

management or pollution control. This would imply the need for an extensive program of research that goes beyond the purely technical aspects to consider the social and economic implications of pollution as well.

Municipal Organization.—Although the 1961 Census showed Canada having only 18 metropolitan areas or large city complexes of 100,000 people or more, within these areas there were some 260 separate municipal government jurisdictions, together with an unknown number of semi-independent, single-purpose special authorities such as school boards, water boards, transit and utility commissions, and sewerage districts. In the opinion of the Council, it is doubtful whether this multiplicity of independent municipal units within a single metro economy is or can be effective in coping with the range and multitude of urban problems. The Council called for rapid modernization of local government structures, powers and administration, with the clear aim of building a structure of local government whose physical area of responsibility, extent of authority and political and administrative machinery are all in line with the range and scope of the problems to be dealt with. In many cases this would mean larger area boundaries and in others it would require more effective arrangements for inter-municipal co-operation and co-ordination. In the field of area-wide structure, the Council suggested that only strong provincial leadership is likely to be effective in the face of the attachment of local interests to entrenched fragmentation.

Municipal Finance.—Many municipalities in Canada have been caught in a squeeze as their own revenue sources—mainly the property tax—have failed to keep up with their spending requirements. In 1953-63 these taxes rose one and one half times as fast as personal income. The need to make annual decisions about whether to raise tax rates or assessment has some clear advantages for budget restraint and is in the interest of municipal taxpayers, but in the view of the Council it may create some built-in discrimination against services performed at the municipal level no matter how important they may be in relation to growth or the general welfare. In the large urban areas the squeeze will become tighter over the period to 1980 unless action is taken. The Economic Council said in part:—

“ . . . there is now a widening gap between the expanding responsibilities and the revenues of the larger cities of the country. This is now a nation-wide problem, and it is clearly necessary either to shift further responsibilities and related costs to higher levels of government or to develop and support local revenue systems so that they are more closely related to both the benefits and burdens of an increasingly complex, urbanized society. In either case, the change can be accomplished only within a comprehensive fiscal planning framework covering all levels of government.”

Subsection 2.—The Atlantic Development Board

The nature and magnitude of the economic problems of the Atlantic region have been the subject of numerous studies over the years, and of frequent submissions to federal authorities and royal commissions. All of them indicate that, compared with the remainder of Canada, the economy of the Atlantic Provinces (New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland) has been characterized by significantly lower levels of per capita incomes, manpower utilization, productivity per worker, capital investment and public services. The Federal Government has responded to these persistent problems in several different ways, one of which was the establishment of the Atlantic Development Board by Act of Parliament in December 1962 (SC 1962-63, c. 10). The Act was amended in 1963 (SC 1963, c. 5) and 1966 (SC 1966-67, c. 31). The first amendment established an Atlantic Development Fund of \$100,000,000, and the second increased it to \$150,000,000. In addition to this Fund, the Board received \$55,000,000 (\$30,000,000 in 1965 and \$25,000,000 in 1967) in special Parliamentary appropriations to assist the four provinces in trunk highway improvements on a cost-sharing basis.

Functions of the Board are basically twofold: to undertake programs and projects aimed at stimulating the economic growth of the region; and to prepare, in consultation