

underdeveloped regions to cover capital costs and labour costs for the first three years of operation. By allowing a newly established firm to apply these expenses against future income tax payable, the investor would be given the opportunity to recover his investment plus 50 per cent, and his labour costs for the first three years plus 50 per cent. In this way we would create a new corporate taxpayer and ensure the creation of much needed employment—all without taking anything from the federal Treasury.

A second suggestion would be the abolition of the capital gains tax. The enormous administrative costs associated with collection of these revenues already offsets any perceived fiscal advantage. If we accept at face value the \$400 million which the Government presently collects in capital gains tax, I would argue that the advantages of eliminating this tax in terms of potential domestic and foreign investment and the resulting creation of jobs and new corporate taxpayers would be overwhelming.

I would prefer to end my comments on a happy note. However, I am afraid the Budget before us offers little incentive for optimism. As I have pointed out, there is little in the Budget to improve the lot of our pensioners, our unemployed citizens, or our underdeveloped regions. The Government simply continues to illustrate its mismanagement and callous disregard for the well-being of its citizens. The Government bases its fiscal projections on anticipated improvements in the U.S. economy which it claims will pull Canada upwards in its wake. For the sake of Canada's long suffering population, we will have to hope that this is so, because Canadians know all too well that solutions and leadership will never come from the present Government. To the despair of the unemployed, it is clear that the Government's expertise lies in the distribution of largess. Its talents do not include compassion, leadership, or positive results.

**Mr. Corbett:** Mr. Speaker, the Hon. Member mentioned the importance of military bases to the economy of the Atlantic region. Would he have some comment on the Government's proposal to withdraw the air squadron from CFB Chatham? How does he feel that might affect the economy of that part of Atlantic Canada?

**Mr. Howie:** Mr. Speaker, the Hon. Member's question is a good one. I am not happy about the withdrawal of the air squadron from CFB Chatham because I feel it is a militarily wrong decision. I discussed this matter at length with our former and present defence critic. We feel it is the wrong way to go. The new CF-18 fighter aircraft would be better employed at Chatham because, when fully loaded, it has a very limited range. At Chatham it would be able to fly out over the Atlantic and observe Russian aircraft flying down the Atlantic corridor to Cuba. This would be an enhanced role for us in NATO. So my inclination would be to leave the aircraft there on military grounds.

As the Hon. Member knows, the area of Newcastle, Chatham and Miramichi is in a desperate situation economically. We have high unemployment and the removal of about 1,500

or 2,000 people from that area will be a disaster which will exacerbate a very serious problem. The Government has proceeded with development of a maximum security prison in that area which will help alleviate the situation. They have a pay division facility which is supposed to go into that area to help it, and there have been other small developments. However, the total impact of these developments fails to equal the economic effect and purchasing power of the spin-offs from the military base.

One thing the Government should look at is the possibility of developing a duty-free port in Newcastle harbour. Harbour development is always followed by economic development. I had hoped that something like the Bell Helicopter plant, which creates over 4,000 jobs in nearby Quebec at Mirabel, would go to the Chatham area. This would have a fantastic effect on the whole economy of New Brunswick and lift that area economically from one of depression to one of the most advanced in the country.

The move of surveys and mapping branch of the Department of Energy, Mines and Resources, which we tried to get for the University of New Brunswick and which has the best survey engineering faculty in the world, where it would operate most efficiently, has been refused for the last seven years. The Minister is determined to move it to Sherbrooke, Quebec, and recent court decisions may enable him to go forward with that decision. It will cost us \$76 million, and if he is determined not to put it on the University of New Brunswick campus where it can operate best, then I do not know why they do not put it in Chatham where it will stimulate the economy. That \$76 million would just be a godsend in New Brunswick and a real advantage to that area. The Member from Miramichi has raised the question and worked very hard in his caucus and with the Government. Our provincial counterparts have co-operated. I think all Members from New Brunswick are concerned with this problem and would like very much to encourage the Government of Canada and the Government of New Brunswick to do everything they can to address the situation.

I hope my few comments have been constructive. I thank the Hon. Member for his question and the Speaker for his patience. I did not really intend to make another speech.

**Mr. Flis:** Mr. Speaker, the Hon. Member usually puts a lot of thought and planning into his debate. First of all, I would like to disagree with his closing remarks. If he looks at the April Budget and at this Budget, he will see the Government shows great concern and compassion for the economically depressed areas of Canada. I recommend that he look at both Budgets and I think he would probably strike out the last comment he made.

I agree with him, though, that we should be seeking better marketing techniques. I was wondering if he could share with us some suggestions for improving our marketing techniques, especially in the part of Canada he comes from.

**Mr. Howie:** Mr. Speaker, I thank the Hon. Member for his question. In addition to the market research and structure I