

The Address—Mr. St. Laurent

participation, the federal government has tried to go ahead with the effort to apply the principle of proper timing to its own direct capital expenditure. But as events developed, it rapidly appeared that the immediate problem was not to plan for additional government expenditure but rather to hold public building down to the minimum in order to make labour and materials available to satisfy the private investment boom and not to intensify the strong inflationary pressures which existed.

I am sure we who are believers in private enterprise would all prefer to see the employment necessary to give a job to every Canadian man and woman who wants to work come from work provided by private enterprise, and that we feel it is only whenever it might appear that private enterprise was lagging that we should stimulate public investment so as to maintain employment and prosperity. As a further practical consideration, adequate technical personnel to carry out a program of advance planning over and above the regular departmental work was simply not available unless we attempted to compete, for those who were capable of performing that work, with private enterprise that was already employing them, and we felt that that was not the right thing to do.

It did not seem desirable, in face of the over-all shortage of scientific and technical personnel, for the government to undertake to compete for their services at the cost of restricting private business expansion. And as a result the shelf as such never reached large amounts. It was limited to a relatively narrow category of projects for which standardized plans could be prepared and filed.

As events developed, the situation evidently called for a re-examination, and a new approach was made last year.

Not only has the nature of the unemployment we were providing for changed radically from the possibilities envisaged in 1945, but the practical experience acquired in attempting to develop a shelf without provincial and municipal co-operation indicated the need of a more flexible method of preparing to meet possible eventualities. A survey was made last year of the state of planning of all capital projects of the federal government, including some, like the trans-Canada highway, to be executed jointly with provincial governments. I am talking now about government projects only, federal, provincial and municipal. Projects which were completely planned as of March 31 last year, and in some cases already under way, totalled \$722 million. Projects in various stages of planning from the survey to the detailed preparation stage, amounted to approximately \$1 billion. A third category of projects to which

preliminary consideration had been given, and for which preliminary plans were ready and which could be executed within a period of not more than five years, were put at \$1,300 million. The total of these three categories, themselves amounting to some 5,000 projects, had a value of some \$3 billion, quite a substantial sum, but less than is going to be done in this one year under the intentions we have ascertained from the survey of private enterprise as well as government authorities.

Mr. Macdonnell (Greenwood): Will the Prime Minister permit a question? He gave us the figure of federal expenditure for the coming year. Has the Prime Minister the provincial figure?

Mr. St. Laurent: No, I am sorry I have not. I understand that it is very large. It is included in the \$3,600 million. I understand that in the province of Ontario it is something of the order of \$25 million a month for the year.

There are also obvious practical limitations in launching any large building project in the dead of winter to meet some abnormal seasonal unemployment. That just cannot be done. No relief could have been afforded to Vancouver at any time since this situation developed by launching any further building project out there.

The results of the survey satisfied the government that the shelf concept, when limited to its own public investment program, was not the best approach at the present time. The approach now is one of greater co-ordination and expansion of departmental programs for such works as are purely federal, and renewed efforts to secure provincial co-operation in such national undertakings as the trans-Canada highway, natural resources development and conservation and local housing schemes.

A word of warning should be sounded about the effectiveness of a public works program as a cure-all for unemployment. Such a program necessarily operates through the construction industry. Where that industry is lagging, anything done to activate it stimulates the whole economy. But ever since 1945 our construction industry has enjoyed a very high level of activity, and our survey indicates that private enterprise is going to keep it very active throughout the whole of this year.

It is also true that construction costs remain high though the availability of supplies and the greater productivity of labour have brought about some reduction. Still any unnecessary competition by government with private enterprise for the available supplies