

Income Tax Act

concerned that the area around London become too congested. Similarly, in Canada I think we should become concerned if the area around Toronto, the golden horseshoe or whatever it is called, should become too congested. Certainly I would wish it would come a little further east along the lake into Northumberland county.

Some hon. Members: Shame.

Miss Jewett: But for social reasons, and not only for economic reasons, we are concerned that we do not simply focus on certain areas in our country. This, I think, is particularly true for us in Canada. We do have a nation from sea to sea; we presumably want to keep the nation from sea to sea. I was discussing this question the other day with a former colleague of mine, Professor Porter, who is probably the most perceptive sociologist in Canada. He was saying it is nauseating to realize that the myths by which we live are geographical—from sea to sea. The myths the United States live by are social—all men are born equal. The myths that France lives by are social—liberty, equality, fraternity. But poor old Canada, we do not have these kinds of charter social myths; we have geographical myths—from sea to sea. But, of course, we do have a lot of geography. It has been our big problem, and is our big problem today—to make our nation a viable entity from sea to sea. This is what we are struggling with most of the time.

Policies such as are being introduced in these amendments help, I think, establish us as a nation with a national identity; to encourage an at least comparable growth of certain areas which have been depressed and are slow growth areas of Canada; to bring them along in the hope that they will be able to share more amply and, if possible, equally, with other areas in the country in the future, wherever they may be. Therefore I think this measure is a particularly important one for this country when we are stretched out on such a fine ribbon and where we do have particularly strong pressures coming upon us from outside.

The measures that are being taken to encourage new industries to settle in certain areas of chronic unemployment and slow growth are fiscal measures. Of course, this is because the federal government of this country still controls, and I hope, despite what the previous speaker suggested, will continue to control the fiscal power. Indeed, if the federal government of this country loses control over the fiscal power we might as well shut up shop as a nation—

Some hon. Members: Hear, hear.

Miss Jewett:—because the federal government has this means in its hands, the tax power. It can use this tool in such a way as to achieve the end we all have and about which I have just spoken.

Countries in Europe that have pursued policies of helping certain slow growth areas have used other tools, and I thought I would just say a word or two about these because they may well in the future be useful in Canada even at the federal level, and certainly at the provincial level. The United Kingdom pioneered the development of national policies to attract firms to industrially depressed areas, and has perhaps carried such measures further than any other country. I was reading the other day that in the 1963-64 budget, for example, the government of the United Kingdom is giving direct grants to firms that will move into designated areas, amounting to 25 per cent of the cost of the buildings and 10 per cent of the costs of plant and machinery. These are direct grants to firms moving into these areas—something we have not yet even touched, of course, in this country. The British government also provides very substantial loans—indeed, practically all European countries do—to private enterprises that are going to certain designated areas.

In Britain, too, there is, as we all know, the location of industry policy whereby people are not told they have to go to certain areas; what happens is that before they can go to an already built-up, congested and rapid growth area they have to have a licence, and the government can decline a licence, thereby suggesting to them indirectly that they go somewhere else, and particularly to an area that has been designated. That is, again, a power we have not yet got at the federal level, although I see no reason in the world why much more could not be done along this line by the provinces than is done at the moment.

Similarly, in the United Kingdom they use the fiscal power. For example, all firms in their development districts are allowed to write off their capital costs as fast as they like. There is much expenditure of social capital too, grants to municipalities, and so on, for improving public services in the designated areas. I may say here I think the economists agree that the provision of social capital alone is not sufficient to raise these designated areas to the level of industrial development which one would like to see. The provision of roads, power, communications and the like will not suffice to stimulate industrial development to the extent which appears desirable; one has to provide more direct grants or concessions of one kind