

Municipal Improvements

I come now to New Brunswick. Fredericton received \$200,000; Saint John, \$112,000; Dalhousie, \$20,000; Sussex, \$35,000; Edmundston, \$35,000; or a total of \$402,513.80 for New Brunswick.

I am not objecting to the principle of this legislation. I am just asking that there be an equality of treatment. I appreciate the fact that the municipalities and towns have not the financial support that they should have, and I am glad to see them get assistance. My argument is that this principle of assistance should be applied to all the provinces, and the fund will have to be much larger. I remember that my hon. friend the member for Vancouver North (Mr. Sinclair) raised this question last year and the year before, that the principle of giving moneys to municipalities as subventions for services rendered should be reciprocal, and I supported it. There should be equality of treatment for all provinces.

Mr. W. ROSS THATCHER (Moose Jaw): If I understood the minister correctly under this act, a municipality can borrow up to \$200,000 from the department. The city of Moose Jaw made such a loan some years ago. They were repairing and adding to their waterworks system. Today they are in the position that they may wish to make a further loan, and they are greatly interested in having the ceiling amount of \$200,000 increased. This is a resolution which they passed only a few weeks ago with regard to this act. I wish to put it on *Hansard* for the information of the minister. They recommend that the act be amended as follows:

(a) By the removal of the limitation on, or a substantial increase in the aggregate loans which may be made to any particular municipality.

(b) The extension of the provisions of the act to approved capital works, which may not necessarily be self-liquidating, where appropriate by-laws are passed to service the repayment of the monies borrowed by a levy on the municipality at large.

This is what the Moose Jaw city commissioner himself said to me in a letter:

We are much interested, therefore, in getting the limit on the maximum loans removed. It is our opinion that this act should be placed in readiness where it can be used to full advantage, the moment the need arises for a national works programme.

In view of the fact that we may some day soon, need a larger scale public works programme, I wonder if the minister would consider raising that maximum amount. Would the government give the matter some consideration?

Mr. JAMES SINCLAIR (Vancouver North): I feel in part responsible for the [Mr. Church.]

introduction of this measure because it was I who asked the minister to make the amendment. In my riding there were two districts which received loans. The one to which this bill particularly refers is the village of Westview in the northern part of the riding. The large company town of Powell River is nearby, but many of the workers did not care to live in the town and so they started building private homes outside the company limits. They formed a small waterworks and improvement body under the British Columbia waterworks act and obtained, under this very act, a loan of \$100,000. As a consequence of the loan and the installation of the waterworks the district grew rapidly and incorporated as a municipality. They wanted the loan transferred from the old waterworks district to the new municipality but there was no provision in the old act for such transfer of loan. For the last few years, therefore, they have been electing dual commissioners, one set of commissioners to operate the waterworks and another set of commissioners to take care of all municipal business except waterworks. It was an unwieldy arrangement and I asked the Minister of Finance whether a change could not be made. He was good enough to introduce the amendment.

As regards the remarks of the hon. member for Broadview (Mr. Church) and those of the hon. member for Eglinton (Mr. Fleming), I think it should be stated in defence of the act that the loans made under it are not gifts from the federal government to the municipalities, but low interest loans. One of the best features of the loans is that not a single loan is in default.

The other municipality in my riding which received a loan in 1940, West Vancouver, received \$200,000. The lowest rate at which they could have floated that loan in the public market was seven per cent, and to a small municipality the saving between seven per cent and the two per cent under this act was a substantial one.

The reason there are no loans in Ontario is not the fault either of the municipalities or of the federal government. The provincial governments had to be the intermediary and guarantee the loans, and Ontario did not choose to do so.

Mr. HACKETT: Will the hon. gentleman permit a question? Why would the municipality to which he refers have to pay seven per cent, which seems to be a high rate, if there is any reasonable security?

Mr. SINCLAIR (Vancouver North): As a matter of fact, the municipality at the time was not in a very good financial position. But