

Income Tax Act

right into the House of Commons. It is incredible that members of the opposition, because I go once in a while to Quebec, as I did this week, and speak for Canada so as to keep Canadians together, should sneer in that way. I think such behaviour is completely irresponsible. I do not ask anything from anybody for my benefit but there is one thing nobody can say of me, and it is that I am lazy. I have worked for 15 years for Canada. In a sense, I am happy that the opposition is so irresponsible because the people of Canada who listen to snappy, cheap shots of that kind will never have enough confidence in that party to put them in power.

Some hon. Members: Shame!

Mr. Gilbert: Be a man! Apologize!

Mr. Stevens: I see we have only 16 or so minutes left before six o'clock so perhaps I might continue.

I should like to ask the minister what would be the definition of an eligible worker.

Mr. Cullen: An eligible worker is one who has been unemployed and registered at a manpower centre as having been actively seeking work for eight weeks or more. An employee must not be related to an employer or to senior management of a company.

Mr. Stevens: I take it, then, that the manpower office would be expected to maintain some kind of register of those who meet this definition. Will some running record be kept of those who are available under the definition?

Mr. Cullen: Yes, Mr. Chairman. That kind of record is in place now.

Mr. Stevens: The bill provides there will be a prescribed form of agreement, one which presumably the employer signs with the local manpower office as the other party.

Mr. Cullen: Yes, Mr. Chairman.

Mr. Stevens: Does the minister have a draft of this agreement for us to see?

Mr. Cullen: No, we have not, Mr. Chairman. If we did we would probably be criticized for moving ahead on the assumption that the legislation would be passed—we have been caught in that box before. But the agreement will be a simple one. We did not want to get into a lot of bureaucratic regulations. We wanted to keep it as simple as possible so that the employer could benefit without having to do a lot of paperwork.

Mr. Stevens: We note that the form of the agreement is still not available. I appreciate that the Minister of Finance will probably not be with us later this evening so perhaps I could put one or two more questions to him now. I understand that at a press conference he estimated that this program will cost the treasury about \$140 million. But he anticipated that the tax-back might amount to \$40 million, giving the net amount

[Mr. Chrétien.]

of \$100 million to which he referred as being the total cost when he spoke on October 20. Could the minister confirm this for the record?

Mr. Chrétien: Yes, Mr. Chairman, I can confirm that.

Mr. Stevens: Can the minister tell us what studies have been made of the second source of revenue to the treasury? We can understand an employer having to add to his income on the credit side, and presumably tax will be payable. On the other hand, tax will also be levied on many of the employees. Has any calculation been made of the net tax revenue expected from employees under this program?

Mr. Chrétien: We did not make such a calculation. I might say we did not anticipate that many of those who will benefit from this program will be in receipt of incomes at a taxable level anyway. One has to make at least \$4 or \$5 an hour to be in a tax bracket.

Mr. Stevens: The minister would agree, though, that there might be some tax-back.

Mr. Chrétien: There might be. In the case of an employee who was paid \$10 a hour, we concede there would be. But we do not know, and we are inclined to think the effect on the cost of the program would be extremely marginal.

Mr. Stevens: In putting the program together, did the department produce any estimate of the average wage likely to be paid to employees who benefit from this program?

Mr. Chrétien: We did not try to make such a forecast.

Mr. Stevens: I draw the minister's attention, now, to clause 6 of the bill, which provides for an instalment basis for the taxation year and refers to an amount "determined in prescribed manner" upon the income tax base in that year. Can the minister tell us what is the "prescribed manner"?

Mr. Chrétien: I will give that answer to the hon. member later on. I am meeting with ministers of finance again tonight but the Minister of Employment and Immigration will give the hon. member an answer to that question.

Mr. Stevens: Thank you. One important point is this: when does the minister anticipate the program will be in operation? If there is any basic criticism of the program, it is that it has not been ready early enough to relieve some of our current unemployment. Yesterday, in reply to my leader, the Minister of Finance stated that the program will be in place by March 1. There was no equivocation. Today in a prepared statement the Parliamentary Secretary to the Minister of Finance stated that, hopefully, it will be in place by March 1. Could both ministers confirm, assuming the bill receives a speedy passage, possibly today, that it will be definitely operational by March 1?