

Income Tax

to supply the domestic market only at a price which would reflect a provision for interest and handling of the commodity. This would achieve domestic price control without interference by government in regulating incomes and wages.

Mr. Speaker, if one had applied this kind of system to the presently seriously troubled lumber industry, it would have prevented the lay-off of about 15,000 workers in British Columbia alone. Many plants throughout Canada will never go back to production. Incidentally, the Minister of Industry, Trade and Commerce (Mr. Gillespie) seems to be talking only to the large corporations in that sector of the economy. It would have prevented serious hardships suffered by the service and supply industries connected to that sector of our economy. I have chosen the lumber industry because it is one which enjoys high labour intensity. Also, the investment by government would be very minimal after one deducts the high cost of keeping idle hands.

The scheme would require an investment of \$4,000 per man per month, secured by marketable inventories at cost of production to the industry. However, were we to deduct the direct costs to government such as unemployment insurance, the loss of individual contributions to the tax rolls and, of course, welfare, the cost of one man-month of production in the lumber industry would be reduced to \$2,800. It could easily be demonstrated how such a system would bring a government closer to a social contract with its citizens, which would contain as a fundamental ingredient a guarantee of work for all who are able to work. Not many countries in the world are, of course, in such an enviable position, blessed by nature and the abundance of resources—so any such economic system would be truly Canadian. Instead, however, of expecting any kind of departure from the course toward economic disaster which the government has charted for us, Canadians will be presented with an even more complicated tax form to complete after the measures contained in Bill C-49 are incorporated in the Income Tax Act, if they can be.

Mr. Speaker, it is ironic that the function of liberalism in the past was that of putting a limit on the power of kings. It must be the function of this parliament to put limits on the irresponsible acts of the Liberal government sitting to your right.

Mr. Arnold Peters (Timiskaming): Mr. Speaker, if the Minister of Finance (Mr. Turner) is in a rush to push this legislation through, he would be well advised to refer to the section of our rules which has always prohibited the reading of speeches. In my opinion, this would shorten the debate and it would probably make it more representative of the areas which are being referred to than reading written speeches. Perhaps, Mr. Speaker, you could give some consideration to having such speeches tabled, if that rule were changed. In the meantime, I would suggest that the Minister of Finance interest himself in the subject. I would like to discuss two subjects. I do not intend to be very lengthy on either one.

[Mr. Oberle.]

Some hon. Members: Hear, hear!

Mr. Peters: Mr. Speaker, you will note that there are comments, from hon. members who read their speeches, which are favourable to my shortening my speech. Whether I have notes or not really does not make much difference. One of the problems in this budget is that we are really not doing anything for the individual taxpayer in this country; particularly as hon. members have pointed out, in connection with housing. It would seem to me, and I am sure to many taxpayers, that if there were a reduction in taxes for low income groups, people would be able to purchase some of the goods which are produced in this country in addition to some of the other expenditures they have to make. Of course, one of these is housing. Many times it has been pointed out to the minister that \$500 is not very much in relation to a \$40,000 home. Does the minister know very many working people in this country who have been able to save \$1,000 per year? If he does, I do not think he is dealing with people in his riding: maybe he is dealing with people in a riding which he formerly held, where I understand people are very wealthy.

Perhaps the minister has not considered some of the people in his own riding. Ottawa is not a cheap city in respect of housing: it is a city where housing is as expensive as almost any other city. I think if the minister looked at his own constituency, he would find that most of the people there are not putting \$1,000 into the bank when they are paying the amount of rent they have to pay for an apartment, and other costs. I think it is safe to say that in his riding very few people are not paying at least 25 per cent of their income, or more, for rent—let alone saving \$1,000. They will not be able to take advantage of this concession in the budget.

In my opinion, the minister can do something for the economy. I am perhaps not as much concerned with the inflationary side of it as I am with the ability of people to work in this country. Unemployment in my area is sufficiently alarming that I think a concession should be made to the average wage earner. I am speaking of those in an income category of less than \$10,000 who should be given some advantage. If this principle were applied to the concession made on the building tax, instead of reducing the tax on building materials from 11 per cent to 5 per cent, if the minister had been willing to make a rebate to all those buying a house in proportion to the reduction in tax then I think the rebate would have gone to the purchaser of the home and not to the contractor or the entrepreneur in the building business.

I think, for this reason, that the minister should do something for the building trade, which is very heavily involved in the labour field, and the forest products industry, about which many members are concerned, particularly when the price of lumber has dropped as drastically as it has in eastern and western Canada. A very large percentage of the outlying areas depend on lumber as a basic resource industry, and this industry has been hurt very badly. This is a field where con-