

Income Tax Act

We must bear in mind that over the past 15 years there has been a tremendous competition, certainly in the province of Ontario, among urban municipalities, small and large, for industry. This had nothing to do with the unemployment insurance areas. It was the municipalities themselves that were competing with one another for industry. Now that we have chosen the unemployment insurance areas as a standard, the result is that some municipalities are preferred over others and in many cases the one municipality is equally as well off as the other by any other test, except the specific test we apply of these unemployment insurance areas. I have cited one example, the municipality of Deep River, which is undoubtedly one of the most prosperous in Canada. It is now in a designated area and entitled to tax incentives. The town of Renfrew, however, with many unemployed, with plants closed and without industries that were once thriving, has been found to be unworthy of incentives. I suggest that there were bound to be some of these areas in which mistakes were made as a result of setting up a definite, immovable, set of statistics as the only guide.

In my humble submission, I think the task of selecting areas is closer to a judicial task. We deplore ad hoc decisions. Let us set up a tribunal to decide each case on its merits. There is a tendency for top level civil servants to fear political interference in such a case. Surely, there are areas in which this type of decision must be made on the merits of each case by an impartial tribunal. I believe that in this land we have grown up to the point that we could appoint that kind of tribunal, if need be, and that kind of tribunal could operate without fear of political interference. This type of tribunal, in making its decisions, would not be bound by eight years or three years. I do not see how you can say with certainty that it is only the statistics for eight years that decide whether or not a community needs help. I have cited these statistics to show that this is one of the older, settled parts of Canada which has grown almost imperceptibly in the last 50 or 60 years. In the case of this municipality the test is, has it not been a slow growth area for 50 or 60 years and not just eight years? Unemployment is not the only test.

In so far as these statistics are concerned, it is difficult to determine what percentage of the unemployment was industrial. We have had to include construction workers, workers in hospitals and in old age homes, people of this nature, who are not separated from industrial workers in the statistics kept by the Department of Labour. The whole purpose of the legislation, of course, is not

related to people who work in the service industries, but is to encourage industrial growth.

I suggest that to some degree we have used the production of oranges to determine whether we should grow bananas. I think in so doing in isolated areas errors have been made, and I submit that the Minister of Finance, as I know he will, and also the Minister of Industry, as was inherent in all their speeches on these matters, will see to it that there will be a continuing review held so that a second, third and fourth look may be taken at some of these areas where inequities have resulted. I am sure every attempt will be made to right the wrong so that with two municipalities, one as poverty stricken as the other, as is the case between Pembroke and Renfrew, 40 miles apart, one will not suddenly lose all hope of getting industry which now will go to the other. I have every confidence, from the leadership that this government has shown, that inequities of this sort will be reviewed and righted in the not too distant future.

I would like to point out one other thing to the minister in this regard. There is another area on behalf of which, as the delegate of my constituents, I would like to register a complaint concerning this incentive type of legislation. It concerns the quasi rural areas. I do not believe that in those areas the incentives of quick depreciation and tax incentives alone will bring new industrial growth and employment. I think there are areas where a very special type of aid, possibly capital grants, possibly some other type of help, will be needed if the people in them are to have the opportunity of employment and share in some degree in the growth of this great land in the future.

We have seen that this government implicitly approves of that type of thinking by virtue of the fact that it has given \$100 million in capital grants to the Atlantic provinces, where that type of special help, over and above these incentives, was needed. The only problem is that the maritime provinces are a large area. They were able to bring strong representations before this house, both to this government and to the previous government, to sell their needs. In addition they have had powerful cabinet ministers in office, both with the previous government and this government, who were able to sell the needs of the maritime provinces. But isolated areas, whose need I submit is just as great, areas such as those in the west end of my riding, are not able to muster this large group power to show their needs. They are not able to do much more than send one inept voice to this house in order to plead their cause.

[Mr. Greene.]