

urban centres for the same number of dollars which we are spending today on what is a manifestly inefficient system.

Piecemeal additions to our transportation complex will not do. This is expensive, inefficient, frustrating and time consuming. With some foresight, co-operation, by comparing notes, and by using the best information available from other cities and other parts of the world, we can do better. We can have the best in the future for the same number of dollars which we are spending on urban transportation today.

The hon. member for Hamilton West (Mr. Macaluso) who spoke on the subject of urban development and transportation today has given a good deal of thought to this subject. He has spoken on other occasions. At some length he has told us about the impact of the motor vehicle on the lives of the people, not only of Canada but throughout North America, and in the other more advanced parts of the world. He has told us how this has tended to decentralize construction, how it has affected land values and how it has led to the downgrading of the core areas of our large cities. He has also told us how, with a properly planned transportation system, we can not only speed up communication but make a better use of our land, improve the mobility of the people living in these areas and extend to them more opportunities for a better life in the future.

I should like to refer briefly not only to the expenditure side, but also to how we might well pay for these developments. I think that, in the main, the amendments to the National Transportation Act which were passed during the last session were well advised. One aspect of them with which I heartily concur is that the principal modes of transportation should be self-liquidating; that is, they should pay for themselves by revenue garnered from that form of transportation. This in itself should be enough to pay for the means of transportation. In other words, wherever possible we should pay as we go, rather than subsidize the development by placing a tax burden on other forms of economic activity.

So, continuing on in this vein, I think that on our new throughways, arterial roads, highways within cities, tunnels under harbours and so on, we should either charge tolls or levy other taxes on the users of these new facilities. I read with some interest a recent speech given by the Minister of Finance (Mr. Sharp). He said he was told that property taxes in Canada in relation to income are

higher than they are in any other advanced country of the world.

We cannot load too much more on to property, nor should we tax unduly improvements to property. We should not discourage people who wish to improve their homes, factories, office buildings, and so on. We should levy the tax on those who use these transportation arteries. The type of tax I have in mind is the tax on gasoline. A tax on gasoline and diesel oil was referred to and indeed recommended in a recent report in Quebec.

I think we might look to the United States for a good working example of how to finance these transportation arteries. I am now referring to a good textbook on the subject of urban transportation entitled "Urban Transportation; The Federal Role". The author is a man by the name of Smerk, and it was published in 1965 by the Indiana University Press. In the United States there have been numerous pieces of legislation dealing with highway construction, road construction, urban renewal and, latterly, federal assistance for the development of highways and throughways within municipalities.

On page 131 I read that in the mid 1950's the United States embarked upon the construction of the national system of interstate and defence highways, under the terms of the Federal-Aid Highway Act of 1956. An interesting feature of the act of 1956 was the establishment of the highway trust fund, marking the first time that a tax income from motor vehicles and highway expenditures had been linked. The aim is to make the highway program self-financing. A recent federal publication in the United States, as quoted in this publication, states:

The federal aid highway program operates on a pay as you go basis and its cost is paid entirely by highway users. No revenues from general taxes, such as the income tax, are used to finance federal aid for highways. The federal tax on motor fuel and certain other highway-related taxes go into a highway trust fund which provides the money for the federal aid payments to the states.

The order of magnitude of these expenditures is very interesting. It is very considerable and runs into billions of dollars. These funds represented nearly 50 per cent of the \$7 billion invested in the construction of roads and streets by all levels of government in the United States in 1961. These figures are even higher today.

The Acting Speaker (Mr. Richard): Order. I regret to advise the hon. member that the time allotted to him has expired.