

*Alleged Non-Support of Employment Programs*

**Mr. Steven Otto (York East):** I often wonder what has turned the fortunes of this government that they depend upon me to defend their policies.

**Mr. Knowles (Winnipeg North Centre):** You may have to take over yet.

**Mr. Douglas (Nanaimo-Cowichan-The Islands):** This is an act of desperation.

**Mr. Otto:** I do not think it is as much desperation as an acknowledgement of my seniority. I have lasted here for eight, almost nine years. I do not have so much difficulty with the amendment to the motion as with the motion itself. I wonder if the Leader of the Opposition (Mr. Stanfield) could put us straight. Is it that the Progressive Conservative party believes that under the old constitution there could be direct dealings between the federal government and the municipalities? I have no objection to this, but I think the Tories should stand up and say so if that is what they believe. They should say so to Quebec, to the Maritimes, to British Columbia and to all the other provinces. Then, they should tell us which municipalities will be included in this entente between the federal government and the municipalities, and which ones will be excluded.

It seems to me that the Prime Minister (Mr. Trudeau) dealt with this suggestion quite some time ago and the provincial premiers discussed it at some length. I was under the impression that this entente, this position of the municipalities, would not be appreciated by the provinces. I understand the provinces insist, even under the amended constitution, that the federal government deal with the provinces which will, in turn, deal with the municipalities. It was not too long ago that the Minister of Finance (Mr. Benson) announced that \$150 million would go to the provinces for new projects which will employ people.

**Mr. Douglas (Nanaimo-Cowichan-The Islands):** As loans.

**Mr. Otto:** The hon. member seems to indicate that if it is a loan it comes from a different pocket, from a strange Martian pocket. Taxes come from the same pocket. It does not matter whether it is a loan to be repaid or a grant to be repaid.

**Mr. Orlikow:** Tell that to the people of Toronto.

**Mr. Otto:** I am saying it to the people of Toronto and to the hon. member for Winnipeg North (Mr. Orlikow) as well. Of the \$150 million allocated, \$17 million or so went to Ontario of which not one penny, as of noon today, has been requested. Do not blame the federal government for not forcing this money upon them; that just does not make sense. I have here one news comment to the effect that the city of Toronto is very anxious to employ its people and that it has accepted bids for manhole covers. It is not much of a contract, only \$51,000. A Hamilton firm's bid was \$54 lower than that of a Toronto firm, one-tenth of one per cent less. The city of Toronto accepted the Hamilton bid, and as a result 36 people were laid off from the Toronto company.

[Mr. Orlikow.]

If municipalities are going to make pleas to the federal government for support, these pleas should make some sense and should be explained to the people. I have no objection to them asking for \$1,700,000, but when that money will only create 111 jobs for 30 weeks then I should point out that the Minister of Manpower and Immigration (Mr. Lang) is doing a better job. He is offering \$2,000 to \$5,000 per job. This government would be expected to offer \$17,000 per job. Again, I am not exonerating the federal government. In fact, I blame this government for its acceptance of conventional thinking. The government said, we are against inflation and therefore we are for restriction. If anyone said that he did not want restriction and why did the government not try expansion, the government would immediately say he was for inflation. I do not agree with that type of thinking, and many of us do not. However, Mr. Young does, and unfortunately there is some talk of Mr. Young continuing. I hope he does not because his mind is fixed on restriction. That is conventional thinking and that is what has led us to this position. The least we can do for this country is examine what happened a year ago.

I regret very much that the hon. member for Spadina (Mr. Ryan) did not introduce a motion asking this House for new ideas. Never mind what happened yesterday or the year before, that will not put people back to work. Here is the city of Toronto and other municipalities going back to conventional thinking and producing winter works projects. Anyone who assesses the contracts—and I have been in this business long enough to know—would find that at least half of that money, probably 60 per cent of the money which is spent on public works, goes into the purchase and manufacture of machinery. On an \$800,000 job, for instance, the total number of men employed might be eight, four on the front job and four on the back. The project might require two \$120,000 machines which are made in the United States. All heavy construction equipment is made in the United States. This type of project, therefore, indicates the conventional type of thinking that municipalities still have. When conventional thinking got us into trouble, believe me conventional thinking is not going to get us out of trouble.

● (4:20 p.m.)

The municipalities could be doing a great deal by planning ahead. It is all too easy for the municipalities to carry on year after year with their projects, making no differentiation between programs with a high labour content and programs using machinery. By doing this, they land themselves into trouble. But many municipalities in British Columbia have overcome this problem by a little forward planning. They had planned certain projects which had a high labour content and did not depend on the federal government to make plans in the event of a cyclical downturn in the economy. They knew this was coming so they planned their projects, and the minute a loan scheme such as this came out they were ready. So was Quebec; but not Ontario, and not Toronto. They had no special projects planned.

**Mr. Ryan:** Metro has a \$5 million one.