

Community "A" is now endeavouring to float a bond issue amounting to several millions of dollars for the construction of trunk sewers, street paving and sidewalks. A reputable informant told me just yesterday that investment bond dealers feel the issue cannot be sold (a) because of the marginal state of the debt carrying capacity of the community, and (b) because the Department of Municipal Affairs would probably frown on the issue in any case because of the added burden it would have on the already top-heavy funded debt of the municipality.

Community "B" is a community that grew out of the sticks. It began with no laid watermains or sewers of any description. It is now a fairly large and fast growing municipality. At the present there is a community waterwell, but no water piping. The water is distributed by means of a large water wagon. As it comes down the street, a boy rings a bell and householders come out and purchase their water requirements by the pail. The community is unable to float a bond issue that would be acceptable to the investment market, so they worked out a deal with a contractor to finance the needed watermain and sewer construction and have turned over to him as collateral, or as a guarantee of payment, the entire equity which the municipality has in its already paid for public works improvements and capital plant.

This is municipal financing with a vengeance!

Another current example related to the problem of sewers is that in one of the oldest communities in Canada. The original sewerage system is now literally falling to pieces. It will have to be replaced. Moreover it does not embrace the entire area of the now built up and expanding community. To replace the old sewer system and extend it to cover the entire built up area will cost in excess of \$2 million dollars. The funded debt of the municipality is less than \$2 million dollars. The dilemma that the community is confronted with is obvious. The present answer is that the old system must continue to suffice and the new areas must go without sewer connections.

The municipal governments have been fighting the past in their endeavour to deal with the present insofar as their finance problems are concerned. There is the deadweight of the accumulated and under-discharged debt load of an earlier period. There is the obsolescence of much of their capital plant. They are also fighting inertia and a not inconsiderable measure of indifference in some quarters where their plight should be more readily understood, appreciated and acted upon.

It is for these reasons that they have been seeking and urging a Dominion-Provincial-Municipal Conference for the sole and express purpose of considering ways and means whereby the municipal governments of Canada can be placed in a position to more adequately discharge the responsibilities which devolve upon them. The anticipated informal meeting which is to be held in the fall of this year between the Federal Government and representatives of the Federation and to which reference has already been made by previous witnesses, is a move in this direction. It has been made clear that it will be unofficial and informal and will decide nothing. But it will be exploratory and should pave the way for subsequent meetings between all three levels of government when the municipal problem in its entirety can be frankly faced up to and ways and means hammered out to deal with it... and in such manner that municipal governments in all provinces will thereby be put in a position to get on with the backlog of jobs that they frankly have been unable to deal with and, at the same time, provide the means whereby they can more adequately plan their future requirements already fast rushing upon them.

Hitherto, the Government of Canada has recognized, in principle and in degree, that the national revenue and financial facilities available to the Dominion Government should be brought to bear on some segments of the urban growth problem. Numerous shared cost programs have been entered