

*Municipal Improvements*

a very definite part of the program submitted by the government to deal with the unemployment situation, and we have to consider the legislation in that context. For some years past it has been accepted as an obligation of the dominion government that we should assist the provinces in dealing with unemployment. We have accepted that obligation and have discharged it in a number of different ways. We have assisted the provinces through contributions for what has been termed direct relief. For a number of years we have also assisted the provinces in what has been known as a joint works program. Under some of these programs we have actually made contributions to municipal projects. I might mention in that connection the Winnipeg sewage disposal plant which is now being completed. That work was commenced in 1935 under the preceding administration and the obligation was assumed by the present government when it came into office. That was a definite contribution by the dominion to a municipal project. It has seemed wise, however, and in this I am entirely in accord with what has been said by the hon. member for St. Lawrence-St. George (Mr. Cahan), and the hon. member for Selkirk (Mr. Thorson) that we as a dominion government should confine so far as possible our own expenditures to projects that are definitely within federal jurisdiction.

As we look back over our past experience we must admit that much confusion has resulted from the policy of conditional subsidies and grants in aid for specific purposes, which has been followed in the post-war period. But in this legislation the dominion government is not making a definite contribution to municipal projects as such. We are rather giving the support of the credit of the national government to the municipalities in order that they may relieve unemployment and provide themselves as they see their need with these self-liquidating projects. That is the essential purpose of the legislation which will be founded upon this resolution. It is designed, with the housing legislation to be later presented, to assist in the revival of the construction industry in Canada. On the basis of authoritative information that comes to us from those engaged in the industry and also from the bureau of statistics, it can be said that there is no branch of employment in Canada that is more capable of rapid revival under proper stimulus than the construction industry. If we can through housing legislation and assistance of this kind bring about a very considerable improvement in the construction industry, that will be of very great assistance

[Mr. Rogers.]

in enabling municipalities across the country to reduce relief rolls and provide work as a substitute for the idleness in which, perhaps of necessity, so many of our people have been involved under the administration of direct relief. So that in the consideration which we give to this resolution it is important to keep before us at all times that the purpose of the legislation is to relieve the unemployment situation which now confronts the country.

Mr. LEADER: I rise to support this resolution. I believe it should result in some very useful work and provide employment for great numbers of our workers. But the thought that strikes me now, as it has on former occasions, is that we are able to borrow money at such a low rate of interest compared with the rates now being paid for municipal undertakings and other works in this country. I believe I am justified in mentioning that fact again this afternoon, and pointing out to the minister and the government that they should undertake by some means to scale down interest rates now being paid. Let them attack the problem as they did in England and in Australia.

Mr. BENNETT: Building loans are paying five per cent in England.

Mr. LEADER: This resolution proposes to lend money to the municipalities at two per cent. In comparison I want to take as an example my own municipality, the rural municipality of Portage la Prairie. We are paying six per cent on debentures, and have been for nearly twenty years. Furthermore the municipality has the money in the bank to discharge those obligations. I asked them last fall why they did not pay them off, and they said they had not the power. On account of the term of the agreement—which I do not wish to repudiate—they could not pay them off. It seems to me they should have power to pay off those debentures and save that six per cent.

Mr. DUNNING: If my hon. friend will permit me, that is a matter for the legislature of Manitoba. He cannot lay that condition at the door of this parliament. The provincial legislatures legislate for the municipalities; we cannot control that in this house.

Mr. LEADER: Well, I must repeat what I heard the premier of Manitoba say not two months ago, that if the dominion government does not scale down the interest rates of this country the province of Manitoba will undertake to do something in self-defence.