

to offset a decline in private investment. In the Proposals of the Government of Canada, a programme involving all levels of government was outlined that would, in addition to providing employment, add to the productive wealth of the country through the conservation and development of natural resources and additions to its capital equipment. In that part of the programme entirely within Dominion jurisdiction, the Government planned to undertake public works; conduct surveys, mapping, inventory work essential for the conservation, development and management of natural resources; expand its research operations in such fields as agriculture, mining, forestry, fishing, construction, develop inter-provincial or regional resources such as the watershed on the east slope of the Rockies; initiate demonstration projects on special resource problems; provide improved national transportation and communication facilities; carry out census surveys on facilities and conditions in the primary industries, housing, community and regional planning. Preparatory work in many of these fields is now under way.

In co-operation with the provinces, the Federal Government planned to assist in raising provincial standards for the conservation, protection and development of natural resources; in providing new access roads to undeveloped mining and forest areas; in the construction of such transportation facilities as the Trans-Canada highway, railway grade crossings, airports; in promoting such national programmes as facilities for technical education, hospitals, etc.

Recognizing the principle that timing the execution of public projects is most important in stabilizing employment and income at a high level, the Government Proposals suggested that this integrated public investment programme, should include useful postponable projects on which expenditure could expand in times of low employment and contract when employment is high. To encourage provincial and municipal governments to adopt timing policies similar to those of the Federal Government, timing grants were to be given the provinces for fully-planned projects executed in a period designated by the Dominion. In order to ensure adequate projects for such a scheme, the Canadian Government also proposed to offer the provincial and municipal authorities grants covering part of the cost of planning approved projects.

Lack of success on the part of the Dominion-Provincial Conference to reach agreement made it impossible to proceed with discussion and implementation of a national public investment programme on the scale outlined above. However, in its own investment policy, the Dominion has adopted the practice of timing its programme to complement private investment. A public projects branch has been set up to screen the Government's own programme so that only essential projects will be undertaken at the present time. This Branch is also gathering together information on the size and scope of the current investment programme and is building up a federal shelf of worthwhile public projects for the future. During the reconstruction period, the Government has provided a special vote to cover construction areas of acute unemployment, to finance essential development projects if normal channels of finance are unsuitable, and to provide funds for planning public construction projects and advance acquisition of sites.

Shortages of material and labour have led to some restriction of investment expenditures on the part of provincial governments. This should help to produce a backlog of projects that can be undertaken in a future period of slackening private investment.

2. Investment by existing public-owned enterprises

Utilities such as hydro-electric commissions, railways, telephone companies, have fairly extensive plans for future developments. As these projects usually involve long construction periods there is still a great deal to be done and the investment programmes of such enterprises will form an important part of Canada's overall plans for offsetting future unemployment.