

The hon. member has raised the question of the government's intended action with respect to increasing the basic rate of pension for veterans who suffer disability because of their military service, or for their surviving dependants.

The problems of these pensions have been before the government on numerous occasions in recent months. The hon. member will, I am sure, agree with this statement on the basis of the consultation he himself has had with the minister in this regard. Recently, as the hon. member pointed out, the minister stated that the government had decided it was not possible at this time to increase the basic rate of pension for death or disability related to military service. The normal increase of 7.2 per cent related to consumer price index changes will, however, come into effect on January 1, 1978. Additional funds over and above the amount needed for this purpose are just not available at the present time. This does not mean the minister is in disagreement with what the hon. member has said.

Although it cannot provide an additional increase, I would remind the House that the government has had the well-being of veterans very much in mind over the years.

Mr. Knowles (Winnipeg North Centre): Prove it!

Mr. Parent: I will. In January, 1971, for example, the rate of pension for a veteran whose disability was assessed at 100 per cent and who was unmarried with no dependants, was \$255. Increases granted since then, together with annual consumer price index changes, have resulted in a substantial increase. As of January 1, 1978, the basic rate for an unmarried 100 per cent pensioner will be \$596.70 a month—an increase of 125 per cent in the period mentioned.

I might point out, also, that a married 100 per cent pensioner will receive a basic rate of \$745.88; if he and his wife have two dependent children, the rate will increase to \$880.15 a month. A widow without children will receive \$447.53, and if she has two dependent children her pension will be \$716.06. These are not the actions of a government which has no heart and which does not care.

Yes, there is still a great deal to be done but it is no use throwing up our hands and saying that everything which has gone on so far has been of no avail.

Mr. Knowles (Winnipeg North Centre): Still \$500 behind.

The Acting Speaker (Mr. Turner): I am sorry to interrupt the hon. parliamentary secretary, but the time allotted to him has expired.

● (1822)

FINANCE—REQUEST FOR DETAILS OF \$150 MILLION JOB CREATION PROGRAM

Mr. James A. McGrath (St. John's East): Mr. Speaker, on October 27 I asked the Minister of Finance (Mr. Chrétien) for an assurance that the new funds allocated by the minister's mini-budget for the Federal Labour Intensive Program would not be allocated on the basis of patronage. I almost made a slip

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of the tongue there; I nearly said Federal Liberal Intensive Program. We do not want a federal Liberal intensive program; we want a fair distribution of these make work funds.

My question was prompted by the fact that under Phase II of Canada Works the Minister of Employment and Immigration (Mr. Cullen) changed the rules. Up until Phase I of the program, and under the previous Local Initiatives Program, funds had been fairly distributed on the basis of Statistics Canada unemployment figures and projections of unemployment by Statistics Canada.

Then on July 9, Mr. Speaker, we were informed in a letter from the minister, and I quote:

I am sure you will be pleased to learn that my department has, for Phase II, produced a new data base for use in the allocations of funds—

Mr. Speaker, we are not pleased. Nobody who examines the record can be pleased. An examination of the record will convince any objective observer that the government is using the old pork barrel technique, that, in the words of one of my colleagues, there is hanky-panky at work. The formula used for determining allocations for Canada Works Phase II uses as a data base the number of unemployment insurance beneficiaries within a given constituency. This does not reflect the true unemployment rate in the constituency. For example, it does not take into account people who have never had a job but who are looking for work, such as our youth.

As evidenced by the figures released today by StatCan, the formula does not and cannot take into account people in the Atlantic provinces, for example, who represent 40 per cent of the figures, people who have been unemployed for more than three months and hence whose benefits are expiring. These people will no longer be reported for the allocation of funds under this program.

The formula also does not take into account pockets of unemployment within a riding. For example, a rural-urban riding, with an over-all unemployment rate of under 7 per cent, would qualify for only the basic \$100,000 allocation, but there might well be areas in the riding where the unemployment rate is well above 7 per cent, as is the case in my own constituency.

Here is what my examination of the allocation of funds has shown, and this is just a very brief examination of the experience we have had to date. The grant for the Newfoundland Liberal riding of Bonavista-Trinity-Conception jumped from \$1.6 million to \$5.5 million. Next door, the funds for the neighbouring Conservative riding, my own constituency of St. John's East, were cut from \$1.9 million to \$1.8 million.

Cardigan, the one P.E.I. riding that went Liberal in 1974, had the largest increase of any P.E.I. riding, jumping from \$0.3 million to \$1.8 million. That riding is held by the Liberal cabinet minister from P.E.I., the Minister of Veterans Affairs (Mr. MacDonald).

Allocations to the Nova Scotia Liberal riding of South Western Nova jumped to \$2.8 million from \$0.3 million, an 800 per cent increase, an increase grossly disproportionate to the two neighbouring Conservative ridings. Grants to the PC