

I hope that this task will soon be undertaken by the people of Canada. We are in the position in this parliament of being continually held in contempt by reason of the fact that we have not in many cases the necessary legislative power to deal with problems that are truly national. We should acquire that power, and should do so in the interests not only of the dominion as a whole but of the individual provinces as well; for they have many duties now cast upon them which they cannot adequately discharge. The matter of unemployment relief and a program of works that will create employment is in my opinion a national one. I think this parliament is wise in bringing forward legislation such as this, because this is dealing with a national problem; if the validity of our act in so doing is challenged, we shall come to a solution of the problem all the sooner. The hon. member for St. Lawrence-St. George served a useful purpose in directing our attention to this question.

Mr. SLAGHT: Will the Minister of Finance (Mr. Dunning) be good enough to supplement his very clear explanation of the proposed bill by giving us a list of the projects which a municipality might be expected to go on with under the loans they would receive under this measure, so that we may get a better idea of the type of project he has in mind?

Mr. DUNNING: It is very difficult to give an answer to that, because of the variations that exist between the municipal laws in force in the various provinces. In some municipalities the provisions with respect to certain types of public works base capitalization and amortization on a service charge, whereas in another province the same utility is dealt with on the basis of general taxation; it is absorbed into the general scheme of things. In some provinces institutions such as the local government board in Saskatchewan—I forget what they call the similar body in Ontario and Manitoba—have a degree of authority over capital expenditures which enables them to determine whether the projects shall be a charge against the general municipal levy or be developed upon the basis of a service charge. It is quite impossible, therefore, to give a categorical answer. Really, "self-liquidating project" is the only definition I could find which would embrace all that I had in mind.

Mr. BENNETT: Three illustrations are given—waterworks, electric light systems, and gas plants.

Mr. DUNNING: Yes. They are given because in practically all provinces they are

dealt with on a service charge basis. But there is another type of case. There are waterworks already in existence, with old wooden stave pipes laid many years ago, and which involve at the present time a very high maintenance cost because of frequent breaks. The question then is, can that municipality, as a result of two per cent money and a low amortization, finance a new water main at less than or at approximately what it is now expending in trying to maintain an out-of-date, obsolete and very expensive utility? That is another illustration.

Mr. BENNETT: Plus possibly an additional charge.

Mr. DUNNING: Plus possibly an additional service charge. I see no way of defining it at this stage any more closely than by laying down the principle that the project undertaken under the act shall be self-liquidating. Obviously we do not want to broaden it to a point where it would encourage municipalities to go into unproductive enterprises.

Mr. BENNETT: "Self-liquidating" governs that.

Mr. DUNNING: Yes, and I am quite sure from the representations received thus far from municipalities all over the dominion that there is ample demand for help of this sort for enterprises which will be self-liquidating.

Mr. WALSH: I have a very complete and sympathetic understanding of the attitude assumed by the hon. member for St. Lawrence-St. George (Mr. Cahan), and the opinion expressed by the hon. member for Selkirk (Mr. Thorson). I do not wish to be understood as in any way opposing this resolution or offering anything in the way of destructive criticism of what the Minister of Finance (Mr. Dunning) proposes to do. I recognize the necessity of public works, particularly of the character which the minister has suggested, even in the resolution, but there is a question in my mind whether the works to be undertaken would continue to be for any length of time in the self-liquidating category. I am always distrustful of legislation which encourages public expenditure when the body making that expenditure is probably not in a position to bear the cost. This seems to be a measure which could be interpreted as encouraging public expenditure on the part of municipalities even if it is placed in the category of self-liquidating assets of those municipalities. In many cases municipalities will seek to take advantage of what is offered in order to improve certain local conditions