

Adjournment Debate

there have been delays, and this has had an effect on the municipalities because the community service program will provide about \$400 million for important and needed community services such as sewer and water facilities and other municipal infrastructure programs. Apparently the delay has taken place because the minister has not been able to negotiate a suitable arrangement with the Ontario government for the provision of this service to the municipalities.

The program, besides providing sewer and water facilities and funding for the services, will provide assistance for neighbourhood improvement, for cultural and recreational facilities, for insulation programs, for community buildings, and for facilities to convert waste into energy. The funding will be in the form of grants rather than loans. These grants can be used for debt servicing.

In my constituency, in the Algoma district, for instance, municipalities such as Sault Ste. Marie are looking forward to building large sewage treatment facilities and they need to know what kind of funding will be available under this program. Communities like Elliot Lake with new towns of 20,000 people need to know what kind of funding will be available under this program. Another town in my constituency in the Manitowaning district, the town of Little Current, applied last year for a municipal infrastructure grant. It was not able to have it funded, but it now has the approval from the provincial government to go ahead with the program. They need to know what kind of financial assistance will be available for the community service program in 1979, because they want to go to tender.

The federal government sets down the criteria for the program, and then the actual approval needs to come from the provincial government. But the question I want to put to the minister, and which I would like to have answered on behalf of these municipalities, is how soon final agreement will be reached with the province of Ontario on the community service program so that money can be made available to the municipalities to get on with these important and needed community facilities and services. I think that the time for action is now, and there should be no further delay because it is not only the municipalities in my constituency but many others across the province of Ontario that are waiting to know how soon this program will be implemented in Ontario and funds made available to the municipalities to proceed with these important community services and capital work projects in this fiscal year.

Mr. Thomas H. Lefebvre (Parliamentary Secretary to President of Treasury Board): Mr. Speaker, I wish to thank the hon. member for Algoma (Mr. Foster) for bringing this subject to the attention of the House and once again showing the interest which his constituents have in the many benefits that can come to his riding from the program announced by the Minister of Public Works and Minister of State for Urban Affairs (Mr. Ouellet).

When the minister replied to the question put by the hon. member he said that he was meeting with the minister and officials of the province of Ontario and that this meeting would

[Mr. Foster.]

be attended also by officials of CMHC. The results of that meeting, and of meetings earlier in the day between officials of the province of Ontario and CMHC, gave both ministers reason to believe that the negotiations which have been ongoing for several months would be brought to a successful conclusion with the signing of the required federal-provincial agreement very early in the new year.

● (2205)

There would seem to be every reason to expect that the benefits of this new program, which involve extensive grants of federal funds to municipalities, will be available to Ontario commencing early this year. A few weeks are required to allow the provincial minister to complete the necessary process of obtaining provincial authority to sign the agreement on behalf of the province of Ontario.

This is an appropriate time for me to remind the hon. member that this new program has been introduced to provide provinces and municipalities with a maximum degree of flexibility in the utilization of federal funds for a broad range of community projects and services. It will replace the assistance previously available through the Neighbourhood Improvement Program, the Municipal Incentives Grants Program, and the Municipal Infrastructure Program, all three of which had proved successful while in effect but were perceived in some quarters to be unnecessarily narrow and restrictive in application.

While there are criteria applicable to the acceptability of projects under this new community services program, they are sufficiently broad to offer the opportunity of participation to a larger number of municipalities to sponsor a broader variety of projects, at the same time including the types of projects eligible under the former programs. Within the terms of the criteria the provinces and municipalities have the responsibility for setting general priorities and selecting specific projects to be assisted out of funds budgeted each year. This represents no change from the manner in which the Neighbourhood Improvement and Municipal Infrastructure Programs were administered previously.

The negotiations with all provinces on this program are moving into the final stages, and the Minister of Public Works and Minister of State for Urban Affairs is expecting to have agreements signed with all provinces early this year.

GOVERNMENT EXPENDITURES—POLICY RESPECTING EX GRATIA PAYMENTS

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, on the opening day of this part of the session I asked the President of the Treasury Board (Mr. Buchanan) certain questions relating to the government's policy on ex gratia payments. I specifically mentioned four instances where it seemed to me, based on the definition of what is normally considered the basis for ex gratia payments, having reference to the government authorities manual, and other authorities, clarification was needed.