

*Income Tax Act*

the problems of those areas which are designated as being in need of new employment opportunities.

The employment figures in Peterborough and other cities that enjoy increased summer activity due to the tourist influx are raised by this activity which lasts only a few short months. This type of employment does not demand a high wage scale. I would not suggest that Peterborough be included among those cities designated by the federal government as distressed areas. We listened to the hon. member for Northumberland make a very good speech last Friday. I know she would not want to see Peterborough designated as a distressed area, nor would I want to see her constituency designated as a distressed area. But this is what is happening in western Ontario around Windsor and Brantford. Cities that have hired industrial commissioners to tackle this problem or which have set up strong committees within their own councils or chambers of commerce are going to find this a hazardous blow to their communities.

Mr. Karl B. Hines, president of Nashua Canada Limited, wrote a letter to the Peterborough *Examiner* several weeks ago noting the hazards of the depressed area legislation from an industrialist's point of view. He noted that a difference of 130 jobs put Brantford in the depressed area category but kept Guelph out. As the Peterborough *Examiner* comments:

Soon after this was revealed, Magnetic Metals of Canada moved from Guelph to Brantford to take advantage of Brantford's preferred position. Its departure could conceivably put enough people out of work in Guelph to qualify that city for depressed classification, and its arrival in Brantford may reduce the unemployment population ratio below the depressed level.

All the legislation is doing is shifting jobs rather than helping to create them. I am only mentioning this to show that areas other than western Ontario are worried about this legislation.

I should like to ask the Minister of Justice if he discussed the planning of the new penitentiary at Warkworth with the Minister of Industry and why he did not place it in a depressed area. I am very happy that he picked Warkworth, which is in Northumberland riding, but it bothers me why the government did not see fit to have it set up in a depressed area, for this is what he is asking private capital to do.

I should like to ask the Minister of Public Works where he is going to build the new Royal Canadian Mint. Maybe the hon. member for Renfrew will receive this new building.

[Mr. Stenson.]

To come back to the question of industrial commissioners, I should like to ask the Minister of Industry or the Minister of Finance what help the government is recommending for these commissioners or new industries not contemplating moving to depressed areas. I am told that commissioners trying to secure industries for their particular areas are met with a blank stare and aloofness when they confront members of the government in Ottawa to inquire about federal aid. They are told that new industries should go to the designated areas.

I realize the concern that is prevalent in western Ontario but I can say quite frankly that this same concern, no matter where you go, is felt all across Canada. The formula which is being used shows that a difference of a few tenths of 1 per cent in the unemployment ratio to population is all that is required to bring an area into the designated class and at the same time leave out other areas. If a complete and more realistic analysis were made of the situation, it is entirely probable that Peterborough would be found to be in the same situation as Brantford. A complete section appearing in the *Financial Post* a few months ago on the city of Brantford indicated that they were experiencing unprecedented development in the growth of their existing industries and the arrival of new ones.

I would ask the Minister of Finance and the Minister of Industry to reconsider seriously the legislation which they have introduced because I feel that the 50 per cent straight line depreciation which is being allowed companies that are settling in designated areas should be extended to all types of industry, whether or not they are controlled by foreign interests. If this were the case it would provide an incentive for all types of industry, no matter how they are controlled, to expand their production activities and thus provide additional employment opportunities.

We in Peterborough feel that the industries already located there should have as much consideration when they expand or increase their productivity as new industries are being offered at the present time. Why should they not have the same advantage as competitors? I feel the same way about this matter as the hon. member for Wellington South. The clause pertaining to industry should be withdrawn, as it makes for a most discriminatory piece of legislation.

Before I sit down I should like to point out to the Minister of Finance the increased trade this country has received and is still receiving due to the aggressive steps taken by the former minister of trade and commerce. This was accomplished by one man