

*Income Tax Act*

and this legislation will not do them any good either. This is one of the main criticisms which I have of the designated area formula.

The other criticism I have again relates to the complete unselectivity of our area. The town of Geraldton is 125 miles away from Port Arthur, deep in the northern Ontario bush. Yet it is in the Port Arthur district. The town of Geraldton has a population of 5,000 people. I want to take another town, the town of Sioux Lookout in the riding of Kenora-Rainy River, which has a population of a little over 2,000 and is about 150 or 160 miles from Kenora, which I understand is the district base for the figures used in the formula. Neither Geraldton nor Sioux Lookout has added any considerable growth in job opportunities in the last decade—particularly Sioux Lookout. I talked to one chap who recently established a lumber mill in Sioux Lookout and he was quite bitter about this legislation, or the intent of it, because of the fact that he will not have the opportunity really to apply it in a tough town, tough in employment terms, which I am sure will probably meet this particular situation, because the town happens to fall in another district. The same applies to Geraldton.

There is one other factor which is not looked at in relation to this formula, and again it comes back to the question of mobility. Sioux Lookout happens to be my home town. The job opportunities have not grown there at all; they have diminished and diminished. But the young people have moved away, and the fact they have moved away gives a false picture in terms of the opportunities of the formula used in terms of growth. It is for this reason that I feel we must request a crash effort on the part of the Department of Industry in particular to make this designated area formula more flexible, and it must take into account more factors than it does at the present time.

One of the advantages which would be gained if this was done, it seems to me, is that we would overcome the psychological block involved in this designated area-depressed area idea. It seems to me that if the formula were more sophisticated there would be less hesitation on the part of groups such as chambers of commerce to see their area designated, and there would be a tendency for them to take a closer look with a deeper insight into the problems of their areas in economic terms.

The last point I want to make in relation to this is one of the most galling features of the federal structure in a federal society. I could give as an example the difficulties we encountered in trying to get this commission started, to obtain support for it and to get a report

out. The hon. member for Fort William will, I am sure, agree with me as to the problems we encountered. Businessmen and people in public life in our area were concerned about the tremendous burgeoning of young people in our schools. We could see there was struggle ahead and we decided it was our responsibility to face the situation and do something about it. We went to the provincial government. They said: we do not see any way to help you; you should see the federal government. So we went to the federal government. We sent delegations down and we pounded on a number of doors. The Minister of Labour said: Don't come down here and tell me things are wrong; tell me what is wrong and what you want me to do about it. We responded to that challenge and we began to prepare some material. We needed sophisticated help; we needed the help of some expert economists. But we were able to get the help of one economist from the Department of Labour for a week or ten days, only. We managed to scrounge some funds from one of the provincial agencies and for that we were very grateful. But here again the help was very limited. The province could not come forward with any real assistance as far as statistics were concerned. They are not set up to provide this kind of assistance and there seems to be little indication that they are moving in that direction in Ontario. When we finally got our material prepared, we ran into a difficulty which is inherent in a private effort to get at the roots of the trouble in an area. A number of the people who had shared the work of the commission or who had contributed to it were very discouraged by the prognosis which was reached. They felt that if it were divulged in detail a great deal of harm would be caused to the future of the area. I did not agree with this view. It was not my wish to complain, but I felt one should face up to realities. However, I could understand why they felt the report should be played down. In the event, it was played down and this report never had the impact which could have been expected. But no wonder they played it down. We gave the report to the federal authorities. We said: Here is what we have found; here are our recommendations; what can you do about it?

What did we find? We met with weeks and months of silence. I believe the hon. member for Fort William made various representations. I telephoned, wrote and badgered. Finally, we got out of the deputy minister of the Department of Labour one of the cagiest letters I have ever received, expressing a tremendous amount of sympathy but no real response. In essence, he commended our recommendations but said there was nothing to be done about them. This, to my