

Speech from the Throne

had provided only 15,000 jobs but it is hoped that eventually it will provide some 70,000 jobs.

That is the worst indictment of the Local Initiatives Program that has been made by any member of the House. To tell the members of the House that on January 15 all those millions of dollars spent by the Canadian government had produced only 15,000 part-time jobs proves what members on this side of the House told the government last October, namely, that the Local Initiatives Program was both too little and too late, that this program, like the Opportunities for Youth program last year, was a good concept but there had been no preparatory work, there had been faulty administration, and millions of dollars had been wasted.

One is amazed when looking at some of the projects in the Local Initiatives Program. It is becoming a gigantic rip-off and is developing into the most stupendous pork-barrel this country has ever known. Some of the projects are excellent; some of them are simply seeking ways to spend money without any hope of giving the people of Canada any beneficial return. Surely the government should have learned by this time that if they want to initiate programs to provide employment, those programs must be planned months in advance, they must be worked out with the provincial and municipal governments and they must be worked out with industry and with local community organizations.

Merely to spend \$150 million and to pour out the money wherever possible to mark ski-runs and to build birdhouses at a time when we cannot get decent housing for a lot of our people, including our native Indians, is an indication of the lack of imagination and lack of planning which has characterized this government, not just in the last few years but ever since it came into office in 1963.

I wish the Minister of the Environment would tell the unemployed in my constituency, most of whom waited from 7 to 11 weeks for unemployment insurance cheques, and some much longer, that our economy is in good shape. The handling of unemployment insurance payments has been the greatest administrative foul-up I have seen in all my years of association with governments.

There were three reasons for the foul-up. The first was that this was a new act and the staff out in the local offices were not properly briefed on the changes made to the act. Second, the Unemployment Insurance Commission chose this particular time to instal computers without adequate programming and adequate training, with the result that some 300 blank cheques were sent out, which is a good "do it yourself" program if you are allowed to fill them in.

• (1650)

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): A foretaste of the future.

An hon. Member: Liberal genius.

[Mr. Douglas.]

Mr. Douglas: Mr. Speaker, those first two problems can be overcome. I will say, to the credit of the staff of the Unemployment Insurance Commission, that in recent weeks they have been making valiant efforts to break the logjam and get the cheques out. The third reason cannot be solved by administrative procedures. The third reason unemployment insurance cheques have been delayed this year is that the government has insisted on defining earnings to include holiday pay, statutory holiday pay, severance pay and overtime.

Unemployment insurance, as we have always understood it in this country, insures a man or woman against unemployment after a waiting period of one week. This government has said, "We are going to insure you against an interruption of earnings due to unemployment; but you must not only be unemployed, you must be unemployed and broke." The government has applied a means test and it has had two effects. First, it has delayed payments because an employee is required to secure information and corroboration from an employer as to whether or not he has any further money coming to him. Second, it has produced tremendous inequity.

In my constituency there is a man who had been stationed in the far north for a long time. He took no holidays, no statutory holidays and worked Sundays. When the big snows came, the plant closed and he came back to live in my constituency. When he applied for unemployment insurance he found that he had in the neighbourhood of \$800 coming from his employer for holiday pay, statutory holiday pay, overtime, etc. That meant that at the rate of \$100 a week for eight weeks he was deprived of any unemployment insurance benefit for eight weeks, plus a two-week waiting period.

If he had received his holiday pay each month as some workers do, or if he had taken his holidays last summer and the previous Christmas and New Year; had he gone to the outside and spent his money he would have been eligible for benefits after two weeks. Instead, he is deprived of benefits for eight weeks and by that time the snow would be gone and the plant would be in operation again, so he would be back at work without receiving any unemployment insurance benefits at all. This is cheating, when a man is asked to pay unemployment insurance—

Some hon. Members: Hear, hear!

Mr. Douglas: —over the years and then is deprived of unemployment insurance benefits merely because the holiday pay and other income which he has coming to him has been held up and allowed to accumulate.

Mr. Speaker, when some unemployment insurance recipients got their cheques—and we have had quite a struggle getting them—I looked at them. I saw one unemployment insurance voucher for a week, \$77; income tax deducted, \$14; cheque, \$63. That is a \$14 deduction from a miserable \$77 to keep a man, his wife and his children. Why? Because this government in its tax legislation decided to allow workers to deduct un-