

the dominion is concerned, especially when we have in mind the fact that each legislature controls absolutely the municipalities within its borders. The municipalities are wholly the creatures at all times of the provincial legislatures. If we proceed to lend direct to the municipalities—and there is some question whether we could, as indicated by the leader of the opposition,—it would be open to any provincial legislature so to change the conditions under which its municipalities operate as to make it quite impossible for us to get the money back. We might as well face that. That being the case, seeing that we are rendering this assistance to institutions which are wholly the creatures of provincial legislatures, I think that when we are lending the money so cheaply, when we are taking the degree of loss on the loan which I indicated in my earlier remarks on the subject, the minimum security we should ask is that the province should guarantee that the municipality will keep the obligation it has incurred for a project; and remember, that the project must itself have the approval of the provincial government before it can become eligible for a loan under this statute.

Mr. BENNETT: And be self-liquidating.

Mr. DUNNING: And be self-liquidating. I would not regard it as a hardship, and I am sure the provinces would not, for the legislatures, if necessary, to meet for the very short time required to enable such amendments to be made to their municipal laws as would enable them to take advantage of this legislation. Before this session is over there may be, there will be, other measures which may involve a similar principle. If we are to extend the credit of this dominion to our various self-governing bodies of one kind or another it seems to me that we must take the constitutional aspect sufficiently into account and that we must receive such security as the people of Canada have the right to expect us to take, especially when the expenditure involves a definite annual contribution by the people of the whole of Canada to the people of a particular part of Canada who are organized into a municipality.

Mr. TAYLOR (Nanaimo): In view of the earlier remarks of the leader of the opposition (Mr. Bennett) and the remarks now made by the Minister of Finance (Mr. Dunning), I should like to know specifically, Mr. Chairman, whether in your judgment I am misinterpreting this resolution. I had no idea that I had done so. I instanced a certain municipality in British Columbia which had a

[Mr. Dunning.]

faulty waterworks and desired to improve it; desired to take out the old wooden pipes and replace them with concrete pipes. That is all work which would involve labour, and it would, as I see it, come within the purview and under the provisions of this legislation. Am I correct in so interpreting it?

Mr. DUNNING: You have omitted one essential qualification. The work must be self-liquidating.

Mr. TAYLOR (Nanaimo): Oh, yes. That was in my mind, although I did not state it.

Mr. BENNETT: And one other qualification.

Mr. DUNNING: The approval of the provincial government.

Mr. BENNETT: One other.

Mr. EULER: It has to provide employment.

Mr. DUNNING: That is the essential basis, yes. Might I ask my hon. friend if there is any unemployment in the municipality concerned?

Mr. TAYLOR (Nanaimo): Yes.

Mr. DUNNING: A great deal? That would be an essential primary condition.

Mr. ELLIOTT (Kindersley): Just to make the resolution unanimous, Mr. Chairman, I wish to endorse it for our group here. I can see that a great deal of credit will be derived from this resolution. I have in mind a problem in Edmonton which for a number of years has been debated, and which has been a financial issue; that is, the addition of another unit to the electric light plant of the city. I assume that would come under this resolution?

Mr. DUNNING: Provided it comes within the scope of the conditions I have named, yes.

Mr. MITCHELL: Will the minister tell us whether or not the federal government will accept the guarantee of the province of Alberta?

Mr. DUNNING: I am sorry that question was asked.

Resolution reported, read the second time and concurred in. Mr. Dunning thereupon moved for leave to introduce Bill No. 143, to assist municipalities in making self-liquidating improvements.

Motion agreed to and bill read the first time.