

*Municipal Development and Loan Board**(Text):*

Mr. Smith: Does the minister not think that if the board exercises much discretion or judgment, as he has suggested, it is quickly going to impinge on provincial rights? It would seem to me, having read clause 8 of the bill and the other clauses, that there is little discretion left for the board. This money will be merely a bank. Does he not feel that there is an area of potential conflict with provincial jurisdiction through the appointment of a board?

Mr. Chatterton: Before the question is answered, I should like to ask the Minister of National Revenue, who is now responsible for Central Mortgage and Housing Corporation, whether in his opinion the corporation and its staff would have been competent to carry out this proposal if they had been made the responsible organization? Before the answer is given, may I say that I feel we should always remember there is a tendency within the civil service to enlarge itself. I feel it is up to the government to take positive action to stop that trend. Keeping that in mind, should the government not have considered whether your corporation could have handled this?

Mr. Garland: I wonder if the hon. gentleman fully appreciates what is being done here. The board is going to be a very small one and I believe the chairman will be the only member who will receive any remuneration. In addition there will be senior civil servants on the board.

In so far as the corporation is concerned, I do not believe I could agree with him that the corporation should be set up as the judge of these projects. I feel that the short term nature of the fund and the need for speeding up these projects that would not otherwise have been undertaken, makes it imperative that the program be handled according to the proposal in the bill. We will establish a board chairman whose chief responsibility will be to pass these projects that are submitted to him with the greatest possible speed.

Mr. Chatterton: Did I understand the minister to say the board would be composed of senior members of the service?

Mr. Garland: Yes, other than the chairman.

Mr. Chatterton: It does not say so here.

(Translation):

Mr. Frenette: Mr. Chairman, can the minister tell the house whether he has estimated how much time will be required before this new council is really efficient and before results of its work make themselves felt in this country? How long will it take before we get material results, once the bill is passed, of course?

Mr. Sharp: We are confident that this can be put into effect to have the desired effect upon employment this winter. We feel that the additional amount of machinery that has to be established would be the minimum. In my judgment and the judgment of the government, this method of dealing with applications and administration will have the effect of reducing rather than increasing the cost of administration, because in one way or another there must be people to handle the work, and the board method seems to us to be the most expeditious and economical.

Mr. Hamilton: Mr. Chairman, the point I would like to make to the Acting Minister of Finance on the question of whether the board can be eliminated or not, comes from the fact that he stated the government originally thought, when it was going to set up this municipal development fund, that there should be a board to administer this very large program of helping municipalities and providing opportunities for employment.

This readily envisages a situation in which the government would think of this as one of its major economic moves to lower unemployment but when it had to go to the provinces and retreat from the position it had visualized itself in, and when all the machinery will now be at the provincial level, then it is obvious to all of us who have had experience in these matters that there is nothing for the board to do. Therefore it is a farce to say we need a board when the machinery is all in the hands of the provinces.

One of the reasons behind the winter works program in 1957 was because it was recognized, at the federal government level, that if the federal government were to give a stimulus to employment it would be very expensive to do it at that level, and what we ought to do was to use the machinery of the municipalities and provinces to help employment in the winter months. This same principle has now been forced on the federal government by the provinces.

What we are saying on this side is that since this whole grandiose vision of a tremendously large program of municipal aid from the federal government has now dissipated, and the program is being turned over to the provinces to administer, then all that is needed at the federal level is an auditor or two and a few engineers. To tell us we need a man at the senior civil service level brought in from the outside, and two senior civil servants, makes it look as if this board were going to do a great deal, but actually from the experience we have had, and which this government will get in time, the Department of Public Works and Central Mort-