

be an expert on municipal works, but I did think that, having in mind the quantum or scope of the changes made in this bill and the very cogent remarks of the ex-minister in dealing with the necessity for a board, many of us in this chamber and people across the country would benefit a great deal from having some remarks from the minister in connection with this clause and the advantage or necessity now of having such a board.

I have not heard this afternoon the reasons advanced, in view of the change—I can understand it, perhaps, as originally envisaged—for its being thought necessary to have a board, or why it is thought a board will be helpful in this connection. I am very interested in this question and would very much appreciate it if the minister would explain to the committee why, in view of the changes in the bill, which to my mind take away so much of the necessity for having the board, we still have to set up this body. I hope the minister can help me in this regard.

Mr. Sharp: Mr. Chairman, may I deal specifically with the question raised by the hon. member for Qu'Appelle and asked again by the hon. gentleman who has just resumed his seat. I quite agree that if all provinces decide to use the procedures in paragraph 2 of clause 7 of this bill the board will be purely formal. But I do not want to force the provinces to take this course unless they wish to do so. I would like to repeat again that the function of the board is to exercise some judgment. An argument has been put forward here that the functions of this board are exactly the same as the functions that have been performed in connection with winter works programs. I assure the hon. gentleman that this is not so, and a reading of the bill will make this very clear. There is a test here that is not applied in other cases; namely a test of the additionality of employment.

The Deputy Chairman: Is the committee ready for the question?

Mr. Nugent: Mr. Chairman, I wonder if the minister would say one more word in this connection. He has said he does not want to force the provinces to take advantage of this provision if they do not wish to do so. I had the impression that this change was put into the clause at the insistence of the provinces. I wonder if the minister would tell us what is the likelihood that they will not want to use this provision. Has there been an indication from the provinces that they will not be doing this, or are we just speculating here?

Mr. Sharp: It is my understanding, Mr. Chairman, that some of the provinces may prefer the original procedure.

Municipal Development and Loan Board

The Deputy Chairman: Is the committee ready for the question?

Some hon. Members: Question.

The Deputy Chairman: Mr. Smith moves:

That paragraph (a) of clause 2 be struck out and that paragraphs (c), (d) and (e) be relettered accordingly.

Amendment (Mr. Smith) negatived: Yeas, 21; nays, 63.

The Deputy Chairman: I declare the amendment lost. Shall clause 2 carry?

Clause agreed to.

Clause 3 agreed to.

On clause 4—*Remuneration of chairman.*

Mr. Chatterton: Mr. Chairman, clause 4 (1) says:

The chairman of the board shall be paid such salary as is fixed by the governor in council.

The minister said earlier that the chairman was to be a member of the service.

Mr. Lamontagne: No.

Mr. Sharp: I said, the other two.

Mr. Chatterton: I beg your pardon.

Clause agreed to.

Clause 5 agreed to.

On clause 6—*Agreement with Central Mortgage and Housing Corporation for services, etc.*

Mr. Smith: Mr. Chairman, I hope the Acting Minister of Finance will be able to give us the assurance that most of the people who will administer this act will be employees of Central Mortgage and Housing Corporation and that this provision in clause 6 will substantially provide the staff for the board.

Mr. Sharp: Yes, Mr. Chairman, I can give that assurance. The intention of this provision is to authorize the board to enter into a servicing agreement with Central Mortgage and Housing Corporation. It is not intended to go outside, if the services can be provided by that corporation.

Mr. Smith: Does it contemplate that Central Mortgage and Housing Corporation will be paid for those services, or will they have to hire additional staff? If so, does the measure provide for their raising the necessary funds to do this?

Mr. Chatterton: I have another question, Mr. Chairman. Is the minister going to answer my hon. friend's question first?

Mr. Sharp: Mr. Chairman, I have been speaking to my colleague the Minister of National Revenue who is responsible for the