

[Translation]

### MOTIONS FOR PAPERS

**Mr. Yvon Pinard (Parliamentary Secretary to President of the Privy Council):** Mr. Speaker, I ask that all notices of motions for the production of papers be allowed to stand.

[English]

**Mr. Sinclair Stevens (York-Simcoe):** Mr. Speaker, I gave notice that I want to draw to your attention and the attention of the parliamentary secretary the fact that notices of motions for the production of papers Nos. 7 through to 43 have been on the order paper since last August. They go right back into last session. These papers deal with the cartel that the government helped organize among uranium producers of the world. The government has maintained there is nothing secret about what they did, yet they seem to wish to conceal the facts and continue a cover-up by not responding to these notices which have been on the order paper since last August. I hope the government will try to clear the air on this subject by at least producing, or giving an explanation why they do not produce, the papers to which I am referring.

[Translation]

**Mr. Pinard:** As a matter of fact, Mr. Speaker, I have noted that two thirds of all the notices of motions which appear on the order paper are in the name of the hon. member for York-Simcoe (Mr. Stevens). Two thirds of the notices of motions have therefore been referred to the department concerned and the hon. member will be advised of the replies as soon as we have received them from the the department.

[English]

**Mr. Speaker:** Shall the remaining notice of motions for the production of papers be allowed to stand?

**Some hon. Members:** Agreed.

## GOVERNMENT ORDERS

[English]

### INCOME TAX ACT

#### MEASURE TO AMEND

The House resumed, from Monday, November 28, consideration in committee of Bill C-11, to amend the statute law relating to income tax and to provide other authority for the raising of funds—Mr. Chrétien—Mr. Ethier in the chair.

**The Assistant Deputy Chairman:** House again in committee of the whole on Bill C-11, an act to amend the statute law relating to income tax and to provide other authority for the raising of funds. When the committee rose on Monday last, clause 4 of the bill was under consideration.

On clause 4—Employment expense deduction.

### Income Tax

**Mr. Nystrom:** Mr. Chairman, at the close of the session on Monday I was starting to make a few comments on clause 4. I had asked the Minister of Finance a couple of questions about the clause. Just to review for hon. members who might not have been here on Monday, this clause will increase the allowance that will go to workers for employment expenses from \$150 to \$250. In 1972 the government provided employees with a blanket deduction for expenses incurred in their work of 3 per cent of their total income from their office or their other employment up to \$150, whichever was the lesser. What is happening here is that the \$150 allowance is going to be increased to \$250 for the subsequent taxation year.

The argument I made to the Minister of Finance on Monday was that I agreed it was a good idea for workers to get an employment allowance—we all agree on that—however, I stated that a much more equitable way of doing this would be to get away from the allowance and give workers a tax credit. If you have a tax credit, it will be redistributive. The minister said he found it a good idea, but it would be a fundamental change in our tax system. It was very significant when he said “fundamental change”.

The other point I made is that a tax credit would not be something new in this country. We already have a tax credit with regard to contributions to election campaigns. If somebody contributes \$100 to a political party, he does not get a \$100 exemption on his income tax; he gets a tax credit. That tax credit is 75 per cent, or \$75. Any member who contributes \$100 to an election campaign gets back \$75 regardless of his work. If this were to be made an exemption of \$100, it would be worth a lot more to a member of parliament or someone making a lot of money compared to someone who does not make much money. Therefore, it would redistribute income in this country. That is the argument I made, which I hope the government will take seriously.

I can give a couple of examples of tax credits in this country. One hypothetical example is a \$400 credit for a family of four. If the income is under \$2,000, they receive back the \$400. If the income is between \$10,000 and \$12,000, they only get back half, \$200. If the income is over \$20,000, they do not get any of it back. That is the way a tax credit works. Therefore, there is a redistribution of income when you give this benefit. A \$400 exemption would be worth much more to a high income earner than a low income earner. That is why we make the argument for a tax credit.

There is another argument one can make about the increase in the employment deduction. An across-the-board deduction can be very inequitable. For example, there could be two employees both earning \$15,000. They both get the same deduction. Those two employees could have totally different expenses. One employee could walk to work and get a great deal of exercise, while the other employee has to drive several miles. He has a legitimately higher expense than \$250, although he receives the same benefit. Another example is one employee earning \$15,000 and another earning \$5,000. The employee earning \$15,000 may not have very high expenses. He may walk to work and have no personal expenses whatever.