

*Municipal Improvements*

and will undertake public works to alleviate distress in their midst, although they can probably ill afford at the time to do so. That means a further increase of capital expenditure and of debt, even if the project for the time being is of a self-liquidating nature.

In the past we have had experience of similar enterprises and have, perhaps, spoken of them in terms which were rather gratifying; they probably served for the time being a useful purpose, but in the end proved to be a very decided hardship. I am thinking of such legislation that gave certain municipalities an opportunity of undertaking public enterprises on the basis of the government of Canada paying fifty per cent and the balance being found either by the municipality or jointly by the province and municipality. Those public works have now to be paid for; they are a debt upon the municipality concerned; the result is that it finds itself in the embarrassing position of having to bear the consequences of the debt, to pay the interest and to repay the principal over a period of years. I recall also grants which were made by this parliament in days gone by for technical education in the various provinces, to encourage the building of technical schools, to the cost of which the federal government made considerable contributions. Two or three years ago, however, the government of Canada decided to withdraw contributions to technical education. The result is that the municipality finds itself saddled with the expense of the proposition which it was encouraged to go into through the offer of the dominion government to find a certain amount of money in connection with the enterprise. I am not condemning it. It is all to the good. But in the end these municipalities find themselves with the obligation not only of providing interest on the debt and taking care of the sinking fund, but of defraying the cost of improvements and repairs of the buildings and paying the wages necessary in connection with upkeep.

Reverting to the matter of technical education, if the government had continued those grants the municipalities would have had no cause of complaint; but the government withdrew the grants. The result is that the municipalities find themselves burdened with the total cost instead of only a part of the cost of those enterprises. The buildings had to be maintained, and the purposes for which they were built had to be continued, and should be continued.

[Mr. Walsh.]

Mr. DUNNING: My hon. friend will pardon me, but surely he is not implying that particular weakness is inherent in this legislation?

Mr. WALSH: No. I quite agree with the minister. That is why I prefaced my remarks by suggesting that from the present aspect these projects appear to be self-liquidating, and there are satisfactory guarantees surrounding them. But so did the other enterprises, at the beginning, seem to be in the same category. For instance, I know of a certain city in Ontario that built three technical schools, on the promise of certain grants which were made through the provinces to the maintenance of this class of school. They took advantage of the situation, and it seemed to be very satisfactory, and was so as long as the assistance was continued, but it was discontinued, and the result is that the municipality is faced with the obligation of paying for the total upkeep. That is what I am afraid of in connection with this, even with all these guarantees.

Mr. DUNNING: But how could it be? The instance my hon. friend quotes rested upon the assumption that the federal government would continue annual grants from year to year forever or for a considerable period of time. No obligation under this legislation can arise upon an assumption of that sort. The municipality gets the money out and out; it knows that is all it will get. It must invest the money in a self-liquidating project; it must itself collect from the project the wherewithal to repay the federal government. It is not assuming that the federal government is going to continue to grant it money from year to year.

Mr. WALSH: Yes, I quite appreciate that the cases are not altogether analogous, but what I am trying to emphasize is that while we are starting out on this basis, I am not just sure where it may end. I am afraid that as a self-liquidating proposition, while it may be satisfactory for some years, over a period of time it is likely to become a liability; that is, we may be tempted to forget the circumstances surrounding the inauguration of such a grant as this. We all recognize the tremendous burden of taxation that rests upon municipalities at the present time. Many of them find themselves in difficult positions which are not of their own making but which were, so to speak, created for them. They undertook enterprises by way of relief measures during the past few years which have entailed upon them a tremendous debt,