

The Budget—Mr. Bourget

Are municipalities better off financially? Has the Conservative government increased the incomes of the municipalities across the country? I have no hesitation in saying no, because the financial situation of our municipalities today is perhaps worse than it was under the Conservative regime of Mr. Bennett in 1930.

Last October the executive of the federation of mayors and municipalities met with the Prime Minister here in Ottawa, and explained their predicament. The Prime Minister merely said: "We cannot do anything".

Such was the help given to municipalities. It will perhaps be argued that an attempt was made to do something when, in October, \$15 million were voted for unemployment work projects. But, the federal government, far from helping the municipalities, was laying on their shoulders the heavy burden of expenses required to implement those projects. This has been proven. I myself have referred in this house to the case of the city of Quebec which had to pay over 100 per cent of the cost of those projects. I hope we will not be given as an example this \$15 million voted to the municipalities in order to relieve unemployment.

It will be said, in any case, that the Conservative government helped the municipalities. Far from it! They have been thrown into deeper debts, to solve a problem which, according to what our friends said when they were in the opposition comes under the federal government.

What has been done about it? Municipalities were given the difficult task of solving the problem and, ran deeper into debt. That was the assistance given to municipalities.

Mr. Speaker, I wish to point out that, as far as the financial situation of our country, and more particularly its credit, are concerned, the discount rate of the Bank of Canada, which can be considered as a yardstick, has increased sharply since last year. In fact, from 1.12 per cent on July 31, 1958, it now stands at 4.86 per cent, while it is only 3.07 per cent in the United States.

It is therefore reasonable to conclude that, far from improving under the Conservative administration, the financial position of our municipalities is getting worse from day to day. Besides, I am not the only one to note this state of affairs, because I had the opportunity recently to read an article entitled "Financing Handicapped" in the *Winnipeg Free Press*. I quote:

[Mr. Bourget.]

(Text):

The criticism has attracted attention here for two reasons. In the first place, Mr. Gardiner has no party axe to grind. He is a prominent Ontario Conservative considered to be very close to Premier Leslie Frost.

(Translation):

I shall only quote the final paragraph of the article, where Mr. Gardiner refers to the present position of the greater Toronto council, and to the position of Canadian municipalities in general. This is what he said:

(Text):

But Toronto Metro is experiencing great difficulties in financing municipal projects. Federal policy, says Mr. Gardiner, has had the effect of increasing interest rates on financing while, at the same time, reducing the amount of money available for borrowing purposes. In 1954 Metro was able to borrow at 3.5 per cent. In March of this year the rate was 5.4 per cent.

(Translation):

There, sir, is further evidence of the plight of Canadian municipalities who would borrow to carry out their projects.

Mr. Speaker, I have to hasten, because my time is almost up, and I would be grateful if you allow me a few more minutes.

It has been said that the Minister of Finance has shown a lot of courage—

Mr. Deputy Speaker: I am sorry to interrupt the hon. member, but I must tell him that his time is up. I even allowed him two additional minutes.

Mr. Noel Dorion (Bellechasse): Mr. Speaker, I would like first of all to offer my humble congratulations to the Minister of Finance (Mr. Fleming). His task is both thankless and complex. In a country as varied and as diversified as ours, where finance is conditioned by a great number of factors on which the governing authorities are far from having complete control, where trade, agriculture and industry depend not only on the domestic market but also and mostly on the international market, it is not easy to hold the strings of the nation's purse. Consequently it was often and rightly said that the budget is the expression, if not the most truthful and the most accurate, at least the most tangible and the most palpable expression of the conditions prevailing in a country.

Indeed, you can trace back in the budget, through financial results everyone can see, the mistakes and errors of the past, as well as the justification of the hopes one may entertain for the future. It can be said that there