

programs obviously can have but minimal impact. Why train people if there are no jobs at the end of the training period?

In my part of the country many people occupy places in vocational schools taking upgrading or training courses financed by the government, only to find at the end there are no jobs for them. Some look for ways to return to the vocational training schools to take other courses. When we consider that over \$2 billion has been spent on programs to provide incentives through the Income Tax Act, job training programs, make-work programs, the Federal Labour Intensive Program and others, we wonder just how effective they are. Sometimes I suspect we make it too difficult for people to participate. That does not apply to the Canada Works Program, however, because that was put in place quickly, although because of the scope of the program the impact is minimal. I do not underrate the importance of the Canada Works Program or the Young Canada Works Program but in my province where 57,000 people are unemployed only 10 per cent will find jobs through the \$20 million spent on this program.

It is important that we approach this problem as an emergency—one that is unprecedented since the great depression. Unless we do, many Canadians will be forced to the streets, to the welfare offices, and will have to give up on the system. I believe we allow that to happen to our peril. We must treat this situation for what it is. If we approach it as an emergency we will impose a minimum of regulations and bureaucracy in order to ensure that the program is in place, operative and, hopefully, effective, as quickly as possible.

**Miss Campbell:** Mr. Chairman, I have a number of concerns about this bill. I realize that the job involved must be one that would not have been possible without the incentive of the tax credit, but I wonder what is the standard. Is it something that had existed in the past and had folded, or must it be something entirely new to the company?

Perhaps I can go on to my other concern. I realize that the company must not be receiving any other assistance in the form of a subsidy at the federal, provincial, or municipal level, but how does it affect companies presently receiving DREE assistance? Are they to be excluded from the program? The press release states that in order to receive the \$2 tax credit which will be given for up to nine months, the person must be employed full time for three months. What is the interpretation of full time? In an area like South Western Nova where there is a volatile industry such as fishing, there may only be two months of herring fishing at the beginning of the season and a month some time later. Can that three months' full time employment be interrupted? I know that full time means the opposite of interruption, but in terms of the fishing industry how will full time employment be defined?

● (1722)

I commend the minister for this new measure. We all hope that most of the people who will be hired under this program will be rehired at the end of the subsidy. Perhaps I could get

### *Income Tax Act*

an answer for those two questions and then go on. I understand I have only ten minutes.

**Mr. McGrath:** You have 20 minutes.

**Some hon. Members:** Oh, oh!

**The Deputy Chairman:** The hon. member for South Western Nova has the floor.

**Miss Campbell:** Mr. Chairman, I read in the press release of the Minister of Employment and Immigration that the tax credit can be used to offset federal income tax liabilities for the taxation year in which the credit was earned. If not required the credit could be carried forward for up to five years against future federal income tax liabilities and it will count as taxable income. That will be of greatest benefit to small companies that pay lower corporate tax rates than major firms. Again, I think that is good. Is that the total taxable income of the company, or do you relate it to the income earned from that new employment?

It has been brought to my attention that perhaps there might be a difference there. I would think that it would have to be the total income tax owed by the company rather than just relating it to the job. Perhaps the minister could advise if this program could be combined with JET, job experience in training, or is that excluded because it is a federal program? I imagine that the JET program will be receiving a subsidy, so you would not have that.

To reiterate, I have asked for two answers. What is the meaning of full time employment in an area where there is fishing, and whether a company which is presently receiving assistance under DREE would be able to qualify for creation of employment. Do you relate that new employment to the existing DREE having received a subsidy, or are you allowed to go into that?

**Mr. Cullen:** Mr. Chairman, I would like to extend my compliments to the Parliamentary Secretary to the Minister of Finance who has done a very commendable job, not only on this particular bill, but on other tax bills before us. It is to the credit of the parliamentary secretary that he takes such control. I do not feel that I am piloting this bill through, I feel that I am helping him because the aegis for this particular program does come from the Department of Finance with input from us.

I am not going to comment at this time at length; possibly at the third reading stage I will have something to say on some of the comments made by the hon. member for St. John's East. I thank him for his recognition and his comments about my being compassionate and concerned, because I am, but he seemed to indicate that I did not know what it meant to be unemployed. My father was unemployed. I know what the impact is on a family when that occurs, and I do have concern for that. This was at a time when there was no unemployment insurance and no welfare. Similarly, I have been in the same predicament myself of being laid off and being unemployed,