

Supply—Public Works

because formerly only projects up to \$9,000 were financed out of this grant. Now, projects up to \$14,999 are financed out of this grant and since this \$1 million is for all Canada, even if the maritime provinces do get perhaps a little more than their share, when it is divided among the separate provinces and is broken down among the different ridings the miscellaneous grant is still inadequate for the demand which is made upon it. I trust the minister will give consideration to these few suggestions I have made.

Mr. Pearson: Mr. Chairman, I have just a few words to say on this general discussion of public works and perhaps I would not utter them if it had not been for what the minister said a week ago in the rather extravagant claims he made for the program of public works which had been put forward by his government as a cure for unemployment. We heard a lot about this last February and March and I thought perhaps we would not have those arguments repeated in a discussion of the estimates of this department. No one, of course, on this side deprecates the importance of a program of public works in respect of national development. There can be no argument on that score and the public works which have been initiated and completed by the Liberal government when it was in power is an indication of our attitude toward public works and national development.

Nor can one quarrel with the idea that in a time of recession public works can be very useful indeed in creating employment, especially municipal public works, local public works, which can be started quickly, on which men can be put to work quickly and which do not require long planning and a great deal of red tape to be unrolled in federal headquarters before work can actually begin. No doubt economists will argue for a long time about whether public works or tax reductions are most effective in a time of recession. However, that argument is apart from the matter we are considering now because both can make their contribution to what we are seeking, more employment, though perhaps it should be pointed out that one of the difficulties and disadvantages in a great program of public works as a way of curing unemployment is that great expenditures on public works do provide a basis for the creation later of inflationary pressures. I have no doubt that is in the minds of the government when they consider public works because we still have the problem of inflation with us in the midst of a period of recession.

But to put forward as it was put forward, a couple of months ago and indeed was mentioned a week ago, a program of public

[Mr. Carter.]

works as a cure for our troubles did not make sense then and it does not make sense now. As has been pointed out in this discussion and previously, this great billion dollar program of public works was nothing more or nothing less than a collection of all the public works in the estimates of the previous year, some of which were on the verge of completion, some of which had just begun and some of which were new. To put that forward as something great and new in our public works history was, of course, something which had no basis of reality.

We have had an opportunity now to examine that electoral program of public works in the light of the estimates now before us and that examination certainly confirms the feeling we had at that time that the great billion dollar program was really the estimates of the previous year and that there were a great many things included in that program which had and could have no influence whatever on employment at this time. If members of the committee, as I have no doubt a good many of them have done, will examine the summary of standard objects of expenditure and special categories attached to the estimates they will get confirmation of the fact that the program of works for 1958-59 is by and large in its amount not greatly in excess of that which covered the year 1957-58.

For instance, taking item 13 of the table, the item dealing with construction or acquisition, the amount voted for 1957-58 was \$374 million and the amount in the estimates this year is \$380 million, not a very great increase. Under the item for repairs and upkeep—and they were included in the electoral program put forward—the amount this year is \$50 million and the amount last year was \$48 million. Item 16, construction or acquisition, is a very large item indeed and formed a very large proportion of the billion dollar program that was going to do so much. The amount under that item last year was \$548 million and this year the amount is \$546 million, a decrease of \$2 million. By and large the program in its amount is not greatly in excess of last year. This casts a rather lurid light on this great new billion dollar program of public works.

Mr. Green: I think the Leader of the Opposition should point out in fairness that the figures he is quoting now do not refer to the Department of Public Works.

Mr. Pearson: They include of course, some works under the jurisdiction of my hon. friend's department.

Mr. Green: This is a summary of all departments. For example, equipment includes