

the needed economic policy and industrial strategy to guide this country in the future. At a time of high unemployment anything is better than nothing, but this bill certainly brings us no improvement. As I mentioned to the hon. member for Winnipeg-Fort Garry, the temporary program in fact accelerates the permanent problems we have. It only appears to solve the problem. I ask the Minister of Employment and Immigration to reconsider this legislation, although I am sure this bill will be passed. I should like to ask that the extension of this program not be considered in the House.

Before closing I should like to reiterate the words of John Foster Dulles which have been quoted in the House. He said that the measure of success is not whether we have a tough problem to deal with but whether it is the same problem we had last year. In fact, it is the same problem and it has been the same problem we have had for decades. I say this has to stop. The program certainly does not help the people on the 14 reserves in The Battlefords-Meadow Lake constituency and it does not help the people who are being laid off from the mills and the plywood plants.

The Indian people are not even included in the unemployment statistics to which the Minister of Employment and Immigration alludes every once in a while. How will this program help the 20 per cent higher unemployment in Newfoundland? I strongly disagree with Bill C-19 which proposes to continue the employment tax credit program for one year and I ask that no more consideration be given to the extension of these band-aid measures, and that from that point on the Liberal government honour its commitment and work with all members of the House to implement a program of long-term planning for an economic policy and an industrial strategy.

Mr. Maurice Foster (Algoma): Mr. Speaker, I am glad to have the opportunity to say a few words about the employment tax credit bill which we have before us this afternoon to extend this program of employment for one more year. It was first brought in in 1978 and has been in effect for the years since. Last year some 50,000 jobs were created under this program costing nearly \$100 million. I think it is interesting to note that many members on the other side have been criticizing this bill, even though this is a program with a somewhat similar approach to that adopted by the Conservatives when they were in power for a brief period.

It was interesting to listen to the hon. member for Edmonton East (Mr. Yurko) who seemed to be speaking about economic leadership almost as if we were back nine months ago just after the May 22 general election, because he described the economic leadership vacuum which existed at that time. The thought that occurred to me was: was he not here on the night of February 11 and was he not here on February 13 when his minister of finance brought down the budget?

Mr. Knowles: You mean December 11 and 13.

Mr. Foster: Yes, in December. If he was not here on that night, then he did not realize that the Canadian people and certainly this House of Commons rejected the economic lead-

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ership of the former Conservative government. Of course, on February 18 the Canadian people rejected their economic leadership. His whole pitch seemed to be that there is no other policy than their policy. If their policy was so good, how is it that not only the House of Commons rejected it but that the Canadian people rejected it in the general election of February 18?

The important thing to recognize in Bill C-19 is that this program is especially useful in communities with relatively well developed industrial and commercial sections. It is obvious that if you are going to have tax credits then you must have a relatively well developed commercial or industrial sector. That is why this bill is so important in communities where this kind of situation exists.

● (1620)

I am told that more than 25,000 employers have signed contracts with the department under the Employment Tax Credit Act, and that 92 per cent have indicated they like the program and would use it again. The greatest number numerically, of course, were employers in Ontario and Quebec where there are the largest number of employees in the country. On a percentage basis, New Brunswick was second in the use of the program. The program was widely used in the Atlantic region. On average, 88 per cent of use in the Atlantic region was by firms with fewer than 20 employees.

Of course, the argument by the hon. member for The Battlefords-Meadow Lake (Mr. Anguish) that these benefits all go to large corporations is just not true. If we look at British Columbia we find that 82 per cent were small companies with less than 20 employees. In Ontario the figure was 77 per cent, and in Quebec 72 per cent were companies with 20 employees or fewer.

In the fiscal year 1979-80 some 39,000 agreements were signed and about 51,000 unemployed Canadians were placed in new jobs as a result of the employment tax credit program.

The distribution of jobs under this program was 51 per cent in manufacturing, 20 per cent in retailing and wholesaling and 12 per cent in the service industries. Some 43 per cent of the employees worked in manufacturing, machinery and fabricating operations, while 15 per cent worked in clerical jobs and 7 per cent in sales. The majority of agreements were signed for 52-week periods.

Employees in the Atlantic provinces and the Gaspé region of Quebec can earn a maximum of \$4,160 in tax credits. In most other regions the maximum tax credit earned for each employee is \$3,120, and in the remainder of the country the maximum is \$3,640.

The program is not viewed as one that involves an unnecessarily large amount of paperwork. For instance, there are only two one-page forms to be filled in by the employer and a third that is optional. Some 84 per cent of the employers said the tax credit was an important underlying factor in their decision to hire under the employment tax credit program.