

*Municipal Development and Loan Board*

of discretion and wisdom will be needed in the administration of this scheme.

I am concerned about the reference to the municipal transit systems. Clause 7 (3) (e) reads:

—municipally owned public transport or transit facilities, exclusive of rolling stock and similar operating equipment.

I was pleased to see this reference to transport systems. It represents recognition of a situation which is likely to cause a great deal of trouble at municipal level. One of the things automobiles did was to condition the public to spending tax dollars for expressways and leading them into a penny wise, pound foolish attitude. Money spent on public transit systems does not have a great deal of political appeal, though money spent on highways seems to have tremendous political appeal. Yet money spent on municipal transit systems may go a long way toward the maintenance of secure financing and the preservation of the heart of the city itself. I took up this morning's *Globe and Mail* and saw the following in an editorial:

Metro Chairman William Allen has scheduled an early meeting of heads of departments to consider what projects should be put forward as desirable for financing by the new fund... An example is the Bloor-Danforth-University subway—

I do not know whether the subway which is being scheduled meets the requirement as to eligibility. As I read the bill I do not think it does. But I would think that a rapid transport system is clearly the kind of project which should fall squarely within the scope of this legislation. I hope the phrase "exclusive of rolling stock and similar operating equipment" does not mean that a municipally-owned transport system which attempts to acquire a new fleet of buses, for example, is totally inhibited by the operation of this clause. I can understand that a municipality might have to find its own rolling stock if it were engaged, for instance, in the construction of a project such as the Bloor-Danforth-University subway, but I think we have to provide sufficient flexibility to enable other municipalities to do those things which are logical and right in the particular circumstances in which they find themselves. I hope this clause is not intended to meet exclusively the case of one municipality where at the present time, it would, perhaps, be logical to go underground. A transit project, whether it is underground or over the surface, should make sense and should reflect whatever way happens to be most efficient and most economic without either frustrating or bankrupting the resources of the municipality.

[Mr. Francis.]

**Mr. Chatterton:** I should like to suggest to the government that they completely remove subclauses (1)(a) and (b) from clause 7 so that any municipal project recommended by a provincial government might be eligible for assistance under this act. I make this recommendation on two grounds. In the first place, the municipalities expect it, because of the promises made by the Liberal party during the last election campaign that a program of over-all assistance to municipalities would be introduced by this government. I realize that the Minister of Finance said last night, as reported on page 2931 of *Hansard*, that it was not the purpose of this bill primarily, or even indirectly, to ease the financial plight of the municipalities. On the other hand, I should like to quote from a full page advertisement which appeared in the *Victoria daily Colonist* on March 31, 1963. The heading is: "Make Loans and Grants for Municipal Services", and it states:

We need better streets and roads to reduce traffic congestion, better public transit, less pollution, more schools and parks. A municipal development and loan fund will be established to provide capital for sound municipal improvements which provincial governments approve but for which financing is at present inadequate.

It is only at this point we come to the sentence:

The fund will play a big part in creating new jobs.

In other words, the promise made by the Liberals was that the creation of jobs would be incidental to the main program, which would be to assist municipalities.

The minister also said last night that if the \$400 million were used before the expiry date of this measure in 1966, parliament would be asked to vote more money. I suggest the municipalities expect this government to do more than simply provide help in the creation of employment. They expect some assistance in their financial difficulties, and by deleting these two requirements he could go a long way in providing such assistance.

The second ground on which I suggest that these requirements be deleted is because of the practical difficulties which are likely to arise in the course of administration. The bill refers to anything that municipalities would not have been able to proceed with, without such assistance. The question arises, how can a provincial government certify that a municipality would not have proceeded without this assistance or would have proceeded without it? It becomes almost impossible. Even in the winter works incentive program it was very difficult to submit such a certificate, but under that program the projects were small.