

*Income Tax Act*

taken immediately. I am speaking of the provision in the bill that would remove low level income Canadians from the tax rolls. That should be done this year and immediately, and not next year as anticipated by the legislation now before the House.

The official opposition has put forward in this House positive and definite proposals which would result in immediate action to stimulate the economy and fight the serious unemployment situation that hangs over this country like an omnimous, dark cloud. These proposals, enunciated by my leader, include the reduction of personal income taxes on a sliding scale, with the greatest reduction for Canadians in low and middle income brackets. These reductions should be implemented immediately, not next year. Our proposals include the elimination of the federal sales tax on building materials. That step should be taken now. That step would, at least, have the effect of providing jobs in the house construction industry. A consequential benefit would be that Canadians would be provided with additional, badly needed housing.

The government has admitted that \$80 million will have to be drained from government revenues to soften the blow of the Nixon economic measures. That loss of funds means there will be a substantial cut in some of the funds available for housing. We should negotiate immediately with the provinces at a dominion-provincial conference, which should be called right away, in order that direct assistance to provinces and municipalities during the winter months may be made available under the Canada Assistance Plan. That would enable the provinces and municipalities to cope with increasing welfare costs and would provide them with more funds. Also, Mr. Speaker, we should re-introduce immediately a winter works program. If the government wants a vehicle for this winter works program, I suggest that it may be possible to use the Canada Assistance Plan as such a vehicle. Such a federal-provincial conference should have, as its first priority, the co-ordination of such a crash works program. The conference should be called now. It should be structured immediately. What we are looking for is a real winter works program that will produce jobs; we do not want a government snow job. We must provide such a program, because it is necessary and because the need for it is increasing. In addition, there should be a full employment budget. The Minister of Finance (Mr. Benson) should introduce a new, full employment budget in this House.

The figures relating to unemployment deserve examination. I am glad that the Prime Minister (Mr. Trudeau) agrees that they deserve study. I know that the statistics on unemployment and on the cost of living have been repeated in this House several times during the past 24 hours, but they ought to be repeated, again, again and again until the government gets the message and until it realizes that it must act.

The unemployment rate, seasonally adjusted for Canada in August this year, stood at 6.5 per cent. That was the national rate and represented an increase over the previous month. In the Atlantic provinces, traditionally an area of chronically high unemployment, the unemployment rate stands at 9.4 per cent. That means that 9.4 per cent of the work force in the Atlantic provinces is unemployed. This represents a total in the four provinces

[Mr. McGrath.]

of 47,000 people who are looking for jobs. I am talking about August; I am not talking about last spring, last winter or next fall. In my province, Newfoundland, the situation is critical. I am sorry that the Minister of Transport (Mr. Jamieson) is not present in the House, because he has a great responsibility in this matter. The situation in Newfoundland is nothing short of critical and I hope the Minister of Transport will have something to say about it. We are talking about the month of August, the peak month of the year, the month when employment should be at full tilt, when the construction industry is operating at its peak and when the primary industries are at their peak. Yet, for the month of August the figure for the province of Newfoundland, unadjusted, is 8.7 per cent. So, 8.7 per cent of the work force, or 14,000 people, in my province alone are looking for work.

When one considers that these figures do not include people attending manpower retraining programs, people in vocational training schools and people attending summer schools and summer university courses, one can predict accurately that the actual rate of unemployment in Newfoundland for the month of August will be found to have been in excess of 10 per cent. Surely, it follows that if 10 per cent of the work force in that province was unemployed in August, one can predict that anticipated figures for the month of January will be nothing short of disastrous. They will reach depression proportions. I think economists say that when your unemployment rate exceeds 25 per cent, you are in a depression.

Across the country there are some areas of improvement. There are few such areas, unfortunately. The general picture remains critical, so critical, Mr. Speaker, that it dictates that this government take immediate steps to start implementing the suggestions made in this House by my leader, by members of my party, by members of other parties and by myself.

To me, one of the most disturbing aspects of the unemployment figures is the continued high rate of unemployment for young people between the ages of 14 and 24. The figure has increased by 23,000 over that for one year ago for people in that age group. Today, in Canada, there are 240,000 young people who are able to work and yet who are denied the opportunity to do so. What kind of Canada are we providing for them; what kind of outlook are we giving them and what future do they have? In my view this is a criminal state of affairs.

The report of the Committee on Youth, commissioned by the Secretary of State's department, reads in part:

Both regionally and nationally the problems of youth have much the same chronic element usually associated with older workers. The trends repeated among the older youth groups as well suggest that high unemployment is a continuing problem of the young and also that their relative unemployment position has deteriorated further in the 1960's. This deterioration will continue. The tragedy of this statistical problem is that it becomes aggravated when national unemployment rises thus greatly understating the true magnitude of youth unemployment and the number of new jobs necessary to alleviate the problem.

I might add, Mr. Speaker, that as of April, this year, unemployment for teenage males stood at 2.5 times the national average and the unemployment rate for teenage females stood at a postwar high of 1.5 times the national average. It is fair to suggest that the young people of this country will turn this government off, and quite rightly so.