

*Income Tax Act*

put out by the department for the purpose of recruiting staff. It looks like Parkinson's law gone mad. There is clearly going to be immense duplication of effort in putting into practice the amendment proposed to the act and it seems to me the government would be better advised to use this department as a co-ordinating instrument and, perhaps, as a means of assisting financially the province in this field, instead of duplicating work which the provinces are already doing.

Another question occurs to me. Why did the government bring in legislation such as this without consulting the provinces and, through them, the municipalities? I think the answer will be found in some remarks which were made in this house a short while ago by my hon. friend from Brome-Missisquoi (Mr. Graftey) when he very ably pointed out that the occupants of the treasury benches seem to have certain functions of government mixed up. As I recall his observations, my hon. friend referred to one of Mr. Burke's essays on government, an essay which pointed out the necessity of divorcing the legislative function of government from the administrative. Those engaged in discharging the legislative function of government are elected representatives accustomed to consultation and to dealing at first hand with members of the public. Those in the administrative branch, on the other hand, have the task of carrying out the legislative proposals and they are accustomed to doing so in a somewhat peremptory way. It may not be coincidence that a large percentage of the present cabinet—I think it is about one third—is composed of those who do, in fact, have an administrative background—some people might refer to it as a bureaucratic background. It depends, of course, on what one means by these various words but it remains true that a large number of the most important cabinet posts are now held by people who have an administrative or quasi-administrative background. As a result, one finds this kind of thinking: we know what is good for you; we are not interested in consulting people at a lower level; we are imposing this on you from on high. The Minister of Industry (Mr. Drury) whose department is the most closely related to these clauses under consideration is, admittedly, a little different from those who are normally thought of as being bureaucrats. Nevertheless, he has an administrative background and I have heard some people refer to him as a "gold-plated bureaucrat". He has this background and this manner of thinking. That is why we can expect not only legislation of the type now before us, but more of it in the future.

Another main heading under which I group these objections to the relevant clauses of

Bill C-95 concern the method used to designate those areas which are to receive tax relief. A great deal has been said about this in the house already by members on both sides, and a great many statistics have been produced. Most hon. members who have had any association with statistics—and I am sure the hon. gentleman is among them—know that statistics can be selected to suit the particular results which are required.

**Mr. Gordon:** The Minister of Agriculture says they are for losers.

**Mr. Nesbitt:** He may well be right. Anyway, we have all heard the story about the statistician six feet tall who was drowned in a river which had an average depth of three feet. I think some of the statistics used in the designation of these areas might come within the compass of that little anecdote. I do not wish to discuss the formula used by the Department of Industry in designating these areas at great length, but I think it is fair to say that some sort of arithmetical average was used in arriving at these figures and that special circumstances such as arise in the now famous case of the city of Brantford were, clearly, not taken into account. The hon. member for Northumberland (Miss Jewett) stated in the course of the speech she made in this house recently that in her opinion the government has adopted a reasonably good method of designating these areas by using statistics of growth and unemployment over a period of time. Referring to similar circumstances in countries outside Canada, she said the real issue in those other countries did not concern the criteria used but the question of how large the areas should be. I have pointed out that the statistical formula which the government has adopted leaves much to be desired because it does not allow for aberrations or unusual circumstances. I think it would have been preferable if a more complex formula had been adopted capable of taking such circumstances into account. But the main issue, as indicated by the hon. member for Northumberland, is to the size of the areas chosen. It was decided, apparently, that the areas covered by national employment offices would be considered as areas which could be designated as areas to receive special assistance. On the face of it, that appears to be a logical way in which to proceed, especially as statistics of unemployment and economic growth over a period of time are the basis for designating these areas. However, I believe there are serious objections to the practical application of this method of procedure.

Let us consider, for example, a large metropolitan area such as Toronto. I drive to