

*Municipal Development and Loan Board*

I will give an example concerning a large municipality in my constituency. They have a five year capital works program. They are planning a new municipal hall. For several years now they have set aside a certain sum of money out of current revenue to provide a reserve fund to build a municipal hall some time in the future. If this clause is interpreted literally they would not be eligible because they were going to build it in any event.

Last night the Minister of Finance said that if they accelerated it they might be eligible. Would they be if they accelerated it by one day? Would they still be eligible? It will be extremely difficult to administer this provision. Furthermore, those municipalities that have capital project plans for the future are penalized because municipal officers are often asked to submit certificates by the provincial governments and they really have to perjure themselves if the project is to become eligible. From a practical administrative point of view I think this provision should be eliminated and that the scope of the whole program should be widened as promised by the Liberals in the last election.

**Mr. Nugent:** Mr. Chairman, in connection with clause 7 (1) (a) I should like to say something much in line with the remarks of the previous speaker. Beginning in line 28 the clause reads:

—and that its inclusion therein will not result in any other capital works project of the municipality being replaced or postponed within such period.

This is going to be a little difficult to determine. Perhaps I am merely labouring the administrative difficulties, but where there is a financial incentive to a municipality to undertake a certain project, no matter what their inclination might have been originally, and where the total amount of the capital available or the total amount of the indebtedness they are willing to incur is limited, I am wondering if there is any possibility that this clause will ever see any use whatsoever. If there is a change of mind by the municipality I cannot imagine they are ever going to say that they had not intended to carry out a particular project because it might cost them money. Perhaps this has to do with the perjury angle mentioned by the previous speaker.

I cannot see the practical application. I do not think this clause will ever be used to select what shall or shall not come within the legislation. I can only see its provisions being avoided. In fact, I think that the practical application of the legislation is going to be limited in any event by the amount of money that is available. What is going to happen is

that only this type of project will be proceeded with in these municipalities, and no others will be proceeded with. They will simply say that this was all they intended. It would seem to me to be more sensible to allow both the municipality and the province additional leeway which might result in more honesty, as my friend has just suggested. Give them a choice of any project for which they are willing to incur indebtedness.

**Mr. Hamilton:** Mr. Chairman, this afternoon the first part of my remarks will be in the form of a question to get an assurance from the acting minister that certain things will happen. Second, I wish to make a comment which I think should be made on this particular clause of the bill. Am I right in assuming from reading clauses 7 (1) (a) and 7 (1) (b) that if an urban municipality has a capital works program extending over the next 10 years and they go to the province and demonstrate that they are going to speed up the program beyond their ordinary rate of progress, then the amount of the speeding up to provide extra employment will be covered by this legislation?

I have in mind here a program, let us say, for the streets of Ottawa. I think every Canadian would be very glad in the national interest and from the point of view of national pride if a good foundation could be laid under these streets so that there would not be potholes big enough for badgers to find refuge in in the spring.

My second point is a fundamental one. It has often been said that in this house many members speak and vote only on behalf of the particular group they happen to represent. This comment is made quite often about those who represent farmers. It is said that we ask the people of Canada to support the government of the day in carrying out a program that will help an individual group like the farmers to achieve some stability, and a higher level of income. I should like to make it very clear how I stand with regard to this bill. I support assistance by the government to the large city municipalities and the smaller ones too, because I believe by making transportation systems more efficient in our cities, by stepping up the development of social capital in our cities and towns, we are helping all Canadians and not just the people of the cities. I wish to make it abundantly clear that I support the social purposes of the legislation, and I hope that the time will come when I will hear those from urban ridings support constructive measures in aid of agriculture if they are in the interest of all of Canada.