

Unemployment Measures Lacking

Then number eight, the extension of the municipal winter works incentive program. Here is a program which the Liberals used to call peanuts, a bagatelle, when it was first introduced in the house. This is the program that stimulated over \$1 billion worth of projects undertaken by municipalities. This is the program that, on average, in the last two years gave temporary employment during the winter months to some 150,000 Canadians each and every winter for the past two winters. The government say they are going to extend the winter works program. The Prime Minister (Mr. Pearson) said in Moncton, New Brunswick, on February 27 of this year, when he was vying for votes across Canada:

A new Liberal government would create jobs where they are needed, through municipal winter works, and would have to step in and do more than what has been done in the past in this field.

Well, Mr. Speaker, what have the government done? They have increased the amount of money which could be paid to the municipalities for the construction of a municipal building from \$50,000 maximum to \$100,000. But what did the government do on the other hand? They cut down the program by six weeks. These are six of the most productive weeks for the municipalities, because of the heavy winters in certain parts of the country. They are six weeks which the municipalities begged for; the former government was willing to co-operate and granted them the six weeks, but now this government cuts them out. This is what they mean by extending the program. This is what they mean by providing more employment. This is not working in the right direction but in the wrong direction. By doing what they are doing they are curtailing the activity of those who might be usefully employed in the winter months. In fact, they are creating unemployment in the winter months as a result of their policy.

This, Mr. Speaker, is just about the gist of the whole program they have put before the people. They played it up, framed it and made a great hullabaloo about it, which actually means nothing more from the point of view of new jobs than that undertaken in the past. In fact, it may have the effect of curtailing the whole program.

The municipal loan fund was introduced in this house, and the government made a great play about it. As a matter of fact, when the Prime Minister spoke to the mayors and municipalities at the time, he said in as many words to the municipalities "Come and get it; we are going to give you \$400 million". Well, Mr. Speaker, the provinces came to Ottawa and told the Prime Minister how they wanted to get it. It was not in the way the Prime Minister wanted to give it, but

[Mr. Starr.]

they told him how they wanted to get it, and they got it. This loan fund, as I mentioned earlier, has been built up as an instrument to create some 30,000 jobs a year. I say to you right now, Mr. Speaker, that this is nothing but a hoax, a hoax perpetrated with the aid of newspapers and periodicals and advertisements. However, this fund is good for the municipalities, not for the creation of any new jobs. This is going to give municipalities loans they would normally get in the conventional market, but for about one half of 1 per cent less than when they issue ordinary debentures. It also gives them an advantage because there is a forgiveness clause. But will they undertake any new projects as a result of this loan? I say that because of their financial structure, their financial position and the per capita debt they have now incurred, they are not prepared to undertake any new projects other than those that are absolutely necessary and which have been planned and are now on the planning boards. I understand the city of Toronto are going to take some \$40 million for the construction of an addition to their subway system. This addition to the subway system is nothing new; it is a continuation of a plan which has been in existence for years, and they would have undertaken this work regardless whether this municipal loan fund had been put into effect by the government or not. They would have borrowed the money in the regular, conventional market from which they had borrowed previously. However, they are going to get it at a cheaper rate, and when they have completed the work in a certain period of time, under the forgiveness clause they will get back 25 per cent. But it will not create any more jobs than would have been created in any event. I venture to say that the whole \$400 million will not provide more than a handful of new jobs.

The municipal winter works program has stimulated a great deal of work in the municipalities, and it is a program which they welcomed. This program has brought about over \$1 billion worth of projects in the last five years, and as I mentioned earlier has provided jobs over a period of some 45 days average, to some 150,000 Canadians in the past two winters. But this program the government has taken upon itself to do away with to quite an extent; it has decided to curtail this activity.

From the statements made by the Minister of Labour (Mr. MacEachen) and the Minister of Finance (Mr. Gordon) there is some doubt in the house whether the municipal loan fund will be available to municipalities who will participate in the municipal winter works incentive program. When each minister was