

*Bank of Canada Act*

the Board of the Canadian Federation of Mayors and those who, in their province, are elected to the executive of the unions of municipalities.

As I say, that was not done enough in the past, and I am not blaming one government more than any other, because on several occasions, I had the opportunity of taking part in representations made to governments headed by members of the two largest parties here. As a matter of fact, I attended such meetings as the spokesman for the mayors of Canada and, this year, I was in attendance as a member of parliament—if I may say so, I was on the other side of the fence—and I feel I must conclude that, for all practical purposes, the Canadian mayors' representations do not amount to anything more than a social call on the federal parliament, nothing much ever comes out of them except perhaps—one must be honest—a few decisions, like the winter works program and some other projects which were implemented over the last few years.

However, the situation is now so serious that over-all policies must be conceived and established; this would necessitate an important amendment to the Bank Act or perhaps a new piece of legislation related to the Bank Act.

I am not forgetting—and this is my fourth point—that this fund whose establishment I am recommending should be some sort of a perpetual revolving fund for municipalities, with no final date, no time limit—as in the case of works financed by the government in the past few years—and offering privileged rates.

Mr. Chairman, in my speech of March 9 last, I quoted figures to show that municipalities have been assuming more and more responsibilities while their revenues have not kept the same pace; on the other hand, revenues of the federal and provincial governments have been going up all the time, but their responsibilities have not increased in the same proportion.

At that time, I did not have the latest figures, since I rose at the very last moment. However, this afternoon, I would like to sum up rather briefly the figures that I gathered in the 1965 statistics and which are valid for until the beginning of 1966.

Mr. Chairman, they show that 42.7 per cent of all government expenses in Canada are actually borne by the municipalities, while the federal government takes on only 34 per

[Mr. Mongrain.]

cent of them and the provinces, 23.3 per cent. On the other hand, as far as capital investments and capital costs are concerned—I am speaking of what must be borrowed specifically for capital expenditures—the percentage amounts to nearly 40.6 for the municipalities, 17 for the federal government, and 42.2 for the provinces. I shall not repeat the figures I mentioned the other day. Besides, they can be found on page 13808 of *Hansard* for March 9. They show that municipal revenues are not proportionate.

That is understandable, Mr. Chairman. School expansion is phenomenal and the number of hospitals increases following the adoption of legislation pertaining to hospital insurance or health insurance. The roads which have to be built in the towns to connect with the highways the federal government provides, the public utilities, slum clearance, urban renewal, parks and playgrounds, water sewage plants, recreation grounds, urban transportation, unemployment which constitutes a certain obligation, even at the municipal level, grade crossings that municipalities have to finance at least in part when they should be financed by the railways, all that entails heavy expenses. All those things prove, beyond any doubt, that as Canada develops, municipalities should develop also and borrowing facilities should be expanded to enable the municipalities to shoulder their responsibilities and meet the needs of their citizens; however, the reverse is happening.

So, our municipal councils, which now operate within the limits of their budgets, have to limit their capital investments to a point which is harmful, which paralyzes the expansion of the country and which gives rise to unemployment in certain cases.

Now, if there was any consistency, if there was any consultation between the three levels, a comprehensive policy could be arrived at, which would enable this third level—or first level, in my view—to fulfil its responsibilities with the result that it would relieve the provincial and federal governments of some duties.

Mr. Chairman, I have here a great many quotations I could read out in support of my argument. For many years, those things have been advocated. I have excerpts from briefs of the Canadian Federation of Mayors and quotations I could draw, for instance, from the special report of a Senate committee,