

department could be eliminated, the public would benefit, and the revenue flowing to the treasury would not be affected.

I know this proposition has been examined in years gone by, and studies show that the government would get just as much money from the taxpayer. At the same time millions of dollars would be saved. Much of the present operation is sterile—thousands of persons are employed in the civil service doing something which does not need to be done. That is the kind of make-work program we do not need. My suggestion to the Minister of Finance is that we take a fresh approach to taxation policy within the Department of National Revenue and eliminate, by and large, personal deductions, and simply adjust the percentage of the tax rate on personal income in such a way that the income of the federal government would remain approximately the same. Expenses would be reduced by hundreds of millions of dollars and I believe all the taxpayers in the country would thank the hon. gentleman for it.

Mr. Arnold Peters (Timiskaming): Even at this late hour it is a pleasure to speak on the bill before us. We have a very unusual situation in Canada, Mr. Speaker, inasmuch as many hon. members, particularly those in my own party, believe that one of the ways of ending the major problem facing us, the problem of unemployment, is by providing the workers with more money with which to buy goods and services. It is the belief of many that there should be tax deductions in favour of individuals to make this possible, and, in addition, transfer payments to persons in poor circumstances so that consumer goods can be purchased by them more regularly.

The other side of the question is the legislation before us which provides \$200 million in favour of corporations with the object of enabling them to create more jobs. Mr. Speaker, the Prime Minister (Mr. Trudeau), the Minister of Finance (Mr. Chrétien), the former minister of finance, along with most of the institutions, are well aware of one simple fact, that is to say, when you give corporations a tax concession which will allow them to increase production, it is only of assistance to them if they are able to increase their production. Obviously that is going to be very difficult. There are very few companies in this country which can increase their production to 100 per cent of capacity, yet we are allowing them tax concessions to increase capacity at a time when they are not using more than 80 per cent capacity.

● (2212)

One of the ways we can put people back to work is to start projects which will provide the maximum number of jobs at the least capital cost. In many cases these are the kinds of jobs which are closely related to the resource industries. In my part of the country during the last two or three years there have been many closures of plants and mines, and reductions in the number of jobs in the resource sector. This has been highlighted particularly by recent developments in the Sudbury basin. Three thousand employees laid off in Sudbury will mean that those left in employment in the area will have to carry the tax burden of the community. There will be a great deal less money in the community to provide the necessary goods and

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services. This is not unusual in the resource areas of our country. Most of these areas have a one industry community which depends on lumbering, mining or some other resource. And when something happens which adversely affects that community, the community is in exceedingly difficult circumstances.

I received a letter the other day from a lady who told me that her father had been laid off one year ago in the town of Kirkland Lake. During the intervening period he had searched for other kinds of jobs because he did not want to go on welfare. He owned his own house in the community. He had been there a number of years, had raised his family, and his roots were in that community. Although he did all of the menial jobs he could in the town, such as cutting grass, painting fences and doing rough carpentry work, his skills did not provide him with a sufficiently paid job to keep his family. His wife went out to work as well, but she certainly was not young and was not very well. Between the two of them they were unable to provide enough income to keep the family in the community, and so they had to leave.

Quite legitimately, Mr. Speaker, this family blamed not only the federal government for the lack of employment in the area but also the provincial government, since neither the federal government nor the provincial government pay much attention to the resource areas of our country. This is also true in Nova Scotia, New Brunswick, Prince Edward Island, Newfoundland, and the northern parts of our country which depend mainly on resource based industries which are subject to ups and downs.

The people in Timmins are still quite happy. Over the last three or four years they have benefited from a very fortunate incident. In the main, the gold mines of this country have ceased operation all across the country. There are two gold mines which operated in my area, and occasionally a new one is contemplated. Raising capital for gold mining is very difficult, and communities dependent upon gold mines have been in a very serious situation. Timmins was more fortunate than Kirkland Lake and some of the other mining communities, because Texas Gulf found zinc and copper in its very large development at Porcupine.

● (2217)

It is interesting to hear that Inco is laying off people in the copper and nickel industries at Noranda and Falconbridge. Also it is interesting to note that several months ago Texas Gulf was informing the people of Timmins that there would be no lay-offs. In fact that is the only town which is in a resource boom era and condition at the present time. But there was a very large construction project going on there, and Texas Gulf made an announcement that it would cut back the construction crews working on the development of a smelter. As I have indicated, this is the only boom area in the resource field in Ontario. However, employees are now receiving those nice little pink slips indicating that their jobs are terminated and their services will not be required in the future.