

*Income Tax Act*

think the minister has given us enough information concerning the giving of incentives to industry in these depressed areas.

Perhaps there are better ways of accomplishing his purpose. Has he or his department made any detailed calculations as to which method is going to give the taxpayers of this country the most for their money? As I have said, we in western Canada cannot benefit from this particular part of the legislation. We are just going to pay for it. When you consider the effect that the sales tax has had already in a province like Alberta, you will find we are paying double. This year construction is down 30 per cent as compared with a year ago. When you consider that this is a new part of the country, when you consider that we are trying to get new processing and manufacturing industries established in that part of the country, then you realize that we are paying for this provision in a number of ways.

We have heard nothing from the minister, or in the detailed speech by the hon. member for Northumberland, as to other alternatives. Certainly, nothing has been said as to why we do not try other ways, why we do not use direct grants to get industries established in these areas. It seems to me there is an argument in favour of this method because it would do a lot of things. First and foremost, of course, it would provide capital for the prospective manufacturer to get started right away. Second, it would do away with all the red tape. I should like the minister to tell me how many more people he is going to need in his department to administer this incentive provision. How many inspectors will he need, how many clerks, auditors and accountants? This is a very indirect, complicated and discriminatory method of giving help in depressed areas. Can the minister tell me if his department has investigated these aspects, or will this just be another case of empire building within the department, and the provision of more and more men to curb private industry.

Perhaps the department could look into the possibility of providing facilities in those areas to encourage manufacturers to get started there. Has any work along this line been done? What are the costs going to be for what we are going to get out of this particular type of program? Has the department looked into the possibility of providing credit for manufacturers setting up in those areas? It seems to me that this would be a logical and much more direct approach to providing incentives for industries in those areas, and at a far less cost. This method would be better than the indirect method with all its red tape which has been put

before us. I say this section of the bill is bad because it is not going to do what we all want it to do. This method will involve a large civil service to administer it. There will be political machinations in connection with it. It is all very well to say that these are going to be designated areas, and not depressed areas, but this manoeuvring has already started. As I understand it, there has already been some political manoeuvring with this segment of the bill.

There are other ways that this could be done better. What is wrong with providing incentives to industry all across Canada, and then additional incentives in these depressed areas? This was the platform of the Liberal party at election time, that they were going to provide incentive to industry not only in depressed areas but right across the country. My Liberal opponent in that election came out and said, "You Tories did not provide the right climate in Alberta. You did not get a pulpmill in Whitecourt." The reason we did not was because the markets were not there and transportation costs were too high. You need some incentive to get that mill in Whitecourt. According to my Liberal opponent this government would do that; but instead it has come up with a very complicated mixture of red tape, and I will be very surprised if it provides any additional jobs at all.

Why not take the direct approach? Why can we not have a simple formula to provide assistance to industry to go into the designated areas? Why can we not have some program designed to increase Canadian participation in industry? There are other things which the government has already done for the designated areas, such as additional assistance under winter works programs and the speed up of government works in these areas. This is fine; we all want to see these areas improve; but this should not be done as a prop or through the form of a subsidy just to keep something going. It has to be something of a permanent nature. There has to be investigation and research to determine that it will be a long term thing, and that it is not just relocation of a plant from one city to another.

When the minister replies I would like to hear him say something with regard to the other methods that are available but which were not chosen. To me it seems a simpler method to give a direct grant to a manufacturer in order to encourage him to go into a designated area, and to provide facilities such as roads and rails.

Another matter which I want to mention deals with the designation of these areas and the criteria used to do so. We have read a long communique outlining how this is being done, detailing so many years unemployment figures and growth rate; but I would point out