

Income Tax Act

minister would not reconsider this particular provision. In view of his experience in the business world he can appreciate the fact that many firms starting in business today must, to some extent at least, acquire used equipment. I hope that later on in the debate I shall be able to deal with this point in greater detail. At the moment I leave this for the minister's consideration.

The other problem with which I wish to deal concerns the selection of one spot in the province of Alberta as a designated area. I refer to the town of Blairmore. I appreciate the fact that the town of Blairmore has experienced many difficulties in the last few years, mainly because of a lack of markets for coal, but I suggest there are other areas in Alberta that might well be considered in the selection of these designated areas. I think my colleague the hon. member for Jasper-Edson made reference to the town of Hinton. This is a relatively new town in which some 3,000 or 4,000 people are employed. The only industry there is the pulp and paper industry. Should anything happen to the market for paper we would have a situation with which it would be hard to cope. I would ask, then, that the national employment service re-examine their initial submissions to the minister to see if some more of these cities—I do not want to mention any more by name—in the province of Alberta should be designated.

Mr. Kindt: I just want to add a word or two about the slow growth area of the Crow's-nest pass. It is not only the town of Blairmore which is within the area of the unemployment office located at Blairmore. In other words, this particular unemployment office looks after Pincher city—not Pincher Creek, but Pincher city—Cowley, Lundbreck, Burmis, Frank, Bellevue, Hillcrest, Blairmore, Coleman, Fernie and so on.

Mr. Pickersgill: All aboard.

Mr. Kindt: Well, it is only fair that the people out there be informed. If the government is not going to inform them then it is my duty to do so. I say to the Minister of Finance that so far he has failed in his duty. I am taking this opportunity, on the floor of this house, to bring this to the attention of the people out there. They have been writing me about it. I hope that what I have had to say will clarify the matter, in spite of the smiles and so on of the minister to your right.

I should like to comment on one other problem, and that is the stipulation that 95 per cent of the equipment of a factory must be new in order to qualify under this provision. The Minister of Finance knows that when an industry is started especially if it is a small

[Mr. Skoreyko.]

industry, it must rely on second hand equipment. As my hon. friend knows, there are many costs connected with setting up a new business. If these new industries which wish to locate in areas of slow growth must buy new equipment in order to qualify for these benefits under the act, many of them will be prohibited from locating in slow growth areas through lack of capital. I suggest to the minister that he take this particular provision under advisement and reconsider his position in respect of the amount of second hand equipment that is permissible for qualification.

Mr. McCutcheon: Mr. Chairman, it is unlikely that I can add very much in a material way to this debate. I am not so naive as to think I can, since this is my first attempt at participating in the debates of this house. I should like, however, to comment on the magnitude of the estimates that have been brought forth by the Minister of Finance.

The figures stagger a layman such as I am. If my memory serves me correctly the minister said that the revised estimates were up \$6 million over the original estimates, yet certain items had been erased or removed. We all realize that costs in general are going up, but are they going up this much? There is no question in my mind but that the present government have done some things. They have certainly increased our taxes; there is no question of that. Excise tax is up and income tax is up.

Going a little further, I should like to comment on the fact that over the past many years much discussion has taken place about federalism and whether or not it works. There was a period when some governments centralized while others did not. It turned out actually to be a tug of war between provincial and federal politics. Some federal governments centralized and others did not. I am led to believe from what I have read that the Liberal party was supposed to be by tradition a provincial rights party. However, recent actions by this party have proven correct the statement made by the hon. member for Northumberland about the need for more centralization in government; and, indeed, in her remarks in the debate on the address in reply to the speech from the throne another word was used to describe the situation. I refer to the word "collectivism".

Since then we have had issued, or seen issued, a tremendous proliferation of bureaucracy, with boards, departments, agencies, etc., which in my opinion has caused much unnecessary money to be spent. For example, we have the designated areas—some people