

unemployment and low per capita income?" Are isolated areas included regardless of unemployment and income levels? Also, "isolated" and "northern" appear to be synonymous as all northern areas are included, except for northwestern British Columbia and northeastern Alberta. Why were those areas omitted? The information release notes that each province and territory has at least one census division in the program. Was this a requirement; that is, was one area from each province and territory included, regardless of relative levels of family unemployment and per capita income?

The information sheet also notes that "the eligible areas generally account for less than 40 per cent of the population of any one province," but the minister's statement to the member for Madawaska-Victoria says that "in no province could I designate more than 40 per cent." However, in his reply to my point of order, he moves back to a more conditional phrasing when he says:

In no province should the regions designated cover more than roughly 40 per cent of the population of the province, otherwise there would be no incentive.

Is the 40 per cent criterion a requirement of the program or only a general target, and in either case why, if more than 40 per cent of a province qualifies under the other program criteria, should regions be excluded from the program? Why would there be "no incentive" if such regions were included? Will there be the opportunity to refine the areas designated and the criteria for designation before the program goes into effect this year and, if not, what value is that pledge of the minister if, in the words of the member from Madawaska-Victoria, "The program is a one year pilot project only?"

In the testimony of the Minister of Finance (Mr. MacEachen) to the Senate finance committee, he said that the upper limit of revenue loss set for the program was \$15 million. He added that it was not a requirement of the program that at least one census division be eligible in each province and territory, and he said that it would be possible for a company to get a combination of the tax credit and a regional development incentives grant which would be more than the company could get in a regional development incentives grant. I would like to hear the minister confirm that the upper limit of revenue loss under this program is \$15 million, an amount the Liberal senator from Northumberland, Mr. Thériault, described as "minuscule".

I would like to hear the minister confirm that it is not a requirement of the program that at least one census division in each province and territory be included in the program.

If the Minister of Finance was correct in stating that it would be possible for a company to qualify both for the tax credit and a regional development incentives grant, which, in combination would constitute a larger incentive than the regional development incentives grant for which it would otherwise be eligible, why does the information release say that "stacking of the 50 per cent tax credit with other incentives is not generally permitted" and that "the tax credit will be taken into account in determining the need for an amount of incentives under the Regional Development Incentives Act"?

Income Tax Act

Will any companies qualify for the tax credit which could not qualify for grants under the Regional Development Incentives Act? If not, is it not merely a substitute for the Regional Development Incentives program in the designated areas?

I have to confess that I find it very confusing to attempt to rationalize the minister's program which bisects parts of provinces within a region in determining where the new 50 per cent tax incentive program will apply. The stated objective is to promote industrial development in those parts of Canada most adversely affected by economic disparities. I find it very difficult to rationalize this approach with the application of the program spread over every province and territory in Canada instead of concentrating on regions which suffer from disparity.

The mystery deepens when we refer to the areas that are identified and those that are not. Take the province of Quebec, for example. The areas identified take in the eastern Gaspé and northern Quebec, excluding the urban regions of Sept-Îles and Rimouski. Yet the maps supplied to me by the minister indicate that, according to the program criteria, the counties of Labelle and L'Islet should be included. Yet they are not. In Ontario everything north of the 50th parallel is included, yet the county of Haliburton, the only county in Ontario to meet the program criteria, is not.

In New Brunswick the county of Queens is the worst off in the province in terms of income and meets the other program criteria, yet it is not included. In Nova Scotia the counties of Cumberland, Digby and Yarmouth meet all the program criteria, yet are not included.

All these counties could have been included in the program, even with the arbitrary 40 per cent rule, yet they are not there. Moreover, because of that rule the entire Avalon peninsula in Newfoundland and census division 05 in the western part of that province which meet the unemployment and income criteria are not included.

Meanwhile, a number of census divisions are included in the program, it seems purely on the grounds of isolation or a rule that one census division in each province must be included.

It is little wonder then, why I have asked and am asking to have the data base, the maps I have been given, and any related information which was used in arriving at these designated areas, tabled in the House.

When I look at these discrepancies and note the fact that every area in the Atlantic provinces which is included—with one small exception, that of 4,700 people in part of Guysborough county in Nova Scotia—is represented by a member of the government caucus, questions arise in my mind, and there are questions put to me by other people which I simply cannot answer. I would, therefore, like to have the statistical information upon which this program is based.

I finally received more information from the minister in which he confirmed that census divisions were chosen as a geographic basis for the program. The main reason for this selection was that statistics are available on that basis which will permit, in the future, an evaluation of the program's