

*The Budget—Mr. Carter*

cent. The minister, with his usual contempt for the unemployed of this country, announced an immediate increase of 10 per cent in the rate of benefit for those receiving unemployment insurance. I am sure the people on the rolls of the unemployed must think this is a magnanimous effort on the part of the Minister of Finance and the government! It amounts to an additional \$4 or \$5 a week.

We on this side of the House feel that the government has an obligation to do everything possible to alleviate the suffering of those unemployed this winter, particularly in view of the fact that their plight is due in no small measure to the actions taken by this government in the past year and a half. If this government had any real feeling for the unemployed people it would have proposed an emergency amendment to the Unemployment Insurance Act to provide for substantially increased benefits from January 1 to July 1, which will be the critical months ahead for people on the rolls of the unemployed. The increased benefits should be in line with the recommendations of the Gill report. The present ceiling on unemployment insurance benefits is \$53 per week. We believe in updating the Gill report recommendations which would increase the ceiling for a man with dependants to \$60.24. This figure is arrived at by calculating the benefits as 60 per cent of income. There is currently a surplus in the unemployment insurance fund of \$464 million, which we believe is adequate to finance such a temporary measure.

We believe that the government should have removed the 3 per cent surcharge on personal income and corporate taxes. It is estimated that such a move on the part of the government would inject an additional \$150 million into the private sector of the economy. If this government had been seriously interested in helping Canadians and in trying to stimulate the economy, not only would it have removed the surtax but it would have announced a 10 per cent reduction in personal income tax for those earning less than \$6,000 per year. This would have injected an additional \$140 million into the economy. This additional money would have been injected mainly into the economy of the more depressed regions of Canada where the distribution of personal income is less, particularly the Atlantic provinces.

The government's proposed amendment to the Regional Development Incentives Act, which will have the effect of including a part of Ontario and Quebec including Montreal, will be seriously detrimental to the Atlantic area, especially to the province which I represent. What chance do the Atlantic provinces have to compete with new industry when so much of the industrial heartland has been made eligible for incentives? With close to 65 per cent of Canada designated as special areas in the economy, economically depressed, underindustrialized areas can no longer have special status. As somebody said the other day—I believe it was in the *Globe and Mail*—when everything is designated, nothing is designated. With regard to the province of Newfoundland, the only benefit we will derive from the budget presented by the Minister of Finance is the \$5 million allocated to the guaranteed

loans program. Maybe we can look forward to another \$1 million in Newfoundland through accelerated public works programs, but this will not achieve the objective of substantially reducing unemployment in my province this coming year.

While I am talking about unemployment I should like to refer to a question I posed to the Minister of Economic Regional Expansion (Mr. Marchand) this afternoon concerning the plight of the people in the Argentinia area of my riding, where things are pretty tough as a result of the phase-down of the United States naval station there. On July 6 of this year the Minister of Transport (Mr. Jamieson) went to Newfoundland and with his usual description as an emergency assistance program aimed at flurry announced that a \$2 million plan, which he softening the effects of the phasedown of the U.S. naval station at Argentinia, would be put into effect. In his usual style he went to great lengths to describe them as crisis projects. They include the construction of a community stage and other facilities for the fishermen. They include the construction of a boatbuilding and boatrepair facility. They also include \$100,000 in the way of boatbuilding subsidies.

The minister indicated the government would make \$450,000 available by way of grant to enable the department concerned to make an immediate start on the Castle Hill national historic park. He referred to a sizeable amount of money for the reconstruction and paving of approximately nine miles of road in the area. He referred also to a recreational area in Jersey Side leading to a nature trail at a site close to the Castle Hill project. As I have said, the minister's statement did not amount to very much and the people in the area have concluded that it is nothing more than a blast of hot air. I might add that only one or two of the projects announced by the minister, on which he claimed some \$2 million would be spent, have been started. Less than \$500,000 of that amount has been spent on the projects and this has not provided many jobs.

• (8:30 p.m.)

It seems the government has recognized the real extent of the emergency in words only, because of all the projects announced only two have actually commenced. If that is the best the government when it has been recognized by all concerned that a real emergency exists and a large number of people have been thrown out of work because of circumstances over which they have no control—such as the phasing down of the U.S. naval station—I would hate to see this government endeavour to bring in benefits in an area where an emergency does not exist.

In all fairness to the Minister of Transport I should say it is quite possible he is not solely responsible for what is happening in that area. It is possible he is not receiving full co-operation from the Newfoundland government. It is possible he is not receiving the required co-operation from other government agencies which are involved, and it is possible the bureaucracy has taken over with its usual