



Bulletin

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FEDERAL BOOST FOR EMPLOYMENT AND ECONOMY

In a statement to the House of Commons on October 14, Mr. E.J. Benson, Minister of Finance, announced new measures to increase employment and productivity in Canada and reductions in corporation and income taxes, at a total cost of \$1,070 million. "The impact on Canada's gross national product will be substantial," Mr. Benson declared. More important, these programs, with their multiplier effects, will produce a large number of new jobs for Canadians."

Passages from the Minister's statement follow:

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I wish to propose, first, a series of expenditure measures to relieve the problem of unemployment in the coming winter and in the months thereafter. By means of this program we will join forces with industry, provincial governments, municipalities and active private groups to create jobs, improve the skills of our work force and encourage economic growth. The program has five parts designed to engage workers quickly, efficiently, usefully and in the regions where jobs are most needed. It will benefit all unemployed groups and it will have long-term value without creating short-term distortions in our economy.

INITIATIVE PROGRAM

The first is a local initiative program under which the Government will grant \$50 million to municipali-

ties and their agencies and \$50 million to community organizations and other organized groups to finance labour-intensive projects.

We will be calling on these organizations and groups to submit worthwhile projects that will create jobs for the unemployed without delay. We expect to consult with provincial governments forthwith to establish a mechanism for them to approve municipal projects. Appropriate arrangements will be made in respect of the two territories. Regional committees will be created to consult with the local interests who will initiate community projects. This program will be under the direction of my colleague, the Minister of Manpower and Immigration.

MANPOWER TRAINING

Second, we propose to introduce a new \$20-million on-the-job training program with special emphasis on unemployed young people who are ineligible for the existing manpower training programs.

We will co-operate closely with industry in this effort. In addition, \$15 million will be allocated to an expansion of our existing Canada manpower program. The on-the-job program is designed to encourage employers to prepare for future economic expansion and to ensure that trainees acquire solid skills to increase their earning capacities and to help them take advantage of new employment opportunities.

We are building flexibility into this program to cover a broad range of employers, and we will help to finance the program by tax incentives or direct payments to employers. The tax incentives will take the form of a 150 percent write-off of specified costs incurred by a firm in respect of the training it provides. Alternatively, there will be a direct payment of equivalent value provided to those employers for whom this form of assistance is more suitable. Further details of this assistance will be announced later. The training programs will also be administered by the Minister of Manpower and Immigration.

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