhere strictly to the government schedule.⁴⁶ As they seem to have been able to give five to six days' work a week, this would have provided about \$40 to \$48 a month.

Thus, monthly wages worked out higher at first than the \$20 to \$40 average under the previous Act as long as work was available, merely because more days were given per month. But the works provided for by the Unemployment and Farm Relief Act did not last much beyond the New Year. In December, most municipalities applied for a further loan as they had done under the previous Act, but were informed that no more agreements would be made. The Act, which had been passed in August, continued in existence for ten months but provided work in B.C. municipalities for only four months from October to January, with frequent stoppages during that time.

Ironically, most of the money which was used up on works had not yet arrived when work petered out. Councils who had anticipated financing their works for the first thirty days only, soon found themselves faced with covering all the payments of the other governments. No concrete or formal agreement was signed between the Province and the municipalities until December, and until then most banks refused to give loans on the strength of the government's word.

North Vancouver City had by early November spent \$30,000 of the promised \$125,000. Their borrowing power was exhausted, and there was no further security they could set aside under the provisions of the

⁴⁶ West Vancouver Municipal Clerk to P. Philip, 5 October 1931, West Vancouver Minutes.

Municipal Act. The bank requested "some obligation of a tangible nature in support of an additional loan being made to the City", so the Province promised to validate council's action in borrowing over their legal limit.⁴⁷ Council, thus freed, borrowed the municipal share, which the Dominion had agreed to lend them, from the bank at a cost of \$5,206.00 annual interest and sinking fund charges.⁴⁸

By late November Burnaby had spent \$100,000 of the municipal share of \$128,000 which they had borrowed from the bank on a short term loan. Reeve Pritchard warned J. W. Jones that if the government portion of the \$272,000 due was not received works would close down. Jones, in reply, suggested that the bank would have to carry Burnaby until the outcome of the national loan was assured.⁴⁹ The bank would lend no more money until a formal agreement was signed.

Pritchard was not the only one threatening to close down Burnaby's works in late November. Mr. M. McGeough, the B.C. Assistant to the Dominion Director of Unemployment Relief, who had been appointed under the Unemployment and Farm Relief Act to take office in Vancouver, now focussed on Burnaby as an example of lax regulation of unemployment relief recipients. He threatened to stop work until all applicants for relief work had been investigated in order to weed out those not in

47 J. W. Jones to North Vancouver City Council, 19 November 1931, North Vancouver City Minutes.

48 North Shore Press, 19 February 1932, p. 1.

49 Burnaby Broadcast, 26 November 1931, p. 1.

immediate need.⁵⁰ Council and the unemployed unanimously fought this move. Over five hundred unemployed paraded to City Hall, conferred with council and then sent a resolution to Victoria and Ottawa strongly protesting against the threat.⁵¹

Pritchard, angered at these unfounded charges, stated publicly at a meeting of Burnaby unemployed that he had "enough under [his] hat to blow the lid off the whole Province in respect of relief work", and suggested that he would do so if Burnaby's relief administration was unjustly attacked. He charged the dominion government with employing only Conservatives on their relief work schemes at White Rock.⁵² These charges convinced both provincial officials and McGeough of the need for a meeting with Pritchard. There, McGeough again accused Burnaby of paying higher rental prices on trucks and of not investigating relief recipients adequately. Pritchard convinced them that his method of hiring trucks and drivers, including gas and oil all for one price, was actually cheaper than the method used by the Province, and that their investigations were adequate. McGeough, in turn, admitted the truth of Pritchard's charges and stated that the Conservatives at White Rock had been replaced by men from the local veteran's association.⁵³

To the chagrin of the militant Unemployed Worker what Mr. Pritchard had

50 M. H. McGeough to Burnaby Council, 30 November 1931, Burnaby Minutes.

51 Burnaby Broadcast, 3 December 1931, p. 1.

52 Province, 3 December 1931, p. 1.

53 Burnaby Broadcast, 11 December 1931, p. 1.

"under his hat" remained there.⁵⁴

The works were not stopped then. This was, however, just the first of a continual barrage of accusations, often unfounded or at least confused, that McGeough made against relief administration in Burnaby. The reason for these attacks is not very clear. He was probably wary of Pritchard's socialist background, to which Senator Robertson, with whom he was in frequent correspondence, may well have referred. Certainly the numbers on relief in Burnaby were high, though its working class population made that inevitable. Furthermore, the relationship between Burnaby council and their own relief department was often one of antagonism. The department was often inefficient in its investigations, but never to the extent claimed by McGeough.

Destitution had not been defined in any operational manner, for British Columbia or Canada. Rather, applicants were required to sign an affidavit before a provincially approved person swearing that they were poor and destitute. Probably Pritchard's and McGeough's definitions of destitution were very different. "I object", exploded Pritchard,

to officials drawing \$8,000 or \$10,000 telling us who is destitute. Just because a man has a house and perhaps a car - for which he can't buy a license - is no reason why he may not be destitute.⁵⁵

Inevitably, such a view clashed with the more prevalent one that a man

54 Unemployed Worker, 12 December 1931, p. 1.

55 Province, 3 December 1931, p. 1.

should sell his car and house before applying for any kind of relief.

Throughout the period of this Act McGeough continually came up with objections which prevented Burnaby's work vouchers from being acceptable to the dominion government. Pritchard's explanation for this, that "some political ward heelers" had apparently reported imaginary irregularities to Victoria, does seem possible, especially as, later, he is reported as having been told the name of an informant by the provincial government.⁵⁶ Certainly Pritchard and his council were not popular with all Burnaby residents. Because he was from North Burnaby some of the antagonism traditionally felt between the north and south was directed at him.⁵⁷

Under pressure from McGeough and the financial pressure resulting from non-payment of the government's share of relief, investigations became a prominent and permanent feature of relief in Burnaby. The number of investigators had to be increased from three to five in November

56 Burnaby Broadcast, 1 September 1932, p. 1.

57. Pritchard was the first man from North Burnaby to be elected as reeve. The ward system, with five wards in the south and two heavily populated wards in the north, intensified the antagonism that physical isolation between the two communities may have created. Pritchard, in an interview in August 1973, suggested that the previous reeve was continually fighting his policies and supplying information to Victoria. In the 1930 election Pritchard's victory had been won totally in wards four and five, both in North Burnaby. The previous reeve, McLean, won in the four southern wards and the central Ward 7 split evenly between the two. In the 1931 elections, however, Pritchard won in every ward. Interest in municipal politics seems to have increased as 1,000 more people voted in 1931 than in 1930, and at least three people contested the aldermanic positions in each ward.

to cater for the 3,071 residents needing relief.⁵⁸ No such problem seems to have occurred in the other municipalities. Perhaps, as they were smaller, local knowledge was relied on to determine whether applicants were eligible or not. In West Vancouver, for instance, the chief constable remained in charge of registration of the unemployed until 1933 when an officer was appointed for the whole North Shore.⁵⁹ North Vancouver District appointed one investigator in February 1932. There was no dominion or provincial requirement that investigations should be made. Burnaby council had initiated their use voluntarily. Their work, however, never satisfied McGeough. He seemed to expect that the 3,000 people needing work should all have been investigated before receiving any relief or work. If this had been done, Pritchard suggested in early 1932, "I doubt whether there would be a Municipality of Burnaby at this time".⁶⁰

From September to December municipal attempts to borrow money to cover the promised dominion and provincial contributions were complicated because no formal agreement had been signed. Work in both Burnaby and North Vancouver City had been temporarily stopped several times when there was no money to pay the unemployed. Then, when on December 20th municipalities throughout British Columbia finally received copies of

58 Burnaby Broadcast, 19 November 1931, p. 1.

59 West Vancouver Minutes, 23 January 1933.

60 Transcript of evidence before Twigg Committee, April 1932, Pattullo Papers.

their agreements, they found that their grants had again been reduced. Jones had not taken all municipal proposals to Ottawa in October. Some had not yet been submitted, while others, like that of North Vancouver District, had been "mislaid".⁶¹ To accommodate these and keep within the total amount agreed to by the Dominion, most were cut by 5%. Burnaby's total was reduced by \$20,000 to \$380,000, North Vancouver City's to \$118,750 from \$125,000, North Vancouver District's from \$122,500 to \$116,375 and West Vancouver's from \$26,000 to \$24,000.⁶²

From council to council across the province came sharp protests, but to no avail. Pritchard, newly appointed President of the Union of B.C. Municipalities, warned that if further grants were not forthcoming municipalities might be forced to hand back their charters.⁶³ There were no more grants. In a letter to R. B. Bennett, Pritchard outlined Burnaby's situation. They had applied for \$750,000 which was cut to \$400,000 then again to \$380,000. The numbers unemployed had increased from 2,620 in October to 3,218 at Christmas. Those out of work had reached the end of their resources, while daily more men were being discharged from industry. "Furthermore", he continued,

61 North Shore Press, 11 December 1931, p. 1.

62 Canada, Report of the Dominion Director of Unemployment Relief, 1932, pp. 56-57.

63 Province, 8 January 1932, p. 16.

the credit of this municipality has been strained to such an extent that we are no longer able to bear a share of any further employment relief works nor are we in a financial position to share any portion of the enormous burden of direct relief.⁶⁴

Taking refuge under his constitutional umbrella, Bennett replied that

the provincial authorities are charged with the administration of unemployment relief funds . . . the federal government is only assisting in the cost of the undertakings.⁶⁵

The dominion assistance was, however, very slow in coming. Burnaby had \$130,000 worth of unrepaid vouchers in the hands of the Public Works Department and no visible prospects of immediate repayment. Christmas was approaching and there was no money to pay either the unemployed or the city staff. Around three hundred extra men were needing work following the closure of Burnaby's one major company, the Barnet Lumber Mill,⁶⁶ and the closing down of provincial works on Lougheed Highway.⁶⁷ In this hopeless situation, Pritchard and his council took money from their by-law funds to pay the unemployed. This was an illegal action under the Municipal Act and the reeve and his

⁶⁴ W. A. Pritchard to R. B. Bennett, 28 December 1931, Bennett Papers, Vol. 796, #392.

⁶⁵ R. B. Bennett to W. A. Pritchard, 4 February 1932, *ibid.*.

⁶⁶ Burnaby Broadcast, 19 November 1931, p. 1; Canada, Report of the Deputy Minister of Labour, 1931, p. 14.

⁶⁷ Burnaby Broadcast, 12 November 1931, p. 1.

councillors knew it.⁶⁸ The option, in their eyes, was starvation and rioting, "hells-a-popping and blood flowing", as hungry men would not sit passively by when their families were starving.⁶⁹

Their action seemed to have met with the approval of Burnaby residents as Pritchard and most of his council won an overwhelming victory in the New Year elections.⁷⁰ A reeve or councillor could, however, be held personally liable for any expenditure he authorized that was contrary to the Municipal Act. In May 1932, the Annual Report was printed in the local paper and this was pointed out by the auditor. Action under this section, he suggested, was a matter for the ratepayers, who should decide whether the disorganization which he thought would follow such an action would be in the best interests of the municipality. He personally saw no justification in taking action. The use of the

68 Section 150 of the Municipal Act provides that "no money borrowed by a municipality . . . for a specific purpose shall . . . be used for any purpose other than that specified in the by-law under which the moneys were authorized to be borrowed Any reeve, etc., who votes for any by-law or resolution authorising the expenditure of moneys contrary to the provisions of this section and any treasurer who obeys . . . shall be personally liable to the corporation for the amount thereof, and the same may be recovered by the Corporation or by any ratepayer suing . . . and in addition any reeve etc., shall be disqualified from holding office in the municipality for a period of five years from the date of the voting on such by-law or resolution.

69 Burnaby Broadcast, 24 August 1932, p. 4; interview with David Millar, Los Angeles, 1969.

70 Pritchard in the first meeting of the new council suggested that the results of the election constituted "a public vindication of the endeavours and accomplishments, despite tremendous difficulties and some opposition of the administration of the past two years". Cited in Burnaby Broadcast, 21 January 1932, p. 1.

money had, he said, saved the interest that would have been necessary had it been borrowed from a bank. Furthermore, though technical breaches had occurred, they were due to the unexampled financial depression and the failure of the government to implement its promises.⁷¹

The editor of the local paper consistently supported Pritchard's action, but some ratepayers did not. Money was collected to take Pritchard and the 1930 and 1931 councils to court.⁷² The case was not heard until November 1932. Reeve Pritchard, Councillor Lambert and the Treasurer, C. Bolton, the only ones the court would accept as liable, acknowledged full responsibility and asserted that they would do the same again. Had they not acted, they pleaded, work would have been closed down and a crisis precipitated. Judge Murphy admitted there had been illegal diversion of funds, but stated that "there was no question that the officials acted honestly and in a way in which they were forced to to meet a critical situation which might otherwise have resulted in loss of life". Suggesting that a revolution in Burnaby could well have been averted, he adjourned the case until after the prorogation of the next session of the provincial legislature. He told the plaintiffs to

71 Corporation of the District of Burnaby, Financial Report, 1931.

72 The only information I can find about those taking this action is that the plaintiff, Mr. W. C. Feedham was an engineer living in South Burnaby. Even the editor of the Broadcast could not discover who the bulk of the people behind the movement were. He reported that in South Burnaby it was considered as originating from North Burnaby and there as a plot against the reeve and council hatched in the South. Burnaby Broadcast, 14 April 1932, p. 1.

return then if the legislature had not acceded to his request and legalized Burnaby's actions.⁷³ The 1933 session fulfilled his request, but this brought little relief to the Burnaby council as by then a commissioner was governing the municipality.⁷⁴

In the New Year of 1932 money from the provincial government finally had begun to dribble into the municipalities, but always long after it had been spent and always less than was needed. Councils thus faced constant pressure to economize. In Burnaby, as has been noted, this took the form of investigating those on relief. In addition, salaries of municipal workers were cut 5%.⁷⁵ North Vancouver City repeatedly tried to cut operating costs by reducing salaries of city workers, by eliminating positions and by superannuating and laying off employees.⁷⁶ In February 1932, a long debated 10% cut in all employees' salaries was put into effect.⁷⁷

Preparation of budgets for 1932 was complicated for all councils by the slow repayment of government monies and uncertainty about future relief policies. Burnaby's situation was still not precarious, despite having had to borrow from their sinking funds to pay the unemployed.⁷⁸

73 Sun, 23 November 1932, p. 2; Burnaby Broadcast, 1 December 1932, p. 2.

74 B.C., Journals of the Legislative Assembly, 1933, p. 89, Bill #77.

75 Burnaby Minutes, 16 April 1932.

76 North Shore Press, 4 August 1931; 7 July 1931. In August 1932 outside staff were reduced from 40 to 26. Working time was cut in half.

77 Ibid., 4 March 1932, p. 1.

78 Burnaby Annual Report, 1931.

West Vancouver had, in 1931, succeeded not only in balancing their budget, but also in reducing their bank overdraft from \$38,500 to \$33,500, a feat few if any other municipalities could emulate. Their 1931 revenues had exceeded expenditure by \$7,113.⁷⁹

West Vancouver's superior position resulted partly from an operating surplus of \$13,500 shown by the municipally owned ferries which had benefited from the breakdown of the Second Narrows Bridge, but more from the fact that their inhabitants were mostly people who could afford to pay their taxes. Their good fortune redoubled when in 1931 a British firm offered to purchase 4,000 acres of tax sale lands on the slope of the Hollyburn ridge to construct an exclusive residential suburb. British Pacific Properties Ltd. promised \$1,000,000 to the municipality over a period of five years in public works and improvements which would be handed over to the municipality upon completion. A further \$75,000 was promised in a series of cash payments.⁸⁰ Employment was to be given to local men on all the work. On November 18, 1931, a by-law authorized commencement of the project by 1,297 votes to 26. By the end of the year the first installment of \$15,000 had been received.⁸¹ West Vancouver, already in one of the best positions of all B.C. municipalities, now had extra cash and the

79 West Vancouver Annual Report, 1931.

80 West Vancouver News, 6 November 1931; 20 November 1931.

81 West Vancouver Annual Report, 1931.

promise of work for five years for her people. Unproductive tax sale lands were producing both revenue and work.

North Vancouver District, in contrast, had so much trouble trying to balance their budget for 1932 that it took five months before they did so to the satisfaction of their banker. With \$129,975 of the \$284,295 anticipated revenue earmarked for sinking fund and interest charges, and \$12,140 due on Burrard Inlet Tunnel and Bridge Company bonds as a result of the company's bankruptcy, it was not easy. Nor was there any question of an unbalanced budget. "If the budget is not balanced", noted the North Shore Press, "the bank says it will not make any more advances to the municipality."⁸² All municipalities faced a similar dilemma. An increase in the tax rate could easily mean more land reversions rather than a greater income. "The bank says we must balance our budget," declared Reeve Bryan,

the Provincial government says we must pay half the cost of mother's pensions and institutional charges and the ratepayers say they have reached the limit of their ability to pay taxes . . . that is the three pronged fork this municipality is up against.

The council decided to raise the levy from 50 to 65 mills and to leave the tax on improvements at 25%.⁸³ The bank was not impressed. "We would like to point out the various items in which we think you have

82 North Shore Press, 12 April 1932, p. 1.

83 Ibid., 22 April 1932, p. 1.

been far too optimistic", wrote the bank manager. After pointing to nearly every item on the budget he concluded that "they are not balanced on a reasonable basis".⁸⁴

Municipal and provincial governments were at the mercy of the banks throughout the thirties. A balanced budget, they found, was imperative if further loans were required. Unfortunately, the less healthy their budget, the more likely they were, like North Vancouver District, to be in need of assistance. Nor were municipalities free agents who were able to incur whatever debt they wished. Not only was their borrowing dependent upon the attitude of their bank, but the amount of debt which they could incur was limited by the Municipal Act. The banks determined to keep them to this limit.⁸⁵

Newly elected Reeve Bryan and his council had reached a stalemate. The provincial government had no suggestions except to strike a higher rate of taxation: the bank would advance no money until the budget was balanced to their satisfaction. Furthermore, disgruntled ratepayers were seeking to have a receiver brought in to take over the administration of the municipality.⁸⁶ Under this pressure, council agreed to strike a 35% levy on improvements and the bank agreed, under strict terms, to advance \$135,000 to provide for the municipality until the end of July.

84 North Shore Press, 12 April 1932, p. 1.

85 Municipal borrowing was limited to 20% of the assessed value of lands and improvements and any municipally owned utilities.

86 North Shore Press, 6 May 1932, p. 1.

The banker warned, however, that the "bank must not be expected to care for any commitments whatever beyond that date".⁸⁷

Councils, already struggling to balance their budgets, were warned to pare their budgets to the bone because Jones was trying to cut the provincial budget to \$23,000,000. Traditional grants to municipalities were to be cut. This was the last straw to some municipalities. Spokesmen warned that at least ten B.C. municipalities would not be able to carry on if their grants were cut, and that towns might be forced to return their charters.⁸⁸ Faced with this threatened cut to their revenues, non payment of the Dominion's share of their relief and the receipt of only a small amount of that owing from the provincial government, angry U.B.C.M. delegates decided to force some action. Their attempts to find the whereabouts of the money owing them had been totally hopeless. "Someone must be lying in Victoria or Ottawa" they declared "and we want to know who it is. . . . its just a continual passing of the buck."⁸⁹

So, on March 1, the U.B.C.M. took the unorthodox step of petitioning the Speaker for permission to present a petition and resolutions "to the members of the House, at the Bar of the Legislative assembly".⁹⁰ This move was ruled out of order, but the delegation were heard by

87 North Shore Press, 6 May 1932, p. 1.

88 Province, 27 January 1932, p. 3; 25 February 1932, p. 1.

89 Ibid., 29 February 1932, p. 1.

90 B.C., Journals of the Legislative Assembly, 1 March 1932.

the Select Standing Committee on Municipal Matters. They urged that the full cost of relief be borne by the dominion government and pressed for information about the whereabouts of money promised for the unemployment relief programmes.⁹¹ "Every dollar received from Ottawa for unemployment relief had been disbursed according to the agreement", Attorney General Pooley assured the delegates, "but not one cent of the Federal Government's own contribution has yet been received."⁹²

Pritchard had evidence to the contrary. He produced a statement from Ottawa claiming that the municipal share had been approved and credited to the Province. Contrasting the statements of the two governments he again charged that someone in Ottawa or Victoria was lying. Neither would admit to this charge.⁹³

In his attempt to find out whether it was Victoria or Ottawa who was lying, Pritchard had been corresponding with all provincial and dominion officials and politicians whom he thought might have an answer. Tom Reid, M.P. for New Westminster-Burnaby, was sufficiently impressed by Pritchard's description of the delays which the municipality had been experiencing as a result of the confusion in relations between the Province and Dominion to bring the situation before the House in Ottawa. In early February he moved an adjournment of the House

91 Province, 1 March 1932, p. 3.

92 Ibid., 2 March 1932, p. 8.

93 Ibid., 29 February 1932, p. 1; interview with W. A. Pritchard by Norman Penner, August 1973.

on a matter of urgent public importance; namely to discuss the situation that has arisen in the municipality of Burnaby, in the province of British Columbia, where hundreds of men who have been employed on unemployment relief work have not received wages or payment for work so performed, on account of a dispute between the government of British Columbia and the federal government as to accounts rendered; and further, that these men are going in privation and want and their situation is of a dire and urgent nature.⁹⁴

Protests that it was purely a local matter were over-ruled and Reid was allowed to present Burnaby's case. It was a novel opportunity. In doing so he made public the tension and misunderstanding existing between British Columbia and the dominion government and the result this was having at a municipal level, specifically in Burnaby. He explained the long delay in repayment on vouchers and the adamant refusal of the bank to make further advances after twice lending money on the Province's word that payments would be forthcoming. As a result, he pointed out, payrolls could not be met, and, with 50% of the workers (3,332 out of a population of 25,000) registered unemployed, the corporation could not possibly take care of the situation with direct relief. Attaching no direct blame to either the Province or the Dominion, he pointed out that

Men are suffering in this municipality and the buck is being passed by the provincial to the Dominion government and by the Dominion government back to the provincial government. We in British Columbia are in doubt as to who is really telling the truth I submit that the municipality of Burnaby and the workers should not be made to suffer while these governments decide who is responsible.⁹⁵

94 Canada Debates, 10 February 1932, p. 99.

95 Ibid., p. 101

Mr. W. Gordon, the new dominion Minister of Labour, defended the position of his government by turning the attack on British Columbia. That province, he pointed out, because of their inability to submit plans and vouchers either on time or correctly had had to be treated differently from others and sent monthly advances.⁹⁶ Liberal members from British Columbia took the opportunity to attack the extravagance and incompetence of Tolmie's government.

Reid persisted and kept the situation of Burnaby before the eyes of the House.⁹⁷ On March 2, the dominion government did advance money to British Columbia that was specifically to cover their share of municipal works. The pleas of Reid and other B.C. members for a commission to study the administration of relief in British Columbia brought no dominion response beyond a buzzing in the corridors "about the mess disclosed".⁹⁸ In the province, the local press had a field day. "B.C.'s grossest political scandal had been perpetrated under the guise of unemployment relief", announced the Sun late in the month.⁹⁹

Tolmie, anticipating partisan attack from Reid and other Liberals, had warned Conservative members from British Columbia and furnished them with responses to criticisms which he believed might arise. He did not get the support he had hoped for. Most M.P.'s regretted "that more co-operation between your government and the federal members was

96 Canada Debates, 10 February 1932, p. 102.

97 Ibid., 10 February; 23 February; 1 March; 10 March 1932.

98 "Burnaby cited in the Commons", Sun, 11 February 1932, p. 1.

99 Cited in Canada Debates, 1 March 1932, p. 877.

not in evidence at the time your programme was under consideration and in the early stages of its development".¹⁰⁰ Tolmie had tried hard to avoid open controversy with the dominion government. Jones had been prevented from "explaining the situation to the House" and placing the blame "where it belonged" by R. Bruhn and others anxious not to "start a fracas between Ottawa and Victoria".¹⁰¹ They were anxious too, no doubt, not to have an enquiry that would reveal their poor administration of relief matters. In the face of the public outcry following Reid's speeches in Ottawa, however, Tolmie determined to control the situation by setting up an investigation to clear the name of his government.

A select committee under H. D. Twigg was appointed to "examine all phases of the administration of unemployment relief". It was a farce from the outset. With a majority of Conservatives over Liberals and the chairman being given explicit instructions to avoid anything that might tend to create a controversy between the dominion and provincial governments,¹⁰² its task was relegated to that of clearing the Government of the charges of extravagance and diversion of funds. Obviously the question of which government was lying would not be asked, let alone answered.

100 J. A. Fraser, M.P., to S. F. Tolmie, 9 February 1932, Tolmie Papers.

101 H. D. Twigg to H. H. Stevens, 17 February 1932, Bennett Papers, Vol. 780, #382. There was obviously little consensus among cabinet members about who was at fault and what should be done about it. Twigg states in this letter "I also had Bruhn see the Premier and he will take care of Jones. I don't think Jones will dare to carry out his threat".

102 S. F. Tolmie to B.C. M.P.'s and Senators, Ottawa, 13 April 1932, Tolmie Papers.

Pritchard was invited before the committee as president of the Union of B.C. Municipalities. Speaking as an individual he strongly criticized wage cuts in industry and suggested that centralized borrowing and debt reconversion might solve the problem of the depression. On the spur of the moment they requested that he speak about the situation in Burnaby which McGeough had already attacked in front of them. Pritchard had taken no material with him about Burnaby's position, which he now had to defend again. The committee's questions were mostly mechanical: how had agreements been made under the 1931 Act? what work had been done? had it been completed and what arrangements had been made to determine the eligibility of applicants? "You employed these men", he was accused, "and spent all the money, and investigated" them afterwards. Pritchard explained that it was impossible to investigate over one thousand men at once, so that they had had to start by investigating single men with dependents. The committee belaboured the question of investigations, ignoring Pritchard's allusion to the fact that money was still owing from the other governments so that "work was stopped with some sixty thousand dollars or forty thousand dollars worth of work yet to do". Just as some committee members were trying to track down the reasons for the series of delays experienced, a discussion which led Pattullo to conclude that "there seemed to have been a great lack of co-ordination" by the Government, the meeting was adjourned.¹⁰³ The "findings" of this committee,

103 Proceedings of the Select Committee on Unemployment Relief, Pattullo Papers.

predictably, comprised merely a recitation of the agreements made between the dominion and provincial governments; of the advances received for various purposes; of the amounts spent by the Province and the municipalities and of the amount still owing from the Dominion to the municipalities and Province. Charges of extravagance were dismissed.¹⁰⁴

Pattullo called the report a travesty and a burlesque; the newspapers quoted Harold Brown, President of Vancouver's Board of Trade, as describing the proceedings as "a spectacle of shameless evasion . . . a careful plan of distorting the truth".¹⁰⁵ Although he later denied these words, his attack on the "political atmosphere" of the committee was valid. Its one goal had been to clear the name of Tolmie's government and to prevent further ill feeling between British Columbia and Ottawa. The attempts of Pattullo and other Liberal members to find out exactly what had been going on were thwarted by refusal to produce, or, as in the case of Pritchard, to return witnesses.

The answer to the whereabouts of the money really seems to have lain in differing interpretations placed by the two governments on the wording of the Dominion's Orders in Council which released the money for British Columbia. By the end of December, British Columbia had

¹⁰⁴ B.C., Report of the Select Committee on Unemployment, Victoria, King's Printer, 1932, p. 13.

¹⁰⁵ Ibid., p. 15.

received \$1,800,000 in advances from the dominion government, covered by two Orders in Council.¹⁰⁶ P.C. 2996 stated that dominion funds were:

To cover Dominion's share of cost of approved public works, as per agreement under Unemployment and Farm Relief Act, 1931, against which credits apply as accounts received and become approved.

Under this order \$500,000 was received on December 1, 1931, and \$800,000 on December 23. A second loan of \$500,000 was advanced to the Province on 1 December under the order in council P.C. 2993:

To be used to defray the share of the cost of approved public works as per agreement under Unemployment and Farm Relief Act, 1931, payable by the Provinces and/or to loan to the municipalities moneys in order that their share may be paid.¹⁰⁷

This \$500,000 was placed in a trust account at the Canadian Bank of Commerce for the purposes mentioned in the order.¹⁰⁸

Interpretation of the purposes of the orders differed. The Province interpreted the wording of P.C. 2996 as applying only to

106 These were in the form of loans for which one year provincial treasury bills were given as security by the Province. Interest varied from $5\frac{1}{4}\%$ to $5\frac{3}{8}\%$. As the share of the Dominion in approved works accrued they were to give credits on the treasury bills. "Loans and Advances to Provinces During the fiscal Year 1931 to 1932", Bennett Papers, Vol. 779, #382.

107 Ibid..

108 J. Clark, Solicitor for B.C., to R. B. Bennett, 4 July 1932, Bennett Papers, Vol. 799, #394.

provincial works and of P.C. 2993 as being to cover their own share and to lend the municipalities theirs.¹⁰⁹ So, when the municipalities requested the dominion share of their relief works, provincial authorities told them that that money had not yet been sent by the Dominion. The Dominion said that it had, that there was enough money in British Columbia to meet the payments and that they should approach provincial authorities. Privately Bennett reprimanded Jones for the obstinacy, asking whether he thought any useful purpose was served by sending telegrams

merely for the purpose of being able to show them to the municipalities and others and thereby endeavour to establish that responsibility for existing conditions in your province is attributable to federal and not provincial administration. We have forwarded you \$2,350,000 for provincial and municipal expenditures on authorized relief works. Apparently you have used these funds in whole or part for provincial purposes at the expense of amounts due the municipalities.¹¹⁰

This telegram, the apex of accusations and misunderstandings between the two governments, had been kept secret by Tolmie in his attempt to prevent open conflict with Bennett. Even the Twigg committee had not been shown the letter.

The dominion government had not, in fact, sent money specifically to cover their own share of municipal costs as the words of the orders

109 J. W. Jones to Leon J. Ladner, 17 December 1931, Bennett Papers, Vol. 779, #381.

110 R. B. Bennett to J.W. Jones, 29 January 1932, Bennett Papers, Vol. 799, #394.

in council show. They had only lent the Province the money for the municipal and provincial shares of works. For the Province to have applied this money to the dominion share would have meant using money which they were borrowing at at least $5\frac{1}{4}\%$ interest to cover what had been agreed on as a direct contribution. Anyway, it was needed to cover the purposes for which it had been lent.

On March 2, the dominion government, in what seems an admission of their default, passed P.C. 502, in which money was specifically assigned to cover the dominion share.¹¹¹ Confusion and misunderstanding had been confounded by both levels of government, but in this case the dominion government does seem to have been at fault: it was Ottawa not Victoria who were lying. This was later translated as an "honest difference in the interpretation of documents".¹¹²

The delays in repayment of vouchers, which resulted from this "buck passing" of the other governments and the general incompetence within the B.C. administration, were proving the most difficult factor for municipal councils to deal with in providing relief under the 1931 Act. Repayment to the municipalities had been delayed initially until their agreements were formally signed, then provincial monies were sent, but no dominion money. Even when this was cleared up, it was often months before vouchers were repaid.

111 J. Clark to R. B. Bennett, 4 July 1932, Bennett Papers, Vol. 799, #394.

112 Ibid...

The history of one set of Burnaby's relief vouchers from the time they were first submitted to receipt of full payment illustrates the delays caused by misunderstandings and varied definitions of authority that characterized relationships between the two and often three levels of government. In early November 1931, Burnaby sent the first work vouchers to Victoria. Their receipt was not acknowledged until December 22. That day Burnaby was the first municipality in British Columbia to be reimbursed for the provincial and municipal shares.¹¹³ A week later the voucher and others were sent to Ottawa for the dominion share, with an addenda by the Province's chief accountant stating that "as the municipalities will not be reimbursed for the Dominion share until receipt of your cheque, I hope the passage of the above certificates may be expedited".¹¹⁴ It was not. The Province was informed a week later that the vouchers had not been in the form demanded; nor were details of materials in triplicate. "Your neglect to do so", they were warned, "is responsible for any delay in passing accounts."¹¹⁵ After repeated correspondence back and forth in this vein, triplicate forms were sent as requested but it was not until four months later, on April 6th, that this voucher and others dating from December 22 to January 29 finally arrived in Burnaby.¹¹⁶

113 Exhibit 36, Twigg Commission File, Pattullo Papers.

114 J. A. Craig to H. Hereford, 9 January 1932, *ibid.*.

115 H. Hereford to J.A. Craig, 15 January 1932, *ibid.*.

116 Chief Engineer, Victoria, to W. A. Pritchard, 11 March 1932, *ibid.*.

The vouchers must have been waiting in Victoria until the Dominion specified an advance to cover their share of municipal works. Even then it was over a month until payment reached Burnaby where there had not been enough money to pay the unemployed.

Municipal relief vouchers went first to the Province's audit office where the provincial and municipal share was determined and a cheque drawn for these against dominion advances specified for that purpose. The Comptroller General made out a cheque for the Dominion's share which was held until the Deputy Minister of Finance advised him funds were available for the dominion share.¹¹⁷

There were several places where this sequence could be interrupted. The audit department in British Columbia could refuse to pass vouchers because of some irregularity; Ottawa could refuse to pass vouchers for the same reason, or lack of money on hand in Victoria to pay any share could prevent the money's reaching the municipalities. At first delays occurred because Ottawa insisted on detailed accounting which the Province and the municipalities had not fulfilled. Subsequently delays occurred when either the Province or the Dominion's representative, Mr. McGeough, questioned the validity of municipal vouchers. For Burnaby this became a constant source of delay.

Mr. McGeough, whose position as Assistant to the Dominion Director of Unemployment Relief in B.C. was somewhat anomalous in the light of

117 Deputy Minister of Finance, B.C., to Watson Sellar, Comptroller of the Treasury, Ottawa, 23 February 1932, Pattullo Papers.

the professed refusal of the Dominion to interfere in the constitutional rights of the provinces, continually questioned the administration of relief in Burnaby. His actions, inquiries and intrusions into provincial affairs heightened the tension existing between the dominion and provincial governments and delayed payment of many of Burnaby's vouchers. In late February he requested that the Province check on the provincial registration files the names of some of the Burnaby unemployed to determine what assets they had reported there.¹¹⁸ This was refused owing to lack of staff, but he was offered access to the files. P. Philip asked him whether they should hold up payment of Burnaby's vouchers while he was investigating. "It has never been my desire", McGeough responded, "to delay preparation of certification covering Burnaby accounts."¹¹⁹ Mystified as to what he wanted, Philip wrote asking if it was in order to pass Burnaby's payrolls,¹²⁰ to which McGeough replied that he had no suggestions as to the procedure of handling accounts in Philip's office.¹²¹

Finding it impossible "to obtain any lucid idea from McGeough as to what he wishes", the chief accountant for British Columbia could

118 M. H. McGeough to H. T. Whitehead, Secretary, Committee of the Executive Council on Unemployment Relief, 22 February 1932, Pattullo Papers.

119 M. H. McGeough to P. Philip, Chief Engineer, 25 February 1932, ibid..

120 P. Philip to McGeough, 26 February 1932, ibid..

121 M. H. McGeough to P. Philip, 26 February 1932, ibid..

only conclude that he was deliberately refusing to co-operate.¹²² He passed the payrolls in question, hoping McGeough would not put a stop on them in Ottawa and sent them with a covering letter including McGeough's correspondence and explaining the Province's mystification.¹²³ This was to no avail. H. Hereford, Dominion Director of Unemployment Relief, citing McGeough's claim that there were thirty-nine cases given relief in Burnaby who were not entitled to it, refused to pass the account and returned it.¹²⁴ Both the Province and Burnaby attempted to get the names of the reported thirty-nine men but could not.

To speed up payment on this particular set of vouchers, Pritchard offered to repay \$1,400 to cover the alleged mispayments. Council was furious, as this seemed an admission of guilt and they had not been consulted or invited to the meeting with officials.¹²⁵ Provincial officials, too, tried to co-operate with McGeough in order to expedite the passage of vouchers. Whereas in December they had refused to recognize the right of the dominion government to interfere in the province in the expenditure of its monies other than to verify the correctness of certificates,¹²⁶ in March they suggested after the debacle over Burnaby's vouchers that McGeough pass all vouchers before

122 Chief Accountant to P. Philip, 26 February 1932, *ibid.*.

123 P. Philip to H. Hereford, 1 March 1932, *ibid.*.

124 H. Hereford to P. Philip, 7 March 1932, *ibid.*.

125 Burnaby Broadcast, 24 March 1932, p. 1.

126 J. A. Craig to M. H. McGeough, 11 December 1931, Pattullo Papers.

they were sent to the Province.¹²⁷ This he refused, insisting that the Dominion should not thus interfere.¹²⁸ These inexplicable and contradictory demands and actions of McGeough aggravated and prevented solution of the tense situation already existing between the provincial and dominion governments.

The delays involved in sorting out these misunderstandings wreaked havoc in the municipalities. In Burnaby, North Vancouver City and District, works finished early in the new year because there was not sufficient money on hand to complete them. Direct relief, therefore, became the major means of support for the unemployed.¹²⁹ With no money councils could neither give cash to the unemployed nor pay back the merchants who supplied relief goods for scrip. Once the local merchants ran out of cash wholesalers began to threaten not to supply goods. Some local stores refused to take relief orders, while others went heavily

127 P. Philip to M. H. McGeough, 8 March 1932, *ibid.*.

128 M. H. McGeough to P. Philip, 9 March 1932, *ibid.*.

129 In February 1932, direct relief cost Burnaby \$31,951 for approximately 1,741 relief cases. Single men were given \$2.50 a week for groceries; married men with a wife and two children \$5.00 and \$1.00 extra for each extra child. Burnaby Broadcast, 10 March 1932. Amounts given were similar in the other suburban municipalities. In Vancouver single men were given only \$1.40 a week at this time, usually in the form of meal tickets. Married people received no money or scrip, but a supply of "selected groceries". The N.U.W.A. pressed in all centres for cash, but the mechanics of the Unemployment and Farm Relief Act, general lack of money meant that there was none.

into debt.¹³⁰

Had the municipalities been able to provide cash and not scrip to the unemployed many problems would have been solved. With cash the unemployed could have shopped wherever they chose, not only at specified stores. Bargains and specials could not be purchased with scrip. Often, it was suspected that merchants were taking advantage of those on relief by providing inferior quality goods, or by demanding high prices.¹³¹

Under these conditions both the unemployed and the merchants became more militant, with few results. In January organization of a massive hunger march began. Sixty-five organizations including most locals of the National Unemployed Worker's Association and about 15,000 people took part in the March hunger march. Two thousand marched on to Victoria.¹³² Both Burnaby and North Vancouver City councillors donated money from their pockets to assist the local delegates.¹³³ No major changes resulted. Complaints to Victoria about the injustice of shopkeepers' having to carry the municipality brought no assistance. When in May, Burnaby council informed Victoria that

130 See, for instance, Burnaby Broadcast, 4 February 1932, p. 3. One Safeway store refused to fill orders because there were bills outstanding.

131 Horace L. Brittain, Report on the Investigation and Survey of the Organization of the Corporation of Burnaby, 1932, p. 11.

132 P. Philips, No Power Greater, p. 106; The Unemployed Worker, 27 February 1932; 5 March 1932.

133 Burnaby Broadcast, 25 February 1932, p. 1; North Shore Press, 23 February 1932, p. 1.

retail merchants had closed down on relief orders and that a crisis existed and that government action was needed, Jones replied that he could not make the loan requested. He sent \$8,000 of the money due and informed them that he could not understand why the

business men feel disinclined to extend credit to the municipality. Local business men usually consider themselves lucky if they get their accounts paid every thirty days. Naturally I do not know your business and arrangements with your bankers, but it is difficult to understand why they should refuse to finance your municipality when we have been forwarding relief cheques every few days.¹³⁴

Money was being received from the governments: in April money had finally arrived for the vouchers sent to Victoria in November! The banks did not want to lend money for direct relief on which there was no obvious benefit or guarantee of repayment. Debts with the merchants continued to build up as delays in repayment persisted. Furthermore the municipalities, too, were finding it harder and harder to meet their own third of relief expenditures.

The Unemployment and Farm Relief Act officially expired on 1 March 1932. In late February Bennett introduced a motion to extend the Act until 1 May, but the resolution was not submitted until 8 March. Debate spread over the period in which Burnaby was being discussed in the House, until on 1 April, the now "dead statute" was amended to last a further month.¹³⁵ This was of little use to most municipalities, who, though they had works still to complete under the Act, had no

¹³⁴ J. W. Jones to Burnaby Council, cited in Burnaby Broadcast, 26 May 1932.

¹³⁵ Canada Debates, 30 March; 1 April 1932, p. 1528.

money left with which to pay their share.¹³⁶ Direct relief prevailed during the months covered by the Unemployment and Farm Relief Continuance Act.

The period of the Unemployment and Farm Relief Act, an Act born with few guidelines and executed in confusion, with the dominion government promising unspecified amounts of money but still exercising no overall control, saw the finances of both provinces and municipalities strained to breaking point. Their revenue sources were not flexible enough to cope with the costs of relief. Strained similarly were relationships between all levels of government. Communications during this period between the dominion and B.C. governments were fraught with misunderstanding and latent and manifest friction. Municipal leaders despaired of co-operation from the other governments whom they were convinced at one stage were not only passing the buck, but lying as well. Their finances were depleted in many cases by loans taken to cover promised government monies which took months and months to arrive.

¹³⁶ Because under the Unemployment and Farm Relief Act the Dominion had agreed to lend municipalities their share of relief work expenditure, Burnaby, North Vancouver City and North Vancouver District had budgeted little or no money to cover direct relief payments. When works finished they had to contribute one third of direct relief costs, not just for the few people not working, as they had expected, but for all those needing assistance.

In addition, their revenues, especially land taxes, were dropping,¹³⁷ and the numbers needing relief rising even more drastically. The seeds of default were latent in Burnaby, North Vancouver City and North Vancouver District before the thirties. Exaggerated by the heavy 50% municipal contribution under the previous Act, they germinated as municipal borrowing, both of their own share and to cover the continual delays, reached its limit under this Act. Their demise was only a matter of time.

137 See Chapter I, footnote no. 22, Receipts from Land Taxes, 1929-1933.

CHAPTER IV

THE UNEMPLOYMENT RELIEF ACT, 1932

MAY 1932 TO JANUARY 1933

"A policy of drift which is no policy is suicidal."

W. A. Pritchard, 1932.

The provisions of Bennett's third Relief Act did nothing to curtail the path of Burnaby and North Vancouver City and District toward receivership. No provision was made for new work schemes. The dole was the only form of relief remaining and municipalities still had to contribute one third of direct relief costs.¹ The Act was an admission of the failure of public work programmes. It was not that such programmes had failed in their aim to provide employment. In that, they had been successful. They had failed to stem the tide of the depression and in the face of ever mounting numbers needing assistance they had proved to be both inadequate and too expensive.² The "policy of drift" which had characterized the dominion government's previous actions was carried to its logical conclusion in the abandonment of even the semblance of a planned solution.

British Columbia's municipal leaders had protested against the

1 Minister of Labour, Ottawa, to all Provinces, 21 April 1932, cited in Report of the Dominion Commissioner of Unemployment Relief, 1933, p. 3.

2 H. Cassidy, Unemployment and Relief in Ontario, 1929-1932, p. 150, states that unemployment relief works executed in Ontario during this period were between five and three hundred percent more expensive than non-relief works. The average was 40%-50% higher.

"pernicious system of direct relief". Tolmie's government wanted public works to continue.³ Most provincial leaders, however, agreed that the "situation did not permit of any further extension of programmes of public works to relieve unemployment".⁴ Direct relief, up to this period a standby for times when public works were not underway or work not available, was to become the major method of providing for the unemployed.

The dole was a cheaper solution. For the unemployed it was a more demoralizing and degrading one. Within British Columbia organization of the unemployed intensified. Councils were under constant pressure to improve conditions. They were forced to administer a policy which they disliked. Furthermore the financial burden was heavier than before. Whereas under the previous Act the Dominion had arranged to lend the provinces both their share and that of the municipalities for unemployment works and had paid one third of direct relief, now the Government would contribute only to the latter. Few municipalities had budgeted for relief expenses, expecting that the Dominion would continue to lend them their share. Municipal leaders throughout the West joined to demand that the dominion government take over relief. Bennett refused. By the new year of 1933 five British Columbia municipalities including Burnaby, North Vancouver City and North Vancouver

3 Canada Debates, 3 May 1932, p. 2627.

4 Report of the Dominion Commissioner, 1933, p. 3.

District had defaulted on bond payments and were in the hands of a Commissioner.⁵

The greatest problem faced by municipalities under the 1932 Act that of finding money for their own third of direct relief. Burnaby budgeted "sufficient to finance estimated relief costs of \$135,000 based on a ten year repayment plan". The bank, however, refused to lend any money to finance direct relief, even though they had "not lost one cent on the municipality over the years".⁶ Requests to the dominion and provincial governments brought no success until September when Burnaby, North Vancouver City and North Vancouver District were among B.C. municipalities which provincial officials considered to be in especially difficult circumstances. One hundred and fifty thousand dollars was sent to the Province by the Dominion specifically to provide for the needy in such communities.⁷

Some provision for payment of relief had been made in North Vancouver City, but so few ratepayers paid their taxes that an extra \$10,000 had to be borrowed in October.⁸ Lack of money meant that salaries for civic and teaching staffs often remained unpaid for months.

5 Prince Rupert and Merritt also went bankrupt in late 1932. Fernie followed in 1934.

6 W. A. Fritchard cited in Burnaby Broadcast, 26 May 1932, p. 1.

7 Twenty-one municipalities applied for a share of this money. Burnaby received \$32,000, North Vancouver City \$10,000 and North Vancouver District \$12,500. Burnaby Minutes, 7 November 1932, North Vancouver City Minutes, 10 December 1932, North Vancouver District Minutes, 8 December 1932.

8 North Vancouver City Minutes, 3 October 1932.

Budgets were further stretched in both the City and the District, when \$27,302 of coupon interest and sinking fund payments became due on Burrard Inlet and Tunnel Company Bonds. This company, the owners of the Second Narrows Bridge, had gone bankrupt and the two municipalities were guarantors of their bonds.⁹ The District had succeeded in balancing its budget by the time the new Relief Act was passed, but had made no provision at all for relief payments. Council assumed that the Government would advance the municipal share as in previous years. As a result of the bank's insistence on a balanced budget, their tax rate was the highest in British Columbia. Few homeowners could afford to pay their taxes, so revenues dropped.¹⁰ Relief costs continued to rise, but the bank would lend no money to cover them.

Because Burnaby, North Vancouver City and North Vancouver District could not secure loans, they did not have enough money to cover their share of direct relief.¹¹ Banks were uniformly unwilling to lend money for direct relief during the thirties. The U.B.C.M. urged dominion intervention to check the "dictatorial methods of banks toward British Columbia municipalities". The banks, they maintained, "instead of shouldering their portion of the national burden of unemployment are

9 West Vancouver News, 1 April 1932, p. 4.

10 Only 50% of taxes were collected in 1932. North Vancouver District Minutes, 13 January 1933.

11 Burnaby's bankers agreed to lend the municipality \$150,000 in June on the security of their taxes, but it was stipulated that this money could not be used for relief: Burnaby Broadcast, 2 June 1932, p. 1.

actually making more money today than ever before by soaking governments and municipalities for higher rates of interest".¹² Tom Reid again took up the case of the municipalities in the House in Ottawa. The strain of the previous two years, he warned, had brought many municipalities to the verge of bankruptcy. The inflexible attitude of bankers was increasing this strain.¹³ Nothing, however, could change the attitudes of the bankers bred to believe in balanced budgets. They, unlike the city councils, did not have to face the unemployed, hungry and unable to buy their groceries.

So the councils muddled on, continually and unsuccessfully trying to obtain loans from the bank for their share of relief. During the period of this Act direct relief costs averaged \$40,000 to \$50,000 a month in Burnaby, \$6,000 to \$7,000 in North Vancouver City and \$8,000 a month in North Vancouver District.¹⁴ In West Vancouver some work was provided during most of this period, obviating the necessity for great outlays on direct relief.¹⁵

12 U.B.C.M. resolution, cited in Canada Debates, 4 May 1932, p. 2649.

13 Ibid..

14 Burnaby Broadcast, 14 July 1932, p. 1; North Vancouver City Minutes, 19 September 1932; 17 October 1932; 21 November 1932; West Vancouver News, 18 August 1932.

15 West Vancouver continued to provide work on the large waterworks' scheme which they had begun under the 1930 Act. On 11 November 1930, West Vancouver passed by-law #499 for \$165,000 worth of waterworks. This provided work under the first two Acts, and also during the third. Report of the Inspector of Municipalities, B.C., 1930; West Vancouver Annual Report, 1930, 1931, 1932; Report of the Dominion Commissioner of Unemployment Relief, 1932, p. 57.

Numbers in need of relief varied from week to week and gradually decreased toward the end of the year. When unemployment was at its peak around June, Burnaby was providing relief for up to 8,000 people,¹⁶ North Vancouver City for from 1,271 to possibly as many as 3,000 people,¹⁷ and North Vancouver District for around 1,500 people.¹⁸ In each of these suburbs, then, between 30% and 40% of the total population required relief. For those attempting to survive on relief the obstacles and humiliations were many.

To obtain relief applicants had to visit the municipal relief office, where they were required to swear that they were indeed destitute. In Burnaby the booths in which they were interviewed were not soundproof. Anyone who cared to listen could learn of their plight.¹⁹ Applicants were then investigated to check the truth of their affidavit. If a family lived with a son-in-law who had some income they could be disqualified.²⁰ Relief was refused to one Burnaby man because he married to escape going to camp, although this decision was subsequently reversed by council when he produced his marriage certificate.²¹ The

16 Minutes of the Subcommittee of the Committee of the Executive Council on Unemployment Relief, 10 June 1932; Burnaby Broadcast, 14 July 1932, p. 1.

17 North Shore Press, 6 December 1931, p. 1; 1 April 1932, p. 1.

18 North Vancouver District Minutes, 6 June 1932.

19 Brittain, Report on Burnaby, p. 11.

20 Burnaby, Health, Relief, Telephones and Fire Committee Minutes, 20 June 1932.

21 Ibid..

penalty for obtaining relief under false pretences could be six months' imprisonment and restitution, which meant that the family of the guilty had to be supported on relief by the municipality.²²

The relief given in all municipalities was scarcely sufficient to live on. Seven dollars a week for food and seventy-five dollars a month were estimated as necessary for healthy living for an average family at this time.²³ In Burnaby and North Vancouver married men received \$5.00 a week and one or two dollars extra for each child up to \$12.00.²⁴ West Vancouver unemployed, by contrast, were given work but only for about one week in three. Payment could be as low as \$16.00 a month.²⁵ After September most West Vancouver unemployed were absorbed on the British Properties project where they were guaranteed \$3.20 per eight hour day.²⁶

Relief recipients in Burnaby and most other centres had to arrange to provide their own fuel in the summer for the wintertime. The Burnaby Engineering Department issued permits for them to cut wood on municipal property. Relief recipients were also expected to put in a

22 Ibid., 4 July 1932.

23 H. Cassidy, Unemployment and Relief in Ontario, p. 186. Cassidy says that in Ontario at this time relief given varied from \$3.50 to \$8.50 per week, and that \$7.00 was considered necessary to live on.

24 Burnaby Schedule of Relief Rates, 1932, Brittain, Report on Burnaby, Appendix E.

25 West Vancouver News, 6 May 1932.

26 Special meeting re. British Pacific Properties Ltd., West Vancouver Minutes, 19 October 1932.

vegetable garden in the summer which would provide enough vegetables for that summer and the coming winter. Relief could be refused where no such attempt had been made. In Burnaby clothing and medical aid were supplied to those on relief when it was considered necessary.²⁷ Both the unemployed and local landlords asked council to cover rent costs for those on relief but council could not determine for a long time whether the provincial government would agree.²⁸ In May, forty landlords with relief tenants organized and pressured council to pay the rents of relief recipients, pointing out that unless they received their rent they would be unable to pay taxes.²⁹ Council agreed to pay some or all of relief recipients' rent. By October rent was being paid for 209 out of the 469 renting families on relief at a cost of over \$2,850 for that month.³⁰ Most others on relief owned their own homes and would probably be unable to meet their taxes. For them there was no assistance. When taxes were not met, interest was charged at 5%

27 Brittain, Report on Burnaby, Appendix D.

28 Circular letter to all Municipalities from the Department of the Provincial Secretary, February 22 1932, stated no guarantee of rent payment could be offered; Burnaby Relief Committee Minutes, 26 May 1932, report that Mr. Scharsmidt had told Burnaby it was in order to pay rent for the current month during the time that the occupant of a rented house might be in receipt of relief. In June, however, North Vancouver District were informed that only "current rent when eviction was threatened" could be covered in direct relief payments; Minutes of the Subcommittee of the Executive Council, 16 June 1932.

29 Burnaby Minutes, 5 May 1932.

30 Ibid.; Brittain, Report on Burnaby, Appendix B.

a month.³¹ After three years of non-payment of taxes, the entire property reverted to the municipality unless bought up at a tax sale. Burnaby council bought up most of the houses as they reverted and rented them back to their owners.³²

An alternative to renting or owning a home was to squat on the waterfront. Just as Vancouver had its jungles so Burnaby had its squatting areas. The Burrard Inlet waterfront from the B.C. Sugar Refinery in Vancouver along to Barnet in eastern Burnaby was one long jungle.³³ By July there were dozens of shacks with five more in the course of construction along Burnaby's waterfront. Some were above the high water line, "many on piles and others floating".³⁴ Reaction to these dwellings among the local residents varied. Some ratepayers resented the use of their bathing areas. Others supported the squatters, pointing out that it had been hard work to build the dwellings and that they were preferable to the unhealthy jungles of the City. Where would such men go if they were evicted, their supporters wondered? Inhabitants of these waterside homes were not just transients, but a mixture of old and new Burnaby residents.³⁵ At least they would not be

31 Burnaby Broadcast, 17 April 1930, p. 2.

32 Burnaby Relief Committee Minutes, 27 October 1930. See Chapter I. About 300 Burnaby homes reverted in 1933 alone.

33 Marion Lane, "Unemployment during the Depression", p. 32.

34 Burnaby Broadcast, 14 July 1932, p. 1.

35 Ibid., 21 July 1932, p. 1.

requesting rent payments on their relief cheques.

Relief scrip began to replace cash as a medium of exchange. Goods that could be purchased were specified on the relief coupon: all else was forbidden, including tobacco. This system created many problems. "Wholesale racketing and disobedience to instructions" was reported to be taking place among the merchants. Furthermore, "in a great number of cases recipients of relief may obtain practically anything they ask for on relief order and in some cases prices are being charged to suit the convenience of the merchant".³⁶ Because the unemployed were receiving no cash, merchants filling relief orders received no cash either. Burnaby and North Vancouver City and District, having been unsuccessful in negotiating loans for direct relief, could not pay back the merchants for their share. The two thirds of relief owed by the other governments was once again repaid only slowly. The merchants were forced to carry the burden of relief. Debts to the merchants mounted. By May Burnaby owed about \$50,000, by June \$68,275 and by November \$90,000.³⁷ In North Vancouver City and District the situation was similar. In the District, merchants were allowed to use the relief scrip they had collected to pay their taxes.³⁸ Under these conditions

³⁶ Burnaby Relief Officer to Burnaby Council, 11 June 1932, cited in Brittain, Report on Burnaby, p. 11. Similar complaints were made in North Vancouver City and District.

³⁷ Burnaby Broadcast, 24 May 1932, p. 3; 10 November 1932, p. 1.

³⁸ In May 1932, North Vancouver City owed their grocers \$16,000, North Vancouver District owed \$1,600: North Vancouver City Minutes, 25 May 1932; North Shore Press, 24 May 1932, p. 1; 24 June 1932, p. 8.

Burnaby and North Vancouver City merchants refused to extend further credit or to accept relief orders.³⁹ Stores began to close down as it became evident that relief accounts would not be repaid promptly. Councils discussed their predicament with the grocers and most stores agreed to carry on , but the situation arose again and again.⁴⁰ By November twenty-nine Burnaby stores were refusing to accept any relief orders and a further thirty-four were accepting only their regular customers. Some unemployed had to walk miles to the nearest store that would accept their scrip. Over one hundred families received only partial orders, most obtaining only bread, meat and milk.⁴¹

The unemployed were not impressed with the assistance they were receiving. They organized more effectively and pushed continually for improvement in their conditions. A new form of grass-roots organization was initiated by the National Unemployed Worker's Association. Instead of holding large meetings of the unemployed of a particular area as had happened previously, local "block committees" of twenty to thirty relief families were formed. These sent delegates to "neighbourhood

39 North Vancouver City Minutes, 25 May 1932; Burnaby Broadcast, 19 May 1932.

40 North Vancouver City Minutes, 25 May 1932.

41 Brittain, Report on Burnaby, Appendix A, 14 November 1932.

councils" of which there were at least four in Burnaby.⁴² All neighbourhood councils in turn sent delegates to the Burnaby Local Council as did the Worker's Ex-Servicemen's League (100 members) and several Labor Leagues. These delegates formed the grievance committee which continued to meet with municipal officials every Saturday morning.⁴³ Similar organizations developed more slowly on the North Shore.

The most common grievance of the unemployed was their payment of relief in scrip rather than cash. Four days' work a week at four dollars a day was another continual, if hopeless, demand.⁴⁴ It was "absolutely urgent", North Vancouver City council agreed, "that another more adequate and equitable system be evolved to handle the situation".⁴⁵ Councils agreed that cash was preferable, but there was no cash to give. The unemployed complained that

42 Unemployed Worker, 15 October 1932, p. 4; 5 November 1932, p. 7. Neighbourhood Councils in Burnaby covered Vancouver Heights (10 Block Committees and 85 members), Capitol Hill (6 Block Committees and 100 members), East Burnaby (11 Block Committees) and Central Burnaby (4 Block Committees and 50 members). It is interesting to note that none of these are in South Burnaby, where the population seems to have been less radical.

43 Ibid., 12 November 1932, p. 5.

44 Burnaby Minutes, 2 May 1932; 6 June 1932; North Vancouver City Minutes, 6 June 1932.

45 North Shore Press, 21 August 1932, p. 1.

if our scrip cheque is cashed for a certain bargain in a store it is necessary that all the cheque be spent in that store. There is no freedom whatsoever in the manner of spending Are we considered so inefficient that we do not know what we require to purchase?⁴⁶

Other complaints related to the use of scrip. Merchants were reported to be raising prices unfairly and giving poor quality merchandise.

Five hundred unemployed informed Burnaby council in June that they were being gradually worn down by the process of slow starvation and the continuous graft and exploitation on the part of the merchants. If those on relief did not fight back right away, they suggested that shortly they would be unable to do so with the same mental attitude and in good physical condition.⁴⁷ Yet, the unemployed in the suburbs were much better off than their neighbours in Vancouver. There, married men received an average of \$3.00 per week, or a "gunny sack" of food which they claimed was mostly starch and contained no vegetables.⁴⁸ In Burnaby, council responded to the demands for cash by making relief orders open, so that recipients could at least choose what they wanted to buy.⁴⁹

Burnaby unemployed usually found council more sympathetic than did

46 Unemployed Worker, 17 September 1932, p. 5.

47 Ibid., 10 June 1932, p. 3; Burnaby Broadcast, 4 June 1932, p. 1.

48 Unemployed Worker, 24 June 1932, p. 2.

49 Brittain, Report on Burnaby, p. 11; Burnaby Broadcast, 6 October 1932, p. 1.

those in North Vancouver. They were also more militant and organized and pushed harder for satisfaction of individual injustices and of general demands. When their demands seemed outrageous, council's sympathy ebbed. In June, for instance, the unemployed demanded transportation to their grocers - a reasonable request considering the few stores then open. They also asked not to have to cut their own firewood, that a workers' representative join council delegations to Victoria and that alterations be made to City Hall so that the audience of unemployed could better hear discussions. Council refused to be stampeded. One councillor suggested it was time that Burnaby had a taxpayer's as well as a worker's council.⁵⁰ The irony of this suggestion, as well as the crux of Burnaby's relief problem, was that eight out of ten of the unemployed were ratepayers. Not only did Burnaby have large numbers of unemployed workers to support because of its working class population but these same unemployed included a very large proportion of homeowners. Whereas in North Vancouver City ratepayers were estimated as about 37% of the unemployed, in Burnaby they represented nearer to eighty or ninety percent.⁵¹

By July leaders of the unemployed warned Burnaby council that unless relief was handled differently there would soon be outbreaks of violence among the unemployed. Delegates addressed council weekly. The unemployed gathered outside City Hall afterwards and sang the "Red

50 Burnaby Broadcast, 16 June 1932, p. 1.

51 North Vancouver City Minutes, 9 September 1932.

Flag". "Red elements" had been accused of a window smashing episode in Burnaby already, although Mr. Mabbott, leader of the worker's council, claimed his organization was not responsible.⁵² Police began to attend meetings to ensure that no violence erupted. The unemployed also protested against "rotten conditions" in the relief department. Their antagonism seems to have arisen from the relief officer's strict interpretation of eligibility which neither the unemployed nor most of council agreed with. Some unemployed suspected further that the relief officer was a "stoop [sic] pigeon for the provincial government".⁵³ The relief officer refused to carry out council's requests for re-organization and streamlining of his department. They in return refused for several months to accept his reports, which they claimed were inadequately presented and lacking in information.⁵⁴

Conditions in the municipalities were chaotic. Municipal and provincial leaders were convinced, for several months following the passage of the Relief Act in May, that some new arrangements would be worked out by or with the dominion government. They could not believe that all the new Act entailed was for them to continue paying one third of direct relief. So direct relief was given and the unemployed and merchants were placated with the assurance that a new dominion policy would be announced. The provincial government, when asked about a new

52 Burnaby Broadcast, 21 July 1932, p. 1.

53 Unemployed Worker, 13 August 1932, p. 3.

54 Burnaby Broadcast, 31 March 1932, p. 1; 2 June 1932, p. 3.

programme, gave no assurances because no new agreement with Ottawa had been consummated. The municipalities maintained that the Dominion had not met its obligations to British Columbia and awaited announcement of a new policy. In June the Union of B.C. Municipalities held its Annual Meeting at Nelson. Delegates pressed hard for information about the Dominion's new policy. One M.P. in attendance at the conference wrote to Ottawa and asked about it. He received no answer. A memorandum in the Department of Labour, however, in response to his letter stated that:

no new agreements in respect to direct relief or relief works have been made with any Provinces, under the 1932 legislation, Mr. Gordon's [new Minister of Labour] policy being to defer and indeed obviate, making such if at all possible.⁵⁵

Somehow the dominion government did find it possible. Two months later S. F. Tolmie returned from Ottawa with the news that the Government would stick to existing arrangements. It was the desire "of the federal government", he reported,

that for the present no iron clad unemployment relief agreement be made with the Provinces, but that each individual Province shall be assisted in accordance with its requirements as they arise from time to time. The federal authorities are of the opinion however, that the Provinces must become more self dependent in relief matters.⁵⁶

55 Memo, Department of Labour, June 1932, Bennett Papers, Vol. 796, #393.

56 North Shore Press, 16 August 1932, p. 1.

Such a policy was absurd at a time when both provinces and municipalities were at the end of their financial resources. It was, as Reeve Pritchard would repeat several times, "a policy of drift which is no policy" and "suicidal".⁵⁷

The unemployed would not accept being offered only direct relief. In all four municipalities they continued to demand work. The councils too disliked giving direct relief and so tried to give jobs on their own initiative. West Vancouver had been providing work throughout this period.⁵⁸ In North Vancouver District, after giving direct relief for four to five months, council decided to embark on a works' scheme that would give something in return for the money spent. Influenced by the British Pacific Properties development in West Vancouver, council planned development of a golf course and one hundred housing sites in the Capilano area.⁵⁹ Tolmie's government was warned by both M.L.A. Jack Loutet and an old friend of Tolmie's, who was actively lobbying for the job of North Shore relief officer, to beware of Reeve Bryan and his schemes. M. Bryan was a Liberal, whom Loutet considered "unscrupulous and a menace to the community".⁶⁰ "I certainly cannot suggest", he wrote to Tolmie, "that you pay out money to be disbursed by him." Bryan, he warned, was "playing politics with the situation and making as much

57 W. A. Pritchard, "The Unemployment Question", Municipal News, August 1932.

58 See footnote no. 15.

59 North Shore Press, 19 August 1932, p. 1.

60 J. Loutet to S. F. Tolmie, 16 October 1931, Tolmie Papers.

trouble for the government" as he could.⁶¹

No doubt influenced by fear of Bryan's Liberal politicking, Jones at first informed council that there was no money available for such an ambitious proposal.⁶² Then in September permission was given.⁶³ Work was started: pay was to be in cash at \$3.20 per day as under the previous Act.⁶⁴ Some of the men, however, were reluctant to start work at first, not believing that the municipality could in fact meet its share of the payroll. Reeve Bryan convinced them that they would be paid, but the bank did refuse to finance the municipal share. Needed money was transferred from general account and from proposed machinery purchase funds to cover payrolls.⁶⁵ The municipality appeared to be at the end of its tether. Reeve Bryan assured the unemployed that all would be well, if only those "responsible for taking care of the situation would take cognizance of their responsibilities".⁶⁶ Council was trapped between what they saw as a need for work among the unemployed and the policy of the dominion government which only provided for the dole. Furthermore they were unable to provide their one third even of

61 J. Loutet to S. F. Tolmie, 15 June 1932, *ibid.*.

62 North Vancouver District Minutes, 20 September 1932.

63 *Ibid.*, 22 September 1932.

64 North Shore Press, 18 October 1932, p. 2; North Vancouver District Minutes, 19 October 1932.

65 North Vancouver District Minutes, 28 October 1932.

66 North Shore Press, 7 October 1932.

that.

In early August both North Vancouver District and Burnaby warned Victoria that after the fifteenth of that month they would no longer be able to provide relief and requested that the Government take over.⁶⁷ In neither case did the Government respond to the idea of assuming responsibility for relief. Permission was given however for the works' scheme in the District to start and for Burnaby to complete the \$33,842 worth of works not yet finished under the 1931 Act. As in North Vancouver District, Burnaby's work was picketed at first by some unemployed, who persuaded men not to work until council could tell them definitely when they would be payed - a matter which was unclear for some time. Council could only promise that cash would be paid at the earliest possible date, and that up until then the men would be given direct relief.⁶⁸ Work was held up for a week, then begun for the first time in six months. It did not last long. The money soon ran out.

As the situation within municipalities worsened, two related responses occurred. Co-operation between municipalities not only of the lower mainland or in British Columbia as a whole but across the Western provinces increased noticeably. More and more frequently these meetings produced resolutions arguing that the Dominion or provinces should take over contrd of relief because unemployment was a

67 Burnaby Minutes, 1 August 1932; North Vancouver District Minutes, 5 July 1932; North Shore Press, 19 July 1932, p. 4.

68 Burnaby Broadcast, 25 August 1932, p. 1.

national problem and should be treated as such. In August 1931 a resolution by Fraser Valley reeves had warned that municipalities had exhausted available resources and that the continuation of direct relief or works under the terms of the 1930 Relief Act would soon result in municipal bankruptcy.⁶⁹ The following March the U.B.C.M. resolved that the dominion government should take over the full cost of unemployment relief and that the "unscientific and unsystematic method of direct relief should be discontinued as far as possible except for the aged and the infirm".⁷⁰ The exact opposite had occurred. Direct relief became the major form of relief under the third Act. When the conditions of that Act were learned, the U.B.C.M. reaffirmed their contention that unemployment was national in character and should therefore be borne by the dominion and provincial governments. Unemployment conditions were daily growing worse, they argued, and municipal revenues decreasing. Municipalities should have to pay no more than 15% of total direct relief costs and where that was not possible they should be relieved of all costs.⁷¹

In July 1932, the Union of Canadian Municipalities met in Winnipeg. Reeve Pritchard was chosen to lead the standing committee on unemployment. His committee suggested that the ultimate solution of the unemployment problem would lie in "nothing less than a complete elimination of the

69 Municipal News, August 1931.

70 Ibid., March 1932, p. 12.

71 Ibid., May 1932, p. 5.

profit principle from industry", a radical suggestion which may have reflected Pritchard's own position a lot more than that of other committee members. Further resolutions called for the dominion government to assume responsibility for the administration of relief and to set up a commission on unemployment.⁷²

Discussion at the meeting showed fairly general support among municipal leaders, not usually a very radical collection of men, for a dominion policy of currency inflation as a remedy to the economic situation.⁷³ R. B. Bennett however believed adamantly in sound money. "Let there be no mistake about that."⁷⁴

A month later Western government and civic leaders met with R. B. Bennett in Edmonton. The dominion government was requested this time to carry 50% of direct relief costs and to assume responsibility for all single men - a much more moderate request than most municipalities desired. Even to this moderate request Bennett was not sympathetic. Once again his rationale was based on a narrow constitutional interpretation.

72 Ibid., July 1932, p. 2.

73 Ibid..

74 Canada Debates, 10 October 1932, p. 53. Once again as in the early days of the depression it seemed to be the municipal leaders, the socialists and some of the U.F.A. who were closest not only to an understanding of the depression and its real impact, but also of a possible cure. The following year some of the representatives of these groups would join together to form the C.C.F. and incorporate their ideas into its platform. In the meantime their suggestions were ignored.

If the Dominion assumed 50% of the relief costs and accepted responsibility of registering and placing all single unemployed men in concentration camps, it would divest the provinces and municipalities of their powers and would place upon a central authority the power to deal with the whole matter.

He warned that the East was growing restless and would permit no further favour to the West who "contribute lightly to federal finances and receive disproportionate consideration in return, both in burden of relief costs granted and other assistance".⁷⁵

Whereas in July the meeting of municipal leaders had concluded that

the federal government has not yet realized that whilst constitutionally it is the responsibility of the municipalities to take care of relief, it was, we believe, never intended that we deal with such an emergency as has arisen,⁷⁶

Bennett suggested that the situation had not yet reached the point where he considered that the Dominion was better equipped to deal with such matters than the provinces or the municipalities.⁷⁷ Yet there

75 Municipal News, September 1932, p. 7. Note: Under the Unemployment and Farm Relief Act the Western provinces had received greater contributions than the five Eastern provinces. The Dominion had contributed 50% of municipal works in the West compared to 25% in the East. Report of the Dominion Director of Unemployment, 1932, p. ii.

76 R. Webb, Mayor of Winnipeg, to R. B. Bennett, 19 July 1932, Bennett Papers, Vol. 781, #382.

77 H. Cassidy, Unemployment and Relief in Ontario, on examining unemployment and relief in that province between 1929 and 1932 concluded that "the stubborn facts of the situation . . . will force both the Dominion and the provinces to assume even more responsibility for unemployment in the future than they have in the past, whatever constitutional arguments they may be able to muster in favour of standing aloof", p. 81.

was little doubt that by this stage the dominion government was in a better position to deal with such matters than either of the lower levels of government.⁷⁸ The rigidly inflexible revenues of both provinces and municipalities did not give them the taxing ability to raise the vast sums needed for relief.

Bennett met again with representatives of the Western provinces in September, this time at Calgary. Those present included W. A. McKenzie and J. W. Jones (Labour and Finance Ministers for British Columbia), W. A. Pritchard and other Union of Canadian Municipalities officials. Bennett re-iterated that his government had treated unemployment as a national emergency, but that he could not change the constitution of the country to meet the demands for unemployment relief outlined in the resolutions of certain provinces.⁷⁹ In the House in Ottawa a month later he rationalized that his government had "no desire to undermine that high courage, that resourcefulness and ability of our citizens to emerge out of difficulties, strengthened by trials of fire".⁸⁰

Bennett's responses at this time may have been influenced by a confidential report on unemployment and relief in Western Canada which he had commissioned and which he received some time in the late summer.

78 Considering that Bennett thought of appointing a dominion receiver to take over the financial administration of the Western provinces which could not meet their own relief costs, his stand is inconsistent and contradictory. B. Neatby, "The Liberal Way: Fiscal and Monetary policy in the 1930's", in The Great Depression, ed. V. Hoar, Toronto, Copp Clark, 1969.

79 Sun, 6 September 1932, Tolmie Papers, Newspaper File.

80 Canada Debates, 16 October 1932, p. 51.

This report had been hurriedly prepared by someone from the Department of Labour following a rapid tour of the West. It was decidedly unsympathetic to the plight of the municipalities and supported dominion assumptions regarding constitutional responsibility. British Columbia was singled out as the "outstanding failure on the part of a provincial authority to offer any systematic procedure for relief control". The author somewhat naively asserted that the most able delegates of the people are found at the dominion level, next at the provincial level with novices at the municipal level. With this preconceived picture of the three levels of government, it is not surprising that the writer found that

the story of Canadian municipal politics does not indicate that the dictates of human need and welfare would be the sole basis of the distribution of relief.⁸¹

Especially singled out for criticism within British Columbia were Burnaby and North Vancouver District. The former, he suggested, represented "probably the most serious problem among the larger communities of British Columbia at the present time". The problem was partly due, he stated, to their positions as bedroom suburbs with little industry. In Burnaby this was compounded "because the people living there represented the lower paid and casual workers of Greater Vancouver". Furthermore, he charged that Burnaby council constantly

⁸¹ Confidential Report on Unemployment and Relief in Western Canada, 1932, hereafter cited as Confidential Report, 1932, Bennett Papers, Vol. 781, #381.

interfered with the relief officer; that they allowed people on relief to use the City Hall for protest meetings; and that "members of council were much more susceptible to the political representations of many of those in control of organized groups of the unemployed, than to the carefully considered recommendations of the Relief Officer".⁸² The informant used by this writer was evidently Burnaby's relief officer, whom the unemployed hated and whom council had considered firing because of the inadequacy of the reports he presented to them.⁸³

Burnaby was further charged with paying higher relief rates than in most of British Columbia or the West; and of providing for a particularly varied range of articles including "several items not allowed in other municipalities".⁸⁴ Yet, Burnaby's weekly payments were not much higher than those of North Vancouver City and District. Council had agreed to provide rent on relief in order to help landlords pay their taxes. Furthermore, in a municipality where virtually the whole population was of the working class and where extra clothing had long ago been given to those in need, the charity drives for food and clothes, so successful in places like West Vancouver and Victoria, brought in little. People had to have clothes. The only way they

82 Ibid.. Note: There are three drafts of this report in the papers, all quite differently worded and with different facts and figures reported. Most of those cited for these municipalities do not co-incide with the available municipal records.

83 Burnaby Broadcast, 8 September 1932, p. 1.

84 Confidential Report, Bennett Papers, Vol. 781, #381.

could obtain them was through relief. The writer of the report, however, considered that the situation was "getting out of hand. Almost anything may happen unless strong administration from some central control is established", he warned.⁸⁵ A similar fate was predicted for North Vancouver District although the admonition was not accompanied by the same charges of poor administration.

This report, so critical of relief administration in British Columbia, brought no increase in tension between the two Conservative governments. Indeed, relations had calmed down considerably since the torrid winter of 1931-1932. Direct relief was easier to administer for the senior governments and caused fewer misunderstandings than the work programmes had done. Relations between Tolmie's government and Ottawa may have smoothed out on the surface, but within Tolmie's own party chaos was imminent. The party was disintegrating around him, a situation which was not conducive to careful consideration of the problems facing either the Province or the municipalities. In the latter conditions were getting worse all the time. Burnaby and North Vancouver merchants had not been paid for several months' relief scrip. Many closed their shops to relief recipients. Furthermore ratepayers, too, were growing restless. In October Tolmie informed the dominion Minister of Labour, Gordon, that the situation within municipal areas had become very serious.

85 Confidential Report, 1932, *ibid.*

Already twelve municipalities have notified the government that they cannot continue further relief as funds are exhausted and banks refuse to make further advances . . . the situation being most acute in the Labour municipalities of Burnaby, North Vancouver City and District and Fernie. They have now made direct demand for loans for relief purposes.⁸⁶

Requests for urgent loans from municipalities in British Columbia totalled around half a million dollars. The Dominion sent \$140,000 to be shared among the municipalities in most need. Its usefulness was limited, however, as it was stipulated that the money could only be applied to relief accounts for the coming three months of October, November and December and not to cover accounts already due to the merchants or bond issues and debentures falling due.⁸⁷ Shopkeepers who for months had refused to accept relief scrip now opened their doors knowing they would be repaid. Those merchants who had been carrying the municipality remained with their past debts unpaid, often losing customers to the larger reopened shops which could offer cheaper prices. The loan solved none of the existing financial problems of the municipalities. It merely ensured that the municipalities would be able to carry their share of relief for a few more months.

Since the early days of the depression many municipalities had insisted that unemployment was a national problem and should be treated as such. Now the idea of refusing to administer relief any longer

86 S. F. Tolmie to W. Gordon, 7 October 1932, Bennett Papers, Vol. 796, #393.

87 Burnaby Minutes, 7 November 1932.

began to appear. North Vancouver District had already unsuccessfully requested an investigation of relief and government assumption of responsibility if conditions were found to be as bad as the councillors thought they were.⁸⁸ In August both Burnaby and North Vancouver District had informed the government that they would not be responsible for unemployment relief after August 15. They had been allowed to recommence some work following this threat. The work helped the unemployed while it lasted, but not the financial condition of the municipalities.

Within a month of beginning their work programme, North Vancouver District was again faced with an application for a receiver. During the 1932 provincial session, the B.C. Bond Dealer's Association had lobbied successfully for legislation by which any municipality defaulting on a bond, or "pressed temporarily beyond its ability to meet its obligations", could be taken over by a commissioner appointed by the provincial government.⁸⁹ The legislation had passed as the legislature considered a provincially appointed commissioner with the powers of council and the schoolboard as preferable to a receiver who could exercise much wider powers.⁹⁰ The B.C. Bond Dealer's Association met with R. Baird (B.C. Inspector of Municipalities) and informed him that

88 North Shore Press, 19 July 1932, p. 4.

89 Part 23, Municipal Act Amendment Act, 1932; Municipal News, April 1932, p. 5.

90 North Shore Press, 20 January 1933, p. 1.

North Vancouver was in arrears of payment of certain debenture interest and that a bondholder was going to invoke the recent amendment to the Municipal Act and appeal to the Supreme Court for a commissioner.⁹¹ The financial condition of the District was disastrous. The loss of revenue for that year alone was \$59,350. The estimated increase in bank debt was \$41,994 making a total bank debt of \$242,994. Default on bond interest totalled \$55,988, of which \$15,752 represented bridge debenture interest. Of the 1932 tax levy of \$473,921 only \$271,698 had been collected.⁹²

In the face of this situation council was divided about how they should react. Reeve Bryan and two other councillors were determined to oppose the appointment of a commissioner. They did not believe that a commissioner would be able to effect any savings that they could not. "If we throw up our hands now", said one of them, "we will betray the people of the district." Most councillors just could not believe "that a receiver would ever be placed in charge of this municipality".⁹³ Reeve Bryan reminded councillors that the bank had changed its mind several times during the year and suggested that if a move for a receiver were made there would be no doubt that the bank would produce funds for the municipality. Other councillors did not think the move should be opposed. To them it seemed in the interests of the ratepayers

91 North Shore Press, 16 September 1932, p. 1.

92 Ibid..

93 Ibid..

not to oppose the application for a receiver.⁹⁴

North Vancouver council did appeal the case. They got no support in their appeal from the U.B.C.M. who stated that they feared ill effects on civic banking credit if they were to lend their support. In fact, the U.B.C.M. itself was divided on the most appropriate stand to take. Mayor Bridgman of North Vancouver City was keen to offer the sympathy and services of the Union to the District. He feared that the appointment of a receiver "would establish a precedent which would affect other municipalities experiencing financial difficulty at that time".⁹⁵ As North Vancouver City had defaulted temporarily on several bond payments his response was not surprising. Later, when his City faced the same predicament he too would try and fight. W. A. Pritchard, on the other hand, was beginning by this stage to see a commissioner as the only way to force the government to undertake what he believed was their duty. He made sure that the resolution, which offered services to the District and requested a careful enquiry before appointment of a commissioner, would be ineffective by announcing that, unless it received unanimous support, he would not permit it to be presented to the provincial government.⁹⁶

On September 27, Judge D. A. MacDonald authorized the appointment of a commissioner for North Vancouver District, the first in British

94 North Shore Press, September 1932, p. 5.

95 Province, 28 September 1932, p. 8.

96 Ibid..

Columbia. The District's appeal was not allowed. On December 15, Tolmie and R. H. Pooley authorized the Lieutenant Governor to appoint a commissioner and on the following day Charles Edward Tisdall took over "all the powers and authority heretofore invested in or exerciseable by the Reeve, Council, Board of Police Commissioners and Board of School Trustees of the District".⁹⁷

In Burnaby, Pritchard and the council had already requested several times that the provincial government take over administration of relief. Some citizens too began to see government intervention in some form as the only hope for the municipality. While council was telling the government that Burnaby would not be able to pay relief much longer, a committee "with representatives from all property owners' and ratepayers' organizations in Burnaby" were organizing "to tell the public the truth".⁹⁸ Led by a Mr. T. Farrington, also president of the Burnaby Ex-Servicemen's Unemployment Association, this new group charged that the municipal financial condition was much less sound than officials would admit. Fact and emotive appeal were mixed as people were warned that revenues and expenditure reports over the past five years did not truly reflect the actual condition and that "unless ratepayers take some action,

97 North Vancouver District Minutes, 16 December 1932.

98 Burnaby Broadcast, 18 August 1932, p. 1. When the Burnaby Ex-Servicemen's Unemployment Association wrote to R. B. Bennett they took pains to explain that their group was "in no way connected with an other organized body, Red or otherwise". Burnaby Ex-Servicemen to R. B. Bennett, 13 July 1932, Bennett Papers, Vol. 796, #393.

there was no hope of people hanging on to their homes much longer".⁹⁹

As municipal figures had to comply with regulations set down by the Inspector of Municipalities and had to be audited they should not have painted too untrue a picture of the financial situation. However, there was definitely dissatisfaction among some of the ratepayers with the council. When, at the first meeting of this group, the suggestion was made that the Government should be requested to replace the reeve and council with a commissioner, there was a chorus of agreement.¹⁰⁰

The group began to hold weekly meetings aimed at discrediting the council. At their second meeting the inefficiency of the relief department was attacked as part of the financial problem of the municipality. With this both the unemployed and council would probably have agreed. Charging further that the municipality was "rotten with politics", Farrington suggested that a commissioner was the only hope for Burnaby.¹⁰¹ In the face of this pressure from ratepayers and continual disagreement between council and the relief officer, council decided to take advantage of a plebiscite passed by the voters in January in favour of having an efficiency expert examine the functioning of City Hall.¹⁰² When the report was complete, however, an application

99 Burnaby Broadcast, 18 August 1932, p. 1. Probably amongst this group was the "gentleman who supplies allegedly official information about Burnaby to Victoria" whose name Pritchard was told, around this time, by the provincial government.

100 Ibid.

101 Burnaby Broadcast, 1 September 1932, p. 1.

102 Ibid.

had been filed to bring in a commissioner in Burnaby.

At the beginning of 1932, Pritchard had stated that council should take the stand that it was not the business of the municipal council to solve the problem of unemployment. A national method should be worked out. During the last months of the year Pritchard and council concluded that they had done all they could as a municipality, and that the only way the Government would be made to realize their responsibility would be if they were forced to take over. In November court proceedings were underway for the illegal diversion of funds over Christmas 1931. Ninety thousand dollars was owed to merchants. Both provincial and dominion authorities had refused to lend Burnaby the \$135,000 needed to cover the municipal share of direct relief costs. Furthermore, the provincial government stated that they would limit direct relief payments to B.C. municipalities to \$100,000 per month. (Burnaby's relief alone was costing \$50,000 a month). Council decided to ask the Province to take over administration of direct relief in Burnaby.¹⁰³

A week later the Government announced a new mandatory scale of relief in British Columbia in conjunction with their plan to set up a commission to look after single males. The new scale offered minimal relief. Heads of families were to receive \$9.00 a month, the second adult \$3.50 and each dependent \$2.50. In addition they could receive not more than 40% of the amount given for food, clothing, shelter and

¹⁰³ Burnaby Minutes, 21 November 1932.

fuel. None was to go toward water supply, taxes or medical aid. Councils were informed that any municipality could itself make up the difference if they felt the scale was insufficient, and that the Government would lend them the difference.¹⁰⁴

From municipality to municipality across the province came indignant cries of protest. The scale was "wholly inadequate to maintain destitute families in a reasonable standard of living".¹⁰⁵ It was "inadequate to maintain the decencies of even the most modest home". "Any action that will add further burdens to so many who are already harassed beyond measure will seriously affect the health and morale of large numbers of people in the community."¹⁰⁶ "Law and order might not be maintained if the new scale was enforced."¹⁰⁷ "North Vancouver will be compelled to default on interest payments if the government persists in the proposed reduction in relief contributions."¹⁰⁸ The only way Burnaby could refuse to accept the new scale, argued Reeve Pritchard, was to cease being the administration.¹⁰⁹ Only West Vancouver council was able to

104 Circular to all Municipalities, 19 November 1932, Relief Act 1932.

105 North Vancouver City Minutes, 21 November 1932.

106 West Vancouver Minutes, 28 November 1932.

107 Wells-Gray, Mayor of New Westminster, Province, 19 November 1932, Tolmie Papers, Newspaper File.

108 North Vancouver City Minutes, 21 November 1932.

109 Burnaby Broadcast, 1 December 1932, p. 1.

supplement the scale themselves.¹¹⁰ Most other municipalities were unable to modify the provincial government's edict.

In Burnaby stores continued to close to relief recipients. On at least two occasions the organized unemployed occupied one of the relief offices until one of them was given the relief they demanded. Staff were prevented from working and the police were called to maintain order.¹¹¹ There was talk of the schools having to close down for lack of money to pay for fuel to heat them. Then, on 20 December,

sitting in a chilly atmosphere at the municipal hall the council decided to take immediate action to request the government to appoint a commissioner forthwith.¹¹²

Pritchard informed council that officials in Victoria had pleaded with him to carry on and had offered some support.¹¹³ They had not, however, been able to provide the \$135,000 loan which council had been trying to borrow since the beginning of the Act to cover their share of direct relief costs. Councillors agreed that the climax had come and that they had no alternative "but to throw the whole of the problem on the hands

110 West Vancouver Minutes, 28 November 1932.

111 Unemployed Worker, 12 November 1932 p. 5; Burnaby Minutes, 20 December 1932.

112 Burnaby Broadcast, 22 December 1932, p. 1.

113 Burnaby Minutes, 20 December 1932; interview with W. A. Pritchard, Simon Fraser University, 1973.

of the provincial government".¹¹⁴

A day earlier application had in fact been made for a commissioner by T. St. Etienne de Wolf and members of the B.C. Bond Dealer's Association. Burnaby had defaulted on a \$25.00 interest coupon. Although council could have paid the money on that particular coupon, they did not. They saw no reason to fight the appointment of a commissioner. Council wanted to force the provincial government to take responsibility for the municipality. They defaulted.¹¹⁵ "We have been brought to a common end", said Pritchard, "by a combination of circumstances over which we have little or no control." Burnaby's position as a dormitory suburb made her peculiar, he claimed. The Supreme Court authorized the appointment of a commissioner.¹¹⁶ Two weeks after North Vancouver District had fallen, Burnaby, too, was in the hands of a commissioner.

North Vancouver City held on longer and fought to the very end. Financially their situation was little better than that of the District. "We are now carrying on largely through the good will of the merchants who have not been paid for all their September account. . . . It is a

114 Burnaby Broadcast, 22 December 1932, p. 1; Burnaby Minutes, 20 December 1932.

115 Burnaby Broadcast, 22 December 1932, p. 1. Total interest default was around \$6,000.

116 Ibid.. Pritchard stated in an interview that the default on that bond was deliberate in order to force the government to take action. Certainly they could have raised the \$25.00 owing, but probably not enough to cover other bonds for which repayment was due. Interview with Pritchard, Simon Fraser University, August 1973.

crime", Bridgman told the unemployed. "We have stated so to the government. How long we can carry on under present conditions, I do not know."¹¹⁷ Carry on they did, for two more months of continual pressure, lightened only by the news so long awaited and lobbied for that the Second Narrows Bridge was to be rebuilt. The collapse of this bridge was one of the important factors in the default of the North Vancouver suburbs. They had invested too heavily in it and guaranteed its bonds. When it went out of operation commercial and tourist traffic to the North Shore diminished to the detriment of local stores and businesses dependent on this traffic for trade. Several business concerns went bankrupt as a result. The City had to rent an extra ferry at \$1,350 per month to provide for the added traffic on the ferries. Ferry revenues increased, but did not compensate for the estimated \$450.00 lost daily on bridge revenues.¹¹⁸ In mid-1932 the local Royal Bank informed R. B. Bennett that

unless this bridge is repaired in some way as to prevent further accidents and to provide for a steady revenue and for uninterrupted traffic, it is our opinion that these municipalities will go into the hands of a receiver.¹¹⁹

By the end of the year civic employees in the City were six weeks behind in their salaries, but apparently not pressing for payment. The

117 West Vancouver News, 8 December 1932, p. 4.

118 "Proposed reconstruction of moveable span in Second Narrows Bridge", Bennett Papers, Vol. 626, #308.

119 The Royal Bank, Vancouver, to R. B. Bennett, n.d. [1932], *ibid.*.

B.C. bond dealers were, however, considering applying for the appointment of a commissioner. "They are the only ones who are worrying us", complained Mayor Bridgman.

They are able to do so because of the unfortunate legislation passed at Victoria at the last Session of the House placing them in a preferred position. Individuals, industrial corporations, banks and governments are all trying to solve the situation. I feel that one class that happens to hold municipal securities are the only ones trying to force the issue.¹²⁰

Contending that if the District commissioner would only pay \$15,000 which the District owed the City they could meet their bonded indebtedness, and that "there was nothing comparable between the City's position and that of North Vancouver District and Burnaby before commissioners were south", the mayor determined to fight.¹²¹

An application for a commissioner was lodged, but when the City solicitor payed the \$30.00 bond interest in question, a receiver was not granted. As in the District, council was divided about whether or not to fight. Those against paying the amount in default believed they would only be delaying "the evil day". Councillor Anderson maintained that the Municipal Act was such an anachronism that council should not try to prevent the Government from taking responsibility.¹²²

120 North Shore Press, 30 December 1932, pp. 1, 8.

121 Ibid..

122 North Vancouver City Minutes, 3 January 1933.

Those in favour of fighting the application considered it unfair to disenfranchise ratepayers "for no other cause than non payment of a \$30.00 bond interest" and complained that the Government had deliberately enacted legislation which undermined the whole system of elected representation. A commissioner, Bridgman argued, could not solve the bondholders' nor any other problem any better than council could. Until a demand was received from a ratepayer to place the City in the hands of a receiver, he was absolutely opposed to permitting the application to go by default.¹²³

On January 10 1933, the City was again sued for default. This time it was not by a member of the B.C. Bond Dealer's Association but by a ratepayer, Mr. A. F. Tero. The councillors had talked much of their \$30.00 default, but the actual amount in default was much more.¹²⁴ Faced with this application by a ratepayer, council determined to ask the provincial government to delay appointment of a commissioner until they were fully satisfied that it would be in the best interests of the City and the Province.

While these proceedings had been underway North Vancouver City electors voted in a new mayor and three new councillors. Mayor Morden interpreted their position as virtually that of a commissioner,

123 North Shore Press, 6 January 1933, pp. 1, 5.

124 When the commissioner took over he found a gross indebtedness of \$3,284,123.29, and \$420,500 of guaranteed debentures for which the City was liable and \$359,147.76 of floating liabilities owing. North Vancouver City Annual Report, 1933.

appointed at the will of the electors and with the concurrence of the provincial government.¹²⁵ Mr. Baird (Inspector of Municipalities) agreed to investigate completely the City's financial situation before any decision on the commissioner question was made. This was a new departure. In the other municipalities now under a commissioner default on any bond payment had been deemed sufficient cause to appoint a commissioner. Now the solvency of the municipality as a whole was to be examined. Among the retiring council the opinion germinated that the Province was rather regretting the amendment allowing appointment of commissioners because it placed financial responsibility on the Government's shoulders.¹²⁶ Any such regrets on the part of the provincial government did not prevent the appointment of a commissioner for the City. The examination by R. Baird proved wrong Bridgman's contention that the City's position was different from that of Burnaby and North Vancouver District when they defaulted. A debenture debt of over \$3,650,000 was revealed and a floating debt of \$330,000. Sinking funds were \$70,000 short.¹²⁷ On January 13 the Supreme Court approved appointment of a commissioner and on January 25 Mr. Tisdall extended his control from North Vancouver District to the City. He found no money in the treasury and the \$20,000 taxes already collected spent.

125 North Shore Press, 20 January 1933, pp. 1, 8.

126 Ibid., p. 8.

127 North Vancouver City Annual Report, 1933.

CHAPTER V

CONCLUSION

In British Columbia five municipalities, Burnaby, North Vancouver City and District, Merritt and Prince Rupert, were no longer run by their elected representatives, but were in the hands of a provincially appointed commissioner. The default of these five municipalities, while ostensibly resulting from the financial situation and the numbers needing relief within each separate community, was equally the outcome of the dominion government's relief policies. The three Relief Acts of the dominion government in the period between 1930 and 1933 had fulfilled their intent of assisting the provinces and the municipalities in their constitutional responsibility. They had done no more. Local variations in both ability to cope with the unemployed and in the numbers involved were in no way counteracted by the provisions of the Relief Acts. Existing situations were at best perpetuated, at worst exaggerated. The requirement that municipalities pay 25% to 50% of relief costs inevitably meant that those municipalities with the most unemployed had to pay out the most money. Usually, too, these were the very municipalities which could least afford such outlays. The depression years in Canada, unlike in Britain and the U.S., led to no major re-organization of welfare services, to no long term effective

machinery for dealing with the unemployed.¹

In Burnaby and North Vancouver City and District the predominantly working class residents were particularly susceptible to unemployment, with the result that many of their ratepayers were unable to pay their taxes. As the relief rolls grew, revenues from which to provide relief diminished. Borrowing from the banks and other governments under the first two Acts increased their debts. In West Vancouver, in contrast, there were fewer unemployed to provide for and concomitantly smaller debts incurred. At the depth of the depression in early 1933 the large British Properties scheme provided work for many of West Vancouver's unemployed and the prospect of a First Narrows Bridge ensured a bright future for that suburb. In North Vancouver City and District initial heavy debts and relief debts were compounded by the failure of the investment gamble in the Second Narrows Bridge.

The depression relentlessly deepened, pushing such municipalities toward inevitable bankruptcy. Municipal councils with assistance from the senior governments tried to modify its impact but they did not

1 John S. Morgan, "Social Welfare Services in Canada", in Social Purpose for Canada, ed. Michael Oliver, University of Toronto Press, 1961, p. 137. In 1939, for instance, Charlotte Whitton stated that despite the depression years "no Canadian province or municipality is yet equipped in legislation or in practice adequately to plan effectively to handle the alleviation of what may be described as the ordinary distress which arises from the so-called normal exigencies of modern community life". Charlotte Whitton, "What of the future?" in Canada's Unemployment Problem, Toronto, Macmillan, 1939, p. 387.

succeed even in slowing it down. Belief in balanced budgets and the dictatorship of the municipalities and provinces by the banks mitigated against any compensatory inflation. Dominion insistence on municipal responsibility prevented overall planning and control. A few people, drawing from their philosophical beliefs, or convinced by the gravity of what they saw around them, came close to endorsing measures which might have helped. Those who suggested deliberate inflation were viewed as crackpots. City councils who tried to give their unemployed a living wage were sometimes viewed with horror. Even R. B. Bennett's own late decision to give the Dominion more responsibility for relief was, along with the rest of his new deal legislation, rejected by the Privy Council.

A reeve, with a long history not only of socialist involvement, but also of imprisonment following the Winnipeg General Strike, was likely to be viewed with some foreboding by the Conservative provincial and dominion officials. This must explain much of the attention focussed on Burnaby by government officials. Mr. McGeough (B.C. Assistant to the Dominion Director of Unemployment Relief) had consistently singled out Burnaby as an example of extravagance in administration of relief, although most of Burnaby's policies were little different from those pursued in the North Vancouver suburbs. His information was often inaccurate, but he succeeded in holding up the repayment of relief vouchers and in making relief administration difficult. Similarly the report written for Bennett in the summer of

1932 had singled out Burnaby as a serious case, accusing the council of being politically influenced by the unemployed.² In May of that year the local M.L.A. was reported as having said that the dominion government was willing to lend Burnaby the \$135,000 they so badly needed to cover their share of relief, but that the provincial government would not recommend it as they "had no faith in Burnaby's reeve and councillors".³ Furthermore, J. W. Jones (provincial Minister of Finance) suggested that they were "too generous in Burnaby".⁴

These accusations suggest that inefficiency and overspending may have been a further reason for Burnaby's default. Relief payments in Burnaby were, however, usually similar to North Vancouver City and only marginally higher than in most areas. They certainly were not so high that it was easy for the unemployed to live on what they received. In June 1932 the rough average cost of relief per person per month was reported by the writer of the Report on Western Canada as \$8.69 in Burnaby, \$5.12 in Vancouver, and \$9.75 in Victoria. Yet relief administration in Victoria was not considered extravagant.⁵ Payments were higher in Burnaby than in a place like West Vancouver because local charity could not provide clothing, old shoes and other support

2 Confidential Report, 1932, Bennett Papers, Vol. 781, #381.

3 Cited in Burnaby Broadcast, 26 May 1932, p. 1.

4 Ibid., 8 September 1932, p. 2.

5 Confidential Report, 1932, Bennett Papers, Vol. 781, #381.

for those on relief. In such a homogeneous suburb, those not on relief were often little better off than those who were.⁶ In West Vancouver, in contrast, organized charity blossomed in 1932 and 1933. Food was exchanged, canning bees held, and clothes drives successful, thus minimizing extras required for relief recipients.

Horace L. Brittain, whom Burnaby council had asked in late 1932 to investigate Burnaby's municipal organization, did not cite the incumbent council as the reason for the municipality's problems. Rather he saw the situation as arising "fundamentally from the culmination of a long period of unsound policies, inefficient administrators and decentralized organization".⁷ Specifically and legitimately he focussed on the ward system as the most "effective device for increasing current and capital expenditure". Its ill effects were evident throughout the "policy forming machinery, the accounting and the thinking of the municipality".⁸ Brittain did not see the financial decline as "entirely or fundamentally due to unemployment relief", or to the administration of relief by Pritchard, his council and the relief officer. He was convinced, however, that

6 There are no figures to indicate the number of people who were unemployed and not receiving relief, or even the numbers still working but for minimal wages.

7 H. L. Brittain to Burnaby Reeve and Council, 12 December 1932, Burnaby Archives.

8 Brittain, Report on Burnaby, p. 3.

further assistance would be required to handle the local relief situation.⁹ Burnaby did not have a large per capita debt, he pointed out, but warned that "in a suburban municipality there is not the same debt bearing ability as in a city".¹⁰ Burnaby, unlike North Vancouver City and District had not exhausted its legal borrowing power when they defaulted. Technically Burnaby could still borrow around \$1,000,000.¹¹ Yet their attempts to borrow the \$135,000 for relief had proved hopeless.

Charges of extravagance were also levelled at the North Vancouver District Council under Reeve Bryan, although these too seem to have related more to the political affiliations of the reeve than to the problems of the municipality. Councils in Burnaby and North Vancouver City and District could not have prevented, nor did they cause, the municipal defaults. Careful policy, possible starvation of the unemployed, might have staved off the time of their default. However, as long as municipalities were considered the units basically responsible for relief, as long as the dominion government pursued ad hoc policies, the default of some municipalities was inevitable. Municipal leaders had repeatedly warned that the proportion of relief that they were being asked to carry was pushing them toward bankruptcy: that the only

9 Brittain, Report on Burnaby, p. 26.

10 Ibid., p. 18.

11 The borrowing limit of Burnaby was approximately \$4,301,386. The debt in 1932 was \$3,131,339.

solution was for the dominion government to assume responsibility and take control of relief. The dominion policy had continued to be one of merely assisting. The assistance given to these municipalities had not been enough. Indeed, the fact that all assistance received had to be matched by the municipalities pushed them steadily toward bankruptcy. Something, however, had to be done for the unemployed.

Each of the Relief Acts between 1930 and 1933 was a stop-gap measure based on the hope that, with the arrival of summer, unemployment would disappear as it had in the past. All but the 1930 Act were left to the end of the session to debate. As long as the Dominion would admit no primary responsibility and assume no more co-ordination, it seemed inevitable that delays between Acts and lack of overall direction would continue. Continue they did. Bennett's constitutional stand was firm. "I am not prepared to scrap the constitution and say the primary responsibility can be shifted to the Dominion Government."¹² "We have", he maintained

observed our constitutional obligations and discharged them generously, and we have met in a broad and general sense with the approval of the governments that have administered the law. We have not endeavoured to destroy the constitution nor to substitute a federal for a provincial administration.¹³

Bennett did not face a simple situation. Had he wanted to assume overall control of relief, he would definitely have faced opposition.

12 Canada Debates, 10 October 1932, p. 26.

13 Ibid., p. 51.

Quebec had made it abundantly clear that it would not tolerate interference on the part of dominion authorities.¹⁴ S. F. Tolmie on the other hand had stated that no obstacle would be placed in the way of Ottawa if the latter assumed the full load of unemployment relief.¹⁵ The municipalities of British Columbia could call for the Dominion to assume responsibility but there were provincial premiers loathe to part with any of their powers. At the Dominion-Provincial Conference of 1933, Bennett tried to get more authority for the dominion government over relief plans. Although most provinces agreed that this was necessary, Quebec and Ontario refused to give up any of their authority.¹⁶ The conference concluded with resolutions essentially supporting the perpetuation of the status quo, merely requesting the Dominion to assist as much as possible.¹⁷

14. Canada Debates, 22 November 1932, pp. 14, 52.

15 S. F. Tolmie to R. B. Bennett, 17 March 1933, Pattullo Papers.

16 Canadian Annual Review, Toronto, Canadian Review Co., 1933, p. 30.

17 D. T. Braidwood, "A survey of Dominion-Provincial Conferences, 1906 to 1941", unpublished M.A. Thesis, University of British Columbia, 1941, p. 49.

This status quo continued throughout the depression years¹⁸ in the form of ad hoc Acts giving assistance only and treating unemployment as an emergency situation which did not need to be fundamentally analyzed and dealt with. Bennett's New Deal legislation, whether fraud or portent, did try to come up with some long term machinery to deal with unemployment. Ironically it was dismissed by the Privy Council because it did not "purport to deal with any special emergency", but was intended to be permanent. All members of the Supreme Court agreed that it could not be supported upon the suggested existence of any special emergency.¹⁹ This decision made continued ad hoc emergency legislation inevitable for the rest of the thirties.

MacKenzie King's accession as Prime Minister brought little fundamental change in relief policies. First the National Employment Commission was created, then the Royal Commission on Dominion-Provincial

18 The 1933 Act enabled the placement of suitable families on the land. Single men were placed under the care of the Department of National Defence until 1935. Works were once again considered desirable under the 1933 Act, but petered out again the following year. The 1933 Act set a \$20,000,000 limit to spending on direct relief. Later Acts were again for unspecified amounts. Dominion contributions to direct relief remained at one third, until 1934 when monthly grants were given to the provinces. More dominion controls were initiated in the form of audits of provincial finances and the stipulation that the Dominion approve the giving of the equivalent of food, fuel, clothing and shelter before it could be distributed by the provinces or municipalities. This did not include co-ordination or the assumption of responsibility, however. Report of the Dominion Commissioner of Unemployment Relief, Ottawa, 1933 to 1939.

19 R. A. Olmsted, ed., Decisions of the Judicial Committee of the Privy Council relating to the B.N.A. Act, Vol. 3, Ottawa, Queen's Printer, 1954, p. 214.

Relations. Unfortunately commissions do research rather than take action. The former commission did inaugurate a very necessary system for classifying and recording the numbers of unemployed throughout Canada.²⁰ The Rowell-Sirois Commission did illuminate the shortcomings of the Dominion's relief policies. It came too late to lead to constructive change in the depression years, yet its very creation was an implicit recognition of the constitutional questions that had arisen during that time. Its findings were an indictment of Canada's relief policies. "It is clear", concluded the Rowell-Sirois commissioners,

that there was no co-ordinated or carefully planned relief policy in Canada during the depression. It was a policy of expediency which failed either to promote maximum welfare under the circumstances or to safeguard the financial position of the various governments. The Dominion from whom alone leadership could have come was mainly concerned with steering a day to day course between insisting on the constitutional responsibility of the provinces and the necessity of preventing widespread starvation.²¹

In British Columbia, D. Pattullo tried to implement his "little new deal", but found, as municipal leaders and S. F. Tolmie had before him, that banks were unwilling to finance schemes for governments with deficit budgets. Pattullo had promised in his election campaign that the municipalities would get a better deal when he was in power, but

20 Canada, Final Report of the National Employment Commission, Ottawa, 1938.

21 Canada, Royal Commission on Dominion Provincial Relations, Report, Book One, p. 172.

very little changed.²² In 1933, as a result of the difficulties experienced by municipalities in the previous four years a Department of Municipal Affairs was created with power to prevent irresponsible municipal expenditures. In those communities ruled by a commissioner relief was sparser, as provincial edicts were always followed. Citizens grew to hate the "dictator" who replaced their elected councils. The placing of these communities in the hands of a commissioner solved few financial problems. It was a visible example to the residents of the futility of policies throughout the depression. At all levels of government narrowness of vision and an unwillingness to seek long term answers had predominated. The municipalities, however, bore the brunt of the human misery which resulted from inadequate policies. The plight of Burnaby, North Vancouver City and District and other Canadian municipalities which went bankrupt was a testament to the failure.

22 See Margaret Ormsby, "T. D. Pattullo and his little New Deal", Canadian Historical Review, Vol. 43, No. 4, 1962, for a discussion of Pattullo's depression policies.

APPENDIX

Table One

Incidence of Unemployment among Occupational Classes
of Male Employees, 1930-1931, Canada

Occupational Category	% who lost time	% who were laid off	% who were without jobs
A Managerial	6.8	1.1	4.5
B Professional	11.5	2.0	7.9
C Commercial	14.7	2.4	9.9
E Clerical	19.5	3.2	12.3
G & H Intermediate Service	26.2	3.4	19.6
J Low skilled Service	26.8	4.0	19.7
D Supervisory & Responsible	22.9	2.4	11.0
F Skilled	52.9	14.6	34.5
I Semi-skilled	52.9	14.6	35.5
K Unskilled	58.7	8.7	47.9
	—	—	—
	44.0	8.5	32.7

Source: Leonard Marsh, Canadians In and Out of Work, Toronto, Oxford University Press, 1940, p. 304.

Table Two

Occupational Status Divisions of the Male Working Population,

Canada, B.C., Burnaby, North Vancouver City and District, and West Vancouver

	Canada		British Columbia		Burnaby		North Vancouver		West Vancouver	
	%	Rank	%	Rank	%	Rank	%	Rank	%	Rank
A Managerial and Proprietary	6.5	5	7.8	5	5.5	8	8.6	5	13.2	3
B Professional	4.1	8	4.5	7	5.1	9	7.0	7	12.5	4
C Commercial	1.9	10	1.5	11	1.5	11	1.6	10	5.1	8
D Supervisory and Responsible	2.7	9	3.6	9	5.6	7	5.9	8	4.2	9
E Clerical	4.6	7	4.5	7	6.6	5	8.4	6	10.7	5
F Skilled	11.7	3	12.9	3	22.1	2	16.6	2	17.4	1
G Sales	3.7	6	7.3	6	4.8	4	5.1	4	10.0	2
H Intermediate Service	2.5				5.4		5.3		6.0	
I Intermediate manual, industrial	8.2	4	9.9	4	12.6	3	12.6	3	10.2	6
J Low skilled Service	1.8	11	2.4	10	1.9	10	1.0	11	1.1	10
K Unskilled	17.9	2	27.2	1	23.0	1	25.9	1	8.7	7
L Agriculture	35.0	1	18.4	2	5.9	6	2.0	9	0.9	11

Sources: Leonard Marsh, Canadians In and Out of Work, pp. 10, 107 (for Canada and British Columbia); British Columbia Directory, 1929.

Note: The percentages for Canada and British Columbia should only be compared generally with those for the municipalities as the former are based on the 1931 Census and the latter which are not available in the Census are based on analysis of occupations as listed in the British Columbia Directory for 1929.

Table 3.

Arrears of Taxes - 1925 - 1935.

Source: Annual Reports
Inspector of Municipalities
1925-35, (Table v).

Burnaby, North Vancouver City and District and
West Vancouver.

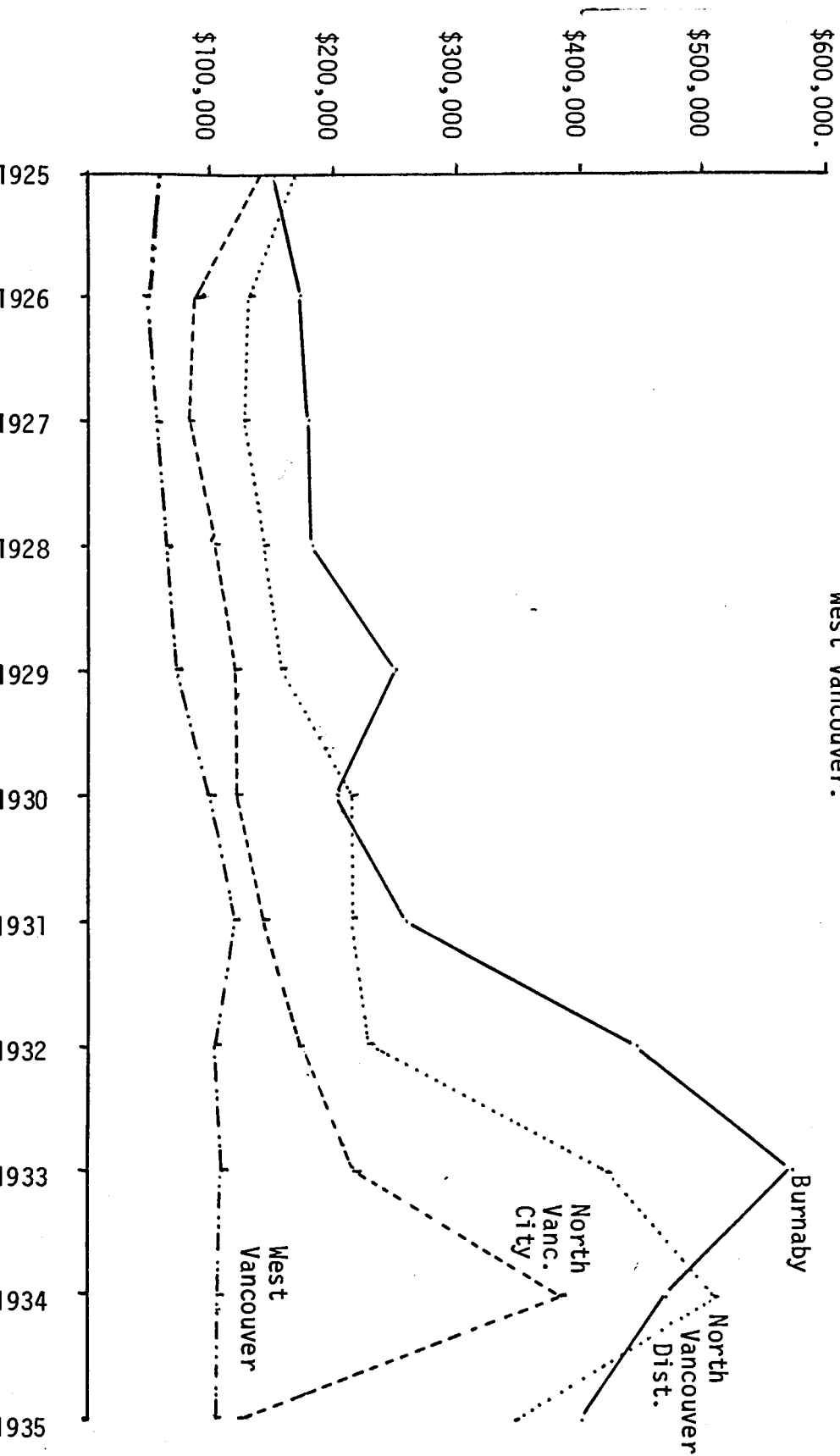


Table Four

Burnaby Census of the Unemployed, 15 August 1930

<u>Total Number out of Work,</u>		<u>Total Population of Burnaby,</u>	
August 15, 1930:	653	1931 Census:	25,564
Males	611	Males	13,313
Females	<u>42</u>	Females	12,251
Married	427	Married	11,897
Dependents under 16	647	Male	6,077
Single	<u>226</u>	Female	5,820
	1,300		

Occupations:

Labourers	380
Skilled Workers	203
Lumber Workers	27
Clerical	<u>43</u>
	653

Population of Working Age:
(i.e., over 15 years)

Male	9,716
Female	8,678

Nationality:

Canadian	221
British	355
European	67
Other	<u>10</u>
	653

Number of Years resided in Burnaby:

Over 10 years	168
5-10 years	137
1-5 years	252
6-12 months	51
1-6 months	38
1 month and under	<u>7</u>
	653

Sources: Burnaby Broadcast, 28 August 1930, p. 1; Personal Correspondence from the Dominion Bureau of Statistics, Age, Sex and Marital Status, Burnaby 1931 Census.

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