to develop and expand. Employment opportunities, direct and indirect, have a great impact on the Canadian labour force. Surely, no one need remind the government that in that area much more could be done. The anti-inflationary measures have seriously reduced the level of investment not only in mining but also in the gas and oil industry. There has been a serious reduction in exploration, and Bill C-259 in the face of all the government has done in the past year will hinder the development of these industries still further.

No other industry in Canada can generate a chain reaction in respect of employment as quickly or as efficiently as the mining industry. The government's responsibility to that industry is to make the tax structure of this nation palatable to that industry. Oh yes, we have programs. We have the regional expansion and development program. Through that program, literally millions of dollars have been distributed into certain areas of the country. Where has this money gone? It is difficult to establish where it has gone and the reason. I believe it would be reasonable to ask the minister of that particular department to provide this House with figures concerning the number of jobs that have been provided under that specific program. This program discriminates against certain areas and regions of Canada. I should like to know what that program since its inception has generated in terms of putting people to work.

Yesterday I talked about one of the shortcomings in the bill. I referred to the $150 allowable as a deduction for tax purposes for an individual who in order to ply his trade must buy certain equipment. Most businesses are allowed all proven or certified expenses. Most businessmen drive a company car to work and charge a large portion of that expense against their taxes. The individual who, by reason of his trade or profession, must have certain tools or equipment in order to hold on to his job or to continue to work in that kind of employment is allowed to deduct $150 a year for the replacement or the purchase of additional equipment. If you allow a business, regardless of whether it is large or small, to charge against its income all legitimate expenses that are created by reason of the operation of that business, then is it unreasonable of me to ask the government to consider the plight of the individual who has $300, $400 or $500 worth of equipment. I am thinking, for example, of a plumber or a garage mechanic who must have $1,000 worth of equipment. It is not inconceivable to find many mechanics losing $300 or $400 worth of tools in a year. They leave tools in cars, some of them get stolen and some of them literally walk away. To allow $150 is, I suppose, a step in the right direction but I should like to point out that if you allow businesses, large or small, to charge against earned income all reasonable expenses necessary for the maintenance of those businesses, then I do not think it is at all unreasonable to suggest that the same should apply to the man who, by reason of his type of employment, has to incur expenses in connection with the tools of his trade.

• (5:10 p.m.)

How important are tax reductions, particularly if the tax deductions are in the right area? I think it would be fair to say that the government should take a quick look at the automobile industry in Canada and what can be done in that area. We know that recently, in the face of the 10 per cent surtax in the United States, the government has offered Canadian industry an $80 million assistance program. However, one of the things we have failed to examine—I am not against foreign car sales in Canada but I should like someone to examine the matter carefully—is the reason Toyota, Mazda or Volkswagen have increased their sales in the last two years by tremendous percentages over the Canadian or U.S. made automobiles. As a matter of fact, Canadian automobiles in certain areas have lost some of the Canadian market.

I have not checked but I believe there is a federal tax on Canadian automobiles which makes them higher in price than the same automobiles built and sold in the United States. Surely, if you want to stimulate an industry, the removal of that tax would have a tremendous chain reaction in so far as jobs are concerned. This might have been one of the areas to which Bill C-259 could have given some consideration. I have referred only to the automobile industry because I think that, in the light of the $80 million allocated by the government recently, this is a really good example where maintaining a tax on a Canadian built product and allowing massive shipments of imported automobiles into the country to replace Canadian made cars will put the Canadian manufacturer in the position of selling cars built in Canada at a higher price than the same cars built in the United States, which is unfair. This applies not only to the automobile industry, but I imagine it applies also to the television manufacturer, the refrigerator manufacturer and the stove manufacturer. The tax is there, and shortly some consideration should be given to this point.

I want to deal now with a number of the items in a bill which is so vast that it is virtually impossible to cover any portion of it in the time that is allowed us under the rules. I just want to put on the record some of the items of income that will now become taxable. For instance, one half of certain income becomes capital gain. I do not wish to deal with that again today because I dealt with it two or three weeks ago when I spoke. Then, there are payments under an income maintenance insurance plan to which the employer has made a contribution, the contribution paid by an individual in 1967 to be deductible from any payment he receives. Then, there are allowances paid under the adult educational training program, not including the portion of a person's living expenses while living away from home during his training, and allowances paid under the textile and clothing board. There are the scholarships and bursaries with the $500 exemption, and I dealt with those the other day. Consider the family that needs assistance, the smart lad who gets a $1,000 bursary and who is then charged a tax on 50 per cent of it. That is a generous contribution .

By putting together new personal exemptions, new tax rates and new items of income, figures will show that a man earning a certain salary today, allowing for increases over the next ten years, will be far worse off than had we stayed with the present tax system. Let me give an example. If an individual today earned $9,750 for a taxable income of $8,000, allowances of $1,500 plus $100 plus $150, and we assume that his wages increased by 8 per cent a year, promotional plus usual increase, then in 1978 his income will be $15,472, and his taxable income would be