

determining factor in motivating someone to go to work. Then could he explain to the committee, if this is the basis of the stance taken by his party, how this amendment could motivate people to work?

Mr. La Salle: Mr. Chairman, I was just saying that in many cases, for instance, the worker has to look for work outside and given the amount of his unemployment insurance benefits and the fact that he is unable to benefit from this \$400 deduction on additional expenses that he must incur to go to work, he would normally react by saying: I am better off collecting my unemployment insurance benefits than going out finding work for a total pay that is nearly equal to these supplementary expenses. It is true that often he will earn even less than his unemployment insurance benefits provide him with. We have here a possibility of increasing this expenses deduction and I think that this way we could at least give him some motivation since he would be assured to get the same benefits he is getting from unemployment insurance thanks to the protection provided by this amendment.

Mr. Cyr: Mr. Chairman, before proceeding to the vote on this amendment put forward by the hon. member for Rimouski (Mr. Allard) I would like to ask a question of the Parliamentary Secretary to the Minister of Finance (Mr. Lumley). I would like to know if he has received representations from the labour unions in Canada to the effect that this amount, raised from \$150 to \$200, was insufficient?

[English]

Mr. Lumley: Mr. Chairman, we continually receive representations from workers from all sectors of Canadian society with respect to this particular tax deduction. This is one of the reasons the amount was increased from \$150 to \$250.

The Deputy Chairman: Is the House ready for the question?

Some hon. Members: Question.

● (1702)

The Deputy Chairman: All those in favour of the amendment will please say ye.

Some hon. Members: Yea.

The Deputy Chairman: All those opposed will please say nay.

Some hon. Members: Nay.

The Deputy Chairman: In my opinion the nays have it. Amendment (Mr. Allard) negatived: Yeas, 24; nays, 33.

The Deputy Chairman: The question is now on clause 4.

Mr. Stevens: Mr. Chairman, in dealing with clause 4, I wonder whether the parliamentary secretary would indicate the rationale for the increase from \$150 to \$250 in the expense allowance? This appears simply to be an adjustment for

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inflation from the commencement of the \$150 employee deduction and today. Is that correct?

Mr. Lumley: Mr. Chairman, it involves a little more than just an allowance for inflation. It is basically a response to the number of representations we have had from a number of sectors throughout the country.

Mr. Stevens: Mr. Chairman, I would like the parliamentary secretary to be a little more specific than that. What has the inflation level been since 1971? My recollection is that the increase has been 61.4 per cent, and what we have in this increase before us is 66 per cent. Therefore, I would think this basically is an allowance for inflation.

Mr. Lumley: Mr. Chairman, I have not the figures before me, but using the hon. member's percentages, this increase is greater than the inflation rate increase which he quoted.

Mr. Stevens: The point I want to make is that the government is grossly unfair in what it is doing here. It is simply allowing retroactively for inflation in this proposal but is allowing nothing for the future. This means that if inflation continues as it has in the past—that is, 8.8 per cent in the last 12 months—and the Minister of Finance has indicated he thinks it will be at least 6 per cent next year, the \$250 allowance will steadily decrease in buying power and somebody will have to come forward and amend this legislation again. If the government wishes to allow some meaningful increase in this expense allowance, why does it not agree to at least a compromise figure? If it thinks \$400 is too high, will it allow something like \$350? This would not tax the treasury too much but, on the other hand, it would give the workers some assurance that they are getting a little better deal than simply catching up with inflation.

Mr. Lumley: Mr. Chairman, if the hon. member will look at other clauses, he will see there are many substantial tax cuts for Canadians across the country.

Mr. Stevens: Mr. Chairman, we are constantly being interrupted by people suggesting we are not speaking to this clause. I want to expedite the passage of this bill, but here we have the parliamentary secretary referring to other clauses.

Mr. Lumley: Mr. Chairman, the hon. member is very touchy. I did not insinuate that he was slowing down the passage of this clause, which obviously is true on the basis of what has taken place today. What I said was that if he looks at all the clauses of this bill, he will see there are many tax cuts for Canadians all across the country.

Mr. Stevens: Let me direct the parliamentary secretary to some comments by his minister on Monday in response to the hon. member for Gatineau who said, very frankly, that he felt \$250 was too low. The minister gave every indication he would consider an increase. Can the parliamentary secretary tell us, as a matter of policy, whether his department is willing to increase the level from \$250, an increase which was certainly requested by the hon. member for Gatineau and supported by