

approval of projects is required. All industries which are defined as manufacturing or processing operations under the Regional Development Incentives Act are eligible. Furthermore, the fiscal advantages are automatic from the moment an entrepreneur makes an eligible manufacturing investment. All that is required is to claim the credit as part of an income tax return. If Revenue Canada requires any clarification on the eligibility of the industry or the area in which the project is located, it will obtain this from DREE.

Let me return now to the eligible areas in which the program will apply. As I said earlier, the program is aimed at those parts of Canada which lag behind others, economically speaking.

For a variety of reasons, people living in those areas do not have the opportunities available elsewhere. Perhaps they are geographically isolated, too far away from the centres of economic activity to benefit from that activity. Perhaps employment opportunities do not exist simply because it is not financially attractive for an entrepreneur to locate or expand in such an area. There is a host of reasons why these people are in need. But, whatever the reason, action is required no matter where these people are located.

Just where are they located? With the help of Statistics Canada, DREE has been able to identify those census divisions, containing approximately 5 per cent of the Canadian population, where the family unemployment rate is greatest in relation to the national average and where the per capita income is lowest relative to the national average.

But statistics alone do not tell the whole story. In order for the special investment tax credit program to be effective, it was necessary to use these statistics as a basis for decisions requiring human judgment. I am sure that claims could justifiably be made that the criteria I have just described would warrant the designation of additional census divisions in the Atlantic region in particular. However, it must be remembered that the special investment tax credit is intended to be an incentive to stimulate industrial investment in areas of greatest need.

If the whole of a province were designated for eligibility purposes, for example, there would be no financial incentive for a firm to locate in the area of greatest economic need. That is why the Minister of Regional Economic Expansion (Mr. De Bané) placed the constraint on the program that, generally speaking, not more than 40 per cent of the population of any one province would be eligible for the special tax credit. However, I should point out that there was an exception to this 40 per cent rule in Newfoundland, where the designation of all the region of Labrador raised the provincial percentage above this level.

Similarly, the statistics did not take into account the fact that in some census divisions, while the average family unemployment rate may not be the highest and the per capita income may not be the lowest, there are, nevertheless, many people living in rural or isolated areas who are much more disadvantaged than their fellow residents who live in the more urbanized parts of the country. It was with a view to helping

these people that the minister decided to include some census divisions in the northern parts of the country, especially in Ontario and western Canada.

I would like to take a few minutes to describe briefly the areas that are covered by the Special Investment Tax Credit program. In British Columbia the northeastern part of the province covered by the Peace River-Liard census division 55 has been designated. This includes Dawson Creek, Fort St. John, Fort Nelson and Liard River.

In Alberta the northwestern part of the province covered by census division 15 has been designated, with the exception of the urban area of Grande Prairie. Located here are places such as High Prairie, Peace River, High Level and Fort Vermilion.

In Saskatchewan the northern part of the province has been designated. This area, covered by census division 18, includes La Ronge, Buffalo Narrows, La Loche and Uranium City.

In Manitoba the northern part of the province, with the exception of the urban area of Thompson, has been designated. Here, in census divisions 19, 21, 22 and 23, we find communities such as The Pas, Flin Flon, Norway House and Churchill.

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In Ontario we have designated that part of the province north of the 50th parallel of latitude. Included here are communities such as Sioux Lookout, Red Lake, Sandy Lake and Moose Factory.

In Quebec the part of the province north of the 50th parallel of latitude, with the exception of the urban area of Sept-Îles, has been designated. This includes Fort George, Gagnon, Natashquan and Fort Chimo.

The Gaspé region, covered by census divisions 02, 03, 04, 05, 06, 07, 08 and 09, has been designated, with the exception of the urban area of Rimouski. Included here are such centres as Rivière du Loup, Matane, Gaspé and New Carlisle.

The Magdalen Islands which is census division 01 have also been designated under the program.

In New Brunswick the northern and eastern parts of the province have been designated. These areas are located in the following census divisions: Kent 08, Northumberland 09, Madawaska 13, Restigouche 14 and Gloucester 15. Here can be found communities such as Edmundston, Campbellton, Bathurst, Chatham and Richibucto.

In Prince Edward Island, the area covered by the Kings census division 01 has been designated. This includes centres such as: Montague, Cardigan, Souris and Murray River.

In Nova Scotia, Cape Breton Island, which is covered by the counties of Inverness 15, Richmond 16, Cape Breton 17 and Victoria 18 census divisions, has been designated, as has the nearby part of the Eastern Shore covered by Guysborough 13 census division. Included are communities such as Port Hawkesbury, Ingonish, Sydney, Glace Bay, St. Peters and Canso.

In Newfoundland, Labrador, census division 10, and the coastal regions of the Island of Newfoundland, with the excep-