

that project to continue. Unless there is good dialogue between the provincial and federal people something may be started which the province is not in a position to carry out afterwards. It creates a lot of problems. (21:10)

There have been many such problems. Many projects have initiated social services for neglected groups in the community which previously received only minimal voluntary support if their need had been identified at all. When the LIP money is gone the need remains. Public funds and private donations must be solicited—sometimes without success. The plight of such projects makes good press copy. In such cases, the original limited job creation benefit of the project started by a LIP grant is lost sight of, outweighed by the disappointments and distress resulting from its termination.

One of the criteria for grants in future which should be more stringently enforced is the requirement that participants in projects which have no clearly defined limits state how they will support the project when the Local Initiatives Program grant runs out. This is particularly important in the case of grants given to finance projects providing broad social services; it is unnecessary for short-term construction projects. Well over half of the projects authorized for 1973-74 for example fall into the social service category. (Table 7:47) In these instances the Constituency Advisory Group has a particular responsibility since its members have the background and knowledge of the community to anticipate the future needs of projects begun with LIP funds.

The Committee has a further concern. While the Division has improved its procedures for preliminary consultation, the Committee received evidence that the LIP program continues to arouse some provincial resentment. For this reason the consultation and selection process for LIP grants should be restructured to ensure that ample opportunity is given to other levels of government to reject proposals.

**The administration of the Local Initiatives Program has been improved to the point where it has become a useful technique for reducing the adverse effects of seasonal unemployment. The Committee recommends that the LIP program continue on a contingency basis subject to a full annual reassessment.**

**The Committee recommends that in future applications for LIP grants to initiate community projects which have no clearly defined limits must indicate how the project will be financed when the LIP grant has been spent. The consultation and selection process for LIP grants should be restructured to ensure that when a LIP project will affect provincial or municipal governments they are given an ample opportunity to reject the proposal.**

### **Local Employment Assistance Program (LEAP)**

This program emerged from LIP when it became apparent that a number of chronically unemployed Canadians were not being assisted in any way to find jobs. Under the Local Employment Assistance Program funds are contributed to small entrepreneurial enterprises for a basic period of three years. To qualify for a grant the operation must provide employees with "occupation-