



Bulletin

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WINTER JOB-EXPANSION PLAN

A \$500-million federal winter job-expansion plan to help counteract seasonal unemployment, announced on December 6 by Finance Minister John N. Turner and Manpower and Immigration Minister Robert Andras, provides additional funds for the current winter and lays the basis for the longer-term planning of winter works to combat seasonal unemployment over the next two years.

The new plan is in four parts:

- (1) A further \$80 million allocated to the local initiatives grants program (LIP), bringing the total LIP program this winter to \$165 million;
- (2) an increase of \$10 million in grants for training on the job, raising the total funding for the program this winter to \$50 million;
- (3) a grant of \$60 million to federal departments for labour intensive works and activities over the winter months;
- (4) a \$350-million provincial-municipal winter capital projects fund for loans and grants to provinces and municipalities to finance capital projects this winter and in the subsequent two years.

Parliament will be asked to approve supplementary estimates to fund the plan.

With the local initiatives and programs for

training on the job announced earlier in the autumn, the new plan will bring federal expenditures on fresh direct job-creation projects during the winter months to about \$325 million. These programs are expected to create more than 140,000 jobs this winter.

To these outlays should be added a \$50-million carry-over of spending from last year's employment loans program, bringing total expenditures for the creation of jobs this winter to \$375 million.

The bulk of the funds being set aside for direct job-creation will go as grants and loans to provinces and municipalities to help finance local services, repair and maintenance projects, and capital works.

Mr. Turner noted that, although the economy had grown very strongly in the first half of the year, the national accounts recently published showed that there was a levelling-out in the growth of production and incomes during the third quarter. More recent information indicated that the pace of economic expansion began to revive strongly early this autumn. It is nevertheless apparent that winter seasonal unemployment will continue to be a difficult problem, especially in certain parts of the country.

WINTER CAPITAL PROJECTS FUND

The Winter Capital Projects Fund will make loans available to provinces and municipalities up to May 31, 1975. A two-part incentive feature will help both to stimulate new programs and concentrate work in the winter months.

(1) Half the on-site labour costs incurred before the end of the program will be deducted from the amount of the loan (or "forgiven").

(2) The other half of the on-site labour costs will be forgiven if incurred between December 1 and May 31, so that, in effect, federal grants will cover 100 per cent of on-site labour costs during the winter.

This new fund focuses mainly on the seasonal incidence of unemployment and the need for a longer planning period for major capital works to deal with Canada's persistent seasonal problem.

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