

Municipal Development and Loan Board

though large deficits would be incurred, is much greater than that proposed through the new loan board. As the legislation stands at the present time it will fail in the two purposes it has in mind. It will not do very much to get at the long deferred projects of our cities and municipalities, and it will not make that much difference to unemployment. I should like to think that the government will take another look at this and decide that the \$400 million should be applied within a 12 or 18 month period instead of over a period of three years. To conclude, Mr. Chairman, any help which is given to the municipalities is welcome, but I submit that this measure will fail in its main purpose, which is to try to improve employment in Canada.

(Translation):

Mr. Paul: Mr. Chairman, we in this chamber have all heard about the famous 60 days of decision of the present government.

Some hon. Members: Hear, hear.

Mr. Paul: What appals me the most is to see the hon. members opposite applauding. What are they cheering about? What has the Liberal party done since it came to power?

On the evening of the fifty fourth day, we have witnessed a shameful attempt by the present government to violate the Canadian constitution.

This afternoon, the Minister of Finance (Mr. Gordon) has explained the resolution now under study. According to him, that measure should be more than effective in dealing with unemployment. We all want to see the Canadian economy move forward and one can wonder if that measure, outside its constitutional aspect, really offers an effective remedy to the worsening unemployment situation in our country.

Up to now, it has been impossible to know whether the provinces have been consulted in regard to the act proposed in the resolution under study.

On May 20, 1963, the hon. member for Brome-Missisquoi (Mr. Graftey) asked the Minister of Justice whether he had consulted the provinces about this measure. As can be seen on page 38 of the official report, the Minister of Justice replied in these words:

Mr. Speaker, I am aware of no communication such as the one mentioned by the hon. member.

Mr. Chairman, will a member of the cabinet inform the committee of preliminary consultations which might have been entered upon between the provincial and federal authorities.

Someone may reply: We do not have to consult the provinces. We would then witness

[Mr. Prittie.]

an attempt to transgress the Canadian constitution as glaring as the one made by Messrs. St. Laurent and King when they were prime ministers.

Mr. Chairman, we must stop and ask ourselves under what power the present government intends to legislate in a field under the exclusive jurisdiction of the provinces, since paragraph 8 of section 92 of the British North America Act says clearly that the provinces have exclusive jurisdiction over the field of municipal legislation.

The present government asks us to pass a resolution that could unbalance existing legislation, especially in the province of Quebec. I do not know the municipal legislation systems of the other provinces, but in the province of Quebec, municipalities are governed by two special acts. First there is the cities and towns act, and then the municipal code which governs rural municipalities, township or parish municipalities. Those acts provide means of borrowing that are available to municipalities in order to carry out work under their jurisdiction. On the other hand, the proposal under study ignores legislative provisions, administrative rights that belong exclusively to the provinces.

Mr. Chairman, if we consider the resolution we read this:

That it is expedient to introduce a measure to promote increased employment in Canada by the provision of financial assistance by way of loans to municipalities—

Now if the primary purpose of the measure is to assist municipalities, and if the central government really wants to help the provinces, the Minister of Finance should allow the provinces to make a further deduction of 2 or 3 per cent on personal and corporate income taxes, which would result in an increase in the revenues of the provinces that would enable them to assist municipalities in the carrying out of their projects. By doing that, we would respect the Canadian constitution and we would not interfere with the rights of the provinces, as suggested by this resolution.

Under existing provincial legislation, municipalities wishing to borrow money must go on the market and ask for the required loan through the official gazette of Quebec. The organizations interested must tender in regard to the loans to municipalities and send their tenders to the municipalities within the period allowed previously in the regulations and stipulated in the notice.

Therefore, in order to comply with the provisions of existing municipal bylaws in the province of Quebec, the federal govern-