

*Interim Supply*

urge the government to expand spending in the public sector. We have urged them to forgo their outmoded goal of a balanced budget in times of near depression and mass unemployment, and to increase spending to enable our people to get back to work and expand the social capital so badly needed in this country at all levels of government.

The Minister of Finance told us yesterday that \$109 million that had been allocated for the construction of public buildings by the federal government had been slashed from the federal budget. We think that was a grave error. We hope the minister will soon discover, and we hope it will not be too late when he does, that this is the worst possible action to take to put Canada back on its feet. It is simply going to make Canada's situation even worse.

The minister told us that \$33 million in grants and subsidies was being slashed from the federal government's spending program, and this included \$3½ million that would have been used for hospital construction. I suggest to the minister that in Canada today we not only need this kind of spending to stimulate the economy and put people back to work, but we need just as much of the things it can provide. When we have overcrowded hospitals in British Columbia—partly owing to the fact that we have a Social Credit government, I suppose—and throughout the rest of the country, I suggest to the Minister of Finance that this expenditure is one which ought to be reinstated at the earliest possible moment.

The federal government has at its command the power to regulate public investment. This is a power which should be used to make available to the municipalities of this country low interest loans that would enable the municipalities to get working on the backlog of community requirements which all of them have; but if the government is going to pursue its fallacious tight money policies I suggest that Canada is just going to get into a worse mess than it already is in.

Over the past few years the government has had a municipal winter works incentive program. Last winter \$35 million was expended by the federal government on payroll costs in connection with that program. This is commendable as far as it goes, except that it does not get to the root of the problem. These expenditures were designed to enable municipalities to take on their payrolls people who would not otherwise have been employed last winter. It was an emergency measure, but we suggest to the government most seriously and urgently that it should consider getting to the root of the problem by enabling municipalities to go into the money market to borrow the money they need to get on with the projects that they

feel they have to undertake, and which are most urgently required in communities right across the country.

If you are going to regulate public investment in order to plan the economy you have to regulate private investment as well. This is a step which the other parties in the house so far as I can tell, and I have listened attentively to their spokesmen for three weeks, are not prepared to take. But you cannot just half plan. If you are going to regulate public investment you have to regulate private investment. Our government should be prepared to regulate the location of new industries, to concern itself with the expansion of existing industries, to concern itself with the development of new projects, to provide loans to cover the cost of installing plants and to encourage industry to locate in those areas where there is chronic unemployment.

Unless the government are prepared to take action in these respects, there is not a great deal that we can expect them to accomplish. I suggest that the government cannot any longer permit the fundamental economic decisions which affect the future of the country, which affect the future of all members in this house and of all people right across this nation, to be taken by the leaders of private industry without the elected representatives of the people having any right to intercede on behalf of the people.

I suggest that to make the managing director of the Argus Corporation a member of the privy council is not precisely what those of us who have urged economic planning had in mind. We argue that when private industry is taking decisions which are going to determine the location of new industries, which are going to determine whether in years to come our children will have jobs, whether we will be able to afford to educate our children, whether we are going to manufacture essential or frivolous products in this country, the government of this country ought to intercede and express the public interest with regard to these matters. I suggest that until we have a government in this country that is prepared to plan in this way we are never going to achieve prosperity and full employment.

Now, many Conservative spokesmen ask how you are going to get the money for all of these things you say you want to do? We know how hon. members opposite would get the money. Their conception of government is one man with a printing press. But we believe the money is there. If Canadians' savings were put to work there would not be any shortage of Canadian dollars. Most of our people are paying off mortgages on their homes, paying into pension plans and buying life insurance. These are the savings of the