

Inquiries of the Ministry

in November 1962, and supported the principles of Social Credit, does he not think that if he was sincere at that time this would be one time when he should fall in line with the views that he voted for?

Mr. Gordon: Mr. Speaker, I tried to follow that question. It seems to me the right hon. gentleman was emulating the style of the Secretary of State for External Affairs.

Mr. Starr: Wait till he hears that.

Mr. Bell: You would not say that if he was there.

Mr. Gordon: If I am right in thinking the right hon. gentleman was asking me whether the Government favoured the policies put forward by the Social Credit party, the answer is no.

Mr. Starr: Then why did you vote for them?

Mr. Diefenbaker: Well, so there is no mistake, has the hon. gentleman changed his views since he voted in favour of this, something which we voted against but which he and his associates supported?

An hon. Member: Yes or no?

MUNICIPAL DEVELOPMENT LOAN FUND—USE OF UNALLOTTED AMOUNTS

On the orders of the day:

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, perhaps I can get the Minister of Finance to shed his veil of silence by asking him a question with respect to the municipal development and loan fund legislation regarding which he made an announcement this afternoon. Could the Minister tell the House whether all the funds which were voted by Parliament are likely to be used up? If they are not completely depleted in all the provinces, is there any possibility that whatever is left could be allocated to the provinces which have already reached their maximum allocation but still have applications on hand?

Hon. Walter L. Gordon (Minister of Finance): Mr. Speaker, it is difficult to say categorically that the funds allocated to every province will be used up to the extent of the full 100 per cent, because it is too soon; this program has another nine months to run. Therefore, as I cannot forecast this particular matter, I think it would be inappropriate for me to indulge in speculation.

Mr. Douglas: A supplementary question. Could I ask the Minister whether the Gov-
[Mr. Diefenbaker.]

ernment would give consideration at least to processing the applications which provincial governments have on hand? This may require additional funds but would not need a great amount in addition, and would also not penalize the municipalities whose applications were late in being dealt with.

Mr. Gordon: Mr. Speaker, I am sure my hon. friend and all other hon. Members of the House who recall the passage of this legislation, which I was glad to hear others agree has been a great success, know that the administration and allocation of the funds as among municipalities was left, and properly so, to the provinces concerned. In some cases, I think in most cases, the provinces felt that only they were in a position to determine whether it was wise for a particular municipality to be granted a loan for a particular purpose. To suggest that the Federal Government should interfere in this arrangement which has worked very satisfactorily would not, I think, be a wise suggestion to accept.

Mr. Douglas: A supplementary question. Surely the Minister is aware that I did not suggest interference. I asked the Minister whether the Government was prepared to consider providing additional funds to cover applications which were already on hand to be processed in those provinces where the funds which were allocated have been depleted.

Mr. Gordon: I apologize if I misunderstood my hon. friend's question. The processing of these applications is a matter for the provinces. They have held some of them up, presumably intentionally. They knew how much money was available for the municipalities in their provinces and they proceeded to allocate it as they thought best. I think it would not be the intention of the Government in any way to interfere in that process.

[Translation]

Mr. Réal Caouette (Villeneuve): Mr. Speaker, I would like to ask a supplementary question.

The Minister of Finance just said that all those loans to municipalities are usually approved by the provinces. Did the federal government ever make a loan directly to a municipality?

If the municipality must apply to the provincial authorities in the first place, and if the latter then apply to the federal government in order to obtain the required funds, can the Minister of Finance tell us if the