

must be enforced by the federal authorities, that low-cost loans must be available to municipalities and to certain industries to ensure no further delay in the building of sewage treatment plants and plant clean-up, and that an Environmental Council of Canada should be established without delay.

Mr. Speaker, this motion covers so much ground that it is next to impossible to discuss every aspect of it. Still, I should like to call the attention of the House to that part of it which reads as follows:

—that low-cost loans must be available to municipalities and to certain industries to ensure no further delay in the building of sewage treatment plants and plant clean-up—

Mr. Speaker, the essence of the motion is contained in those lines. I feel that it is imperative that we solve the financial problems of the municipalities to ensure sewage treatment.

Setting up an environmental council, adopting standards and passing laws will be useless if industries and municipalities remain in their present sad situation. We have always said, and I repeat it, that the problem is financial.

Let us hear all the speeches to be made this afternoon and evening, and we will always come to the same conclusion: we are facing a tremendous financial problem. Thus, I would like to draw your attention to a newspaper article published in October 1968 in *La Presse* and entitled: "Some companies will be unable to survive pollution control". This is what it said:

The federal Minister of Resources, Mr. J. J. Greene, has declared yesterday that some Canadian firms will be compelled to close down because of the government program on pollution control.

The Minister explained during an interview that pollution was now everybody's problem, but that pollution previously caused by certain industries was their direct responsibility.

The business community must consider the steps that are required to fight pollution as part of the production costs which, needless to say, will ultimately be borne by the population.

Mr. Greene said that Canadians would have to be prepared to accept these additional charges and slightly higher prices as being the cost of living in a healthy atmosphere.

Certain industries may perhaps not be able to pay the cost of pollution abatement measures and will then have to shut down.

"But the federal government understands this point and I think that the public must be prepared to pay for this economic dislocation", said he.

Mr. Speaker, the minister was then suggesting that we should be prepared to pay the cost of pollution abatement, and that certain industries might not be able to foot the bill. He also admitted that the problem was of a financial nature.

In February 1970, I received a letter from Mr. Fowler, President of the Canadian Pulp and Paper Association. This letter related to the federal budget and pollution abatement.

First of all, Mr. Fowler called the minister's attention to the problems for factories which must all tackle the job of not polluting the water and treating it.

And I quote:

... the pulp and paper industry solicits that your next budget include the following provisions:

1. Elimination of federal sales tax on construction materials, equipment and supplies purchased for the purpose of depollution.

#### *Request for Environmental Council*

2. Easing of regulations concerning amortization so that capital expenses directly related to depollution may be amortized over the period most favourable for the firm (the amount to be amortized could be considered as an expense or amortized over any period chosen.)

3. Federal grants equivalent to one third of capital cost of work carried out to bring existing industrial plants in line with any regulations set up concerning depollution (the government could also allow, instead of such grants, amortization calculated on a broad evaluation of the capital expenditure, having the same financial effect for most companies.)

The above provisions would, in our opinion, facilitate the implementation of depollution called for by various legislation and regulations, among them the Canada Water Act.

I could go on for the rest of the day quoting texts, newspaper articles or statistical data supporting the fact that the problem of pollution must be dealt with, and promptly. I know that the Minister of the Environment (Mr. Davis) is aware of the problem and I urge him to give careful consideration, as a possible solution, to low interest loans to municipalities or industries which urgently need these loans and apply for them.

I am surprised to see that a party to my left is supporting this measure and this is gratifying. It proves that all the Social Credit party's interventions to this end have not been in vain. Not so long ago, we were being called all kinds of names when we mentioned interest-free or low interest loans.

I think that municipalities should be entitled to such loans, at least with regard to sewage disposal, and that companies should be able to obtain low interest loans with a much longer write-off period, or even enjoy some tax exemptions.

• (1540)

We will obviously not be talking in terms of thousands of dollars since the problem is of such magnitude that it will require enormous expenses. The main problem is to determine what the federal government is able to do. A brief dated October 26, 1965, by the Canadian institute for the control of water pollution, stated and I quote:

(13) Legislation and tax procedures at the federal, provincial or regional levels should be established and amended so as to insure the most economical and efficient financing of the development, operation and improvement of the facilities for the treatment of sewage waters.

I agree on this point, but towns are facing an even more pressing problem. Industries make profits from which they can deduct tax payments. Actually, most of them are prosperous. But municipalities do not possess the same financial means as a large industry. After all, the damages resulting from unchecked municipal pollution are paid by Canadians.

How can you hope that municipalities like Bromptonville, Richmond, Windsor, Asbestos, which are all in my riding, can abide by the government's criteria while their budgets show a deficit year after year? How do you expect the resident of Brompton or Windsor to pay higher taxes for pollution control facilities? Actually, these facilities have been totally outrun by budgets 50 per cent of which is earmarked for debt servicing.

The federal government in co-operation with the provincial government should immediately grant interest free loans to municipalities to enable them to deal with pollu-