

intensive projects under existing Government construction and other programs.

Employment opportunities are improving for Canadian workers, but youth unemployment rates are expected to remain high for some time. Young people with little or no job experience will have difficulty finding work until skilled and experienced workers laid off during the recession have been recalled. The Government has acted to address this problem. Over 270,000 young people are now benefiting from federal training and employment programs.

[*Translation*]

But more needs to be done to provide young people with employment opportunities in this critical phase of the recovery, Madam Speaker. A cooperative strategy for youth employment is essential. It must involve business, unions, all Governments and young people themselves. It must focus not just on job creation and training but also on work experience. To help ease the difficult transition from school to work, I am announcing tonight that an additional \$280 million is being committed in this budget to meet the needs of young Canadians who have not been able to find jobs.

Ninety-five million dollars will be allocated to establish, in consultation with the private sector, a Youth Wage Subsidy and Internship Program. Work experience, coupled with training programs . . . No children allowed—let them go to meetings of candidates for the leadership of the Progressive Conservative Party.

**Some Hon. Members:** Hear, hear!

**Mr. Lalonde:** Work experience, coupled with training programs, will ensure that young people gain from the kind of on-the-job skills that are demanded in the permanent job market. These funds will also be used to expand the Youth Job Corps Program, which offers young Canadians vocational training courses, education, counselling and work experience.

I am also providing an additional \$40 million for Katimavik over the next two years. This youth program was established in 1977 to serve Canadian communities, assist the personal development of participants, and provide young Canadians with opportunities to acquire a greater understanding of their country. It is expected that an additional 4,000 participants will be added to the existing 1,700 over the next two years.

In addition, I am committing \$75 million to fund an Extended Youth Training and Employment Program to be run by the Department of National Defence. This program is designed to provide employment in a military context that includes general as well as basic trades or vocational training for approximately 5,000 young people. The program will provide job experience for a period of about a year and will help those involved make the transition from school to work.

I have made available \$70 million to increase funding for student employment this summer. This increase raises the

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Government's total commitment to this program to \$170 million this year, as recently announced by my colleague, the Minister of Employment and Immigration (Mr. Axworthy). The Government is also providing additional support, as I will indicate later, to young Canadians who wish to continue their studies on a full or part-time basis.

Over and above these special youth employment initiatives, the massive effort the Government will pursue to improve the skills and training of Canadian workers will be largely directed at young people. Total federal support for human resource development will be increased to \$1.2 billion this year. I expect that about half of the beneficiaries of these programs this year will be young people.

The Minister of Employment and Immigration, the Minister of National Defence (Mr. Lamontagne) and the Secretary of State (Mr. Joyal) will provide further details on these initiatives shortly.

[*English*]

EMPLOYMENT DEDUCTION

Working Canadians with modest incomes are having a difficult time making ends meet, even though they are now benefitting from lower inflation. I am therefore introducing a significant change in the employment expense deduction allowed under the Income Tax Act. Effective this year, this employment deduction will increase from 3 to 20 per cent of employment income, subject to the current maximum amount of \$500. This measure will return this year about \$130 million of federal revenues to Canadians with employment income below \$16,700. About four million low income Canadians will benefit from this measure this year.

CHILD BENEFITS

I am proposing tonight four changes in the tax components of the federal child benefit system to provide additional income support for lower income families, working parents and others in need. I am not making any changes to family allowances.

First, I propose to double, starting this year, the Child Care Expense Deduction from \$1,000 to \$2,000 per child and \$4,000 to \$8,000 per family. These increases will ease the burden of child care expenses for families in which both parents work outside the home, as well as for single-parent families for whom the deduction is critical. I am also making changes to ensure that the deduction does not discriminate between men and women.

● (2110)

Second, I propose to maintain the enriched child tax credit introduced in the last budget. Under existing legislation, the credit would otherwise have dropped from \$343 to \$326 in 1983. I propose to extend the credit at \$343 for the 1983 taxation year. I also propose to continue full indexation of this higher credit in subsequent years to protect its value for low