

Unemployment

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Article abstract

The present size and persistence of unemployment in Canada, and especially in Quebec, cannot help worry the observers of our economic life, and more so the workers themselves who are directly concerned. It may therefore be useful to reproduce here the full text of the Brief on Unemployment submitted jointly by the Quebec Federation of Labor (CLC) and the Canadian and Catholic Confederation of Labor to the provincial (Quebec) Cabinet on June 13, 1958.

Les deux centrales ouvrières de cette province partagent l'opinion et persistent à croire qu'une enquête publique sur l'exploitation de nos ressources naturelles serait de nature à révéler que la majeure partie des propositions soumises dans le présent mémoire pourrait être réalisée par voie de financement tiré de nos ressources naturelles. En conséquence, la Fédération des Travailleurs du Québec et la Confédération des Travailleurs Catholiques du Canada proposent conjointement et demandent au Gouvernement Provincial au nom des 275,000 membres qu'elles représentent, la tenue d'une enquête royale.

Unemployment

The present size and persistence of unemployment in Canada, and especially in Quebec, cannot help worry the observers of our economic life, and more so the workers themselves who are directly concerned. It may therefore be useful to reproduce here the full text of the Brief on Unemployment submitted jointly by the Quebec Federation of Labor (CLC) and the Canadian and Catholic Confederation of Labor to the provincial (Quebec) Cabinet on June 13, 1958.

This brief deposited jointly by the Quebec Federation of Labor (C.L.C.) and by the Canadian and Catholic Confederation of Labor (C.C.C.L.) is to apprise the Provincial authorities of the deep anxiety which our two Centrals feel concerning unemployment and to formulate on behalf of the 275,000 members which they represent and of the some 263,000 unemployed workers in the Province, (Cf. Employment situation, Feb. 1958, Department of Labor, F.B.S.), the measures which they expect from the Provincial Government.

This brief first intends to recall that during the last few years and particularly since five years, our two Centrals, either in their annual briefs or by the presentation of resolutions, did not cease to express their preoccupation and their worry as concerns the aggravating situation of labor.

This Winter, the unemployment crisis will have reached unprecedented proportions. According to the present figures, it is easy to foresee that unemployment will have affected this year, in the Province, about 270,000 persons, that is the highest peak ever reached.

The following figures speak by themselves and show that from year to year, and chiefly since 1953, the labor situation did not cease to deteriorate and this to a greater extent in the Province of Quebec than in Ontario.

According to the figures dated April 10th, 1958, there were in Canada 875,000 persons seeking employment, of whom 262,000 for the Quebec region alone, that is an increase of 85,771 over the corresponding period of last year; or 262,617 persons able to work and who cannot find employment.

Such statistics, which take frightening proportions, do not seem to unduly impress the conscience of the leading and privileged classes and seem to cause with the municipal, provincial as well as federal authorities, but a defensive reaction rather than give rise to the reconsideration of the economic structures to adapt them to provide full employment.

Undoubtedly, the central labor bodies are aware of the fact that the number of workers has increased during the last few years, and that the same applied to available employment, but they realize that the available employment does not correspond to the increase in man-power registered as available in the employment offices. There can be no answer more irritating for a worker seeking employment than to hear, by governmental representatives that the number of employed persons is ever increasing... that the recession is drawing to an end... and that employment will resume with the favorable Spring days. Promises do not replace bread!

To lose one's employ and not to find another is a catastrophe for any worker. Is there need to repeat that it is also an economic and social catastrophe? In all the cities of the Province, social agencies, charitable societies, and, in the villages, Municipal corporations, are unanimous in stating that they cannot any longer meet the needs because of the increase in requests proceeding from unemployment. Father Patrick Ambrose, Director of the Catholic Welfare Bureau of Montreal, recalled this fact on February 25th, last, before the 23th Annual Meeting of that organism:

«As a result of an increase of 250 per cent in unemployment cases registered at the outset of 1958, this agency has received requests from families whose children suffered from hunger and cold, and about to be evicted from their dwellings». Father Ambrose also requested from the Government «a gigantic action» to combat unemployment which is a social plague fostering desertions, separations, mental diseases, family problems, waves of crimes and holdups, juvenile delinquency, etc., etc.» He added «day after day, unemployed persons seeking assistance for their families, express their hostility towards society, a society which has deprived them of their employment, of their work. They threaten to turn to crime to secure the means of assuring the livelihood of their families». (La Presse, February 26th, 1958).

What other evidence is required to denounce more sternly this paradox of misery in abundance, this scandal of society, a civilization which claim to be Christian.

REFORMS ARE REQUIRED

Once again we assert that the right to work is a natural right belonging to any man and we believe that it is inhuman, immoral and anti-christian to tolerate and accept by abstention the present situation as we know it.

Even if the causes of unemployment were analyzed from the historical,

sociological, economical and demographic points of view, it seems that they all proceed, in last analysis, from a « state of mind »; this state of mind results from the basic mental inadaptation of a large part of the ruling classes to the several facets of modern industrial world. These classes know very well, however, that social reforms imply certain choices, even the very abandonment of certain economic habits or traditions, but they refuse to draw the conclusion thereof.

The advocates of measures which are, by definition and in fact, but simple social measures, are too often accused of statism of communism, of bolchevism. The proof has long been established that things are not solved by themselves as the promoters of « Laissez-faire » aver; they require the planning of economy; such planning has been absent up to now from any economic policy in our Province.

The labor movement of the Province of Quebec, wishing to be truly representative of its mandatories owes it to itself to point out that neither the Provincial government nor the Municipal councils, have yet taken measures to promote and assure full employment.

It seems that in a more than apparent manner prosperity in our Province, as elsewhere in the Country, can be real only inasmuch as the resources which it holds will benefit not only a few, but all the citizens of the Province. Such prosperity is measured by the possibility which the workers have to find the most advantageous year long employment and thus constitute an important part of the market to dispose of the goods in the production of which they have so efficiently contributed.

Undoubtedly, the Provincial government alone does not have to remedy unemployment; but nevertheless, the Government of this Province does not have the right, under the pretense of duality of jurisdiction, to elude his responsibilities. On the contrary, the Labor bodies submit that the Provincial Government, in virtue of the very powers it claims, must take the initiative, exercise a positive action with the Central power, and apply the solutions which are imperative to end the situation as we know it. The labor population is deeply deceived and finds it unexplainable that an agreement has not yet been reached.

At the Provincial-Federal Level

- 1—The Central Labor Bodies of this Province move and request the immediate holding of a Federal-Provincial Conference on unemployment and this, with or without the participation of the other Provinces, to collaborate and assure the immediate undertaking of a vast program of public works.
- 2—That the Provincial authorities support before the Ottawa government, the request of the Central Labor Bodies to increase the amount of the allowances and also to extend the period of the benefits. On the other

hand, that they take steps to reduce the period of 30 weeks of employment, required by the Law, to be eligible for Unemployment Insurance allowances.

- 3—As concerns the unemployed who do not receive or have exhausted their unemployment benefits, adequate measures should be taken without delay to come to their help.

At the Provincial-Municipal Level

The Central Labor Bodies move that, like Ontario, the Government of this Province place credits at the disposal of the municipalities which cannot accelerate the execution of their public works due to a lack of the funds required, and this, without any tax increase for the ratepayers.

At the Provincial Level

The Quebec Federation of Labor and the Canadian Catholic Confederation of Labor move:

- 1—that the Government of this Province make a real effort to promote housing. Nearly fifteen years have elapsed since the end of the war; the housing situation remains as deplorable as it was then. The Federal Government already disposes, through the Central Mortgage and Housing Corporation of certain credits to promote housing. In spite of the insufficiency and of the restrictions which this Federal law comprises for the mass of the wage earners, the labor bodies are of the opinion that the Government of this Province should avail itself of it and encourage the municipalities to initiate a housing and slum clearance program. The carrying out of such a program would in itself have the effect of procuring work to several thousand workers of the building industry, in (addition) to contributing in an appreciable manner to the satisfaction of ever growing needs of the population, and the particularly pressing needs of the low-wage earners. In this field, the moment could not be more opportune to create a «housing bureau». Our labor bodies recall in this respect, the project submitted previously to the Provincial authorities and, notably, to the Tremblay Commission:

«In view of the borrowing capacity of the Provincial Government at a very low rate of interest, it could constitute a real estate credit body which would be supplied with mortgage funds, through loans, guaranteed by the Province.

Such body would be party to joint loans with finance societies, insurance companies or credit unions (caisses populaires). It would supply one half of the funds without interest. The other half would be supplied by the loaner society at current rate. Thus, the borrower would pay only one half of the current rate on his mortgage, which would be the equivalent of the charge he sustains presently, if he benefits by the Quebec Housing Legislation.

In our estimates, annual loans of 24 millions on the part of the governmental body would allow, according to the system of joint loans, the construction of 8,000 dwellings with a mortgage of \$6,000. At the rate of interest of 3½%, the interest would amount only \$840,000 for the Government.

After a few years of operation and once the mortgage fund will be sufficiently furnished, it might be self-operating through the annual reimbursements of the borrowers ».

2—Our Labor bodies further recommend an increase in the minima norms which proceed from the ordinances of the Minimum Wage Commission. The putting into effect of such measure would increase the purchasing power of numerous wage earners who do not yet benefit by the collective working agreements.

On the other hand, the adoption of such a suggestion could not replace the collaboration of the Government with the legitimate labor organizations to increase the economic prosperity of all the citizens and particularly that of the workers of our Province.

3—Facing an unemployment crisis like the one we are experimenting, it would be well to recall once more this first paragraph of article 25 of the Universal Declaration on Human Rights, assented to by the General Assembly of the United Nations, in which it is recognized that « every one has the right to a standard of living adequate for the health and well-being of himself and of his family including food, housing and medical care and necessary social services and the right to security in the advent of unemployment, sickness, disability, widowhood, old age and other lack of livelihood in circumstances beyond his control ». Further to recommending an increase in allowances of the already existing social insurances, it appears to us particularly pertinent in a brief on unemployment, to insist on the immediate necessity to participate in the health plan presently offered by the Federal Government and to improve it.

4—Among other means liable to erase unemployment, we must state that our labor population would witness an increase in employment if the Provincial Government decided to promote in an adequate manner the development of processing industries for the raw materials taken from the natural resources of the Province rather than sustaining and protecting industries which cannot even feed appropriately the man-power which they employ.

The time has come to put an end to the trend of covering under the blanket of the blame to immigration, the lacks which are the responsibility of our Provincial authorities. Our Province is large enough and has a potential of riches sufficient to assure the decent living of its population and that of those whom the principles of Christian charity commanded to admit fraternally.

5—To facilitate the access to education would be a noteworthy contribution in the long-term means to combat unemployment. In the recent brief

presented jointly by our two Centrals, we have established the close relation between unemployment and the low educational level of our population. We must recall the already submitted recommendations, chiefly to extend school attendance and to facilitate the access to higher education by all the means which condition its realization.

- 6—There is no doubt that in the professional field, after consultation and in accord with the organizations concerned, there would be cause to proceed with the adoption of appropriate measures for the professional re-training and the readaptation of workers who have been laid off because of the elimination of their trade as a result of technological changes.

FINANCING

These proposals being made, the Quebec Federation of Labor and the Canadian Catholic Confederation of Labor, do not claim to have exhausted the solutions to remedy unemployment and to secure full employment.

On the other hand, our Labor Bodies are fully aware of the fact that the realization of most of the proposals submitted require disbursements and that the Government could not fulfill its obligations without having at its disposal the required revenues.

Leaving aside the contentious aspect of the Federal-Provincial fiscal relations, we wish to tackle the financial solutions which come under the particular scope of the Province.

Our Central labor bodies formulate the opinion in this respect and have reason to believe that the financing of this program can be carried out entirely without levying additional taxes on the personal revenues of the taxpayers. The labor population which we represent is in fact convinced that the Government of this Province does not derive from its present taxation sources all the revenues which it should and more particularly the revenues it should collect from the operation of our natural resources.

In the field of forestry, we know, for example, that the revenues which the Province receives from the forestry concessions are entered under the following four main items: (Cf. Public Accounts of the Province of Quebec-Fiscal Year ended March 31 1957 — pages 77-81)

Bonuses from Lease of Limits	\$ 575,000.00
Ground rents	815,740.00
Stumpage Dues	17,118,477.00
Stumpage dues paid into the	
Education Fund	902,803.00

that is: — \$19,412,120.00 on a total of \$19,632,546.00 (Education Fund included).

If one considers that the value of the wood taken out of the Crown Lands amounts to about \$300,000,000.00, it is noted that the revenues collected by the Province is not representing more than 5 to 6% annually of such value, and these figures do not take into consideration the fact that the processing of wood into pulp and paper, this value reaches an amount in excess of three quarters of a billion dollars (Cf. Operations in Forests — Revised estimates of the forestry production, 1940-53 — Final estimates, 1954-1955, D.B.S. p. 49, and also, General Review of the Manufacturing Industries of Canada, 1955, D.B.S. p. 117).

In the mining industry, the Public Accounts show the following figures for four main items:

Miners' certificates	\$ 163,875.00
Development licenses	1,237,994.00
Duties on annual profits	5,962,623.00
Annual rent of the Quebec	
Iron Ore (to 1958)	100,000.00

that is: — \$7,464,492.00 on a total of \$7,514,089.00

If it is considered that the value of the mining production of the Province reaches almost half a billion dollars (\$463,680,968.00 in 1956) (Cf. The Mining Industry of the Province of Quebec in 1956, Department of Mines, p. 3.) the share which the Province derives therefrom is hardly more than 1%; without considering that the mining corporations, on the other hand, are exempt from all municipal taxes during the first five years of their existence.

We note, moreover, that the amount of \$5,962,263.00 proceeds from the duties on annual profits, the payment of which is established on the basis of 4% on profits exceeding \$10,000.00 and reaches 7% on profits exceeding three million dollars. In 1955-1956, 36 mining companies only, out of 1,509 in operation, paid these duties; it must then be concluded that there is either a lack of collection or that, in an extremely prosperous period, 1,472 mining companies out of 1,509 have yielded profits inferior to \$10,000.00, which might give an idea to what extent the mining industry is concentrated into a few very mighty hands.

The same phenomenon applies at the examination of the revenues collected by the Province on the operation of the hydraulic resources. The main revenues are applied on the following items:

Provincial Electricity Board	\$ 431,391.00
Rents and royalties for:	
Water storages	667,860.00
Water powers	3,503,074.00
Quebec Pulp & Paper	74,492.00
Education Fund	
Charge on Kilowatt-Hours	
of Electricity generated	2,543,773.00
Contribution from the Quebec	
Hydro-Electric Commission	2,800,000.00

that is: — \$10,020,570.00 on a total amount of \$10,151,889.00 (Education Fund included).

If it is estimated that in 1957 the net value of hydraulic power production was some 180 to 190 million dollars, the revenue of \$10 millions which the Province derives therefrom represents hardly more than 5%.

The fact is however established and known that the harnessing and cost price of the horse-power in our Province are among the lowest in the world.

CONCLUSION

This data, although succinct, nevertheless allows us to establish that from a production value in excess of one billion dollars for these three natural resources, the Province does not derive forty million dollars, and subtraction made of the amounts specifically earmarked for the Education Fund, the Province hardly receives the revenues sufficient to pay the debt service amounting to some thirty million dollars (1956-1957).

As a simple example, if one compares the seven and one half million dollars which the Province collected in 1956 from the mining operations with the ninety million dollars which Alberta secured in 1954 in rights levied on the exploitation of its petroleum, the citizens of the Province have the right to denounce the fact that they do not receive the share they should secure from the natural resources; the more so, since they know in addition that the wages paid in the industries operating our natural resources are lower than those paid to the Ontario man-power working in similar industries.

Natural resources are God's gift to the population of this Province and no Government has the right to squander such resources, thoughtlessly for the benefit of a few individuals instead of their being to the full advantage of all the citizens who are their true owners.

The true aim of national economy cannot be reached without an equitable distribution of the riches, and chiefly as concerns workers who, through their work, are the real producers of such riches.

The two Central Labor Bodies of this Province share the opinion and persist in their claim that a public enquiry on the exploitation of our natural resources would be of a nature to reveal that the major part of the proposal, submitted in the present brief could be achieved through financing drawn from our natural resources. Accordingly, the Quebec Federation of Labor and the Canadian Catholic Confederation of Labor move jointly and request on behalf of the 275,000 members which they represent, that the Provincial Government hold a Royal Enquiry.
