

interest and sinking fund, all of which have to be met. In some cities over thirty per cent of the revenue has to be appropriated to sinking fund and interest. The result is that taxation is high, exceptionally so in many of our larger cities. The reaction is that building projects are at a standstill; heavy and necessary repairs to buildings cannot be made; yet if there is one branch of trade in Canada which should be improved, it is the building trade, particularly in the larger cities. They cannot be made unless there is building, and building will not be undertaken under present conditions, where the municipalities find themselves overburdened with debt and forced to raise a very considerable amount of money for the purpose of liquidating that debt or meeting interest and sinking fund charges from year to year. The only way in which we can encourage building operations in the larger cities is to lower taxation. Any measure that will tend towards lower taxation in those cities will tend to increase the business of the building trades; and any improvement that takes place will result in a general improvement in trade throughout Canada.

I emphasize that point and also the handicap under which the municipalities are working at the present time. I have every sympathy with the project in mind. I believe that the minister has surrounded it sufficiently with safeguards if they are maintained. We know governments and we know politics and we are rather afraid of legislation of this sort, but I should not like to see any legislation introduced which would encourage any municipality to enter upon a public works enterprise that will further increase the burden within that municipality and further delay the day when building operations can be carried out so that we can benefit thereby.

Mr. ROSS (St. Paul's): In Toronto we are faced with a very serious situation in connection with the extension of the sewage disposal works of that city. I do not know whether that can be called a self-liquidating scheme, but it is something which is very necessary, and it is also important that work be provided in Toronto in view of the unemployment situation. The present sewage disposal plant there is entirely inadequate. Sewage is going into the lake untreated—well, it is treated but we do not know how much of it gets the benefit of the treatment. It is a large project, and one that will take a good deal of money, but it is very necessary. The city of Toronto does not wish to embark upon any work which is not useful. There are a

good many projects which people are talking about, but we want something which will be useful, something which will not represent a waste of money. Work in connection with sewage disposal in Toronto would benefit that city, and, more than that, it would benefit all those who are on the great waterways from that point down to the sea. That is something else to be considered. As it is now, sewage going into the lake not only affects the health of the people but kills fish. Would it be possible in order to undertake a project of that kind to guarantee the bonds of the city of Toronto, or would it be possible to let them have so much money to start with so that they might get a part of the work done? Certainly it is a very useful work, but the city needs assistance. I should like to see something done about it.

Mr. DUNNING: In this legislation there is no provision authorizing the dominion to guarantee the bonds of any municipality. I was under the impression that the credit of the city of Toronto stood very high, and I have no doubt that the city would be able to finance any undertaking of a general sort. But while possibly an enterprise of the kind mentioned by my hon. friend might not be self-liquidating, I have no doubt at all that there are many projects in Toronto which would be self-liquidating, and which, if financed under this scheme, would relieve the general credit of the city to such an extent as to enable them to do what they might wish to do with respect to other schemes that are not self-liquidating.

Mr. HARRIS: Would any scheme in connection with hospital extension be self-liquidating?

Mr. DUNNING: It depends entirely on the provincial law. In some cases hospitals are self-liquidating, while in others they are not.

Mr. ROSS (St. Paul's): With further reference to the sewage disposal question, I do not know of any work that could be undertaken in Toronto which would furnish so much individual labour, but I do not believe that the city of Toronto could borrow money at two per cent. With the assistance of the dominion government, however, they could, and if they did have something done along that line, it would not cost the dominion anything at all.

Mr. ROGERS: I wish only to emphasize one aspect of the resolution before the committee. Actually, although it does not so state, the proposed measure is presented as