

Employment Tax Credit Act

an evaluation, he should know that we can only evaluate a program when it is in operation. The problem right now is that we have suffered an hiatus for several weeks in the operation of that program.

We brought this bill in within two days after Parliament opened, on the grounds that we wanted to give it a high priority so we could maintain the continuity and the momentum the program had built up. We have now gone through close to 12 weeks of debate and discussion on this. Until we are able to put the bill back into effect and get it freely operating again, the evaluation, which was ongoing and scheduled to be completed this coming summer or fall will have to be extended much further because we cannot evaluate what in fact is not there.

● (2100)

Mr. Hawkes: Mr. Chairman, I am now getting a little confused. The minister said there was a study in progress that was not complete, and now he is suggesting that he cannot study the program unless he gets an extension. Could he clarify that for me?

Mr. Axworthy: Mr. Chairman, I would suggest it is not just now that the hon. member is confused, it is almost a permanent condition. It is something I guess we will simply have to accept. The fact of the matter is that as a trained social scientist he should know something about longitudinal studies, and realize that one has to have a certain length of time in order to evaluate any public policy. We are saying this particular program has only been in effect for two years. There are certain interim reports that have been used to suggest that it has provided some degree of success in creating jobs, so much so that my predecessor, the hon. member's former colleague, was so all-fired and excited about it he was going to build his entire employment program on the tax credit concept. Obviously in the learned judgment of my predecessor something was happening that was right.

We on our part did not feel that tax credits, solely by themselves, provided the total answer, and that is why we have provided a mixture of programs, which I think is a more proper and effective way of delivering employment programs. If the member wants to use some authority, because he obviously does not trust that which has been given to him from this side of the House, I suggest he go and make the same kind of assessment made by his former colleague and by his own government when they planned their program and announced it on the famous night of December 13, when they suggested the tax credit was going to be the solution to all our unemployment problems.

Mr. Hawkes: I wonder if the minister could tell us whether he has read the employment tax credit bill which his predecessor had ready to bring to Parliament just prior to the dissolution of the last Parliament. Has he read that bill?

Mr. Axworthy: Mr. Chairman, I have certainly read a great deal of material but I am not in the habit of reading bills of a previous minister. We know the rules of the House. We started

anew. I was not privy to much of the internal assessment. We have certainly assessed the tax credit programs as they were there, and concluded that they play a certain effective role in terms of the over-all production of job-creation programs. The fundamental error and flaw in the approach taken by the previous minister and the previous government were that they were going to rely solely upon the tax credit approach and not provide any direct employment creation that could be targeted to special needs. We felt that was wrong, because the tax credit program tends to have a bias, as we have said in this House, and tends to be more applicable to areas where there is a high degree of manufacturing and it does not apply as well in rural areas particularly where there are areas of high unemployment. That is why we have switched the program.

Mr. Hawkes: Once again the minister is confusing me. He says on the one hand he has not read the previous bill and then he makes a statement about what it would and would not do. Could the minister clarify whether he has read that bill or has not read that bill?

Mr. Axworthy: Mr. Chairman, there was not a bill. There was a policy announced at 8.15 on whatever day it was, Wednesday night, because my predecessor did not have quite the same ability to predict the vote outcome as did the House leader on the opposite side at that point in time. Unfortunately he never got the chance to present a bill to this House. All he could present was an approach, and a program, which were based solely and entirely upon the tax credit scheme, the very scheme which the hon. member is now questioning. I think it is unfortunate that he did not have the opportunity in his caucus at that time, or did not have the freedom to question his colleague, the previous minister, on the tax credit approach that the Tories were going to present. What we are simply saying here is that we were the original authors of the tax credit scheme. We think it has a certain value within a total arrangement, a job-creation initiative, but it is not by any means the only answer. That is one of the major differences between them and us.

Mr. Hawkes: Mr. Chairman, I wonder if the minister would undertake to check with his deputy minister? I made the point the other night that the Committee of the Whole involves a different process than debate. The Committee of the Whole stage exists, as does the standing committees of the House, to provide an opportunity to members of Parliament to get detailed information from ministers. I suggest to the minister that the bill does exist and that his deputy would have it; that it is in fact in the form of a tax credit bill, but it is not the same bill we are examining here this evening. In fact there are significant differences, and I would like an undertaking from the minister to have himself briefed on that bill before he appears before us again so we might discuss the differences between that bill and this bill, and we might have a discussion as to whether that bill might do a better job in the creation of jobs than the one we have before us tonight.

I want to ask the minister next, however, whether he has given serious consideration to wage subsidies as opposed to tax