

*Adjournment Debate*

ment we envisaged or planned under the community services contribution program. In fact, there was a shortfall of some \$1.236 million from that program. The minister indicated that he hoped to meet with the provincial minister of the environment, Mr. Norton, in the very near future to work out a very suitable arrangement to cover the shortfall. I hope the parliamentary secretary in responding this evening will be able to report further to us on that meeting and the developments from it.

● (2220)

Equally important to that matter is the question of the payment of these funds. I should like the parliamentary secretary to report on that tonight. Under the previous program, the community services contribution program, the municipality would construct the infrastructure, the sewer and water system, and then wait sometimes six months or a year to actually be reimbursed for it. In the days when interest rates were 3, 4, or 5 per cent, that procedure may have been acceptable. But in this day and age when small municipalities are paying up to 20 per cent and more for money to carry massive projects like this one, involving more than \$1 million for a year, they are faced with several hundreds of thousands of dollars in interest and carrying charges.

I put the question to the minister in the House on October 27, which happened to be the same day on which the minister announced the program. I asked whether the minister would consider advancing the payments from the federal government under this program as the work progressed which would save municipalities, many of which are strained to capacity attempting to finance major projects, literally hundreds of thousands of dollars. The minister said that he had not had an opportunity to work out the exact details of the program with the provincial government, but that he would certainly take my representations into consideration.

I hope the parliamentary secretary in responding in the House tonight will respond in a positive fashion to that suggestion. It is not only desirable, it is absolutely essential. We are not talking about only three or four municipalities in my constituency. We are talking about literally dozens of them across the province of Ontario, all of which will take advantage of the Great Lakes Water Quality Agreement during the next three years.

I plead with the minister and the parliamentary secretary to follow the suggestion I made in the House a few days ago and to ensure that no more additional costs are loaded on to these hard-pressed municipalities by requiring them to carry large financial burdens of high interest rates over a period of six months or a year or, in some cases, even longer.

● (2225)

**Mr. Roger Simmons (Parliamentary Secretary to Minister of the Environment and Minister of State for Science and Technology):** Mr. Speaker, first of all I should like to thank the hon. member for Algoma (Mr. Foster) for raising this issue again tonight and also thank him on behalf of the minister for his words of commendation to the minister both tonight and on October 27 when the minister made the announcement of increased assistance to municipalities for sewage treatment facilities under the Great Lakes Water Quality Agreement. This federal assistance will enable Ontario to put in place those facilities needed to honour Canada's commitment under the Canada-United States Great Lakes Water Quality Agreement with respect to municipal sewage treatment.

The hon. member raised the question of whether the minister of the Environment (Mr. Roberts) will consider paying the grants to the municipalities concurrent with the pace of construction, rather than at the end of construction, so as to avoid the municipalities having to finance these grants in the interim period. It is a viewpoint with which we have considerable sympathy. On October 27 the minister undertook to raise that issue with his provincial colleague, Mr. Norton. I am not in the position tonight to say whether that discussion has taken place.

The proposal of the hon. member for Algoma introduces a problem by virtue of the nature of the agreement under which we are funding the cleanup of this municipal pollution. The federal agreement will be with the province of Ontario, not with the municipalities.

Under the Canada-Ontario agreement it is the provincial government which undertakes to fulfil certain of the obligations of the Canada-United States agreement, and hence the implementation of the program lies with the province and the flow of federal grants is through the provincial government.

I would like to indicate that through our agreement with Ontario, the province will ensure the completion of municipal sewage works costing approximately \$355 million in support of the international water quality agreement. Canada's share of this amount will be \$65 million, which brings to more than \$600 million the amount of federal money expended in the cleanup of municipal pollution.

The provincial government will submit to the Government of Canada certified statements of account for eligible expenditures on or about the end of April, July, October and January of each fiscal year. Interim financing charges incurred by the municipality during construction constitute one of the eligible project costs for which assistance under this program is provided.