

Mr. Cullen: Mr. Chairman, the situation is that the credit is given for the number of hours actually worked. Let us take a situation about which the hon. member might be worried. An individual might work three months, or three weeks and not the fourth week, working only 24 days. The employer would get a tax credit for the number of hours worked. The minimum is not applicable there. The credit is given for the hours that are actually worked.

Mr. Stevens: Mr. Chairman, I wish to direct the minister's attention to page 8 of the bill before us. There are certain regulations that are contemplated. Will the minister indicate what in fact will be the definition of "eligible employer"?

Mr. Cullen: Either an incorporated or an unincorporated individual would qualify as an employer.

Mr. Stevens: Further to that, Mr. Chairman, are there any limitations on the type of work that the employer may be in? For example, are farmers included without any question?

Mr. Cullen: Mr. Chairman, in the event that the farmer is in fact conducting a business as such, yes, he would be included as an employer. I understand that only temporary help agencies or personal service would not qualify for this particular tax credit.

Mr. Stevens: I take it that with those two exceptions the minister referred to, anybody who is carrying on a business will be treated as eligible employers. Presumably farmers, who are one of the most basic types of businessmen in the country, will be included. Will the minister then give us the intended definition for "eligible employment"?

Mr. Cullen: Mr. Chairman, so there will be no misunderstanding, I will read this part of the response. "Eligible employment" is full time employment where the work week exceeds 35 hours, that will last for a minimum of three months and that pays an hourly wage at least as high as the credit. The maximum period of subsidization is nine months. Excluded is employment in personal services.

Mr. Stevens: Following on that definition, I wonder whether the minister could clarify one or two things. As I understand the definition, it is for a minimum three months' period. If your employee decided to leave for some reason at the end of the first month, would that be regarded as as ineligible employment?

Mr. Cullen: No, Mr. Chairman, The situation is we would anticipate employers would in fact be offering a job during that period of time, the three month period. If an individual works one or one and half months and leaves, or for that matter is laid off, the employment credit would be applicable, as far as the employer is concerned, for the period of time that the individual actually worked.

Mr. Stevens: Mr. Chairman, I noted the minister indicated that you can get your amount of credit provided the wage is at least two dollars or higher. Is that correct?

Income Tax Act

Mr. Cullen: There are the three figures, \$1.50, \$1.75 and \$2, depending on the particular job. Given those three figures, the hon. member's suggestion is correct.

Mr. Stevens: I wonder if the minister can indicate what in fact is the lowest minimum wage in Canada at the present time.

Mr. Cullen: I am just having that figure checked out, if the hon. member would like to ask another question.

Mr. Stevens: Tied in with that, Mr. Chairman, can the minister give us some idea how many employers may be entitled to this type of credit who will not be bound by any minimum wage? To what extent might there be people who will be offered only \$2, \$2.25 or some relatively low wage, which would mean the government is paying the entire cost of the hourly wage?

Mr. Cullen: Mr. Chairman, I am hesitating on this because I think it is clear we would not have the statistics until we find out what kinds of operations are in place, what kinds of employers participate in this program. We would need that before we would have the kind of information the hon. member is talking about.

Mr. Stevens: I am always anxious to help these ministers, Mr. Chairman. To be very specific, in most areas the farmer as a businessman is not bound to pay any minimum wage in so far as employees are concerned. Taking that as an example, am I correct in saying that a farmer, following the suggested definition, would be able to hire somebody for, say, \$1.50 an hour, and be fully reimbursed by the credit that this program will provide?

Mr. Cullen: The first question of concern I would have is how many people would in fact come for \$1.50 a hour. Second, the credit that the individual is given as the employer is limited to that figure. Then it is a net benefit because it is taxable.

Mr. Stevens: I was not looking for the rationalization; we can all put that in. I am asking a very simple question. Is it not conceivable that an employer could have an employee on his staff, there would be no net cost to him whatsoever in the sense that there may be some tax back, but that as far as the initial payment is concerned there would be no net cost to him for that employee?

● (1742)

Mr. Chrétien: I think I can safely say there is no such possibility.

Mr. Stevens: Well, Mr. Chairman, the part-time Minister of Finance—

Mr. Chrétien: On a question of privilege, Mr. Chairman. I think this is the third time since I entered this chamber that the hon. member has talked about a "part-time minister". I have spent all day with the other ministers of finance of the land doing a very important job. I finished at 5.30 and I came