

vote of the Department of Finance to enable such projects to proceed during the winter months. This program has been restricted to areas where winter unemployment is highest. The expenditures have been modest but they have resulted in providing additional winter employment in areas where the need was greatest. In 1963-64, the federal expenditure was about \$4 million. In 1964-65 it was about \$5 million and the estimated expenditure for the current winter is \$5,257,000. The number of man-days of employment provided was 203,782, in 1963-64; 156,224 in 1964-65 and 178,594 is the estimate for the current winter.

Thus far I have dealt with the efforts of the federal government to encourage increased winter employment more or less by means of persuasion and example. As honourable senators will appreciate, effective as these measures have been, some additional incentive has been necessary. This requirement has been fulfilled through the provision of financial incentives under the municipal winter works incentive program and the winter house building incentive program.

The municipal winter works incentive program has now been in operation for eight years. Under this program, the federal government provides an incentive to winter construction by contributing to the direct payroll costs of municipal public works projects which would not otherwise be carried out in the winter. During the earlier years of the program, the categories of eligible projects were (a) construction or major reconstruction of streets, sidewalks and roads; (b) construction and major reconstruction of water, sewage and storm sewage facilities; and (c) the construction and development of municipal parks and playgrounds.

At the present time, the program applies to any capital undertaking of a municipality except work on schools and school grounds, hospitals and hospital grounds, subway transportation systems and municipally-owned buildings to be used for industrial or business purposes under private auspices.

During the first two winters, the program covered the period December 1 to May 31. In 1960-61, the period of the program was extended so that it covered the 7½ months—October 15 to May 31. Under the 7½ month program, it was found that municipalities tended to commence work on approved projects on October 15, discontinue operations when the more severe weather set in with work resuming as the more favourable weather arrived in April or May. As this tended to defeat the purpose of the program to increase winter employment the period of the program was reduced in 1963-64 to the six-month period November 1 to April 30 which still applies.

A further modification of the program adopted in 1963-64 was to increase the federal incentive payment to 60 per cent of direct payroll costs incurred on approved projects by municipalities located in areas designated under the Department of Industry Act and areas of especially high unemployment designated by the government. The federal incentive has remained at 50 per cent of direct payroll costs in all other areas.

All of the provinces including the Yukon and Northwest Territories and a number of Indian bands have participated in the program and most of the provinces provide a supplement to the federal contribution as a further incentive to municipalities. This supplement is an additional 40 per cent of payroll costs in the Province of Quebec and 25 per cent in many other provinces.

The volume of winter employment created by this program has increased each winter since its inception in 1958-59. During its first year of operation, it is estimated that 25,400 jobs were provided for a total of 1,020,000 man-days of work. Under the program for the winter of 1964-65, preliminary estimates indicate that 167,000 jobs were provided for a total of almost 8,000,000 man-days of work. Thus far during the current winter, projects have been