All I am saying is that in order to achieve any degree of equity and fairness in the north, the Income Tax Act would be the tool to use. The establishment of different tax zones would be a method that is acceptable. It has been proven in many other countries and deserves the consideration of this government. I am very disappointed that some of these proposals were not reflected in this particular bill, but I am hopeful the minister, in response to my comments, will be able to enlighten us as to how the multidepartmental study is going and what the government's views are in respect of these proposals.

Mr. Howie: Mr. Chairman, I should like to speak for just a moment about the special 50 per cent investment tax credit proposed in this bill.

In my view the designation of areas to receive the special 50 per cent investment tax credit should involve regions of the country which suffer the effects of regional disparity, instead of census divisions within regions and, indeed, within provinces. Last Wednesday I spoke at length on this matter and made my argument in that regard. Today I should like to detail a few points in support of my argument.

According to the data base on which the program is based, 13 of the 42 areas selected do not qualify for designation with regard to the per capita income and family unemployment rate criteria used in the selection process. An additional factor, that of isolation, has to be included in order to effect the qualification.

Eleven areas that do not qualify under the per capita income and family unemployment rate criteria are not included. I would like to illustrate this point by referring to the census divisions identified in the province of Quebec.

L'Islet, census division 13, has a per capita income of $2,760 and a family unemployment rate of 3.3 per cent. This area is not included, while Rivière du Loup, census division 8, with a per capita income of $3,577 and a lower family unemployment rate of 3 per cent, is included.

L'Islet is part of Bellechasse, which for a long time was represented by a distinguished Social Credit member of Parliament, and is now represented by an able member of the government caucus, who may wish to pursue this matter. If he does so, the research material I have gathered will be available to him.

Labelle, census division 16, has a per capita income of $3,227 and a family unemployment rate of 3 per cent. Again, Labelle is worse off than Rivière du Loup, but it too is excluded, and I have to ask why.

Charlevoix, which is represented in the House by my friend, the Minister of State for Small Businesses, has a per capita income of $4,000 and a family unemployment rate of 3.2 per cent, but is not included as an area designated to receive the benefit. Apparently the Minister of State for Small Businesses does not enjoy the same good fortune as the Minister of Regional Economic Expansion and the Minister of Finance whose constituencies are included. That is quite understandable, but perhaps the Minister of State for Small Businesses will have some difficulty explaining to his constituents how the

Minister of National Revenue was so fortunate as to have part of his constituency included, with a per capita average income of $5,531 and a family unemployment rate of only 1.5 per cent, in census district number 10, which is Labrador.

● (1730)

I want to be the first one to suggest that the answer is to be found in the weight that is given to an isolation factor, but looking at the per capita income of $5,531 which is higher than most included areas of Quebec, and a family unemployment rate of 1.5 per cent—a lower unemployment rate than all the other areas in Quebec which are included—I have to suggest to the Minister of State for Small Businesses and the Minister of National Revenue that that is some isolation factor!

If my colleagues from Quebec who are left out of the designation marvel at the way that the identification has been done, they will probably find great sympathy from my colleague from Haliburton in Ontario, census district 46, which has an average income of $3,879 and a family unemployment rate of 3.1 per cent. It is the only census division in Ontario to meet the criteria of the program. Yet it is not included in the program.

Part of Thunder Bay district, in census district 58 which is included, has an average income of $6,827 and a family unemployment rate of 2 per cent. Again, it must be some heavy weight that is given to the isolation factor!

If the isolation factor is great in Ontario, some other mysterious and powerful force is at work in Nova Scotia. The Minister of Finance must be delighted that Inverness, census district 15 in his riding, with an average per capita income of $3,674 and a family unemployment rate of 3.1 per cent, is included, while the member for South West Nova is hung out to dry in respect of Digby, census district number 3 in her riding, which has a per capita income of $2,826 and a family unemployment rate of 3.3 per cent. Inverness is in, and Digby is out. In fact they both should be in, but for some strange reason the area represented by the distinguished member for South West Nova has been excluded.

She is in pretty good company because Cumberland, census district number 11 in Nova Scotia, with an average income of $3,524 and an unemployment rate of 3.3 per cent, has also been excluded. The member for South West Nova is in good company with the very able member for Cumberland-Colchester.

For a real shocker we go to Queen's County, New Brunswick, census district number 4, which has the lowest per capita income in all of New Brunswick at $2,484, and is excluded. Its 3.3 per cent family unemployment rate is higher than one, and the same as two areas included from that province.

By removing Rimouski, the urban area, from the county, by removing Sept-Îles from Saguenay in Quebec, by removing Thompson from census district 22 in Manitoba, and Grande Prairie from census district 15 in Alberta, the rest of the census division in each case was able to qualify.