

Water Resources

programs. Such planning grants should be generous enough to ensure that studies will be undertaken promptly, on a regional basis, wherever needed.

(c) There should be a long-term program of financial aid, guaranteed to last for at least five or possibly ten years, along the lines outlined in more detail in the main text. The aims of such aid should be:

(i) to give not only loan support but generous grant aid, to municipalities or regional groups of municipalities, to enable them to proceed with essential programs of general benefit to the health and economy of the nation as a whole;

(ii) to assure that no undertakings essential to pollution control (for example, projects to relieve the overload on combined sewers) should be omitted for lack of municipal financing—

At page 14, in discussing major obstacles to action, he says:

The second is that senior government financing, when offered at all,

(a) is not offered in a form which encourages regional cooperation;

(b) is limited generally to loans which only add to an already heavy municipal debt burden—

• (3:30 p.m.)

We know that the municipalities and the provincial governments are now paying an interest rate of 10 per cent and upward whenever they borrow money. Therefore, it is not surprising that faced with the prospect of sharp increases in municipal taxes and the opposition of local taxpayers they should be, to say the least, loth to proceed as rapidly as they should with the extension or construction of sewage disposal systems. It would probably cost Montreal \$100 million or more to build the treatment facilities necessary to clean up the sewage which flows from a city of 2½ million people, and in the light of its financial difficulties it is hardly surprising that the city of Montreal has not been inclined to move in this direction. Mr. Bee-croft goes on to say:

Senior government financing . . . is seldom effective in bringing industries into conformity with water quality standards and into co-operation with municipalities in their region.

He talks about the capacity of the municipalities to pay for this work, and says:

A factor to be taken into account is that municipalities do not have the revenue-raising capacity necessary to warrant a substantial enlargement of municipal debt and that furthermore to make matters worse for municipalities, other requirements of very high priority and very costly—education, transportation and traffic, and comprehensive measures of redevelopment—are competing with water supply and water purification for the limited revenue resources.

It is true that the minister in his speech in November spoke about the increased aid

[Mr. Orlikow.]

which municipalities could get from Central Mortgage and Housing Corporation. I do not know on what information the minister based that part of his speech, but a return on October 23, 1969, in response to a series of questions asked by my hon. friend from Kootenay West (Mr. Harding), gave an entirely different impression. We were given a list of municipal sewage loans approved under the National Housing Act and the applications received by CMHC from June 1 to December 30, 1969. Among the towns whose applications were refused were Halifax, Hamilton and Saskatoon. I mention them because they are among the largest cities in a long list of municipalities whose applications were turned down.

These are the facts. The municipalities have a major role to play if we are to deal effectively with the pollution of Canada's waters. The municipalities have made it clear repeatedly over the last ten years, in representations to the federal government, that they simply do not possess the financial resources necessary to play the part which they must play if we are to deal effectively with this problem.

What has been the government's answer? Partly, I suppose, because of the constitutional view taken by the Prime Minister that the municipalities are creatures of the provinces and that the federal government cannot, therefore, deal with them directly, hon. gentlemen opposite take the position that the federal government cannot do more than it is doing. For my part, I think the Prime Minister's view on this question is a mistaken one. However, I do not wish to discuss this aspect of the government's policy in detail. I would refer hon. members who are interested in this subject to the speeches made, unfortunately outside this chamber, by a former mayor of Toronto, the hon. member for York West (Mr. Givens) regarding the failure of this government to deal with the problems of the cities.

In addition to all this, we are faced with the determination of the government to follow a program of austerity. Mr. Speaker, we cannot follow a program of austerity, we cannot cut down the funds expended by the federal government, while attacking a problem of this magnitude. The federal government cannot follow a program of austerity while at the same time helping the municipalities to extend or build new sewage disposal facilities by means of generous loans or subsidies whose effect would be to lower interest rates for such work.