

STATEMENT BY THE MINISTER

For more information call 996-0261

I am very pleased to announce that the federal government has approved a "Do it Yourself" Local Initiatives Program, with funding of \$83 million, for the winter of 1973-74.

I would like to emphasize that this year's L.I.P., although based on the success of previous years, is moving in new directions, but the creativity and imagination shown by Canadians will again be a major factor in relieving unemployment this winter. I have been particularly impressed by the response of business and industry during last year's Private Sector division of L.I.P. in providing some non-profit community betterment projects and, I hope this infusion of community spirit will continue. It has also been noteworthy to observe that previous L.I.P. programs have attracted much attention not only in Canada but also abroad as testified by the articles that appeared on L.I.P. in the Washington Post and the New York Times stressing the value of the program to Canadian communities and the economy of Canada.

In addition to the \$83 million for L.I.P., \$17 million will be allocated to the Federal Labour Intensive Program, thereby bringing the federal investment in direct Job Creation to \$100 million to alleviate winter unemployment. F.L.I.P. is a federal government program designed to accelerate the implementation of departmental projects targetted to regions where unemployment is most severe.

This \$100 million is over and above the ongoing commitment for 1973-74 of \$195 million in loans to municipalities under the Winter Capital Projects Fund, as announced last December by my colleague, the Minister of Finance.

The primary objective of these federal job creation programs is the reduction of high seasonal unemployment and high regional or area unemployment. To this end, a ceiling of \$75,000 will be imposed on the federal contribution to any one project and, based on last year's figures, this will result in a 15 per cent increase in the potential number of approved projects. It will thus be possible for more projects to employ more people. In this same vein, priority for assessment will be given those proposals that are new and not repeater projects.

Application forms for L.I.P. will be available at Canada Manpower Centres across Canada by the end of August. The deadline for applications will be October 15, 1973, with approvals of early submissions as soon as November. For certain projects submitted from northern or isolated areas, an early-start date of November 1, 1973, is envisaged, although other projects would not commence until the beginning of December.

This early Program announcement will enable increased consultation with the provinces and with local authorities, one of the major concerns in establishing guidelines for the 1973-74 Program.

In some areas where Members of Parliament agree to the establishment of Constituency Advisory Groups, these Groups will review project applications at the community level, after they have been examined by the appropriate provincial and federal government departments. The Groups will then recommend to the Minister of Manpower and Immigration those projects considered to be of greatest value to the community. Final decisions on all projects will be taken by the Minister.

It is our hope that this mechanism will result in a program that is again responsive to community needs, but which is more flexible in adapting to local employment conditions across the country.

Major features of the 1973-74 version of L.I.P. are:

- a community-oriented program, with local people advising on project approvals;
- a more flexible program, with staggered starting and ending dates - anytime from November until the end of May to coincide with regional and local employment patterns;
- no extensions of these new 1973-74 projects; projects that tend to generate community dependency will not be approved unless they can demonstrate, in advance, a future permanent source of support;
- less funding for major construction projects, particularly in areas where construction workers and materials are in short supply;

- priority given to applications involving new and imaginative projects, creating new jobs;
- wages based on local prevailing rates of pay for specific occupations, to a maximum average of \$100 per week.

Essentially, I am asking Canadians to suggest fresh, innovative means of solving our recurring problem of winter unemployment. L.I.P. has demonstrated very clearly that the answer to local employment problems is best determined at the local level. With this new program, and the increased planning time it provides, I am sure we can generate some answers to local employment problems. This program is much more sensitive to local conditions than its predecessors, and thus will better serve the people of Canada.

The direct job creation programs - L.I.P. and F.L.I.P. - together with the Winter Capital Projects Fund, represent a federal investment of \$295 million designed to reduce winter unemployment.

I fully expect that these programs will have a significant effect in reducing unemployment this winter. Many Canadians will welcome this announcement, and I am sure that the kind of initiative shown by Canadians in the past year will again result in a productive program this winter.