

Employment Tax Credit Act

A sample based on 5,000 employed under the program reveals that 52 per cent were living on unemployment insurance benefits prior to finding employment through the program, while another 5 per cent were living on welfare. Others were being supported by family members, living on savings or on pensions. All had been unemployed for a minimum of two weeks, but the average length of time they were unemployed and looking for work was some 15 weeks or almost four months. To say that these people would be employed in any event is certainly not true.

Young Canadians 25 years and under made up 55 per cent of those employed, and these were equally divided between male and female. Over 34 per cent of those employed were females.

The acceptance of the program by small businesses is reflected in the fact that 77 per cent of all agreements were signed by employers employing 20 or fewer, and 40 per cent of those employers had a maximum of five in their nominal work force.

The employment tax credit program is a most economical plan to operate because only 100 people carry out the entire program throughout the country. This is certainly an important program in areas with well developed industrial and commercial sectors. Equally true is the fact that programs like Canada Works and Young Canada Works, which were cut off last year by the previous government in all parts of Ontario and western Canada, except some parts of B.C., are terribly important. Unless you have a well developed commercial and industrial community the incentive tax credit plan will not work because you do not have the private employer. Certainly that is true in respect of native people on Indian reserves, such as those in the Algoma-Manitoulin area where we have 12 reserves with some 5,000 status Indians. This kind of program is not applicable in such areas as programs like Canada Works which are direct employment programs.

We hear hon. members opposite say these are band-aid programs. That may be true. On the other hand, welfare and unemployment insurance certainly do not provide the answer. Most people are pleased to see the community benefits that have taken place in so many communities, particularly in the Algoma-Manitoulin area, through programs such as Canada Works. I hope the minister in reviewing the programs will be bringing in a program later this year directed toward rural communities, native groups and young people.

Last fall when the Conservative minister of employment and immigration cut off the Canada Works program we knew we were going to have 400 or 500 people unemployed, some 45 per cent or almost half of them young people, because of the cutback. At the time I organized an employment seminar in my constituency to review direct employment programs because I thought it was important that we make known to the government the importance of these programs. At the seminar we had employers, community groups, people in the teaching profession, people from direct employment programs, both federal and provincial, and a good cross-section of the com-

munities in that area sat down and discussed these direct employment programs.

I think the concept when the former minister of employment and immigration brought in the Canada Works program in 1977 was that for some four or five years we were going to have several hundred thousand young people coming into the labour force in Canada, some of whom could not be absorbed immediately into the labour force. To accommodate these people we adopted programs like the incentive tax credit program and other direct employment programs. The benefits to communities, especially in rural areas, in terms of improved social services, community services, wharves, parks and recreational facilities is pretty obvious. There is hardly a community in my constituency which has not benefited in a major way.

These programs not only provide many young people with their first opportunity to get a job when private enterprise cannot accommodate them, they make very significant improvements to the community at large.

I am certainly pleased to see the Minister of Fisheries and Oceans (Mr. LeBlanc) present here, because in many areas of Canada the Canada Works program, which I hope will be reinstated this year, will work in conjunction with the efforts of the minister's department, particularly the small craft harbours branch, in the development of wharves and marina facilities. This work has made a tremendous impact in the way of improved facilities throughout our area. The north channel of Lake Huron is one of the three best cruising areas any place in the world, yet it is very difficult to secure enough funding to improve marinas and wharf facilities in that area from the regular maintenance and capital programs of the Department of Fisheries and Oceans. However, the work done through the two programs has resulted in tremendous improvements.

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One ends up not only providing employment, but improving the community facilities and in the long haul developing the tourist industry, for which there is such very great potential. This bill is not a total employment strategy, as the members opposite have said. We agree that it is an important step in stimulating employment in the private sector. I hope that this program will be followed by other programs of direct employment, particularly for those rural areas which unfortunately will be unable to take advantage of this program, as they have of others in the past which have been terribly important. I hope that they will be important in the future.

Mr. Fred King (Okanagan-Similkameen): Mr. Speaker, I would first of all like to respond to a statement made by the hon. member for Algoma (Mr. Foster). Your ascendancy to power once again was not a national acceptance of your economic policies, and you know that.

An hon. Member: Order.

Mr. King: Your policies have been rebuked at the polls, your leadership discredited.