

Mr. DUNNING: That is not the question with which my hon. friend was dealing and which caused me to interrupt him. The question my hon. friend raised was as to the terms of debentures issued by his municipality. The terms of those debentures are subject to the approval of the legislature and government of Manitoba; they are not within the control of this parliament. I was not dealing with the general question of interest rates, but with the specific statement my hon. friend just made.

Mr. LEADER: Yes, the finance minister is entirely right in that regard, but I was going on to say that our municipality has the money in the bank and could pay them off; in such circumstances I do not consider it is much of a hardship to continue paying six per cent interest. I just gave that as an example. But there are millions of dollars of municipal obligations in this dominion in respect of which the municipalities cannot even pay the interest, yet the federal government refuses to give them the power to scale down their high interest rates.

I was going on to say that in Portage la Prairie last year the rink was burned down. I suppose a building such as that would come under this classification, because it is revenue-producing and would be self-liquidating. A vote was taken in the city and a by-law passed guaranteeing bonds, amounting to about \$25,000, to build a rink. The city borrowed the money from a private individual and they are paying six per cent on it and were glad to get it. But it is too much in view of the fact that we can borrow money now at two per cent.

Let me give another example. The city made an extension of the waterworks system, expending \$70,000 to \$80,000 last year. I presume they borrowed that money, and I presume also that they are paying six per cent for it. The point I make is that there must be something this government can do to scale down these interest rates from six per cent—or perhaps more—which we are now paying, to two per cent. If that were done, out of the interest the municipalities would save they could themselves undertake many of these projects, and it would not be so necessary for the government to guarantee the bonds of the municipality as provided in this resolution.

I am not condemning the resolution; nevertheless it is an encouragement to municipalities to go further into debt. Under prevailing conditions I believe the resolution is in the interests of Canada, and I want to congratulate the Minister of Finance and

the Minister of Labour upon suggesting this plan. But I say again that I believe this government should undertake—and it has been too long delayed—to scale down the interest payable on the public debt, including municipal, provincial and dominion.

Mr. DUPUIS: Would the expression "other self-liquidating municipal project" include a municipal market building and accommodations in which the city charges the farmers fees for their stands?

Mr. DUNNING: That would depend on whether the facility contemplated was being provided on a definitely self-liquidating basis—that is to say, whether on examination the scale of fees provided, a reasonably conservative estimate of the extent of the patronage, and the experience of the past, demonstrated to the satisfaction of the province and of the dominion that the project would be self-liquidating.

Mr. BENNETT: And whether they were Liberals.

Mr. DUNNING: But if it is a proposal merely to erect a market building without any conditions at all with respect to the project paying for itself, the answer would be no. It would depend entirely on the set-up. It would not have anything to do with the political complexion of the municipal council, as suggested by the leader of the opposition.

Mr. DUPUIS: I want to corroborate what the minister has said and relieve the mind of the right hon. gentleman (Mr. Bennett). The project I have in mind is a proposal to provide accommodation for a large group of vegetable producers around the city of Montreal, who for many years have been asking for it. At present they are confined in a very small space around Bonsecours market, so much so that they cannot approach the market with facility; if they do they are pushed back by the police, or fined. The consequence is that there has been established in Montreal a kind of trust which controls the whole vegetable market, to the detriment of producers and consumers. Some years ago I was asked by all the vegetable producers around Montreal to represent them before the legislature. The right hon. gentleman will see that I was not playing politics in that case at all; for the Liberal party was then in power in Quebec, and I fought that case on behalf of the vegetable producers. We could not obtain accommodation, owing to the objections of the municipal administration of Montreal at that time, unless the whole project were submitted to a referendum. It would appear