

*The Address*

The conclusion of this number of federal-provincial agreements in so short a time demonstrates that the federal government is honouring its commitment to Canadians to create jobs and to create jobs now.

Our success owes a good deal to the very co-operative attitude taken by all of the provincial governments. They have recognized the intrinsic merit of the program, they have responded to the public's desire for early action, and have shown a determination to demonstrate that federal and provincial governments can work quickly and co-operatively. I wish to express publicly my gratitude for the exceptional co-operation of the provinces on this program.

I also wish to underline the importance of the support this program has received from mayors and other elected representatives at the local level across Canada. They have been supportive, they have been enthusiastic, they are very much equal partners. I am delighted that the federal government will be able to contribute so significantly to a program that our local governments have created and have advocated for a number of years.

• (1015)

The federal contribution will be very tangible and very significant. We are providing the provinces and municipalities with a total of \$2 billion over the next two years. For the most part the federal contribution will be matched equally by the provinces and municipalities. This will provide for a total joint program of \$6 billion.

In some projects however the provinces themselves will provide two-thirds of the funding, while the federal government will contribute its normal one-third share.

Similarly the program will have flexibility to accommodate private financing. In fact the subject of my address in November 1993 to the Canadian Council for Public-Private Partnerships opened the door for possible private financing of infrastructure projects.

The focus of our program is on local infrastructure and we believe that it should be the local and provincial governments themselves which take the lead in proposing projects. There will be, as is natural, differences in the precise form that the program will take in each province. In some cases only municipal projects will be considered; in others, other local government institutions such as education boards may be eligible, or there might be projects carried out by the province itself. Indian reserves are also included in the program.

As well the emphasis on types of infrastructure may vary by province. Some will put more emphasis on the traditional water treatment or sewage. Others may be more inclined to support roads or construction or repair of existing facilities. These variations should reflect local needs and priorities. That is what

we clearly said in the election campaign and that is what we want to see carried out.

We should also point out that this is a national program and we expect some elements of consistency across the country. In all provinces the federal government will review projects in relation to broad program criteria such as long and short-term job creation.

We will be looking at the environmental benefits, wanting to ensure that environmental practices and environmental assessments are adhered to. We will be looking at the incremental or accelerated nature of the project. We are not looking to just fund projects that were going to go ahead anyway. We want to fund projects that create additional jobs.

We will be looking at the distribution of benefits within a province. We want to make sure there is a wide distribution in benefit across each province. We will be looking at the use of advanced technology. The term as to what infrastructure includes is changing because the economy of this country and of this world is changing. Here is an opportunity in fact to develop infrastructure, invest in infrastructure that has to do with the future kinds of jobs that will be taken by our young people in this country.

We will look at the use of innovative financing and the contributions to skills development. As people learn new skills the opportunities for them beyond this program expand. The bringing of infrastructure up to community standards, up to community codes will be considered. We will want cost-benefit information about these projects. We are also going to want to have cost control measures.

Our basic approach is to provide enough guidance to ensure the high quality of the projects approved, but at the same time to leave ample room for local or provincial priorities. We are offering federal money for infrastructure programs as you know at a time of very severe fiscal constraints. We all are very conscious of the financial constraints upon all governments in this country.

This government believes so much in the value of this investment that it is prepared to take the tough decisions to find the necessary funds through reallocations in the federal budget and by cutting spending proposed by the previous government.

The federal government, I should add, may well recoup much of its \$2 billion investment from additional tax revenues which will fall into the federal treasury as a result of increased construction activity. For every dollar spent on the proposed construction projects, federal government revenues in the form of taxes, unemployment insurance premiums and Canada pension plan contributions will increase. The federal government of course will also benefit from reductions in payments that it makes for the unemployed because they will be getting back to work. They will be able to restore their dignity and their desire to contribute to this nation.