

Income Tax Act

According to the latest figures available, a little more than half of these people are eligible for unemployment insurance. The rest of them have to fall back on provincial or municipal welfare rolls. That raises a larger problem—which I hope is being discussed today at the finance ministers' conference—of the additional burden this places on the poorer provinces, because most of the long-term unemployment in the country resides in the five eastern provinces, Quebec and the four Atlantic provinces, comprising considerably less than half the work force.

I believe 37 per cent of the work force in Canada resides in the five eastern provinces, yet almost 50 per cent of the total unemployed resides there. I hope that the finance ministers will address themselves to redressing this legitimate grievance of the poorer provinces. I hesitate to use the term "poorer provinces", but those provinces lack the capacity to meet this additional financial burden. I hope some way will be found, apart altogether from the Canada Assistance Plan under which the government boasts of the 50-cent dollar, whereby half of the welfare is paid by the Government of Canada. That represents 100 per cent for the provinces because they have to pay out 50 per cent, when heretofore they had to pay out nothing because unemployment insurance covered the situation. That is a problem of growing concern.

The whole matter of the consequences of long-term unemployment on the individual has not been fully addressed by this government. I know that the Minister of Employment and Immigration is a compassionate man. I know he has a great deal of humanity and compassion, but I do not think he fully appreciates and understands what it means to be unemployed for a long period of time. I know what it means to the statisticians at Statistics Canada. It means that if you are unemployed for a long period of time and out of sheer frustration have given up looking for a job, you are no longer counted as being unemployed. You are not reported. In other words, you become one of the hidden unemployed, part of the indivisible army of unemployed, one of those for whom nobody holds any hope.

There are shortcomings in this bill which will be pointed out as we get into clause by clause examination. This bill is the only thing the government has come up with. We have asked for a new budget. There has been no response to that legitimate suggestion. Only a new budget can really address the comprehensive nature of this problem, the effect of long-term unemployment on the poorer provinces in terms of their capacity to meet additional welfare payments and the human consequences which flow from the effects of long-term unemployment. Only a new budget can prevent the social consequences which will result.

Youth unemployment is growing by leaps and bounds, and that is a real tragedy. Again, according to official Statistics Canada figures for the month of December, 15 per cent of the unemployed in the month of December was between the ages of 15 and 24. Many of them are university graduates or graduates from technical and vocational training schools. They have diplomas but no job opportunities. What does it do to a

[Mr. McGrath.]

young Canadian who works hard to get his diploma when his country shows him absolutely nothing in the way of opportunity? I say that makes for cynicism of the worst kind.

• (1712)

When I addressed a graduating class of a technical college in my constituency last June I was struck by the large number of people there and asked the college president if such a turnout was the usual thing on a nice day. He replied that they rarely got a full complement out as in the normal course the students would be in the field, working at jobs in forestry, construction, or the technical area in which they had graduated. They were present that day because there were no jobs for them.

Unemployment in my part of the country is critical, Mr. Chairman. The best barometer of that is the construction industry where, of a total work force of 20,000 people, about 16,000 are unemployed.

There is a disposition on the part of the House to get this bill through so that it can be operative by March 1. I hope the government will not impose so many bureaucratic—I do not use the word in a derogatory sense—regulations as to make it difficult for people to take advantage of the bill. I think particularly of small businessmen who do not have the resources to deal with bureaucracy and paperwork.

The bill is being sponsored by the Minister of Finance, but its implication will be the responsibility of the Minister of Employment and Immigration. I am glad to see he is here to pilot the bill through committee in the absence of the Minister of Finance who is quite legitimately away attending the conference of ministers of finance. I must say, however, that I think it would be an edifying experience for those provincial ministers of finance to watch these committee proceedings. They are going to have some input into the way the bill is implemented by providing advice to the government. Obviously the government cannot operate in a vacuum but will have to deal with the provinces, so I think those ten ministers of finance would be well served if they could observe committee stage of this bill from the galleries. I think they should understand what we are trying to do here.

All too often in this House when we put in place measures designed to cope with emergency situations, we make them so difficult that middle and small businessmen cannot take advantage of them. They are defeated before they start because of the numerous regulations and paperwork that must be coped with. I should like to ask the minister to address himself to this question as we proceed through committee stage.

The government is spending an impressive amount of money on make-work projects, various tax incentives, and manpower training programs—about \$2 billion at the present time. The situation is not improving, however, although these programs have been in place for some time. The Canada Works Program has been in effect for a couple of years. The Young Canada Works Program has had very little impact on youth unemployment and, of course, the various government job training