

Income Tax

Members on both sides should stress that point. I hope the government of Canada will come up with a program, whether it be through advertising or some other form, to bring this message to the Canadian people. In order for our economy to grow, Canadians must purchase Canadian goods. If it does cost a few more cents, it is better to have more jobs within our nation.

Mr. Jones: That includes the government.

Mr. Anderson: I trust all my remarks refer not only to consumers, but governments—whether they be municipal, provincial or federal. I thank the hon. member for bringing that matter to my attention. Where we have hydro development in provinces such as British Columbia, the maritimes, Labrador and Quebec, we should “Buy Canadian”. Why not build the turbines and generators in Canada? If it costs a few more dollars, the retention of Canadian jobs will more than offset that extra cost. It should not only be the responsibility of consumers, but municipal, provincial and federal governments. If they sincerely believe that unemployment should be lower, perhaps they should put their money where their mouth is and “Buy Canadian”.

If for no other reason, I am very pleased to participate in this debate in order to bring that point across. It is very important that it be brought to the attention of the nation. I referred earlier to the 90-cent dollar. An unpegged dollar reflects a decreasing demand for the Canadian dollar. The dollar is like any other commodity, such as a loaf of bread, a tire or a battery—it is bought and sold: it has a certain demand and a certain demand price. We have not been in a strong economic position in exports over the past few years, especially in manufactured goods. This is reflected in less demand for our dollar to buy goods which are manufactured or produced in Canada. Surely this should be an indication that we have a problem.

Instead of saying “Isn’t it terrible that we may have to spend more to go to Hawaii, Cape Cod,” or wherever, we should heed the warning that we are consuming more from abroad than we are producing. I hope hon. members opposite recognize this fact. It is also an opportunity for Canadian manufacturers, producers of raw materials, farmers, and others. Goods that we purchase from abroad cost us more. Maybe that is not a bad idea. We may not want to purchase as much from abroad. In the province of British Columbia—and I hope I have agreement from my colleague from British Columbia—we are given an opportunity in the mining industry and in the forest products industry to be more competitive in world markets. In the past we have lost some of our competitiveness. This gives us a chance to be more competitive.

I now want to refer to the copper industry in British Columbia. The largest open-pit copper mine is in my constituency on northern Vancouver Island. I wish to quote from a paper given to me by a mining engineer, John Giovanetto, of Trail, B.C. He made the following point:

It has been stated that Canada is one of the few countries which has an abundance of mineral deposits available for exploitation. This is incorrect. On

[Mr. Anderson.]

the basis of equal surface area, Canada is no better endowed with mineral deposits than any other area in the world. In mineral wealth Southern Africa, Western South America, Australia, Melanesia in the Pacific, all have concentrations of minerals equal to or greater than Canada’s . . .

A flourishing copper mining industry was established in this province on a copper content which is so low that in other parts of the world it was not considered economically viable. The copper grades in the southwestern U.S. mines average about 0.8 per cent copper. In South America, the copper ranges from 1 per cent to 1½ per cent; Africa has copper grades of between 2½ and 4 per cent. The mines in Melanesia are in the range of 1 per cent to 1½ per cent plus gold. In contrast to these, the copper mines in British Columbia run between 0.45 per cent and 0.55 per cent copper. These are very lean deposits which require very close operating controls, and which can quickly become uneconomic with even modest increases in taxation.

However, under the right incentives the mining industry created a viable copper industry in British Columbia. Referring to the 90-cent Canadian dollar, it is my understanding that if the apparent price of copper had been unchanged during 1977, many of those mines in British Columbia would have had to lay-off men or close down operations entirely.

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The 90-cent dollar has allowed these mines to remain open. I would find it very hard to accept massive unemployment in copper mining in British Columbia. As some hon. members may be aware, some of this copper is of very low grade, and at the best of times the operation is very marginal. Nevertheless, by reason of the technology which has been developed, particularly in British Columbia, we have managed to make the industry competitive in the copper markets of the world. But given the very low prices which have been in existence for the last year or so, it would only have been a question of time had the Canadian dollar continued to be quoted at \$1.03 U.S. before mining operations were severely curtailed or shut down altogether. Thus, while the hon. member who spoke before me appeared to find something ridiculous about the present standing of the Canadian dollar, I have placed before the House one concrete example—and there are many others—to show that there is a positive side to this development.

If we are wise, we will use discretion when purchasing goods from abroad and take advantage of this opportunity which is now given to us to be more competitive in world markets.

Mr. Hnatyshyn: Is your answer an 80-cent dollar?

Mr. Anderson: Returning to Bill C-11, might I point out that there is one provision in it which to my mind has not been brought to the attention of the Canadian people to the extent it should have been. By virtue of the indexing feature, a married taxpayer earning less than \$8,435, with two dependent children, will not be called upon to pay income tax in 1978. It means that no tax will be payable in these circumstances by persons making approximately \$700 a month. This is not to say a man earning \$8,400 a year will not have problems, especially if he is still buying a house. But surely indexing is a step in the right direction.

The hon. member spoke about deficits. We are all aware that if the government collects less in taxes from the people, deficits are likely to result. We are all aware that when people are laid off work they are usually in no position to pay taxes