

Municipal Development and Loan Board

of sewer assistance, for example, or something like the winter works incentive program. It seems completely unnecessary to have a board and I think it will lead to administrative difficulties.

I remind the minister of the difficulties that were created as a result of the joint operation of the Farm Credit Corporation and the Veterans Land Act administration. They finally had to separate because the employees found that they had two bosses and they did not know to whom they were responsible. My specific question is this: Are these employees of Central Mortgage and Housing Corporation going to be responsible to the board under the agreement or will they be responsible to the corporation?

Mr. Sharp: I do not want to prolong the discussion in the committee, but when this bill was drawn it was the judgment of the government that it would facilitate the operation of this measure if, instead of having a minister directly responsible, there should be a board which would act under the direction of the minister, but in between him and the municipalities and the provinces. It is always a question of judgment as to the best form of administrative machinery. I have listened to what the hon. gentleman has said. I am still satisfied that the board, in the form in which it is set up in this bill, will facilitate rather than hamper the operation of this measure. The board will not be a large institution and will not create many new offices.

There must always be a question of judgment in these things and this bill was drawn up, of course, on the advice of people within the public service who have had some experience with these matters. Their judgment accorded with the government's.

Mr. Prittie: I wonder if the minister could give us some estimate of the probable number of new employees who will be required to run this board?

Mr. Sharp: I doubt if the number will exceed a dozen, and perhaps it might be fewer.

Mr. Smith: Has the minister any reason to believe that the administration of sewage loans by Central Mortgage and Housing Corporation has been unsatisfactory? Is it proposed that substantial application under this measure will be dealt with by Central Mortgage and Housing Corporation employees?

Mr. Sharp: The short answer to the hon. gentleman's question is that the board is expected to exercise some judgment, just as the minister would. The central purpose of this measure is to increase employment and

it is necessary, therefore, in judging applications to decide whether a particular project, in respect of which a loan is being applied for, will have the effect of increasing employment. In that respect this program differs from the sort of program dealt with by the hon. gentleman's question. This is one of the reasons it was felt originally that it would be desirable to have some sort of board that would, in the first instance at least, exercise some judgment.

Mr. Chatterton: This objection does not apply to the winter works incentive program where the same type of discretion was exercised. In that case, too, the corporation has to certify that the project would increase employment, and yet this program was operated without creating any new organization.

Mr. Starr: I feel that the government should reconsider the establishment of a board and the added expenditure thus incurred, especially at a time when we should be cutting down expenditures. After all, this fund will only amount to \$400 million to cover a period of three years. This means about \$133 million a year. I might point out that the municipal winter works program created work to the extent of \$245 million per year just for a few months during the winter. This is a much smaller fund with which to provide employment than even the municipal winter works program.

In so far as the sewage program was concerned, it had the same features in it, the loan and the forgiveness clause. This, too, was a very successful program which was designed to generate employment and it also was handled by the present staff or people designated from Central Mortgage and Housing Corporation.

There is not going to be any great difficulty in making up one's mind as to the projects that will be submitted. Certain types of projects are outlined in the bill as being admissible. The people who will be responsible for the administration of this measure will make up their minds, in communication with others, as to any project that might be submitted, and agreement can be arrived at without any delay. Under the circumstances, I think it is unnecessary to establish a board to administer some \$130 million a year. I do not know what they are going to do in between, because certainly there is not going to be an avalanche of projects coming in on a continuing basis. It may be that during certain periods of the time these people will be busy, but the remainder of the time they will be sitting around drawing additional moneys for doing nothing.

[Mr. Chatterton.]