

The Economy

announcing today to meet pressing needs will accordingly be financed by spending reallocations.

To help those Canadians who have been directly hit by the recession, the Government is introducing a new Employment Expansion and Development Program.

[Translation]

The June budget recognized the need to take action to reduce unemployment and provide support to those hardest hit by the recession. My predecessor announced measures to expand employment programs, stimulate housing and other employment-intensive construction, and promote economic development. More than \$1.4 billion is allocated for these purposes in the current fiscal year.

These programs are now in place and, along with unemployment insurance and other employment initiatives, provide an important line of defence against the hardship of unemployment. Through the Canada Community Development and special youth programs, close to \$300 million dollars will be spent for job creation programs this winter, providing employment for over 60,000 Canadians. Most hirings will occur during November, December, January and February. These jobs will be targeted as much as possible on our most vulnerable communities.

However, it has become apparent since last June that additional help is required for those who face severe financial difficulty because of prolonged unemployment. The duration and depth of the recession have led to a significant increase in the number of people who will no longer have access to unemployment insurance benefits. Lacking employment and other sources of income, many people will be forced to seek social assistance, often for the first time in their lives. We cannot, as a nation, ignore their plight. It is to help these people that the New Employment Expansion and Development Program is being put in place.

[English]

Through this Program the Government will draw upon the abilities of all employers in Canada whether they be in the public, non-profit or private sectors to generate employment. We face a national problem requiring a national solution. The Federal Government cannot solve it alone. By working together we can find productive and socially useful jobs for those who are in greatest need of gainful employment.

The Federal Government is prepared to commit \$500 million to this new Program. It is expected to provide jobs for 60,000 individuals over a period of 18 months. I am calling upon Provincial Governments to facilitate its implementation. I am also inviting them, wherever possible, to supplement the federal contribution. Joint action can bring about a significant reduction in the number of people who would otherwise be forced to seek social assistance. My colleague, the Minister of Employment and Immigration (Mr. Axworthy), will contact his provincial counterparts in the next few days, and he will announce very shortly the details of the new Program.

Because of the importance of the construction industry in stimulating economic activity, I am announcing that an

additional \$150 million is being allocated to two existing housing Programs—the Canadian Home Renovation Plan and the Canadian Homeownership Stimulation Plan.

Under the Canadian Home Renovation Plan, eligible home owners can receive a grant equivalent to a third of their costs for home repairs up to a maximum of \$3,000. Indeed the Program has been very successful, and the \$65 million allocated to date has been almost completely committed. I am announcing a further allocation of \$50 million to the Program, and this should provide an additional 13,000 jobs.

The Canadian Homeownership Stimulation Plan introduced in the June budget provides relief from high interest rates for prospective home buyers. Grants of \$3,000 are available to all purchasers of new homes on which construction started before December 31, 1982, and to first-time buyers of existing houses before that date. The Program has been very well received and close to 65,000 grant applications have already been approved. In addition, seven Provinces have home ownership assistance programs which complement the federal plan.

Since June mortgage interest rates have fallen considerably and home buyers are under less pressure. In addition, housing prices have come down. Statistics Canada's new house price index showed a year-over-year decline of 3 per cent in September, but the construction industry has still not recovered from its slump and this continues to be a matter of concern to the Government. I am therefore announcing that the \$3,000 home ownership stimulation grant will be extended to the end of April, 1983 at a maximum cost of \$100 million. There will be, however, one important modification. Starting on January 1, 1983 assistance will be extended to purchasers of new housing only to generate the maximum amount of activity and employment.

To better position Canada to benefit from world recovery, the Government is earmarking an additional amount of up to \$400 million to speed up the expansion and modernization of rail capacity in the west and to facilitate an early, fair and balanced resolution of the Crow rate issue. The commitment of these funds will be contingent upon detailed proposals recommended by the Minister of Transport (Mr. Pepin).

The Government is determined to implement swiftly its comprehensive approach to expand the western rail transportation system and modernize the freight rate regime for grain. Early action will ensure that the railways will be in a position to increase rail capacity as required to move the substantially higher volumes of export commodities projected from the middle of the decade onward. This expansion is critical to Canada's economic development in the 1980s. It will pave the way for the exploitation of additional coal, potash and sulphur resources as well as increased exports of grain. The over-all plan will also stimulate western agricultural development and facilitate economic diversification.

Railway investments amounting to \$11.8 billion in 1982 dollars are planned over the period to 1991 and will generate substantial economic activity, not only in the west but in